



## DEWAN HOUSING FINANCE CORPORATION LIMITED

Registered Office : Warden House, 2nd Floor, Sir P. M. Road, Fort, Mumbai - 400 001.

### Notice of Postal Ballot (Pursuant to Section 192A of the Companies Act, 1956)

Dear Shareholder(s),

Notice is hereby given, to the Members of Dewan Housing Finance Corporation Limited for passing the following resolution through Postal Ballot pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011 (including any statutory modification or re-enactment thereof for the time being in force).

In accordance with Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011, the consent of the shareholders is sought by way of postal Ballot. Accordingly, draft resolutions for the aforesaid purposes and the explanatory statement with reference thereto are enclosed along with a Postal Ballot Form for your consideration and doing the needful. Shri Mohammed Aabid of Aabid & Co., Company Secretaries has been appointed as Scrutinizer for conducting the postal ballot process. You are requested to carefully read the instructions printed on the Postal Ballot Form and return the Form (no other form or photocopy thereof is permitted) duly completed, indicating your assent (FOR) / dissent (AGAINST) for each resolution in the attached business reply envelope so as to reach the Scrutinizer **on or before the close of working hours on Wednesday, 18<sup>th</sup> January, 2012**. Please note that any Postal Ballot Form(s) received after closing hours of the said date will be treated as not having been received. The Scrutinizer will submit his report to the Chairman or Managing Director or any other Director of the Company after completion of the scrutiny of the postal ballots and the results thereof will be announced on **Thursday, 19<sup>th</sup> January, 2012**, at the Registered Office of the Company at Second Floor, Warden House Sir P. M. Road, Fort, Mumbai 400 001.

#### Special Business:

1. **Issue of Equity shares of the Company and/or other securities in the form of QIPs/ADRs/ GDRs/ FCCBs/ and or any other securities convertible into equity shares or Rights Issue or any combination pursuant to section 81 and 81(1A) of the Companies Act, 1956.**

*To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:-*

- (a) **RESOLVED THAT** pursuant to Sections 81 and 81 (1A), as the case may be, and subject to all other applicable provisions of the Companies Act, 1956 (including any modifications or re-enactments thereof, for the time being in force), Foreign Exchange Management Act, 1999 ("**FEMA**"), Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**SEBI Regulations**") and all other applicable statutory/regulatory requirements and in accordance with all relevant provisions of the memorandum and articles of Association of the Company and the listing agreements entered into by the Company with the stock exchanges where the Company's shares are listed and subject to any necessary approval, consent, permission and/ or sanction of the Government of India, Reserve Bank of India ("**RBI**"), the Securities and Exchange Board of India, ("**SEBI**"), and/ or any other appropriate authorities, including any other statutory/regulatory authority, banks, financial institutions or other creditors, and subject to such terms, conditions and modifications as may be prescribed by any of the aforesaid authorities in connection with granting any such approval, consent, permission, or sanction, and which may be agreed to by the board of directors of the Company (hereinafter referred to as the "**Board**" which term shall be deemed to include any committee which the Board may have duly constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution), the Company be and is hereby authorized to create, offer, issue and allot, by way of rights issue from time to time in one or more tranches, equity shares of face value Rs. 10 each, ("**Equity Shares**"), warrants exercisable for Equity Shares and/or any other security exercisable for, exchangeable for or convertible into Equity Shares, ("**Rights Securities**"), to the holders of Equity Shares of the

Company as on a specified record date and/or to such other persons, as may be statutorily/regulatorily permitted, *inter-alia* including any domestic/foreign institutions, institutional investors, banks, mutual funds, companies, bodies corporate, individuals and/or other entities, whether or not such persons are holders of Equity Shares of the Company, on a rights basis, ("**Rights Issue**"), and/or through a qualified institutions placement ("**QIP**") in pursuance of Chapter VIII of the SEBI Regulations, follow-on offer and/or global depository receipts, American depository receipts, foreign currency convertible bonds and /or non-convertible debentures along with warrants ("**NCDs and Warrants**") and/or any securities convertible into equity shares at the option of the Company and/or holder of securities, or a combination of the foregoing and/or securities linked to equity shares and/or securities with warrants including any instruments or securities representing either equity shares or a combination of the foregoing (hereinafter collectively referred to as "**Securities**") secured or unsecured, listed on any Stock Exchange inside India and/or any International Stock Exchange outside India, through an offer document and/or prospectus and/or offer letter and/or offering circular and/or listing particulars, as the Board in its sole discretion may at any time or times hereafter decide, to be issued at a price as per applicable regulations, provided however the total amount (including if the Securities have been issued at a premium) raised through the aforesaid Securities aggregating upto INR 500 Crores, or its equivalent for long-term working capital requirements of the Company (collectively, "**Issue**"), to permitted investors, through a letter of offer, offering circular, placement document, and/or such other relevant documents, in such manner and on such terms and conditions as may be determined by the Board in its absolute discretion at the time of the Issue, subject however to applicable statutory and/or regulatory requirements *inter-alia* including the SEBI Regulations and the Foreign Currency Convertible Bonds and Ordinary shares (through Depository Receipts Mechanism), 1993, as amended from time to time.

- (b) **RESOLVED FURTHER THAT** that without prejudice to the generality of the above and subject to all applicable laws, the securities may have all or any terms or combination of terms as are provided in issue of securities of such nature internationally and the Board is hereby authorized to enter into and execute all such arrangements/agreements as the case may be with any lead managers, managers, underwriters, advisors, guarantors, depositories, custodians and all such agencies as may be involved or concerned in such offerings of the Securities and to remunerate all such agencies including the payment of commissions, brokerage, fees or the like, and also to seek the listing of such Securities in one or more stock exchanges in India and/or overseas as the case may be.
- (c) **RESOLVED FURTHER THAT** in the event of issue of Securities by way of a QIP, the relevant date on the basis of which price of the resultant shares shall be determined as specified under applicable law, shall be the date of the meeting in which the Board or the committee of directors duly authorized by the Board decides to open the proposed issue of Securities or such other time as may be allowed under the SEBI Regulations, from time to time, and such price shall be subject to appropriate adjustments in accordance with the applicable SEBI Regulations.
- (d) **RESOLVED FURTHER THAT** where the NCDs and Warrants are offered in accordance with the SEBI Regulations:
- i. the amount to be raised from the issue of warrants shall not exceed the amount to be raised through the issue of secured redeemable non convertible debentures;
  - ii. the tenure of the warrants shall not be more than the tenure of the secured redeemable non convertible debentures; and
  - iii. the relevant date for determining the price of the equity shares to be issued upon conversion of the warrants shall be the date of the meeting in which the Board decides to open the proposed issue.
- (e) **RESOLVED THAT** pursuant to the provisions of FEMA, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, Notification No. FEMA 45/ 2001 RB dated September 20, 2001 issued by RBI and all other applicable statutory and/or regulatory requirements, and subject to all applicable approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities while granting such approvals, permissions, sanctions, which may be agreed to by the Board, consent of the Company be and is hereby accorded to the board of directors of the Company to permit foreign institutional investors (the "**FII**") registered with the SEBI to acquire and hold on their own account and on behalf of each of their SEBI approved sub-accounts, 60 % in aggregate of the total issued and paid up share capital of the Company and that the Company may offer, issue and allot equity shares and/or other securities convertible, exchangeable or exercisable for equity shares of the Company to FIIs subject to applicable

statutory and/or regulatory requirements.

- (f) **RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid and following resolutions the Finance Committee of the Board (“**Committee**”) be and are hereby authorised severally to do all such acts, deeds, matters and things as they may, in their absolute discretion deem necessary, desirable or expedient to any offer, issue, allotment of the aforesaid Securities, including their listing with the stock exchanges as may be deemed appropriate, and to resolve and settle all questions and difficulties that may arise in the proposed offer, issue and allotment of the aforesaid shares, as and when issued and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.
- (g) **RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred to the Committee and the Committee be and is hereby authorised to finalise and approve the required offer documents, including the offering circular, placement document draft letter of offer, the letter of offer, as the case may be and all other documents, agreements, deeds, acts and things in connection with the Issue and to authorise any director or directors of the Company or any other officer or officers of the Company to sign the above documents for and behalf of the Company together with the authority to amend, vary or modify the same as such authorised persons may consider necessary, desirable or expedient and for the purpose aforesaid to give such declarations, affidavits, certificates, consents and/or authorities as may, in the opinion of such authorised person, be required from time to time, and to arrange for the submission of the required offer documents, including the offering circular, placement document the letter of offer, as the case may be, and any amendments and supplements thereto, with any applicable stock exchanges, government and regulatory authorities, institutions or bodies, as may be required.
- (h) **RESOLVED FURTHER THAT** the Board/Committee be and is hereby authorised to issue to the holders of the Securities, equity shares underlying such Securities, subject to suitable adjustment in the number of shares, the price and the time period etc., in the event of any change in the equity capital structure of the Company consequent upon any merger, amalgamation, takeover or any other re-organisation or restructuring in the Company or of the capital of the Company.
- (i) **RESOLVED FURTHER THAT** the Board/Committee be and is hereby authorised to issue and allot such number of Securities as may be required to be issued and allotted under the Issue or as may be necessary in accordance with the terms of the offering, all such Securities (and in the case of convertible instruments including American depository receipts and global depository receipts, the securities which arise upon conversion) being *pari passu* with the then existing Securities of the Company in all respects.
- (j) **RESOLVED FURTHER THAT** the Committee be and is hereby authorised to do such acts, deeds and things the Committee, in its absolute discretion deems necessary or desirable in connection with the issue of the Securities and to give effect to these resolutions, including, without limitation, the following:
- (i) sign, execute and issue all documents necessary in connection with the issue of the Securities, including listing applications to stock exchanges and various agreements, undertakings, deeds, declarations;
  - (ii) seeking, if required, the consent of the Company’s lenders, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with the issue and allotment of the Securities;
  - (iii) giving or authorising the giving by concerned persons of such declarations, affidavits, certificates, consents and authorities as may be required from time to time; and
  - (iv) settling any questions, difficulties or doubts that may arise in regard to any such issue or allotment of the Securities as it may in its absolute discretion deem fit.
- (k) **RESOLVED FURTHER THAT** the Board/Committee be and is hereby authorized to open one or more bank accounts in the name of the Company with such bank or banks in India as may be required in connection with the Issue, and the director or directors of the Company or other officer or officers of the Company authorized by the

Board be and is or are hereby authorized to sign and execute the application form and other documents required for opening the said account/s, to operate the said account/s, and to give such instructions including closure thereof as may be required and deemed appropriate by them, and that the said bank/s be and is/are hereby authorized to honor all cheques and other negotiable instruments drawn, accepted or endorsed and instructions given by the aforesaid director/s and/or officer/s on behalf of the Company.

- (l) **RESOLVED FURTHER THAT** the common seal of the Company, if required to be affixed in India on any agreement, undertaking, deed or other document, be affixed in the presence of anyone or more of the directors of the Company or anyone or more of the officers of the Company as may be authorized by the Board in this regard, accordance with the Articles of the Association of the Company.
- (m) **RESOLVED FURTHER THAT** the Board and/or the Committee be and is hereby authorized to do such acts, deeds and things as the Board and/or the Committee in its absolute discretion deems necessary or desirable in connection with the Issue, including, without limitation, the following:
- i. finalization of the allotment of the Securities on the basis of the applications received;
  - ii. finalization of and arrangement for the submission of the relevant offer document, as may be required in the relevant regulations, including submission of the placement document and draft letter of offer to the stock exchanges and SEBI,, and any corrigendum, amendments supplements thereto;
  - iii. approval of the draft and final offer documents including amending, varying or modifying the same, as may be considered desirable or expedient as finalized in consultation with the lead managers, in accordance with all applicable laws, rules, regulations and guidelines;
  - iv. finalization of the basis of allotment in the event of over-subscription;
  - v. determining and fixing a record date for determining the holders of Equity Shares eligible to participate in the Rights Issue in case of a Rights Issue;
  - vi. determining the terms of the s Issue *inter alia* including the terms and conditions attached to the Rights Securities, the price and ratio at which at which they would be issued pursuant to the Rights Issue in case of a Rights Issue;
  - vii. acceptance and appropriation of the proceeds of the Issue;
  - viii. authorization of the maintenance of a register of holders of the Rights Securities in case of a Rights Issue;
  - ix. authorization of any director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorneys, to do such acts, deeds and things as such authorized person in his/her/ its absolute discretion may deem necessary or desirable in connection with the Issue and allotment of the Securities;
  - x. seeking, if required, the consent of the Company's lenders, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India, and any other consents that may be required in connection with the issue, offer and allotment of the Securities;
  - xi. seeking the listing of the Securities on the relevant stock exchange, submitting the listing application to such stock exchange and taking all actions that may be necessary in connection with obtaining such listing;
  - xii. giving or authorizing the giving by concerned persons of such declarations, affidavits, certificates, consents and authorities as may be required from time to time;
  - xiii. deciding the pricing and terms of the Securities, and all other related matters; and xiv. appointing the registrar to the issue, and other intermediaries, in accordance with applicable statutory/regulatory requirements, in relation to the Issue.
- (n) **RESOLVED FURTHER THAT** the acts, deeds and things already done by the Board or any designated officer of the Company in connection with the Issue be and are hereby confirmed, approved and ratified.

(0) **RESOLVED FURTHER THAT** the Board be and is hereby further authorised to delegate all or any of the powers herein conferred to the Board and the Committee, to the any director/s and/or any officer/s of the Company so as to give effect to any/all of the aforesaid resolutions.”

2. ***Increase in the limit of shareholding by registered Foreign Institutional Investors (“FIIs”) from 49% to 60% of the paid capital of the Company.***

*To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:*

“**RESOLVED THAT** pursuant to the provisions of Foreign Exchange Management Act, 1999, and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and all other applicable rules, & regulations, guidelines and laws (including any statutory modifications or re-enactment thereof for the time being in force) and subject to all applicable approvals, permissions and sanctions and subject to such conditions as may be prescribed by any the concerned authorities while granting such approvals, permissions, sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall include a duly authorized committee of Directors for the time being exercising the powers conferred by the Board of Directors), consent of the Company be and is hereby accorded to the Board of Directors of the Company to permit Foreign Institutional Investors (the “FII”) registered with the SEBI to acquire and hold on their own account and on behalf of each of their sub-accounts registered with SEBI, equity shares up to an aggregate limit of 60% (Sixty Percent) of the paid up equity share capital for the time being, provided, however, that the equity shareholding of each FII shall not exceed such limits as are or as may be prescribed, from time to time, under applicable laws, rules and regulations.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution including intimating the concerned authorities or such other regulatory body and for matters connected therewith on incidental thereto including delegating all or any of the powers conferred herein to any committee of Directors or any Directors or officer of the Company.”

By Order of the Board

Sd/-  
S. Y. Sankhe  
Company Secretary

Registered Office:  
Warden House, 2<sup>nd</sup> Floor,  
Sir P. M. Road,  
Fort, Mumbai - 400 001

Dated: 15<sup>th</sup> December, 2011

**NOTES:**

- (1) The Explanatory Statement and reasons pursuant to Section 173(2) read with Section 192A of the Companies Act, 1956 is annexed hereto and forms part of this Notice.
- (2) Shri Mohammed Aabid of Aabid & Co., Company Secretaries has been appointed as the Scrutinizer to receive and scrutinize the completed Postal Ballot Form from the Members. The Postal Ballot Form and the business reply envelope are enclosed for use of the Members.
- (3) All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public Holidays) between 11:00 a.m. and 1:00 p.m. upto Wednesday, 18<sup>th</sup> January, 2012.



## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

**1. Issue of Equity shares of the Company and/or other securities in the form of QIPs/ADRs/ GDRs/ FCCBs/ and or any other securities convertible into equity shares or Rights Issue or any combination pursuant to section 81 and 81(1A) of the Companies Act, 1956.**

The Company has been examining various growth opportunities from time to time. As a part of future growth strategy, it is necessary for the Company to supplement its resources by considering ways and means of raising long term finance for the Company's plan.

The Board of Directors of the Company by way circular resolution dated 15<sup>th</sup> December, 2011 proposed issue of equity shares of the Company and/or other securities in the form of QIPs /ADRs/ GDRs/ FCCBs/ and/or any other securities convertible into equity shares or Rights Issue or any combination pursuant to section 81 and 81(1A) of the Companies Act, 1956 as may be finalized by the Board or Committee thereof, up to INR 500 crore (Rupees Five Hundred Crore only) as detailed in the resolution at item no.1 of the Notice.

The purpose of the proposed issue of equity shares is to raise funds to augment long term resources, to enhance and strengthen the equity base and to meet the general business requirements of the Company. The proceeds of the proposed issue shall be utilized for any of the aforesaid purposes to the extent permitted by law. The Company proposes to issue equity shares based on the above resolution in one or more tranches as per applicable laws

Consent of the shareholders is sought for issuing Securities as stated in the Resolution, which would result in issuance of further Equity Shares of the Company in accordance with the terms and nature of the Securities. The Board, in consultation with its Lead Managers and other Advisors, will finalize detailed terms of the issue including the pricing of the issue which will be fixed keeping in view the guideline, issued by the Securities and Exchange Board of India (SEBI) and capital market conditions/practices, if any. The proposed Resolution is an enabling resolution to authorize the Board of Directors to mobilize adequate resources to meet the growing needs of the Company by further issue Equity shares of the Company and/or other securities in the form of QIPs/ADRs/ GDRs/ FCCBs/ and or any other securities convertible into equity shares or Rights Issue or any combination pursuant to section 81 and 81(1A) of the Companies Act, 1956, as the Board may deem fit.

Under the proposed Special Resolution, consent of the shareholders is sought pursuant to the provisions of Section 81 and all other applicable provisions of the Companies Act, 1956 and in terms of the provisions of the Listing Agreements executed by the Company with Stock Exchanges in India where the Company's Securities are listed.

Section 81 of the Companies Act, 1956 and clause 23 of the Listing Agreement provide, inter alia, that when it is proposed to increase the issued capital of a Company by allotment of further shares, such further shares shall be offered to the existing shareholders of the Company in the manner laid down in Section 81 unless the shareholders decide otherwise.

Since the Special Resolutions proposed may result in issue of Equity Shares of the Company otherwise than to the members of the Company consent of the Shareholders is also being sought pursuant to the provisions of Section 81(1A) and all other applicable provisions of the Companies Act, 1956 and the Listing Agreements.

The Board recommends the passing of resolution set out in Item No.1 as a Special Resolution.

None of the Directors of the Company is in any way are concerned or interested in the proposed resolution except to the extent of further shares, if any, that may be offered to them.

**2. Increase in the limit of shareholding by registered Foreign Institutional Investors ("FIIs") from 49% to 60% of the paid capital of the Company.**

At the extra-ordinary general meeting held on 18<sup>th</sup> May, 2010, the shareholders had approved the FII investment limit up to 49% of the paid up equity capital of the Company. It is anticipated that FIIs may subscribe for the securities proposed to be issued by the Company, and this may result in the aggregate shareholding of FIIs in the Company exceeding the aforesaid limit

The FIIs have assumed a crucial role in the Indian capital market. It is proposed to facilitate greater FII investment in the Company pursuant to listing its shares, which would not only provide depth and liquidity to the Company's shares but will also reflect the Company's commitment to the highest standards of disclosures, transparency, corporate governance, its operational efficiencies, global competitiveness and proven management track record. With increased participation by FIIs, the Board considers it desirable to increase the FIIs investment limit up to 60% for investment in the capital of the Company.

The Board believes that it is prudent to seek the approval of the shareholders of the Company to increase the limit for investment by FIIs in the Company to 60% of the paid up equity share capital, of the Company.

The Board recommends the passing of the resolution set out in Item No. 2 as a Special Resolution.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

By Order of the Board

Sd/-  
S. Y. Sankhe  
Company Secretary

Registered Office:  
Warden House, 2<sup>nd</sup> Floor,  
Sir P. M. Road,  
Fort, Mumbai - 400 001

Dated: 15<sup>th</sup> December, 2011