



Changing Rules Changing Lives

National Office : DHFL House, 3rd - 7th Floor,
19 Sahar Road, Off Western Express Highway,
Vile Parle (East), Mumbai - 400 099.
T: +91 22 7158 3333 / 2921 2333
F: +91 22 7158 3344

DHFL/CSD/2017-2018/ 997

Date: February 1, 2018

The Manager Listing Department The BSE Limited. Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai- 400 001.	The Manager Listing Department National Stock Exchange of India Limited, 'Exchange Plaza', C-1, Block G, Bandra- Kurla Complex, Bandra (East), Mumbai- 400 051.
Fax No. 2272 2082 / 3132	Fax No. 26598237 / 38
Kind Attn. DCS -CRD	Kind Attn. Head - Listing
Stock Code : 511072	Stock Code : DHFL

Dear Sirs,

Ref: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

In continuation to our letter dated 22nd January, 2018, please find enclosed herewith the Notice of Postal Ballot as approved by the Board of Directors at their meeting held on 22nd January, 2018, pursuant to Section 110 of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and other applicable provisions of the Companies Act 2013, for seeking the approval of the Members of the Company in respect of the business as mentioned therein.

The Notice of Postal Ballot along with explanatory statement is being sent through electronic means to all the Members whose e-mail addresses are registered with the Depository Participants or the Registrar and Share Transfer Agent(s) and; to the Members whose e-mail addresses are not registered, the physical copies are being sent through the permissible mode. The Postal Ballot Notice along with the Explanatory statement and Postal Ballot Form are also available on the Company's website i.e. www.dhfl.com

In compliance with the provisions of Sections 108, 110 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the Members, with the facility to exercise their votes through e-voting services as provided by National Securities Depository Limited (NSDL).





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The e-voting period commences on Friday, 2nd February, 2018 (9.00 a.m. IST) and ends on Saturday, 3rd March, 2018 (5.00 p.m. IST). The results of the Postal Ballot will be announced on Monday, 5th March, 2018 at the Registered Office of the Company and shall also be uploaded on the website of the Company.

Kindly acknowledge receipt and take the same on record.

Thanking you,

Yours faithfully,
for **Dewan Housing Finance Corporation Ltd.**


Niti Arya
Company Secretary
(FCS 5586)



Encl: as above



DEWAN HOUSING FINANCE CORPORATION LIMITED

Corporate Identity No. (CIN) – L65910MH1984PLC032639

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

Tel: +91 22 6106 6800; Fax: +91 22 2287 1985

National Office: DHFL House, 19 Sahar Road, Off Western Express Highway, Vile Parle (East), Mumbai - 400099, Maharashtra, India

Tel: (022) Tel: (022) 7158 3333, Fax: (022) 7158 3344

Toll free No.: 1800 22 3435 Customer Service No.: 1800 3000 1919; Website: www.dhfl.com; email: response@dhfl.com

NOTICE OF POSTAL BALLOT

[Pursuant to Section 110 of the Companies Act, 2013]

Dear Member(s),

Notice is hereby given to the Members of Dewan Housing Finance Corporation Limited, pursuant to Section 110 of the Companies Act, 2013 (the “**Companies Act**”), read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (the “**Management Rules**”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to other applicable laws and regulations, for seeking consent/approval of the Members of the Company in respect of the special business as mentioned at Item No. 1, through postal ballot.

An explanatory statement pursuant to Section 102 of the Companies Act and other applicable legal provisions, pertaining to the resolution mentioned at Item No. 1 setting out the material facts and the reason thereof, is also appended. The said Resolution and explanatory statement are being sent to you along with a postal ballot form for your consideration.

Members holding shares (whether in demat form or in physical form) may vote either by way of postal ballot or by way of remote e-voting. In case Members wish to exercise their vote by using remote e-voting facility, they are required to follow the instructions as mentioned in this Notice. Members who wish to vote through postal ballot form are requested to read the instructions printed on the Postal Ballot Form.

The Company, in compliance with Rule 22(5) and Rule 20(1)(ix) of the Management Rules, has appointed Mrs. Jayshree S. Joshi, Proprietress of M/s. Jayshree Dagli & Associates, Practising Company Secretaries, (FCS: 1451; CP No. 487) as the scrutinizer for the postal ballot process and remote e-voting.

SPECIAL BUSINESS:

1. To approve amendment to the Dewan Housing Finance Corporation Limited Employee Stock Appreciation Rights Plan 2015 by way of increasing the number of equity shares that can be allotted thereunder upon exercise of options

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

“**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (hereinafter referred to as “SEBI (SBEB) Regulations”) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions; and in partial modification of the Special Resolution passed by the Members of the Company on 23rd February, 2015 by Postal Ballot, the approval of the Members of the Company be and is hereby accorded for the amendment to the ‘**Dewan Housing Finance Corporation Limited Employee Stock Appreciation Rights Plan 2015**’ (hereinafter referred to as the “**DHFL ESAR Plan 2015**”/ “**the Plan**”) by way of increasing the number of Equity Shares of Rs.10/- each of the Company that can be allotted upon exercise of the options under the DHFL ESAR Plan 2015 to 2,67,82,046 (Two Crore Sixty Seven Lakh Eighty Two Thousand Forty Six only) equity shares from the present limit of 1,02,92,046 (One Crore Two Lakh Ninety Two Thousand Forty Six only) equity shares; and the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, Finance Committee, which the Board has constituted or may hereinafter constitute to exercise its powers, including the powers conferred by this resolution) be and is hereby authorized to create, issue, offer and grant, from time to time, Stock Appreciation Rights (SARs) to the permanent employees including directors (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company), whether whole-time or otherwise, whether working in India or out of India, as may be decided solely by the Board under the DHFL ESAR Plan 2015, exercisable into not more than 2,67,82,046 (Two Crore Sixty Seven Lakh Eighty Two Thousand Forty Six only) fully paid-up Equity Shares in the Company, in aggregate, of face value of Rs.10/- each, (taken together with the SARs already granted and the equity shares already allotted to the eligible employees by the Company from time to time under DHFL ESAR Plan 2015), directly or through an Employee Welfare Trust (herein after referred to as “Trust”) as may be set-up by the Company and at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board

in accordance with the provisions of the DHFL ESAR Plan 2015 (key terms of the same shall be as set out in the explanatory statement annexed hereto) and in due compliance with the applicable laws and regulations;

RESOLVED FURTHER THAT all actions taken by the Board in connection with the above and all incidental and ancillary things done be and are hereby specifically approved and ratified;

RESOLVED FURTHER THAT the Board and any committee formed for this purpose be and are hereby authorised to issue and allot Equity Shares upon exercise of SARs from time to time in accordance with the DHFL ESAR Plan 2015 and such Equity Shares shall rank *pari-passu* in all respects with the then existing Equity Shares of the Company;

RESOLVED FURTHER THAT the number of SARs that may be granted per employee including any Director (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company) of the Company, in any financial year and in aggregate under the DHFL ESAR Plan 2015 shall be less than 1% of the issued Equity Share Capital (excluding outstanding warrants and conversions) of the Company;

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and sale of division/undertaking or other re-organisation, change in capital and others, if any additional Equity Shares are required to be issued by the Company to the Shareholders, the ceiling as aforesaid of 2,67,82,046 (Two Crore Sixty Seven Lakh Eighty Two Thousand Forty Six only) Equity Shares shall be deemed to increase in proportion of such additional Equity Shares issued to facilitate making a fair and reasonable adjustment;

RESOLVED FURTHER THAT in case the Equity Shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the SAR grantees under the DHFL ESAR Plan 2015 shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 10/- per Equity Share bears to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said SAR grantees;

RESOLVED FURTHER THAT the Board be and is hereby authorized to make necessary amendments to the DHFL ESAR Plan 2015, evolve, decide upon and bring into effect the amended Scheme / Plan / DHFL ESAR Plan 2015 as per the terms approved in this resolution and at any time to modify, change, vary, alter, amend, suspend or terminate the DHFL ESAR Plan 2015 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may at its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the DHFL ESAR Plan 2015 and do all other things incidental and ancillary thereof;

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI (SBEB) Regulations and any other applicable laws and regulations to the extent relevant and applicable to the DHFL ESAR Plan 2015;

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the Equity Shares allotted under the DHFL ESAR Plan 2015 on the Stock Exchanges, where the Equity Shares of the Company are listed as per the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 and other applicable guidelines, rules and regulations;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, at its absolute discretion, deems necessary including authorizing or directing the appointment of Merchant Bankers, Brokers, Solicitors, Registrars, Advertisement Agency, Compliance Officer, Investors Service Centre and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of the amended DHFL ESAR Plan 2015 as also to prefer applications to the appropriate Authorities, Parties and the Institutions for their requisite approvals as also to initiate all necessary actions for the preparation and issue of public announcement and filing of public announcement, if required, with the SEBI/Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard."

**By order of the Board of Directors
For Dewan Housing Finance Corporation Limited**

Sd/-

**Niti Arya
Company Secretary
FCS – 5586**

National Office:
DHFL House, 19 Sahar Road, Off Western Express Highway,
Vile Parle (East), Mumbai – 400099, Maharashtra, India.

Date: 22nd January, 2018

Place: Mumbai

NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business under Item No. 1 is annexed hereto and also forms part of the Notice.
2. A copy of the Notice is also available on the website of the Company at www.dhfl.com, the website of Link Intime India Private Limited at www.linkintime.co.in, the website of National Securities Depository Limited at www.evoting.nsdl.com and on the website of the BSE Limited at www.bseindia.com and the website of the National Stock Exchange of India Limited at www.nseindia.com.
3. The Postal Ballot Notice is being sent to all the Members, whose names appear on the Register of Members as received from the Registrar & Share Transfer Agents and List of Beneficial Owners as received from National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL) as on the cut-off date i.e. 19th January, 2018. The voting rights shall be reckoned in proportion to the paid-up equity share capital held by the Members as on 19th January, 2018 and a person who is not a Member of the Company as on the cut-off date should treat this Notice for information purposes only. The voting rights for the equity shares are one vote per equity share, registered in the name of the Member.
4. The Company has appointed Mrs. Jayshree S. Joshi, Proprietress of M/s. Jayshree Dagli & Associates, Practicing Company Secretaries, Mumbai as Scrutinizer for scrutinising the Postal Ballot process in a fair and transparent manner.
5. Members desiring to exercise their vote through the Postal Ballot Form are requested to read carefully the instructions printed on the Postal Ballot Form.
6. The Members who are voting through the Postal Ballot Form must return the same duly completed in the enclosed postage prepaid self-addressed envelope. An unsigned Postal Ballot Form will be rejected. Postage will be borne and paid by the Company. However, Postal Ballot Form(s), if sent by courier or by registered post at the expense of the Member(s) will also be accepted. The Postal Ballot Form(s) can also be deposited personally at the Registered Office of the Company. The Postal Ballot Forms(s) should reach the Scrutinizer not later than the close of working hours i.e. 5.00 p.m. on Saturday, 3rd March, 2018 to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member.
7. In compliance with the provisions of Sections 108, 110 of Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to the Members, facility to exercise their votes through electronic means and vote on the Resolution(s) through e-voting services provided by National Securities Depository Limited (NSDL).
8. **Voting through electronic means:** The details of the process and manner of e-voting are explained herein below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:

How to Log-into NSDL e-Voting website?

- (i) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- (ii) Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- (iii) A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- (iv) Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is as under:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.

c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** EVEN Number is mentioned at the bottom of the Postal Ballot Form.
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- (v) Your password details are given below:
- (a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - (b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which has been communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - (c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address and is mentioned at bottom of the Postal Ballot Form.
- (vi) If you are unable to retrieve the "Initial password" or have forgotten your password:
- a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nSDL.com.
 - b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nSDL.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
- (vii) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- (viii) Now, you will have to click on "Login" button.
- (ix) After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

- (i) After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- (ii) After click on Active Voting Cycles, you will be able to see all the companies' "EVEN" in which you are holding shares and whose voting cycle is in active status.
- (iii) Select "EVEN" of company for which you wish to cast your vote.
- (iv) Now you are ready for e-Voting as the Voting page opens.
- (v) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- (vi) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (vii) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- (viii) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:

- (i) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "**Forgot User Details/Password?**" or "**Physical User Reset Password?**" option available on www.evoting.nSDL.com to reset the password.
- (ii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the download section of www.evoting.nSDL.com or call on toll free no.: 1800-222-990. In case of any queries or grievances connected with e-voting, Members may contact Mr. Dnyanesh Gharote on 49186000 or at dnyanesh.gharote@linkintime.co.in.

- (iii) The e-voting period commences on Friday, 2nd February, 2018 (9.00 a.m. IST) and ends on Saturday, 3rd March, 2018 (5.00 p.m. IST). During this period, the Members of the Company holding shares either in physical form or in dematerialized form as on the cut-off date i.e. 19th January, 2018, may cast their vote through e-voting. The e-voting module shall be disabled/blocked by NSDL for voting thereafter. Once the vote on a resolution(s) is cast by the Member, he/ she shall not be allowed to change it subsequently.
9. In case of shares held by companies, trusts, societies, etc. the duly completed Postal Ballot Form should be accompanied by a certified copy of the Board Resolution/ Authority letter etc. together with attested specimen signature(s) of the duly authorized signatory/ies, giving requisite authority to the person voting on the Postal Ballot Form, in case the voting is done in the physical form. In case, the said Members are voting through electronic means, they are requested to send the aforesaid documents together with the specimen signature of authorized signatory to the scrutinizer through e-mail at (i) jayshreedagli@gmail.com or (ii) jayshreedagli@rediffmail.com and with a copy marked to e-voting@nsdl.co.in.
10. In case the shares are jointly held, for the Members voting through physical Postal Ballot Form, the said form should be completed and signed (as per the specimen signature registered with the Company) by the first named Member and in his/her absence, by the next named Member and for the Members voting through electronic means, e-voting to be done by the first named Member and in his/her absence by the next named Member.
11. The vote (through physical Postal Ballot Form/e-voting) in this Postal Ballot Process cannot be exercised through proxy.
12. **Kindly note that Members can opt for only one mode of voting i.e. either by Postal Ballot Form or remote e-voting. In case of receipt of vote by both the modes, voting through remote E-Voting shall prevail and voting by Postal Ballot Form shall be treated as invalid.**
13. Any query in relation to the Resolution(s) proposed to be passed by Postal Ballot may be sent to the Company Secretary, Dewan Housing Finance Corporation Ltd., at the Registered Office of the Company at, Warden House, 2nd Floor, Sir P. M. Road, Fort, Mumbai - 400001 or at e-mail id – secretarial@dhfl.com.
14. The Scrutinizer will submit her report to the Chairman & Managing Director or in his absence to the Joint Managing Director & Chief Executive Officer, after scrutiny of the Postal Ballot Forms and voting by the Members through electronic means and the consolidated results of the voting shall be declared by the Chairman & Managing Director, or in his absence, by Joint Managing Director & Chief Executive Officer, on Monday, 5th March, 2018, at the Registered Office of the Company at Warden House, 2nd Floor, Sir P.M. Road, Fort, Mumbai – 400 001 and at the National Office of the Company at DHFL House, 19 Sahar Road, Off Western Express Highway, Vile Parle (East), Mumbai - 400099, Maharashtra, India. The resolution(s) will be taken as passed on the last date specified by the Company for receipt of duly completed postal ballot forms or e-voting i.e. Saturday, 3rd March, 2018, “deemed date of passing of the resolution(s)”, if the result of the Postal Ballot indicates that the requisite majority of the Members had assented to the resolution(s). The result of the voting by Postal Ballot shall also be announced on the website of the Company i.e. www.dhfl.com, besides communicating to BSE Ltd. and National Stock Exchange of India Ltd.
15. The Scrutinizer’s decision on the validity or otherwise of the Postal Ballot will be final.
16. All relevant documents referred in the Postal Ballot Notice shall be open for inspection at the Registered Office of the Company on all working days (except Saturdays, Sundays and public holidays) between 2.00 p.m. to 5.00 p.m. upto the last date of receipt of Postal Ballot Forms as specified in this Notice.
17. In case a Member has not received the Postal Ballot Form or is otherwise desirous of obtaining a printed postal ballot form or a duplicate copy, he/she may send an e-mail to the Company at: secretarial@dhfl.com.
18. Postal Ballot Notice is being sent to the Members in electronic form to the e-mail addresses registered with their Depository Participants or Registrar & Share Transfer Agents. For Members whose e-mail addresses are not registered, physical copies of the Postal Ballot Notice are being sent by permitted mode along with postage prepaid self-addressed envelope.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 1

Pursuant to the resolution passed by the Board of Directors of the Company, at its meeting held on 16th January, 2015 and the special resolution passed by the Members of the Company on 23rd February, 2015 through Postal Ballot, the Dewan Housing Finance Corporation Limited Employee Stock Appreciation Rights Plan 2015 (“DHFL ESAR Plan 2015” / “the Plan”) was approved in accordance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (SEBI (SBEB) Regulations), exercisable into not more than 51,46,023 fully paid-up equity shares in aggregate, having face value of Rs. 10/- each.

Consequent to the bonus shares issued by the Company to its Members in the ratio 1:1 during the financial year 2015-16, the total number of employee Stock Appreciation Rights (SARs) also increased in the same ratio i.e. exercisable into not more than 1,02,92,046 fully paid up equity shares. From the said aggregate number, the Company has, so far, granted in aggregate 92,01,545 SARs to the eligible employees from time to time.

The business operations of the Company have been expanding over last few years and the Company continues to expand its extensive network across the country to reach out to every potential customer. The Company is a valued employer brand with a compelling employee value proposition. The Company consistently focuses on talent acquisition and retention to ensure sustainable growth. The Company believes in rewarding its employees for their continuous hard work, dedication and support, which has led the Company on the growth path. Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through share based compensation scheme/ plan.

In view of the successful implementation of DHFL ESAR Plan 2015 and to attract and retain key talent working with the Company by way of rewarding their performance and motivating them to contribute to the overall corporate growth and profitability, the Board of Directors of the Company at its meeting held on 22nd January, 2018, on the basis of recommendations of Nomination & Remuneration Committee (NRC) and subject to the approval of Members of the Company, approved amendment to the DHFL ESAR Plan 2015 by increasing the number of equity shares that can be allotted thereunder to 2,67,82,046 (Two Crore Sixty Seven Lakh Eighty Two Thousand Forty Six only) equity shares from the present limit of 1,02,92,046 (One Crore Two Lakh Ninety Two Thousand Forty Six only) equity shares.

The Company seeks Members' approval in respect of the aforesaid amendment to the DHFL ESAR Plan 2015. Pursuant to SEBI (SBEB) Regulations and SEBI Circular No. CIR/CFD/ POLICY CELL/2/2015 dated 16th June, 2015, the key terms of the DHFL ESAR Plan 2015 are as follows:

1. Brief description of DHFL ESAR Plan 2015:

In view of the successful implementation of DHFL ESAR Plan 2015 and with a view to have further flexibility with the Company to grant additional SARs over and above the balance SARs available under DHFL ESAR Plan 2015, the Company intends to increase the number of equity shares that can be allotted under DHFL ESAR Plan 2015 to the eligible employees, with a view to attract and retain key talent working with the Company by way of rewarding their performance and motivating them to contribute to the overall corporate growth and profitability.

2. The total number of SARs to be granted:

Upon approval of the amendment to DHFL ESAR Plan 2015 as proposed herein, such number of SARs would be available for grant to the eligible employees of the Company under DHFL ESAR Plan 2015, in one or more tranches exercisable into not exceeding 2,67,82,046 (Two Crore Sixty Seven Lakh Eighty Two Thousand Forty Six only) Equity Shares in aggregate in the Company of face value of Rs. 10/- each fully paid-up (taken together with the SARs already granted and the equity shares already allotted to the eligible employees by the Company from time to time under DHFL ESAR Plan 2015).

If the settlement results in fractional equity shares, then the consideration for fractional shares shall be as may be decided by the Board of Directors or Nomination & Remuneration Committee or Finance Committee of the Board.

Vested SARs lapsed due to non-exercise and/or unvested SARs that get cancelled due to resignation/ termination of the employees or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed / cancelled SARs as per the provisions of DHFL ESAR Plan 2015, within overall ceiling.

The SEBI (SBEB) Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division, and others, a fair and reasonable adjustment needs to be made to the SARs granted. Accordingly, if any additional Equity Shares are required to be issued pursuant to any corporate action, the above ceiling of Equity Shares shall be deemed to increase in proportion of such additional Equity Shares issued subject to compliance of the SEBI (SBEB) Regulations.

3. Identification of classes of employees entitled to participate and be beneficiaries in DHFL ESAR Plan 2015:

Following classes of employees are entitled to participate in DHFL ESAR Plan 2015:

- a) Permanent employees of the Company working in India or out of India;
- b) Directors of the Company; and

Following persons are not eligible:

- a) an employee or a Director, who is a Promoter or belongs to the Promoter Group;
- b) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company; and
- c) an Independent Director within the meaning of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges.

4. Requirements of vesting and period of vesting:

The SARs granted shall vest so long as an employee continues to be in the employment of the Company as the case may be. The Nomination and Remuneration Committee may, at its discretion, lay down certain performance metrics / criteria's on the

achievement of which such SARs would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which SARs granted would vest subject to the minimum vesting period of 1 year.

SARs granted under DHFL ESAR Plan 2015 would vest after One (1) year but not later than Seven (7) years from the date of grant of such SARs. Vesting of SARs would be subject to continued employment with the Company as the case may be and certain performance parameters.

The Nomination and Remuneration Committee may also specify certain performance parameters subject to which the SARs would vest.

5. Maximum period within which the SARs shall be vested:

SARs granted under DHFL ESAR Plan 2015 would vest subject to maximum period of 7 years from the date of grant of such SARs.

6. Exercise Price, SAR price or pricing formula:

The SAR price per SARs shall be equal to a price not less than face value of the shares and not more than the prevailing Fair Market Value of the shares as on the date of Grant, as determined by the Board / Nomination and Remuneration Committee / Finance Committee from time to time.

Market price in this context refers to the meaning assigned to it under the SEBI (SBEB) Regulations.

SARs granted to the eligible employees of the Company, confer upon them a right to receive Equity Shares equivalent to the Appreciation in the value of the shares of the Company as per the terms of DHFL ESAR Plan 2015. "Appreciation" means the excess of market price of the equity shares of the Company on the date of exercise of SARs over the SAR price.

7. Exercise period and process of exercise:

The vested SARs shall be allowed for exercise on and from the date of vesting. The vested SARs needs to be exercised within a maximum period of 3 years from the date of vesting of such SARs.

The vested SARs shall be exercisable by the employees by a written application to the Trust or Company expressing his/her desire to exercise such SARs in such manner and on such format as may be prescribed by the Trust/ Nomination and Remuneration Committee / Finance Committee from time to time. The SARs shall lapse if not exercised within the specified exercise period.

8. The appraisal process for determining the eligibility of employees under DHFL ESAR Plan 2015:

The appraisal process for determining the eligibility of the employees will be decided by the Nomination and Remuneration Committee from time to time.

The employees would be granted SARs under the DHFL ESAR Plan 2015 based on various parameters such as performance rating, period of service, rank or designation and such other parameters as may be decided by the Nomination and Remuneration Committee from time to time.

9. Maximum number of SARs to be issued per employee and in aggregate and Maximum quantum of benefits to be provided per employee:

The number of SARs that may be granted per employee of the Company under the Plan, in any financial year and in aggregate under the DHFL ESAR Plan 2015 shall be less than 1% of the issued Equity Share Capital (excluding outstanding warrants and conversions) of the Company.

10. Whether DHFL ESAR Plan 2015 is to be implemented and administered directly by the company or through a trust:

DHFL ESAR Plan 2015 may be implemented and administered directly by the Company or through a Trust or both as may be determined by the Nomination and Remuneration Committee.

11. Whether the DHFL ESAR Plan 2015 involves new issue of shares by the company or secondary acquisition by the trust or both:

Upon approval of the amendment to DHFL ESAR Plan 2015 as proposed herein, the Company would be entitled to allot not exceeding 2,67,82,046 (Two Crore Sixty Seven Lakh Eighty Two Thousand Forty Six only) Equity Shares, in aggregate, of face value of Rs. 10/- each fully paid-up (taken together with the equity shares already allotted to the eligible employees by the Company upon exercise of SARs granted to them from time to time under DHFL ESAR Plan 2015).

12. The amount of loan to be provided for implementation of DHFL ESAR Plan 2015 by the Company to the trust, its tenure, utilization, repayment terms, etc.:

No loan will be provided by the Company for implementation of DHFL ESAR Plan 2015.

13. Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made

by the trust for the purposes of the scheme(s):

Not applicable

14. A statement to the effect that the Company shall conform to the accounting policies specified in Regulation 15:

The Company shall comply with the accounting policies as per the 'Guidance Note on Accounting for Employee Share-based Payments' and/or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein.

15. The method which the Company shall use to value its SARs:

To calculate the employee compensation cost, the Company shall use the Intrinsic Value method for valuation of the SARs granted. The difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the SARs and the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' report.

The consent of the Members of the Company is being sought pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per SEBI (SBEB) Regulations.

The Board of Directors of the Company recommends the Resolution to be passed as a Special Resolution as set out at Item No.1 of the accompanying Postal Ballot Notice for the approval of the Members of the Company through Postal Ballot Process.

None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution, except to the extent of their entitlements, if any, under the DHFL ESAR Plan 2015.

**By order of the Board of Directors
For Dewan Housing Finance Corporation Limited**

Sd/-

**Niti Arya
Company Secretary
FCS – 5586**

National Office:
DHFL House, 19 Sahar Road,
Off Western Express Highway,
Vile Parle (East),
Mumbai – 400099, Maharashtra, India.

Date: 22nd January, 2018

Place: Mumbai