CERTIFIED TRUE COPY
For Dewan Housing Finance Corporation Ltd.
Niti Arya
Company Secretary

DHFL
Changing Rules Changing Lives

DEWAN HOUSING FINANCE CORPORATION LIMITED

Corporate Identification Number (CIN) – L65910MH1984PLC032639
Corporate Office : TCG Financial Centre, 10th Floor, BKC Road, Bandra Kurla Complex, Bandra (East), Mumbai – 400098.
Tel. : (022) 6600 6999, Fax: (022) 6600 6998
Registered Office : Warden House, 2nd Floor, Sir P. M. Road, Fort, Mumbai - 400 001.
Toll Free No. 1800 22 3435, Customer Care No. : (0124) 4092750, Visit us at : 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 for passing the following Special Resolutions through Postal Ballot pursuant to Section 110 of the Companies Act, 2013, read with Rule 22 of The Companies (Management and Administration) Rules, 2014, (including any statutory modification or re-enactment thereof for the time being in force).The resolutions and explanatory statement setting out the material facts and related particulars with reference thereto, are enclosed along with a Postal Ballot Form for your consideration.

You are requested to read carefully 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 postage prepaid self addressed envelope so as to reach the Scrutinizer on or before the close of working hours i.e. 6.00 p.m. on Saturday, 21st February, 2015. Please note that any Postal Ballot Form(s) received after closing hours of the said date will be treated as not having been received.

E-voting Option:

In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement with the Stock Exchanges, the Company is pleased to provide the members, with the facility to exercise their right to vote on the matters included in the Postal Ballot Notice by electronic means i.e. through e-voting services provided by National Securities Depository Limited (NSDL). The e-voting period commences on Friday,23rd January, 2015 (9 a.m.) and ends on Saturday, 21st February, 2015 (6.00 p.m.). Please read carefully and follow the instructions on e-voting as printed in this notice.

The Board of Directors of the Company (the "Board") has appointed Mrs. Jayshree S. Joshi, Proprietress of M/s. Jayshree Dagli & Associates, Practicing Company Secretaries, Mumbai as Scrutinizer for conducting the Postal Ballot process and also to scrutinize the e-voting process in a fair and transparent manner.

The Scrutinizer will submit her Report to the Chairman & Managing Director or any other person authorized by the Chairman & Managing Director of the Company after completion of the scrutiny of the postal ballots received in physical form and through e-voting process and the results thereof will be announced on Monday, 23rd February, 2015, at 5.00 p.m., at the Registered Office of the Company at Second Floor, Warden House, Sir P. M. Road, Fort, Mumbai 400001. The results of the Postal Ballot shall also be displayed at the said address and posted on the Company's website i.e. www.dhfl.com besides communicating to BSE Limited and National Stock Exchange of India Limited. The results of the postal ballot shall also be published through advertisement in the newspaper.

SPECIAL BUSINESS:

Items of businesses requiring consent of Members through Postal Ballot:

1. **Issue of Securities for an aggregate amount not exceeding ₹ 1,000 crore or equivalent thereof.**

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

"RESOLVED THAT pursuant to the provisions of Section 41, 42, 62(1)(c) ,71 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any amendment(s) thereto or re-enactment thereof) and the provisions of Chapter VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, ("SEBI (ICDR) Regulations"),provisions of the Foreign Exchange Management Act, 2000 (the "FEMA"), Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by Government of India (the "GOI"), the Reserve Bank of India (the "RBI"), the Securities and Exchange Board of India ("SEBI") and/or any other competent authorities and the enabling provisions of the Memorandum of Association and Articles of Association of the Company, the Listing Agreements entered into by the Company with the stock exchanges on which the Company's shares are listed (and any amendment thereto) and subject to necessary approvals, permissions, consents and sanctions from Ministry of Finance (Department of Economic Affairs) and of Ministry of Industry (Foreign Investment Promotion Board/Secretariat for Industrial Assistance) and the SEBI and from such other concerned statutory and other authorities, as may be required and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any committee thereof), the consent, authority and approval of the Company be and is hereby

accorded to the Board to create, offer, follow on offer, issue and allot (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons including employees of the Company as may be permitted), with or without a green shoe option, either in India or in the course of international offering(s) in one or more foreign markets, such number of Equity shares, Global Depository Receipts ("GDRs"), American Depository Receipts ("ADRs"), Foreign Currency Convertible Bonds ("FCCBs"), Optionally Convertible Debentures, Fully Convertible Debentures, Partly Convertible Debentures and/or any other financial instruments convertible into Equity Shares (including warrants or otherwise, in registered or bearer form) and/or any security convertible into Equity Shares with or without voting/special rights and/or securities linked to Equity Shares and/or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Shares, including the issue and allotment of equity shares pursuant to a green shoe option, if any (all of which are hereinafter collectively referred to as "Securities") or any combination of Securities, in one or more tranches, whether rupee denominated or denominated in foreign currency, to any eligible person, as permitted under applicable law including Qualified Institutional Buyers("QIB")(as defined in SEBI (ICDR) Regulations, pursuant to a Qualified Institutions Placement, as provided under Chapter VIII of the SEBI (ICDR) Regulations),foreign/resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), Venture Capital Funds (foreign or Indian), Foreign Institutional Investors, Foreign Portfolio Investors, Indian and/or Multilateral Financial Institutions, Mutual Funds, Non-Resident Indians, stabilizing agents and/or any other categories of investors, (collectively called the "Investors") whether or not such Investors are members of the Company or not, as may be decided by the Board in their discretion and permitted under applicable laws and regulations, of an aggregate amount not exceeding ₹ 1,000 crore or equivalent thereof in one or more foreign currency and/or Indian rupees, inclusive of such premium as may be fixed on such Securities by offering the Securities in one or more countries through public issue(s) of prospectus, private placement(s), Qualified Institutions Placement, follow-on offer, or a combination thereof at such time or times, at such price or prices, at a discount or premium to market price or prices in such manner and on such terms and conditions including security, rate of interest, etc., as may be deemed appropriate by the Board at its absolute discretion, considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead manager(s) and/or other advisor(s) as the Board deems appropriate and such securities as issued to QIBs, shall be fully paid up and the allotment of such Securities shall be completed within 12 (twelve) months from the date of passing of this resolution or such other time as may be allowed by the SEBI (ICDR) Regulations from time to time, at such price being not less than the price determined in accordance with the pricing formula of the aforementioned SEBI (ICDR) Regulations."

"RESOLVED FURTHER THAT in case of Qualified Institutions Placement as per the provisions of Chapter VIII of SEBI (ICDR) Regulations, the Relevant Date for determination of the floor price of the Equity Shares to be issued shall be –

i) In case of allotment of Equity Shares, the date of meeting in which the Board decides to open the proposed issue.

ii) In case of allotment of eligible convertible securities, either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares, as may be determined by the Board."

"RESOLVED FURTHER THAT the Equity Shares shall be offered, issued and allotted under Chapter VIII of SEBI (ICDR) Regulations to Qualified Institutional Buyers at such price to be determined by the Board at its absolute discretion, subject to compliance with the SEBI (ICDR) Regulations and/or other applicable law, including, if permitted, at a discount of not more than 5% or such other discount as may be permitted or premium to the floor price under the SEBI (ICDR) Regulations."

"RESOLVED FURTHER THAT the equity shares to be so allotted shall be subject to the Memorandum of Association and Articles of Association of the Company and shall rank *pari-passu* in all respects with the existing equity shares of the Company including rights in respect of dividend."

"**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution the Board be and is hereby authorized to engage / appoint the Lead Managers, Legal Advisors, Guarantors, Depositories, Custodians, Registrars, Stabilizing Agent, Trustees, Bankers, Advisors and all such agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc. with such agencies, to seek the listing of such Securities on one or more National and/ or International Stock Exchange(s)."

"RESOLVED FURTHER THAT all or any of the powers conferred on the Company and the Board vide this resolution may be exercised by the Board or Finance Committee of the Board or any other Committee of the Board or by any one or more Directors of the Company with power to delegate to any Officer of the Company, as the Board or the Finance Committee may in its absolute discretion decide in this behalf and also to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, desirable or expedient to any offer, issue, allotment of the aforesaid Securities, including their listing with the stock exchanges and utilization of the issue proceeds 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 securities, as and when issued and to do all acts, deeds and things in connection therewith and incidental thereto as the Board or Finance Committee or such other Committee 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."

2. **Approval of Dewan Housing Finance Corporation Limited Employee Stock Appreciation Rights Plan 2015 and grant of Stock Appreciation Rights (SARs) to the employees of the Company thereunder**

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; approval and consent of the Company be and are hereby accorded respectively to the **'Dewan Housing Finance Corporation Limited Employee Stock Appreciation Rights Plan 2015'** (hereinafter referred to as the **"DHFL ESAR 2015"/ "Plan"**) and to 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 to exercise its powers, including the powers, conferred by this resolution) to create, issue, offer and grant from time to time up to 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 Plan, exercisable into not more than 51,46,023 (Fifty One lakh Forty Six Thousand and Twenty Three) fully paid-up Equity Shares in the Company in aggregate of face value of Rs.10 each, directly or through an Employee Welfare Trust (herein after referred to as "Trust") 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 Plan 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 are hereby specifically approved and ratified."

"RESOLVED FURTHER THAT the Board and any committee formed for this purpose be and is hereby authorised to issue and allot Equity shares upon exercise of SARs from time to time in accordance with the DHFL ESAR 2015 and such Equity shares shall rank *paripassu* in all respects with the then existing Equity Shares of the Company."

"RESOLVED FURTHER THAT the number of Stock Appreciation Rights that may be granted per employee including 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 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 51,46,023 (Fifty One lakh Forty Six Thousand and Twenty Three) 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 schemes 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 allottees."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to formulate, evolve, decide upon and bring into effect the Scheme /Plan / DHFL ESAR 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 2015 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as 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 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 2015."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the securities allotted under the DHFL ESAR 2015 on the Stock Exchanges, where the securities of the Company are listed as per the provisions of the Listing Agreement with the concerned Stock Exchanges and other applicable guidelines, rules and regulations."

"RESOLVED FURTHER THAT the Board, be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary including authorizing or directing the Trust to appoint 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 DHFL ESAR 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."

3. **Approval of Trust route for the implementation of Dewan Housing Finance Corporation Limited Employee Stock Appreciation Rights Plan 2015.**

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, Regulation 6 of the 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, approval of the Company be and is hereby accorded to 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 & Remuneration Committee, Finance Committee, which the Board has constituted to exercise its powers, including the powers, conferred by this resolution) to implement **'Dewan Housing Finance Corporation Limited Employee Stock Appreciation Rights Plan 2015'** (hereinafter referred to as the **"DHFL ESAR 2015"/ "Plan"**) through an Employee Welfare Trust (hereinafter referred to as "Trust") and the Trust to subscribe, acquire, hold and deal in Equity Shares of the Company for the purpose of implementation of DHFL ESAR 2015, or for any other purpose(s) as contemplated under and in due compliance with the provisions of the SEBI (SBEB) Regulations."

By Order of the Board

Sd/-
Niti Arya
Company Secretary

Date: 16th January, 2015
Place : Mumbai

NOTES:

1. The Explanatory Statement and reasons for the proposed Special Resolutions pursuant to Section 102 of the Companies Act, 2013 read with Section 110 of the Companies Act, 2013 setting out material facts is annexed to this Notice.
2. The Notice is being sent to all the Members, whose names appear on the Register of Members/list of Beneficial Owners as received from National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) as on Friday, 16th January, 2015. The voting shall be reckoned in proportion to the paid up equity share capital held by the Members as on Friday, 16th January, 2015. The voting rights for the equity shares are one vote per equity share, registered in the name of the Member.
3. In compliance with the provisions of Section 108 of Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement with the Stock Exchanges, the Company is pleased to provide to members, facility to exercise their right to vote on the resolutions sent through the Postal Ballot by electronic means i.e. through e-voting services provided by National Securities Depository Limited (NSDL).
4. The Company has appointed Mrs. Jayshree S. Joshi, Proprietress of M/s. Jayshree Dagli & Associates, Practicing Company Secretaries, Mumbai as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.
5. Members desiring to exercise their vote through physical Postal Ballot are requested to read carefully the instructions printed on the Postal Ballot Form.
6. The Members voting through physical Postal Ballot form must return the same duly completed in the attached 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(s), if sent by courier or by registered post at the expense of the Member(s) will also be accepted. The Postal Ballot(s) can also be deposited personally. The Postal Ballot(s) should reach the Scrutinizer not later than the close of working hours i.e. 6.00 p.m. on Saturday, 21st February, 2015 to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member.
7. The Instructions for the Members of the Company for voting electronically are as under :
   (i). For Members whose email addresses have been registered: Please download PDF file "DHFL e-voting.pdf" to get your "User ID" and "Password" for e-voting by using your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as default password.
   (ii). For Members who have not registered their email ids: Please refer to the user id and password printed on the Postal Ballot Form.
   (iii). Please note that the password is an initial password.
   (iv). Launch internet browser by typing the URL https://www.evoting.nsdl.com.
   (v). Click on "Shareholder Login".
   (vi). Put User ID and password as initial password noted in step (i) and (ii) above and Login
   (vii). Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/ characters or combination thereof.
   (viii). Please note that we strongly recommend that you do not share your new password with any other person and to take utmost care to keep your password confidential.
   (ix). Home page of "e-Voting" opens. Click on – e-voting - Active Voting Cycles

(x). Select "EVEN' of Dewan Housing Finance Corporation Limited.

(xi). Now you are ready for e-Voting as "Cast Vote" page opens.

(xii). Cast your vote by selecting appropriate option and click on "Submit' and also "Confirm" when prompted.

(xiii). Upon confirmation, the message, "Vote cast successfully" will be displayed. Once you have voted on the resolution, you will not be allowed to modify your vote.

(xiv). In case you are already registered with NSDL, you can use your existing User ID and Password for casting your vote. You can also update your mobile/phone number and e-mail id. in the user profile details of the folio.

(xv). The institutional Members (i.e. other than individuals, HUF, NRI) are requested to send scanned copy (pdf./jpg. format) of the relevant Board Resolution/Authority Letter etc, together with the attested specimen signature of the duly authoirsed signatory(ies) who are authorized to vote, to the scrutinizer through e-mail at (i) jayshreedagli@gmail.com or (ii) jayshreedagli@rediffmail.com with a copy marked at evoting@nsdl.co.in.

(xvi). 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 "Downloads" section of www.evoting.nsdl.com or call NSDL on 022-24994600.

(xvii). Members who are voting through electronic means are required to cast their vote electronically by 6.00 pm on Saturday, 21st February, 2015 as e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member of the Company, the member shall not be allowed to change it subsequently.

8. In case, 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.

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 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 "evoting@nsdl.co.in".

10. The vote (through physical/e-voting) in this Postal Ballot Process cannot be exercised through proxy.

11. **Kindly note that Members can opt only one mode of voting i.e. either by Postal Ballot Form or e-voting. In case of receipt of vote by both the modes, voting through e-voting shall prevail and voting by Postal Ballot shall be treated as invalid.**

12. Any query in relation to the resolutions 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 - 400 001, email id – secretarial@dhfl.com.

13. The Scrutinizer will submit her report to the Chairman & Managing Director or in his absence to any other person authorized by the Chairman & Managing Director, after scrutiny of the Postal Ballot forms and voting by the members through electronic means and the result of the Postal Ballot shall be declared by the Chairman & Managing Director, or in his absence, by any other person authorized by the Chairman & Managing Director, on Monday, 23rd February, 2015 at 5.00 p.m. at the Registered Office of the Company at Warden House, 2nd Floor, Sir P.M. Road, Fort, Mumbai – 400 001. The resolutions will be taken as passed effectively on the date of announcement of the result by the Chairman & Managing Director or by the authorized person, if the result of the Postal Ballot indicates that the requisite majority of the Members had assented to the resolutions. Members, who wish to be present at the venue at the time of declaration of the result, may do so. The result of the Postal Ballot shall also be published through newspaper advertisement and shall be posted on the website of the Company i.e. www.dhfl.com., besides communicating to the BSE Ltd. and the National Stock Exchange of India Ltd.

14. The Scrutinizer's decision on the validity or otherwise of the Postal Ballot will be final.

15. 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, between 10.00 a.m. to 1.00 p.m. up to the date of declaration of the result of Postal Ballot.

16. Members may also note that the Notice of Postal Ballot and all relevant documents referred therein will also be available on the Company's website i.e. www.dhfl.com for their downloading.

17. Electronic copy of the postal ballot notice inter-alia, indicating the process and manner of e-voting along with Postal Ballot Form will be sent through e-mail to all the Members whose e-mail id's are registered with the Company / Depository Participants for the communication purpose unless any member has requested for a hard copy of the same. For Members who have not registered their e-mail address, physical copy of the notice of the postal ballot inter-alia indicating the process and manner of e-voting is being sent in the permitted mode.

By Order of the Board

Sd/-

Niti Arya

Company Secretary

Date: 16th January, 2015

Place : Mumbai

ANNEXURE TO THE NOTICE

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

The following Explanatory Statement relating to the accompanying Notice set out all material facts:

Item No. 1.

Issue of Securities for an aggregate amount not exceeding ₹ 1,000 crore or equivalent thereof

In order to enable the Company to access the capital market at the appropriate time, the approval of the Members is hereby sought for the proposal to create, offer, issue and allot Equity Shares, GDRs, ADRs, FCCBs and such other securities as stated in the resolution (the "Securities") at such price or prices, at a discount or premium to market price or prices in such manner and on such terms and conditions including security, rate of interest, etc. as may be deemed appropriate by the Board or Finance Committee of the Board or any other Committee of the Board, at its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made at the time of such offer, issue and allotment, considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead managers, either in foreign currency or equivalent Indian Rupees as may be determined by the Board, in any convertible foreign currency, as the Board at its absolute discretion may deem fit and appropriate. The Company intends to issue Securities for a value upto ₹ 1,000 crore (Rupees One Thousand crore only) or equivalent thereof, in any foreign Currency.

The Special Resolution also seeks to empower the Board/ Finance Committee of the Board of Directors to undertake a Qualified Institutions Placement with Qualified Institutional Buyers as defined under Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2009 ("SEBI (ICDR) Regulations"). The issuance of securities to Qualified Institutional Buyers ("QIB") (as defined under SEBI (ICDR) Regulations) pursuant to Qualified Institutions Placement ("QIP") shall be made as per SEBI (ICDR) Regulations.

The pricing of the Securities to be issued to Qualified Institutional Buyers pursuant to Chapter VIII of the SEBI ICDR Regulations shall be freely determined subject to such price not being less than the price calculated in accordance with the SEBI (ICDR) Regulations (QIB Floor Price). Further, SEBI (ICDR) Regulations now permit issuer companies to offer a maximum discount of five per cent to the Floor Price determined in accordance with the SEBI (ICDR) Regulations. The Board may, at its absolute discretion, decide the pricing for the shares to be offered, issued and allotted in the Qualified Institutions Placement, subject to SEBI (ICDR) Regulations.

The "Relevant Date" for issue under Qualified Institutions Placement as per the provisions of Chapter VIII of SEBI (ICDR) Regulations shall be –

i) In case of allotment of Equity Shares, the date of meeting in which the Board decides to open the proposed issue.

ii) In case of allotment of eligible convertible securities, either the date of the meeting in which the Board decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares, as may be determined by the Board .

The purpose and object for issuance of Securities are as stated below [(a) to (e)] :

(a) to augment long term resources,

(b) to enhance and strengthen the equity base,

(c) to enhance funds raising capacity to meet growing business requirements of disbursement of housing loan to borrower all over the country,

(d) to increase net owned funds of the Company, and

(e) 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 Equity Shares allotted or arising out of conversion of any Securities would be listed. The issue/ allotment/ conversion would be subject to the availability of regulatory approvals, if any. The conversion of Securities held by foreign investors into Equity Shares would be subject to the applicable foreign investment cap.

As and when the Board or Finance Committee or any Committee of the Board thereof does take a decision on matters on which it has the discretion, necessary disclosures will be made to the stock exchanges under the provisions of the Listing Agreement.

The Special Resolution, if passed, will have the effect of allowing the Board or Finance Committee to issue and allot Securities to the investors who may or may not be the existing shareholders of the Company. The Company with this resolution intends to retain the right and flexibility to undertake the fund raising activity, including issue under QIP, GDRs, ADRs, FCCBs, etc. Thus, the Special Resolution seeks to give the Board / Finance Committee powers to issue Securities in one or more tranche or tranches, at such time or times, at such price or prices and to such investors as it may deem appropriate. The detailed terms and conditions for the offer will be determined by the Board and if required, in consultation with the Advisors, Lead Managers, and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and in accordance with the applicable provisions of law and other relevant factors.

The Members' resolution for QIP issuance is valid for a period of 12 months from the date of declaration of result of this resolution.

None of the Promoter will subscribe to the offer, if made under chapter VIII of SEBI (ICDR) Regulations.

The above proposal is in the interest of the Company and the Board of Directors of the Company thus recommends resolution at Item No. 1 of the accompanying Postal Ballot Notice for approval of the Members of the Company as a Special Resolution through Postal Ballot process.

None of the Directors or Key Managerial Personnel and / or their relatives, are in any way, financial or otherwise, interested or concerned in this resolution, except to the extent of their shareholding in the Company.

Item No. 2

Approval of Dewan Housing Finance Corporation Limited Employee Stock Appreciation Rights Plan 2015 and grant of Stock Appreciation Rights (SARs) to the employees of the Company thereunder.

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. Your Company believes in rewarding its 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) of the Company for their continuous hard work, dedication and support, which has led the Company on the growth path.

The Company has already implemented three ESOS Schemes namely ESOS 2008 Plan, ESOS 2009 Plan – II, ESOS 2009 Plan – III. Now the Company intends to implement new scheme i.e. Dewan Housing Finance Corporation Limited Employee Stock Appreciation Rights Plan 2015 ("DHFL ESAR 2015"/ "Plan")with a view to attract and retain key talents working with the Company by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability.

The Company seeks members' approval in respect of DHFL ESAR 2015 and grant of SARs to the eligible employees/ 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) of the Company whether working in India or out of India as decided by the Board (which terms shall include the Nomination and Remuneration Committee)from time to time indue compliance of the SEBI (SBEB) Regulations.

The main features of the DHFL ESAR 2015 are as under:

1. **Maximum number of SARs to be granted:**

   Such number of SARs would be available for grant to the eligible employees of the Company under DHFL ESAR 2015, in one or more tranches exercisable into not exceeding 51,46,023 (Fifty One lakh Forty Six Thousand and Twenty Three) Equity Shares in aggregate in the Company of face value of Rs. 10/- each fully paid-up.

   If the settlement results in fractional equity shares, then the consideration for fractional shares should be settled in cash or in the manner as may be decided by the Board of Directors or Nomination & Remuneration 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 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.

2. **Identification of classes of employees entitled to participate in DHFL ESAR 2015**

   Following classes of employees are entitled to participate in DHFL ESAR 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.

3. **Transferability of Stock Appreciation Rights (SARs):**

   The SARs granted to an employee shall not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of the SAR Grantee, the right to exercise all the SARs granted to him till such date shall be transferred to his legal heirs or nominees.

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.

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

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

6. **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 from time to time.

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

7. **Exercise period and the 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 3years 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 from time to time. The SARs shall lapse if not exercised within the specified exercise period.

8. **Appraisal process for determining the eligibility of employees under DHFL ESAR 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 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:**

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 2015 shall be less than 1% of the issued Equity Share Capital (excluding outstanding warrants and conversions) of the Company."

10. **Accounting and Disclosure Policies:**

The Company shall follow 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.

11. **Method of SARs Valuation:**

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 is being sought pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per Regulation 6 of the 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.2 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 Plan.

Item No. 3

Approval of Trust route for the implementation of Dewan Housing Finance Corporation Limited Employee Stock Appreciation Rights Plan 2015.

The Company intends to implement Dewan Housing Finance Corporation Limited Employee Stock Appreciation Rights Plan 2015 ("DHFL ESAR 2015"/ "Plan") with a view to attract and retain key talents working with the Company. Your Company contemplates implementation of the Plan directly or through an Employee Welfare Trust (Trust) route with a view to efficiently manage the Plan. DHFL ESAR 2015 envisages primary issue of 51,46,023 (Fifty One lakh Forty Six Thousand and Twenty Three) Equity Shares within the term of the Plan.

The Consent of the members is being sought by way of a special resolution pursuant to Regulation 6 of the SEBI (SBEB) Regulations.

The Board of Directors of the Company recommend this Resolution at Item No.3 of the accompanying Postal Ballot Notice for the approval of the Members of the Company

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 Plan.

By Order of the Board

Sd/-
Niti Arya
Company Secretary

Date:16th January, 2015
Place : Mumbai

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