

Indiabulls

Indiabulls Wholesale Services Limited

INDIABULLS WHOLESALE SERVICES LIMITED

Registered Office: M-62 & 63, First Floor, Connaught Place, New Delhi - 110 001

NOTICE

To the Shareholders,

Notice Pursuant to Section 192 A of the Companies Act, 1956

To augment the network of the Company and capital required for business growth over next few years, the Board has approved the proposal to issue and allot, on preferential basis, an aggregate of 86,00,000 (Eighty Six Lakhs) fully convertible Warrants (hereinafter the "Warrants") to the Promoter group entities namely, Calleis Constructions Private Limited, Calleis Properties Private Limited, Antheia Properties Private Limited and Cleta Constructions Private Limited (the "Allottees"), which upon conversion, would entitle them to acquire an equivalent number of Equity shares of the Company of face value Rs. 2/- (Rupees Two Only) each at a conversion price of Rs. 10/- (Rupees Ten only) per Equity share.

In order to offer the Warrants to the entities as aforesaid, prior consent of the members by way of a special resolution is required in terms of Section 81 (1A) of the Companies Act, 1956 (the "Act") and provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI ICDR Regulations").

In terms of Section 192A of the Act read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001 (the "Rules"), the Company may obtain the approval of its shareholders by means of a postal ballot for any matter except the matters which are required to be approved by shareholders in an annual general meeting.

Accordingly, a notice is hereby given, pursuant to Section 192A of the Act read with the Rules, to transact the business as set out in this notice, by passing a special resolution, through the postal ballot process. Draft of the said resolution and the relevant explanatory statement setting out the material facts are being sent to you along with a postal ballot form for your consideration.

The Board of Directors of the Company has appointed Mr. Gaurav Kohli, Practicing Company Secretary, as Scrutinizer for conducting the postal ballot process in a fair and transparent manner and in accordance with applicable law.

You are requested to carefully read the instructions printed in the postal ballot form and return the form duly completed, in the attached self-addressed postage pre-paid envelope so as to reach the Scrutinizer not later than 2:00 P.M. on Friday, the 1st day of June, 2012. The Scrutinizer will submit his report after completion of the scrutiny and the results of the postal ballot will be displayed at the registered office of the Company on Friday, the 1st day of June, 2012 by 5:00 P.M.

The Special Resolution mentioned herein shall be declared as passed if the number of votes cast in its favour is not less than three times the number of votes cast against the said Special Resolution.

Item no. 1

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

"RESOLVED THAT, subject to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the provisions of the Articles of Association of the Company, the Listing Agreement entered into between the Company and the relevant Stock Exchanges, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI ICDR Regulations") and any other guidelines and clarifications issued by the Securities and Exchange Board of India as also by any other statutory/regulatory authorities, and subject to all such other approvals, permissions, consents and sanctions of any authorities, as may be necessary, and all other relevant third party consents and approvals as may be required and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions, consents and sanctions which may be agreed to by the Board of Directors, consent of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as the Board which term shall be deemed to include any duly authorised committee thereof constituted to exercise the powers conferred on the Board by this resolution) to create, offer, issue and allot:

- up to 28,50,000 (Twenty Eight Lakh Fifty Thousand) Warrants of the Company, convertible into 28,50,000 (Twenty Eight Lakh Fifty Thousand) Equity shares of Rs. 2/- (Rupees Two only) each at the option of the warrant-holder to Calleis Constructions Private Limited;
- up to 14,50,000 (Fourteen Lakh Fifty Thousand) Warrants of the Company, convertible into 14,50,000 (Fourteen Lakh Fifty Thousand) Equity shares of Rs. 2/- (Rupees Two only) each at the option of the warrant-holder to Calleis Properties Private Limited;
- up to 21,50,000 (Twenty One Lakh Fifty Thousand) Warrants of the Company, convertible into 21,50,000 (Twenty One Lakh Fifty Thousand) Equity shares of Rs. 2/- (Rupees Two only) each at the option of the warrant-holder to Antheia Properties Private Limited; and
- up to 21,50,000 (Twenty One Lakh Fifty Thousand) Warrants of the Company, convertible into 21,50,000 (Twenty One Lakh Fifty Thousand) Equity shares of Rs. 2/- (Rupees Two only) each at the option of the warrant-holder to Cleta Constructions Private Limited;

on preferential allotment basis, at such time or times, in one or more tranches and in such manner as may be decided by the Board in this connection. Each of the Warrants (hereinafter referred to as the Warrants) shall be issued at a conversion price of Rs. 10 (Rupees Ten only) per equity share (the "Warrant Price").

RESOLVED FURTHER THAT the issue and allotment of the Warrants to the above referred entities (the "Allottees") shall be on the following terms and conditions:

- i) the Relevant Date for the preferential issue, as per the SEBI ICDR Regulations, as amended up to date, for the determination of applicable price for the issue of the above mentioned Warrants shall be May 2, 2012, which is 30 days prior to the date on which results of the postal ballot being conducted for the purpose of seeking the approval of members to the proposed preferential issue, are to be declared.
- ii) the Allottees shall pay an upfront amount of 25% of the Warrant Price being Rs. 2,15,00,000/- (Rupees Two Crores Fifteen Lakhs only), prior to the allotment of the Warrants in the manner given below and such amount shall be adjusted against the Warrant Price at the time of allotment of the Equity shares pursuant to the conversion of Warrants. The balance amount of the Warrant Price being Rs. 6,45,00,000/- (Rupees Six Crore Forty Five Lakhs only), shall be payable by the Allottees to the Company at the time of conversion of the Warrants into underlying Equity shares:

Name of the Entity	No. of Warrants to be allotted	Upfront amount payable for the allotment of Warrants (Rs.)
Calleis Constructions Private Limited	28,50,000	71,25,000
Calleis Properties Private Limited	14,50,000	36,25,000
Antheia Properties Private Limited	21,50,000	53,75,000
Cleta Constructions Private Limited	21,50,000	53,75,000
Total	86,00,000	2,15,00,000

- iii) the Warrants shall be convertible into Equity shares, in one or more tranches, within a period of 18 months from the date of their allotment;
- iv) where the Warrants are exercised and converted into the underlying Equity shares in tranches or in parts, the Company shall issue a new Warrant certificate in respect of the unexercised Warrants and deliver the same to the concerned Warrant holder along with the issue and allotment of shares against the portion of Warrants which has been exercised; and
- v) the number of shares that each Warrant converts into and the price per share upon conversion of the Warrants, shall be appropriately adjusted for the corporate actions such as bonus issues, rights issues, stock split or any capital or corporate restructuring.

RESOLVED FURTHER THAT

- i) the requisite number of Equity shares against the Warrants to be so allotted in favour of the Allottees as aforesaid, be issued in favour of Allottees: (a) upon receipt of the balance 75% of the conversion price aggregating to Rs. 6,45,00,000/- (Rupees Six Crore Forty Five Lakhs only), from such Allottees, as per the details mentioned below, within the stipulated time of 18 months from the date of allotment of Warrants; and (b) surrender of Warrants with the Company within the time as aforesaid:

Name of the Entity	Balance amount payable at the time of conversion of Warrants (Rs.)	No. of Equity shares to be allotted upon conversion
Calleis Constructions Private Limited	2,13,75,000	28,50,000
Calleis Properties Private Limited	1,08,75,000	14,50,000
Antheia Properties Private Limited	1,61,25,000	21,50,000
Cleta Constructions Private Limited	1,61,25,000	21,50,000
Total	6,45,00,000	86,00,000

- ii) the Equity shares allotted pursuant to the conversion of the Warrants shall rank pari passu with the then existing Equity shares of the Company, from the date of their allotment. Such new Equity shares when issued and allotted as aforesaid shall be entitled for dividend for the complete financial year, if any, declared for the financial year of the Company in which the shares are allotted;
- iii) the Equity shares to be issued and allotted on conversion of the Warrants shall be listed and traded on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) and shall be subject to the provisions of the Memorandum and Articles of Association of the Company;
- iv) in pursuance of the preferential allotment, as aforesaid, the post preferential holdings of the Allottees, shall remain locked in from such date and for such periods as specified under the SEBI ICDR Regulations; and
- v) the Board be and is hereby authorised to accept any modification(s) to or to modify the terms of issue of the Warrants or Equity shares on conversion thereof, subject to the provisions of the Companies Act, 1956 and SEBI ICDR Regulations, without being required to seek any further consent or approval of the members of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized, jointly and severally, to do all such acts, matters, deeds and things and to take all such steps and give all such directions as the Board may consider necessary, expedient or desirable, including without limitation, to prescribe the forms of application, allotment and by way of further calls, if any, to enter into any agreements or other instruments, and to take such actions or give such directions as may be necessary or desirable and to obtain any approvals, permissions, sanctions which may be necessary or desirable and to settle any question or difficulty that may arise in regard to the issue and allotment of Warrants and the shares proposed to be allotted pursuant to the conversion thereto.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by the above resolutions to any Director or Directors or to any committee of Directors or any other officer or officers of the Company to give effect to the aforesaid resolution."

**By order of the Board
For Indiabulls Wholesale Services Limited**

**Priya Jain
Company Secretary**

**Place: Gurgaon
Date: April 30, 2012**

Shareholding Pattern of the Company before and after the proposed issue of Warrants pursuant to the resolution		(a) Pre-Issue Shareholding Pattern (as on April 27, 2012, being the latest practicable date on which the relevant data was available prior to the approval and issuance of the notice for invitation)	
Shareholder Category	Number of Shares	Percentage	Number of Shares
Promoter and Promoter Group Entities	1,63,68,925	16.37%	1,63,68,925
Public	74	0.00%	74
FIIs	14,13,831	1.41%	14,13,831
NRIs	5,12,437	0.51%	5,12,437
Resident Indian Corporate	98,34,493	9.83%	98,34,493
Indian Public	1,20,37,867	12.04%	1,20,37,867
Others (Including Mutual Funds)	12,474	0.01%	12,474
Total	2,42,32,727	24.23%	2,42,32,727

ANNEXURE TO THE NOTICE

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

Item No. 1

The growing business of your Company ("IBWSL") and its subsidiaries would require infusion of additional funds. In view of the same, in the best interest of the Company it is considered appropriate that more capital be infused in the Company from within instead of relying upon external sources.

Your Company thinks that one way of achieving this would be through the preferential allotment of Warrants convertible into Equity shares, to the Promoter group entities.

This is seen as one of the options to augment the net worth of your Company's business and capital required for business growth and it has therefore been considered prudent to raise further capital by way of a preferential allotment of an aggregate of 86,00,000 (Eighty Six Lakhs) fully convertible Warrants (the "**Warrants**") to the Promoter group entities, namely, Calleis Constructions Private Limited, Calleis Properties Private Limited, Antheia Properties Private Limited and Cleta Constructions Private Limited ("**Allottees**"), which upon conversion, would entitle them to acquire an equivalent number of Equity shares of the Company of face value Rs. 2/- (Rupees Two Only) each at a conversion price of Rs. 10/- (Rupees Ten only) per share.

The Board believes that the proposed preferential allotment would allow the Company to raise additional capital as against the alternative of raising additional capital by way of debt financing, which would entail significant interest costs.

Accordingly, it is proposed to offer to the Promoter group entities, 86,00,000 (Eighty Six Lakhs) fully convertible Warrants respectively, each of which would, entitle them to acquire an equivalent number of Equity shares of face value Rs. 2/- each at a price of Rs. 10/- (Rupees Ten only) per Equity share as determined in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time (the "**SEBI ICDR Regulations**").

The proposed issue and allotment of the Warrants will be governed by the provisions of the SEBI ICDR Regulations.

Disclosures in terms of Regulation 73 of the SEBI ICDR Regulations:

(i) The objects of the issue:

The object of the proposed issue of the Warrants is to augment the network and capital resources of the Company for:

- (a) strengthening the capital base of the Company;
- (b) funding the business expansions of the Company and its subsidiaries; and
- (c) general corporate purposes.

(ii) The intention of the promoters/directors/key management persons to subscribe to the offer:

The directors/key management persons of the Company do not intend to subscribe to the proposed preferential issue. Allottees are the entities promoted by the promoters of IBWSL.

(iii) Shareholding pattern of the Company before and after the proposed issue of Warrants pursuant to the resolution:

- (a) **Pre-Issue Shareholding Pattern** (as on April 27, 2012, being the latest practicable date on which shareholder data was available prior to the approval and issuance of the notice to shareholders)

Shareholder Category	No. of Shares	% holding
Promoter and Promoter Group Entities	1,63,66,955	32.55
Banks	74	0.00
FIIIs	14,73,837	2.93
NRIs	5,19,427	1.03
Resident Bodies Corporate	98,54,499	19.60
Indian Public	2,20,27,887	43.81
Others (Clearing Members)	42,414	0.08
Total	5,02,85,093	100.00

(b) Post-Issue Shareholding Pattern*

Shareholder Category	No. of Shares	% holding
Promoter and Promoter Group Entities	2,49,66,955	42.40
Banks	74	0.00
FII's	14,73,837	2.50
NRIs	5,19,427	0.88
Resident Bodies Corporate	98,54,499	16.74
Indian Public	2,20,27,887	37.41
Others (Clearing Members)	42,414	0.07
Total	5,88,85,093	100.00

* This table shows the shareholding of the Allottees upon conversion of the Warrants, and assumes that holdings of all other categories of shareholders shall remain the same post issue, as they were on date of pre-issue shareholding pattern.

(iv) Proposed time within which allotment will be completed:

As required under the SEBI ICDR Regulations, the allotment as aforesaid is proposed to be made within 15 (fifteen) days from the date of approval of this resolution, i.e. within 15 (fifteen) days from the date of the results of this postal ballot being announced by the Company, provided that where the allotment on preferential basis is pending on account of non-receipt of any approval for such allotment by any regulatory authority, the allotment shall be completed within 15 days from the date of receipt of such approval.

(v) Identity of the proposed allottees and the percentage of post-preferential issued capital that may be held by the said Allottees:

Identity of proposed Allottees	No. of Warrants to be allotted	No. of Equity shares to be issued and allotted upon conversion of Warrants	% of post-issue post-conversion Equity capital
Calleis Constructions Private Limited, a company promoted by the promoters of IBWSL, is a company incorporated under the Companies Act, 1956 having its registered office at 296, Forest Lane, Sainik Farms, New Delhi - 110068.	28,50,000	28,50,000	4.84
Calleis Properties Private Limited, a company promoted by the promoters of IBWSL, is a company incorporated under the Companies Act, 1956 having its registered office at 296, Forest Lane, Sainik Farms, New Delhi - 110068.	14,50,000	14,50,000	2.46
Antheia Properties Private Limited, a company promoted by the promoters of IBWSL, is a company incorporated under the Companies Act, 1956 having its registered office at B-4/157, Ground Floor, Safdarjung Enclave, New Delhi - 110029.	21,50,000	21,50,000	3.65
Cleta Constructions Private Limited, a company promoted by the promoters of IBWSL, is a company incorporated under the Companies Act, 1956 having its registered office at A-19-A-Block, H.No. A-1 to A-32, Westend, Delhi - 110021.	21,50,000	21,50,000	3.65

Consequent to the aforesaid preferential issue, there would be no change in the control or management of the Company.

(vi) Requirement as to recomputation of price

As the shares of the Company have been listed on the stock exchanges since August 18, 2011, the price of the Warrants has been determined in terms of sub-regulation (1) of Regulation 76 of the SEBI ICDR Regulations. Hence, the price need not be re-computed.

The Board of Directors of the Company has already approved the issue and allotment of Warrants convertible into Equity shares of the Company on a preferential basis to the Allottees.

However in terms of Section 81(1A) of the Companies Act, 1956 read with the SEBI ICDR Regulations and other applicable laws, the preferential allotment of Warrants convertible into Equity shares of the Company, would require approval of its shareholders by way of a special resolution. The Board of Directors, therefore, seeks the consent of the shareholders to the resolution set out in the notice, by way of a Special Resolution.

A copy of the certificate from M/s Sharma Goel & Co., Chartered Accountants, the Statutory Auditors of the Company, certifying that the above preferential issue is in accordance with the SEBI ICDR Regulations, and the Memorandum and Articles of Association of the Company, is open for inspection at the registered office of the Company during working hours between 9.30 a.m. and 6:30 p.m., except on holidays, up to the last date fixed for the receipt of postal ballots from the shareholders of the Company.

The Board recommends the said resolution set out at Item No. 1 for the approval of the members as a Special Resolution.

None of the Directors of the Company is deemed to be concerned or interested in the Resolution.

**By order of the Board
For Indiabulls Wholesale Services Limited**

**Priya Jain
Company Secretary**

Place: Gurgaon
Date: April 30, 2012

Identity of proposed Allottees	No. of Warrants to be allotted	No. of Equity shares to be issued and allotted upon conversion of Warrants	% of post-issue Equity capital
Galaxy Construction Private Limited, a company promoted by the promoter of IBWSL, is a company incorporated under the Companies Act, 1956 having its registered office at 205, Patel Lane, 2nd Floor, New Delhi - 110028.	28,50,000	28,50,000	4.84
Galaxy Properties Private Limited, a company promoted by the promoter of IBWSL, is a company incorporated under the Companies Act, 1956 having its registered office at 205, Patel Lane, 2nd Floor, New Delhi - 110028.	14,50,000	14,50,000	2.48
Galaxy Properties Private Limited, a company promoted by the promoter of IBWSL, is a company incorporated under the Companies Act, 1956 having its registered office at B-412T, Ground Floor, Sakinaka Enclave, New Delhi - 110025.	27,50,000	27,50,000	3.88
Galaxy Construction Private Limited, a company promoted by the promoter of IBWSL, is a company incorporated under the Companies Act, 1956 having its registered office at A-79-A, Block A-79, 1 to A-32, Westend Enclave - 110027.	27,50,000	27,50,000	3.88

Indiabulls

Indiabulls Wholesale Services Limited

INDIABULLS WHOLESALE SERVICES LIMITED

Registered Office: M-62 & 63, First Floor, Connaught Place, New Delhi - 110 001

POSTAL BALLOT FORM

Pursuant to Section 192A (2) of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001

1. Name(s) of Shareholder(s) (in block letters) (including joint-holders, if any)

2. Registered address of the sole/
First named shareholder

3. Registered folio number/ DP ID &
Client ID No. *
(*Applicable to investors holding
Shares in dematerialized form)

4. Number of shares held

5. I/ We hereby exercise my/ our vote in respect of the resolution to be passed through postal ballot for the business stated in the Notice of the Company by sending my / our assent or dissent to the said resolution by placing a tick mark (✓) at the appropriate box below:

Resolution No.	Description	No. of Shares	I/We assent to the Resolution (FOR)	I/ We dissent to the Resolution (AGAINST)
1.	Special Resolution under Section 81(1A) of the Companies Act, 1956, the SEBI ICDR Regulations and provisions of the other applicable statutes, if any, to the preferential issue of up to 86,00,000 Warrants convertible into an equivalent number of Equity shares of the Company, to certain Promoter group entities, as described in the resolution set out at Item No. 1 of the Notice dated April 30, 2012.			

Place:

Date:

(SIGNATURE OF THE SHAREHOLDER)

NOTE: FOR INSTRUCTIONS, PLEASE SEE OVERLEAF

INSTRUCTIONS

1. A member desiring to exercise vote by postal ballot may complete this postal ballot form and send it to the Company in the attached self-addressed postage pre-paid envelope. However, envelopes containing postal ballots, if sent by courier at the expense of the registered shareholder, will also be accepted.
2. This form should be completed and signed (as per the specimen signature registered with the Company) by the shareholder and in case of joint-holding, by the first named shareholder and in his / her absence, by the next named shareholder.
3. Unsigned postal ballot forms shall be rejected.
4. Duly completed postal ballot form should reach the Scrutinizer no later than 2:00 P.M. on Friday, the 1st day of June, 2012. All postal ballot forms received after this date will be strictly treated as if reply from such shareholder has not been received.
5. In case of Companies, Trusts, Societies, etc., the duly completed postal ballot form should be accompanied by a certified copy of Board Resolution/ authority.
6. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the shareholder on April 27, 2012.
7. Members are requested not to send any other paper along with the postal ballot forms in the enclosed self-addressed, postage prepaid envelope as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.

	Registered address of the shareholder First named shareholder
	Registered folio number DP ID & Client ID No.
	(*Applicable to investor voting Shares in dematerialized form)
	Number of shares held

I/We hereby declare that my/our vote in respect of the resolution is to be passed through postal ballot for the business stated in the Notice of the Company, sending my/our assent or dissent to the said resolution by placing a tick mark (✓) at the appropriate box below:

Resolution No.	Description	No. of Shares	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1	Special Resolution under Section 31(A) of the Companies Act, 1956, to alter the share capital of the Company by the conversion of up to 50,00,000 Unpaid Convertible Preference Shares into an equivalent number of Equity Shares of the Company, to certain Promoter group members as directed in the resolution set out at item No. 1 of the Notice dated April 30, 2012.			

(SIGNATURE OF THE SHAREHOLDER)

Indiabulls

Indiabulls Financial Services Limited

INDIABULLS FINANCIAL SERVICES LIMITED

Registered Office: F-60, Malhotra Building, 2nd Floor, Connaught Place, New Delhi - 110 001

NOTICE

To the Shareholders,

Notice Pursuant to Section 192 A of the Companies Act, 1956

To augment the capital required for business growth over next few years, the Board has approved the proposal to issue and allot, on preferential basis an aggregate of 2,07,00,000 (Two Crore Seven Lacs) fully convertible Warrants (hereinafter the "Warrants") to the Promoter group entities namely, Cleta Properties Private Limited, Cleta Buildtech Private Limited, Priapus Real Estate Private Limited, Hespera Real Estate Private Limited and to Mr. Gagan Banga, Executive Director designated as C.E.O. and Mr. Ashwini Kumar, a Key management personnel of the Company, (the "Allottees"), which upon conversion, would entitle them to acquire an equivalent number of equity shares of the Company of face value Rs. 2/- (Rupees Two Only) each at a conversion price of Rs. 218/- (Rupees Two Hundred and Eighteen only) per equity share.

In order to offer the Warrants to the entities and persons as aforesaid on a preferential basis, prior consent of the members by way of a special resolution would be required, in terms of Section 81 (1A) of the Companies Act, 1956 (the "Act") and provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations 2009 (the "SEBI ICDR Regulations").

Further the existing objects of the Company authorize it to undertake financing activities, including housing finance. However with a view to avoid any ambiguity, the Board consider it appropriate to amend its objects by providing an explicit authorization for undertaking the business of Long Term Finance or otherwise finance for Industrial or agricultural development, development of infrastructure facility, development of Housing in India or for constructions or purchase of residential houses/ residential projects in India as per new objects. The proposed amendment in the Memorandum of Association of the Company would require prior consent of the Members of the Company by way of Special Resolution.

In terms of Section 192A of the Act read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001 (the "Rules"), the Company may obtain the approval of its shareholders by means of a postal ballot for any matter except the matters which are required to be approved by shareholders in an annual general meeting.

Further in terms of the Rules, approval of shareholders in respect of certain matters is necessarily required to be obtained through postal ballot.

Accordingly, a notice is hereby given, pursuant to Section 192A of the Act read with the Rules, to transact the business as set out in this notice, by passing special resolutions as set out therein, through the postal ballot process. Draft of the said resolutions and the relevant explanatory statement setting out the material facts are being sent to you along with a postal ballot form for your consideration.

The Board of Directors of the Company has appointed Mr. B. D. Tapriya, Practicing Company Secretary, as scrutinizer for conducting the postal ballot process in a fair and transparent manner and in accordance with applicable law.

You are requested to carefully read the instructions printed in the postal ballot form and return the form duly completed, in the attached self-addressed postage pre-paid envelope so as to reach the scrutinizer not later than 2:00 P.M. on Sunday, the 27th day of May, 2012. The scrutinizer will submit his report after completion of the scrutiny and the results of the postal ballot will be displayed at the registered office of the Company on Sunday, the 27th day of May, 2012 by 5:00 P.M.

The Special Resolutions mentioned herein shall be declared as passed if the number of votes cast in its favour is not less than three times the number of votes cast against the said Special Resolutions.

Item no. 1

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

"RESOLVED THAT, subject to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the provisions of the Articles of Association of the Company, the Listing Agreement entered into between the Company and the relevant Stock Exchanges, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI ICDR Regulations) and any other guidelines and clarifications issued by the Securities and Exchange Board of India as also by any other statutory/regulatory authorities, and subject to all such other approvals, permissions, consents and sanctions of any authorities, as may be necessary, and all other relevant third party consents and approvals as may be required and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions, consents and sanctions which may be agreed to by the Board of Directors, consent of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as the Board which term shall be deemed to include any duly authorised committee thereof constituted to exercise the powers conferred on the Board by this resolution), to create, offer issue and allot:

- a) up to 90,00,000 (Ninety Lac) Warrants of the Company, convertible into 90,00,000 (Ninety Lac) equity shares of Rs. 2/- (Rupees Two only) each at the option of the warrant-holder to Cleta Properties Private Limited;

- b) up to 50,00,000 (Fifty Lac) Warrants of the Company, convertible into 50,00,000 (Fifty Lac) equity shares of Rs. 2/- (Rupees Two only) each at the option of the warrant-holder to Cleta Buildtech Private Limited ;
- c) up to 36,00,000 (Thirty Six Lac) Warrants of the Company, convertible into 36,00,000 (Thirty Six Lac) equity shares of Rs. 2/- (Rupees Two only) each at the option of the warrant-holder to Priapus Real Estate Private Limited ;
- d) up to 23,50,000 (Twenty Three Lac and Fifty Thousand) Warrants of the Company, convertible into 23,50,000 (Twenty Three Lac and Fifty Thousand) equity shares of Rs. 2/- (Rupees Two only) each at the option of the warrant-holder to Hespera Real Estate Private Limited ;
- e) up to 5,50,000 (Five Lac and Fifty Thousand) Warrants of the Company, convertible into 5,50,000 (Five Lac and Fifty Thousand) equity shares of Rs. 2/- (Rupees Two only) each at the option of the warrant-holder to Mr. Gagan Banga ;
- f) up to 2,00,000 (Two Lac) Warrants of the Company, convertible into 2,00,000 (Two Lac) equity shares of Rs. 2/- (Rupees Two only) each at the option of the warrant-holder to Mr. Ashwini Kumar ;

on preferential allotment basis, at such time or times, in one or more tranches and in such manner as may be decided by the Board in this connection. Each of the Warrants (hereinafter referred to as the Warrants) shall be issued at a conversion price of Rs. 218/- (Rupees Two Hundred and Eighteen only) per equity share (the "Warrant Price").

RESOLVED FURTHER THAT the issue and allotment of the Warrants to the above referred entities, director and key managerial personnel, shall be on the following terms and conditions:

- i) the relevant date for the preferential issue, as per the SEBI ICDR Regulations, as amended up to date, for the determination of applicable price for the issue of the abovementioned Warrants shall be April 27, 2012 which is 30 days prior to the date on which results of the postal ballot being conducted for the purpose of seeking the approval of members to the proposed preferential issue, are to be declared.
- ii) The allottees shall pay an upfront amount of 25% of the Warrant Price being Rs. 112,81,50,000/- (Rupees One Hundred Twelve Crore Eighty One Lacs Fifty Thousand only), prior to the allotment of the Warrants, in the manner given below and such amount shall be adjusted against the Warrant Price at the time of allotment of the equity shares pursuant to the conversion of Warrants. The balance amount of the Warrant Price being Rs. 338,44,50,000/- (Rupees Three Hundred Thirty Eight Crore Forty Four Lac Fifty Thousand only), shall be payable by the allottees to the Company at the time of conversion of the Warrants into underlying Equity shares:

Name of the entity	No. of Warrants to be allotted	Amount payable as upfront money
1. Cleta Properties Private Limited	90,00,000	49,05,00,000/-
2. Cleta Buildtech Private Limited	50,00,000	27,25,00,000/-
3. Priapus Real Estate Private Limited	36,00,000	19,62,00,000/-
4. Hespera Real Estate Private Limited	23,50,000	12,80,75,000/-
5. Mr. Gagan Banga	5,50,000	2,99,75,000/-
6. Mr. Ashwini Kumar	2,00,000	1,09,00,000/-
Total	2,07,00,000	112,81,50,000/-

- iii) The Warrants shall be convertible into Equity shares, in one or more tranches, within a period of 18 months from the date of their allotment;
- iv) where the Warrants are exercised and converted into the underlying Equity shares in tranches or in parts, the Company shall issue a new Warrant certificate in respect of the unexercised Warrants and deliver the same to the concerned Warrant holder along with the issue and allotment of shares against the portion of Warrants which has been exercised
- v) the number of shares that each Warrant converts into and the price per share upon conversion of the Warrants, shall be appropriately adjusted for the corporate actions such as bonus issues, rights issues, stock split or any capital or corporate restructuring;

RESOLVED FURTHER THAT

- (i) the requisite number of Equity shares against the Warrants to be so allotted in favour of the Promoter group entities / Directors / Key management personnel (allottees) as aforesaid, be issued in favour of such allottees (a) upon receipt of the balance 75% of the conversion price aggregating to Rs. 338,44,50,000/- (Rupees Three Hundred Thirty Eight Crore Forty Four Lac Fifty Thousand only), from the said allottees, as per the details mentioned below, within the stipulated time of 18 months from the date of allotment of Warrants and (b) surrender of Warrants with the Company within the time as aforesaid :

Name of the entity	Balance amount payable at the time of conversion of Warrants(Rs.)	No. of shares to be allotted upon conversion
1. Cleta Properties Private Limited	1,47,15,00,000	90,00,000
2. Cleta Buildtech Private Limited	81,75,00,000	50,00,000
3. Priapus Real Estate Private Limited	58,86,00,000	36,00,000
4. Hespera Real Estate Private Limited	38,42,25,000	23,50,000
5. Mr. Gagan Banga	8,99,25,000	5,50,000
6. Mr. Ashwini Kumar	3,27,00,000	2,00,000
Total	3,38,44,50,000/-	2,07,00,000

- ii) the Equity shares allotted pursuant to the conversion of the Warrants shall rank pari passu with the then existing equity shares of the Company, from the date of their allotment. Such new equity shares when issued and allotted as aforesaid shall be entitled for dividend for the complete financial year, if any, declared for the financial year of the Company in which the shares are allotted;
- iii) the Equity shares to be issued and allotted on conversion of the Warrants shall be listed and traded on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) and shall be subject to the provisions of the Memorandum and Articles of Association of the Company;
- iv) in pursuance of the preferential allotment, as aforesaid, the pre and post preferential holdings of the allottees, shall remain locked in from such date and for such periods as specified under the SEBI ICDR Regulations.
- v) the Board be and is hereby authorised to accept any modification(s) to or to modify the terms of issue of the Warrants or equity shares on conversion thereof, subject to the provisions of the Companies Act, 1956 and SEBI ICDR Regulations, without being required to seek any further consent or approval of the members of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized, jointly and severally, to do all such acts, matters, deeds and things and to take all such steps and to do all such things and give all such directions as the Board may consider necessary, expedient or desirable, including without limitation, to prescribe the forms of application, allotment and by way of further calls, if any, to enter into any agreements or other instruments, and to take such actions or give such directions as may be necessary or desirable and to obtain any approvals, permissions, sanctions which may be necessary or desirable and to settle any question or difficulty that may arise in regard to the issue and allotment of Warrants and the shares proposed to be allotted pursuant to the conversion thereto.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by the above resolutions to any director or directors or to any committee of directors or any other officer or officers of the Company to give effect to the aforesaid resolution."

Item no. 2

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

"RESOLVED THAT subject to approval of shareholder and pursuant to the provisions of Section 17 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of Registrar of Companies, NCT of Delhi & Haryana, Clause-III (A) "The Main Object Clause" of the Memorandum of Association of the Company be altered so as to add new Sub-Clause 10 after Sub-Clause 9, new Sub-Clause 10 of the Company is as follow:

10. To carry on the business of Long Term Finance or otherwise finance for Industrial or agricultural development, development of infrastructure facility, development of Housing in India or for constructions or purchase of residential houses/ residential projects in India.

RESOLVED FURTHER THAT any one of the Directors or Secretary of the Company be and is hereby authorized to undertake such acts, deed and matters, including but not limited to making requisite filings with the Registrar of Companies, that is required to give effect to the aforesaid change in main object clause in the Memorandum of Association of the Company."

**By order of the Board
For Indiabulls Financial Services Limited**

**Amit Jain
Company Secretary**

**Place: New Delhi
Date: April 27, 2012**

ANNEXURE TO THE NOTICE

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

Item No. 1

The growing business of your Company ("IBFSL") and its subsidiaries and associate companies would require infusion of additional funds. In view of the same, in the best interest of the Company it is considered appropriate that more capital be infused in the Company from within instead of relying upon external sources

Your Company thinks that one way of achieving this would be through the preferential allotment of Warrants convertible into equity shares, to the promoter group entities, one of its directors and Key management personnel.

This is seen as one of the options to augment the net worth of your Company's business and facilitate funding of its projects and it has therefore been considered prudent to raise further capital by way of a preferential allotment of an aggregate of 2,07,00,000 (Two Crore Seven Lacs) fully convertible Warrants (the "Warrants") to the Promoter group entities namely, Cleta Properties Private Limited, Cleta Buildtech Private Limited, Priapus Real Estate Private Limited, Hespera Real Estate Private Limited and to Mr. Gagan Banga, Director and Mr. Ashwini Kumar a Key management personnel ("Allottees"), which upon conversion, would entitle them to acquire an equivalent number of equity shares of the Company of face value Rs. 2/- (Rupees Two Only) each at a conversion price of Rs. 218/- (Rupees Two Hundred and Eighteen only) per share.

The Board believes that the proposed preferential allotment would allow the Company to raise additional capital as against the alternative of raising additional capital by way of debt financing, which would entail significant interest costs.

Accordingly, it is proposed to offer to the Promoter group entities / Director / Key management personnel, 2,07,00,000 (Two Crore Seven Lacs) fully convertible Warrants respectively, each of which would, upon conversion, entitle them to acquire an equivalent number of equity shares of face value Rs. 2 each at a price of Rs. 218/- (Rupees Two Hundred and Eighteen only) per equity share as determined in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "ICDR Regulations")

The proposed issue and allotment of the Warrants will be governed by the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time ("SEBI ICDR Regulations").

Disclosures in terms of Regulation 73 of the ICDR Regulations:

(i) The objects of the issue:

The object of the proposed issue of the Warrants is to augment the network and capital resources of the Company for:

- (a) strengthening the capital base of the Company;
- (b) funding the business expansions of the Company and its subsidiaries; and
- (c) general corporate purposes.

(ii) The intention of the promoters/directors/key management persons to subscribe to the offer:

The director and /key management personnel of the Company namely Mr. Gagan Banga, Executive Director designated as C.E.O. and Mr. Ashwini Kumar, a key management person shall be subscribing to the proposed preferential issue.

(iii) Shareholding pattern of the Company before and after the proposed issue of Warrants pursuant to the resolution:

- (a) **Pre Issue Shareholding Pattern** (as on April 20, 2012, being the latest practicable date on which shareholder data was available prior to the approval and issuance of the notice to shareholders)

Shareholder category	No. of shares held	% holding
Promoter and Promoter Group Companies	11,54,72,283	37.03
Banks / Financial institutions	1,04,092	0.03
FII's	11,17,52,077	35.84
FVCIs	Nil	Nil
NRIs/OCBs	60,21,560	1.93
Resident bodies corporate	1,67,87,059	5.38
Indian Public	5,07,03,082	16.26
Others (Clearing members, Foreign Direct Investment, Mutual funds)	1,09,64,418	3.52
Total	31,18,04,571	100.00

(b) Post-Issue Shareholding Pattern *

Shareholder category	No. of shares held	% holding
Promoter and Promoter Group Companies	13,54,22,283	40.73
Banks / Financial institutions	1,04,092	0.03
FIIIs	11,17,52,077	33.61
FVCIs	Nil	Nil
NRIs/OCBs	60,21,560	1.81
Resident bodies corporate	1,67,87,059	5.05
Indian Public	5,14,53,082	15.47
Others (Clearing members, Foreign Direct Investment, Mutual funds)	1,09,64,418	3.30
Total	33,25,04,571	100.00

* This table shows the shareholding of the Allottees upon conversion of the Warrants, and assumes that holdings of all other categories of shareholders, shall remain the same post issue, as they were on date of pre-issue shareholding pattern.

(iv) Proposed time within which allotment will be completed:

As required under the SEBI ICDR Regulations, the allotment as aforesaid is proposed to be made within 15 (fifteen) days from the date of approval of this resolution, i.e. within 15 (fifteen) days from the date of the results of this postal ballot being announced by the Company, provided that where the allotment on preferential basis is pending on account of non-receipt of any approval for such allotment by any regulatory authority, the allotment shall be completed within 15 days from the date of receipt of such approval.

(v) Identity of the proposed allottees and the percentage of post-preferential issued capital that may be held by the said Allottees:

Identity of proposed Allottees	No. of Warrants to be allotted	No of equity shares to be issued and allotted upon conversion of Warrants	% of post-issue post-conversion equity capital
Cleta Properties Private Limited, a company promoted by the promoters of IBFSL, is a company incorporated under the Companies Act, 1956 having its registered office at 296, Forest Lane, Sainik Farms, New Delhi - 110 068	90,00,000	90,00,000	2.71
Cleta Buildtech Private Limited, a company promoted by the promoters of IBFSL, is a company incorporated under the Companies Act, 1956, having its registered office at 296, Forest Lane, Sainik Farms, New Delhi - 110 068	50,00,000	50,00,000	1.50
Priapus Real Estate Private Limited, a company promoted by the promoters of IBFSL, is a company incorporated under the Companies Act, 1956 having its registered office at M-62 & 63, First Floor, Connaught Place, New Delhi - 110 001	36,00,000	36,00,000	1.08
Hespera Real Estate Private Limited, a company promoted by the promoters of IBFSL, is a company incorporated under the Companies Act, 1956 having its registered office at M-62 & 63, First Floor, Connaught Place, New Delhi - 110 001	23,50,000	23,50,000	0.71
Mr. Gagan Banga, Executive Director of IBFSL	5,50,000	5,50,000	0.16
Mr. Ashwini Kumar, a key managerial personnel	2,00,000	2,00,000	0.06

Consequent to the aforesaid preferential issue, there would be no change in the control or management of the Company.

(vi) Requirement as to recomputation of price and relevant undertakings

As the shares of the Company have been listed on the stock exchanges since 2004 the price of the Warrants has been determined in terms of sub-regulation (1) of Regulation 76 of the ICDR Regulations. Hence the price need not be re-computed.

The Board of Directors of the Company has already approved the issue and allotment of Warrants convertible into equity shares of the Company on a preferential basis to the Allottees.

However in terms of Section 81(1A) of the Companies Act, 1956 read with the SEBI ICDR Regulations and other applicable laws, the preferential allotment of Warrants convertible into equity shares of the Company, would require approval of its shareholders by way of a special resolution. The Board of Directors, therefore, seeks the consent of the shareholders to the resolution set out at item no. 1 in the notice, by way of a special resolution.

A copy of the certificate from M/s Deloitte Haskins & Sells, Chartered Accountants, the statutory auditors of the Company, certifying that the above preferential issue is in accordance with the SEBI ICDR Regulations, and the Memorandum and Articles of Association of the Company, is open for inspection at the registered office of the Company during working hours between 9.30 a.m. and 6:30 p.m., except on holidays, up to the last date fixed for the receipt of postal ballots from the shareholders of the Company.

Mr. Sameer Gehlaut, Mr. Rajiv Rattan, and Mr. Saurabh Kumar Mittal, Promoter Directors of the Company, as also Mr. Gagan Banga an Executive Director may be deemed to be interested in passing of the above resolution.

Item No. 2

The Company's existing objects authorizes it to undertake financing activities, including housing finance. However with a view to avoid any ambiguity, the Board consider it appropriate to amend its objects by providing an explicit authorization for undertaking the business of Long Term Finance or otherwise finance for Industrial or agricultural development, development of infrastructure facility, development of Housing in India or for constructions or purchase of residential houses/ residential purposes in India.

The insertion of proposed new objects would require making suitable amendments in the Main Objects Clause of the Memorandum of Association of the Company, which in terms of the provisions of Section 192A of the Companies Act, 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 ("Rules"), necessarily require approval of Members of the Company through the process of postal ballot.

A copy of the Memorandum of Association with the proposed changes is available at the registered office of the Company for inspection by Members from Monday to Friday from 10:00 A.M. to 3:00 P.M. till the date of declaration of the result of Postal Ballot.

The Board recommends the said resolution set out at Item No. 2 for the approval of the Members as a Special Resolution.

None of the Directors of the Company is deemed to be concerned or interested in the resolution.

**By order of the Board
For Indiabulls Financial Services Limited**

**Amit Jain
Company Secretary**

Place: New Delhi
Date: April 27, 2012

Indiabulls

Indiabulls Financial Services Limited

INDIABULLS FINANCIAL SERVICES LIMITED

Registered Office: F-60, Malhotra Building, 2nd Floor, Connaught Place, New Delhi - 110 001

POSTAL BALLOT FORM

Pursuant to Section 192A (2) of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001

1. Name(s) of Shareholder(s) (in block letters) (including joint-holders, if any)

2. Registered address of the sole/
First named shareholder

3. Registered folio number/ DP ID &
Client ID No.*
(*Applicable to investors holding
Shares in dematerialized form)

4. Number of shares held

5. I/We hereby exercise my/ our vote in respect of the resolution to be passed through postal ballot for the business stated in the Notice of the Company by sending my/our assent or dissent to the said resolution by placing a tick mark (✓) at the appropriate box below:

Resolution No.	Description	No. of Shares	I/We assent to the Resolution (FOR)	I/ We dissent to the Resolution (AGAINST)
1.	Special Resolution under Section 81(1A) of the Companies Act, 1956, the SEBI ICDR Regulations and provisions of the other applicable statutes if any, to the preferential issue of Warrants convertible into an equivalent number of Equity shares of the Company, to certain Promoter group entities / Directors / Key management personnel, as described in the resolution at item no. 1			
2.	Special Resolution under Section 17(1) of the Companies Act, 1956, for altering/amending the objects clause of the Memorandum of Association of the Company, by insertion of new clause 10 therein, in the Main Objects Clause of the Memorandum of Association of the Company, as described in the resolution at item no. 2.			

Place:

Date:

(SIGNATURE OF THE SHAREHOLDER)

NOTE: FOR INSTRUCTIONS, PLEASE SEE OVERLEAF

INSTRUCTIONS

1. A member desiring to exercise vote by postal ballot may complete this postal ballot form and send it to the Company in the attached self-addressed postage pre-paid envelope. However, envelopes containing postal ballots, if sent by courier at the expense of the registered shareholder, will also be accepted.
2. This form should be completed and signed (as per the specimen signature registered with the Company) by the shareholder and in case of joint-holding, by the first named shareholder and in his / her absence, by the next named shareholder.
3. Unsigned postal ballot forms shall be rejected.
4. Duly completed postal ballot form should reach the scrutinizer no later than 2:00 P.M. on Sunday, the 27th day of May, 2012. All postal ballot forms received after this date will be strictly treated as if reply from such shareholder has not been received.
5. In case of Companies, Trusts, Societies etc., the duly completed postal ballot form should be accompanied by a certified copy of board resolution / authority.
6. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the shareholder on April 20, 2012.
7. Members are requested not to send any other paper along with the postal ballot forms in the enclosed self-addressed, postage prepaid envelope as all such envelopes will be sent to the scrutinizer and any extraneous paper found in such envelope would be destroyed by the scrutinizer.

Resolution No.	Description	No. of Shares	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1	Special Resolution under Section 31(A) of the Companies Act, 2013 for amending the Memorandum and Articles of Association of the Company to alter the objects clause and to the extent of the alteration of the objects clause, to alter the number of equity shares of the Company to be issued by the Company to the extent of the alteration of the objects clause.			
2	Special Resolution under Section 17(1) of the Companies Act, 2013 for amending the objects clause of the Memorandum of Association of the Company to alter the objects clause to the extent of the alteration of the objects clause.			

(SIGNATURE OF THE SHAREHOLDER)

NOTE: FOR INSTRUCTIONS PLEASE SEE OVERLEAF