



DEVELOPMENT CREDIT BANK LIMITED

Registered Office: 301, Trade Plaza, 414 Veer Savarkar Marg, Prabhadevi, Mumbai 400 025

NOTICE OF POSTAL BALLOT

Dear Members,

Notice pursuant to Section 192A (2) of the Companies Act, 1956

Notice is hereby given that pursuant to Section 192A (2) of the Companies Act, 1956 ("the Act") read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 ("the Postal Ballot Rules"), the consent of the Members of DEVELOPMENT CREDIT BANK LIMITED ("the Bank") is sought to pass the proposed Special Resolution set out below, which consent is proposed to be obtained by means of Postal Ballot. Only a Member entitled to vote is entitled to exercise his/her vote through Postal Ballot and a Member having no voting right should treat this Notice as intimation only.

The Bank proposes to amend its Memorandum of Association in the manner and to the extent set out in the Special Resolution below. Your approval to the amendment of the Memorandum of Association of the Bank is being sought by voting through Postal Ballot having regard to the provisions of Section 192A of the Act, read with the applicable provisions of the Postal Ballot Rules. An Explanatory Statement pursuant to Sections 173 and 192A (2) of the Act setting out all the material facts is annexed.

The Bank has appointed Mr. S. N. Ananthasubramanian, Practising Company Secretary as Scrutinizer to scrutinize the completed ballot papers received from the Members and for conducting the Postal Ballot in a fair and transparent manner.

Members are advised to read carefully the instructions printed on the enclosed Postal Ballot Form and return it (no other form or photocopy thereof is permitted) duly completed, in the enclosed postage pre-paid self-addressed envelope so as to reach the Scrutinizer on or before Monday, July 07, 2008. Responses received by the Scrutinizer after the above date will be strictly treated as if no response has been received from the Member(s), in terms of Rule 5(f) of the Postal Ballot Rules. Members are therefore requested to send their duly completed Postal Ballot Forms well in advance, providing sufficient time for postal transit.

The Scrutinizer will submit his report to the Chairman after completion of the scrutiny of the Postal Ballot Forms and the Chairman will announce the results of the Postal Ballot on Friday, July 11, 2008, through a press release.

Item of business requiring consent of Members through Postal Ballot:

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

"RESOLVED THAT pursuant to the provisions of Section 17 and other applicable provisions, if any, of the Companies Act, 1956 and any statutory modifications or re-enactment thereof for the time being in force, and subject to the necessary approvals, required if any in this regard from Reserve Bank of India ("RBI") and/or Securities and Exchange Board of India ("SEBI") and subject further to such other terms, conditions, stipulations, alterations, amendments or modifications as may be required, specified or suggested by RBI and/or SEBI; which terms, conditions, stipulations, alterations, amendments or modifications, the Board of Directors (hereinafter referred to as "the Board", which term shall include any of its duly authorized Committee or individual Director) is hereby authorized to accept as it may deem fit; consent of the Members of the Bank be and is hereby accorded to the alteration of the present Clause III (A) of the Bank's Memorandum of Association in the manner and to the extent hereinafter provided:

- A. The present Sub-Clause 3 of Clause III (A) be replaced by the following new Sub-Clause 3:

"3. To Act as agents for any government or local authority or any other person or persons including acting as Bankers to an Issue of securities by bodies corporate either by way of initial public offerings, follow-on offerings, rights issues, preferential allotments, private placements and/or any other permitted mode of issue and for that purpose register itself with Securities and Exchange Board of India and/or any other regulatory authority as a capital market intermediary, the carrying on agency business of any description including the clearing and forwarding of goods, giving of receipts and discharges and otherwise acting as an attorney on behalf of customers."

- B. The following new Sub-Clause 10(b) be inserted after the present Sub-Clause 10(a) in Clause III (A):

"10(b). To open, establish, maintain and operate Currency Chest and Small Coin Depots on such terms and conditions as may be required by the Reserve Bank of India Act, 1934 and to enter into all administrative and other arrangements for undertaking such functions with the Reserve Bank of India."

"RESOLVED FURTHER THAT subject to the necessary approvals required, if any, in this regard from RBI and/or SEBI and subject further to such other terms, conditions, stipulations, alterations, amendments or modifications as may be required, specified or suggested by RBI and/or SEBI; which terms, conditions, stipulations, alterations, amendments or modifications, the Board of Directors (hereinafter referred to as "the Board", which term shall include any of its duly authorized Committee or individual Director) is hereby authorized to accept as it may deem fit, the existing Memorandum of Association, duly modified as aforesaid, and accepted by the Board, be adopted as the Memorandum of Association of the Bank."

"RESOLVED FURTHER THAT the consent of the Members of the Bank be and is hereby accorded pursuant to the provisions of Section 149(2A) and other applicable provisions, if any, of the Act, to the Bank commencing and engaging the business activities of Bankers to an Issue and Currency Chest and Small Coin Depots, in terms of Sub-Clause 3 of Clause III (A) and Sub-Clause 10(b) of Clause III (A) of the Memorandum of Association of the Bank, respectively, at such time or times as the Board may deem fit."

“AND RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, including without limitation, to settle any or all questions/ matters arising with respect to the above matter, to execute all such deeds, documents, agreements and writings as may be necessary and to take such further incidental and ancillary steps in this regard, as may be considered desirable or expedient by the Board in the best interest of the Bank and its Members.”

By order of the Board of Directors
For DEVELOPMENT CREDIT BANK LIMITED

Place : Mumbai
Date : May 06, 2008

H. V. Barve
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTIONS 173(2) and 192A (2) OF THE COMPANIES ACT, 1956

Item No. 1

The Bank currently holds a Certificate issued by Securities and Exchange Board of India (SEBI) to act as Bankers to an Issue. SEBI has vide its letter dated 3rd January 2008, stated that the Object Clause in Memorandum of Association of the Bank, requires to be suitably amended to specifically permit the Bank to act as a Banker to an Issue.

The Bank also plans to open, establish, maintain and operate Currency Chest and Small Coin Depot businesses. The above businesses require permission from the Reserve Bank of India (RBI) and the Object Clause of the Memorandum of Association of the Bank requires a clause permitting the Bank to carry on the above businesses. The RBI vide their letter No.DBOD.No.PSBD.8914/16.01.132/2007-08 dated January 11, 2008 has conveyed no objection to amend the Memorandum of Association by inserting a new Sub-Clause 10(b) in the Main Objects Clause.

The amendment and inclusion of the Object Clauses, as set out in the resolution at Item No.1 will fulfill the above requirements of SEBI and RBI, respectively.

The resolution at Item No. 1, seeking the approval of the Members to amend the Memorandum of Association of the Bank, is proposed as a Special Resolution, having regard to Section 17 of the Companies Act, 1956 (“the Act”). Your approval to the amendment of the Memorandum of Association of the Bank is being sought by voting through postal ballot having regard to the provisions of Section 192A of the Act, read with the provisions of Companies (Passing of Resolution by Postal Ballot) Rules, 2001.

The Bank intends to continue to carry on the activity of Banker to an Issue, in terms of the Sub-Clause 3 of Clause III (A) of the Memorandum of Association of the Bank and also intends to commence the business activities of Currency Chest and Small Coin Depots, in terms of Sub-Clause 10(b) of the Clause III (A) of the Memorandum of Association of the Bank. The new businesses and activities shall commence from such time as the Board may deem fit and shall be subject to all applicable laws, rules, regulations and guidelines governing these businesses. Pursuant to the provisions of Section 149(2A) of the Act approval of the Members of the Bank is required before commencement of any new business/activity set out in the Object Clause of its Memorandum of Association. The resolution at Item No.1, seeking the approval of the Members to commence a new business/activity set out in its Memorandum of Association of the Bank, is proposed as a Special Resolution, having regard to Section 149(2A) of the Act.

A copy of (a) the existing Memorandum of Association of the Bank, (b) the proposed amendments thereto, and (c) the letter dated 3rd January, 2008 from SEBI and (d) letter dated 11th January, 2008 from RBI will be available for inspection of the Members at the Registered Office of the Bank between 10.00 a.m. and 1.00 p.m. on all working days, till Monday, July 07, 2008 being the last date for the receipt of the Postal Ballots.

Your Directors consider that the resolution set out at Item No. 1 is in the interest of the Bank and therefore recommends the same for your approval.

None of the Directors is interested in the resolution.

By order of the Board of Directors
For DEVELOPMENT CREDIT BANK LIMITED

Place : Mumbai
Date : May 06, 2008

H. V. Barve
Company Secretary

Enclosures:

1. Postal Ballot Form
2. Postage Pre-paid Self-addressed Envelope