

**MAHINDRA RURAL HOUSING FINANCE LIMITED**

**Registered Office:** Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai - 400018.

**Corporate Identity Number :** U65922MH2007PLC169791

**Tel:** +91 22 6652 3500; **Fax:** +91 22 2497 2741

**Website:** [www.mahindrahomefinance.com](http://www.mahindrahomefinance.com)

**E-mail:** [customercare.mrhfl@mahfin.com](mailto:customercare.mrhfl@mahfin.com)

**NOTICE**

An **EXTRAORDINARY GENERAL MEETING OF** the Members of **MAHINDRA RURAL HOUSING FINANCE LIMITED** will be held at 2.00 p.m. on Tuesday the 16<sup>th</sup> day of January, 2018 at Mahindra Towers, 4<sup>th</sup> Floor, P. K. Kurne Chowk, Worli, Mumbai – 400 018 to transact the following Business:

**SPECIAL BUSINESS:**

- 1) To consider, and if thought fit to pass, with or without modification(s), 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 read with Rule 12 of The Companies (Share Capital and Debentures) Rules, 2014, the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be required 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 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 authorized Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution*) to create, offer and grant from time to time Employee Stock Options in one or more tranches to the permanent employees, existing and future, of Mahindra & Mahindra Financial Services Limited (*hereinafter referred to as ‘MMFSL’*), the Holding Company, as may be decided solely by the Board under the MRHFL Employee Stock Option Scheme 2017 (*hereinafter referred to as ‘MRHFL ESOS 2017’*), each option being exercisable into not more than one fully paid-up Equity Share of the Company of the face value of Rs. 10 each, (or such other adjusted figure for any bonus, stock splits, consolidations or other re-

organisation of the capital structure of the Company as may be applicable from time to time), which shall be acquired through the Mahindra Rural Housing Finance Limited Employee Welfare Trust (herein after referred to as "Trust"), 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 MRHFL ESOS 20117, and in due compliance of the applicable laws, rules, and regulations in this regard.

**RESOLVED FURTHER THAT** the Stock Options granted to the employees of MMFSL together with the Stock Options granted to the eligible employees and eligible Directors of the Company together, at any time, shall not exceed the limit of 37,86,459 (Thirty Seven Lackhs Eighty Six Thousand Four Hundred Fifty Nine only), as approved by the Shareholders at their Extraordinary General Meeting held on 31<sup>st</sup> August, 2017.

**RESOLVED FURTHER THAT** the number of Employee Stock Options that may be granted to any one employee of MMFSL, in any financial year and in aggregate under the MRHFL ESOS 2017 shall be lesser than one percent of the Paid-up Share Capital 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 37,86,459 (Thirty Seven Lackhs Eighty Six Thousand Four Hundred Fifty Nine only) Employee Stock Options and Equity Shares respectively shall be deemed to increase in proportion of such additional Equity Shares issued to facilitate making a fair and reasonable adjustment.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do and execute all the acts, matters, things, deeds, agreements, documents as may be necessary to give effect to the authority hereby granted including, at any time, to modify, change, vary, alter, amend, suspend or terminate the grant of Stock Options to the employees of MMFSL subject to the compliance with the applicable laws and regulations and to do and undertake all such acts, deeds, matters and things as it may at its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the grant of Stock Options hereby envisaged and do all other things incidental and ancillary therefor."

2. To consider, and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution :

“RESOLVED THAT pursuant to the provisions of Section 61, 64, and all other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) read with The Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Authorised Share Capital of the Company be increased from Rs. 100,00,00,000 (Rupees Hundred Crores) divided into 10,00,00,000 (Ten Crores) Equity Shares of Rs.10 (Rupees Ten) each to Rs.150,00,00,000 (Rupees Hundred and Fifty Crores) divided into 15,00,00,000 (Fifteen Crores) Equity Shares of Rs.10 (Rupees Ten) each by creation of an additional capital of Rs. 50,00,00,000 (Rupees Fifty Crores) divided into 5,00,00,000 (Five Crores) Equity Shares of Rs. 10 (Rupees Ten) each.”

3. To consider, and if thought fit to pass, with or without modification(s), the following as a Special Resolution :

“RESOLVED THAT pursuant to the provisions of Sections 13, and all other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act’) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), clause V of the Memorandum of Association of the Company be substituted by the following Clause V:

‘V. The Authorised Share Capital of the Company is Rs.150,00,00,000 (Rupees Hundred and Fifty Crores) consisting of 15,00,00,000 (Fifteen Crores) Equity Shares of Rs.10 (Rupees Ten) each.’ ”

**NOTES:**

- (1) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”), setting out the material facts relating to the business stated under Item Nos. 1, 2 and 3 is annexed hereto.

- (2) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.**

- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten per cent of the total share capital of the Company carrying voting rights. A member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- (4) The instrument appointing a proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time for holding the Meeting.
- (5) All the documents mentioned in this notice are open for inspection at the Registered Office of the Company on all working days during the business hours of the Company, till the conclusion of the Meeting.
- (6) A route map giving the prominent landmark for the ease of locating the venue of the Meeting is a part of this Notice.

**By Order of the Board**

**Sd/-**

**Navin Joshi  
Company Secretary**

**Registered Office:**

Mahindra Towers,  
P. K. Kurne Chowk,  
Worli, Mumbai - 400 018.

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Place : Mumbai

Date : 22<sup>nd</sup> December, 2017

## **Explanatory Statement under Section 102 of the Companies Act, 2013**

### **ITEM NO.1**

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.

Considering the above, the Members, at their Extraordinary General Meeting held on 31<sup>st</sup> August, 2017, inter alia, approved the 'MRHFL Employee Stock Option Scheme 2017' (hereinafter referred to as 'MRHFL ESOS 2017' or 'the Scheme') and also approved issue, offer and grant of up to 37,86,459 (Thirty Seven Lakhs Eighty Six Thousand Four Hundred Fifty Nine only) options under the Scheme.

With a view to reward the eligible employees of Mahindra & Mahindra Financial Services Limited (hereinafter referred to as 'MMFSL'), the Holding Company, whose hard work, dedication and support has contributed to the growth of the Company, and to motivate them further to contribute to the overall corporate growth and profitability, it is proposed to grant stock options to such employees of MMFSL, as may be determined by the Board of Directors including any of its authorized committees.

The number of stock options granted to the eligible employees of MMFSL together with the stock options granted to the eligible employees and Directors of the Company, at any time, shall not exceed 37,86,459 stock options which was the limit approved by Members at their Extraordinary General Meeting held on 31<sup>st</sup> August, 2017.

The Nomination and Remuneration Committee of the Board (NRC) and the Board of Directors ("the Board"), upon the recommendation of the NRC, at their respective meetings held on 8<sup>th</sup> December, 2017, approved the grant of Stock Options to the eligible employees of MMFSL, subject to the approval of Members.

The Company now seeks Members' approval for the grant of Stock Options to the eligible employees of MMFSL as may be decided by the Board / NRC from time to time, in due compliance of applicable laws and MRHFL ESOS 2017.

The terms and condition as are comprised in the MRHFL ESOS 2017 will also be applicable in case of the grant of Stock Options to the employees of MMFSL. The disclosures required to be provided under Rule 12(2) of The Companies (Share Capital and Debentures) Rules, 2014, in this regard, are given below:

**a) Total number of Stock Options to be granted**

The Members at their Extraordinary General Meeting held on 31<sup>st</sup> August, 2017 approved the issue, offer and grant of up to 37,86,459 (Thirty Seven Lacs Eighty Six Thousand Four Hundred Fifty Nine only) Options in one or more tranches exercisable into not exceeding 37,86,459 (Thirty Seven Lacs Eighty Six Thousand Four Hundred Fifty Nine only) Equity Shares in aggregate in the Company of face value of Rs. 10/- each fully paid-up, to the eligible employees and Directors of the Company (excluding Independent Directors).

It is now proposed to grant Stock Options to the eligible employees of MMFSL so however that the number of options granted to them together with the number of options granted to the eligible employees and Directors of the Company shall, at no time, exceed the limit approved by the Members, as mentioned hereinabove.

**b) Identification of classes of employees**

Vide this Resolution, it is proposed to grant Stock Options to the permanent employees of MMFSL, whether based in India or abroad, on the basis of eligibility criteria laid down by the Board / NRC. An employee who is a Promoter or belongs to the Promoter Group will not be eligible for the grant of Stock Options under the present approval.

**c) Process for determining the eligibility of employees**

The Options shall be granted to such employees of MMFSL as is approved by the Board / NRC.

**d) The Requirements of vesting and period of vesting**

The Options granted shall vest so long as an employee continues to be in the employment of MMFSL. The Board / NRC may, at its discretion, lay down certain eligibility criteria on the basis of which such Options would vest, the detailed terms and conditions relating to such eligibility-based vesting, and the proportion in which Options granted would vest subject to the minimum vesting period of one year.

**e) The Maximum period within which the Options shall be vested**

Options granted under this approval would vest as is determined by the Board / NRC, subject to a maximum period of 5 years from the date of grant of such Options, as is provided in MRHFL ESOS 2017.

**f) The Exercise price or the formula for arriving at the same**

The exercise price per Option shall be such price as may be determined by the Board, including any committee thereof authorized in this behalf, being not less than the face value of an Equity Share of the Company as on the date of the grant of Option.

**g) The Exercise period and the process of Exercise**

The Vested Options can be exercised by the Option Grantee within maximum of 3 years from the date of vesting of options.

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

In case of cashless system of exercise of vested Options, the NRC shall be entitled to specify such procedures and/or mechanisms for the Shares to be dealt with thereon as may be necessary and the same shall be binding on the Option grantees.

**h) The Lock-in period, if any**

There shall not be any lock-in period post exercise of Options.

**i) The Maximum number of Options to be granted per employee and in aggregate**

The number of Options that may be granted to any specific employee shall be lesser than the number equivalent to one percent of the total Paid-up Equity Shares of the Company per grant and in aggregate.

**j) The Method which the Company shall use to value its Options**

To calculate the employee compensation cost, the Company shall use the Intrinsic Value method for valuation of the Options granted. Notwithstanding the above, the Company may adopt any other method as may be required under prevailing applicable laws.

**k) The Conditions under which Options vested in employees may lapse e.g. in case of termination of employment for misconduct**

Vested Options shall lapse in case of (i) abandonment of employment, and (ii) termination of employment due to misconduct or due to breach of Company policies or the terms of employment.

**l) The specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee:**

In case of resignation, the Vested Options can be exercised by the employee by his / her last working day in the Company. In case of termination on account of misconduct, the Vested Options cannot be exercised and would lapse.

**m) 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.

A copy of the MRHFL ESOS 2017 is available for inspection by the Members at the Registered Office on all working days during office hours till the conclusion of the Meeting.

None of the Directors, and Key Managerial Personnel of the Company are interested or concerned in the resolution at item no. 1 of the Notice except to the extent of the entitlement of any of their relatives, if any, under this approval.

The Directors recommend the resolution at item no. 1 for your approval, as a Special Resolution.



### **ITEMS NO. 2 AND 3**

Presently, the Authorised Share Capital of the Company is Rs. 100,00,00,000 (Rupees Hundred Crores) divided into 10,00,00,000 (Ten Crores) Equity Shares of Rs. 10 (Rupees Ten) each.

The present issued, subscribed and paid-up share capital of the Company is Rs. 95,13,21,660/- divided into 9,51,32,166 Equity Shares of Rs.10 each.

Considering the growth trajectory of the Company, its future business activities and growing financial needs, the infusion of capital from time-to-time is necessary.

The budgeted Capital requirements of the Company necessitate an increase in the Authorised Share Capital of the Company to accommodate the budgeted increase in the issued, subscribed and paid-up share capital of the Company.

Considering the above, it is proposed to increase the Authorised Share Capital of the Company from Rs. 100,00,00,000 (Rupees Hundred Crores) divided into 10,00,00,000 (Ten Crores) Equity Shares of Rs. 10 (Rupees Ten) each to Rs. 150,00,00,000 (Rupees Hundred and Fifty Crores) divided into 15,00,00,000 (Fifteen Crores) Equity Shares of Rs.10 (Rupees Ten) each by creation of additional capital of Rs. 50,00,00,000 (Rupees Fifty Crores) divided into 5,00,00,000 (Five Crores) Equity Shares of Rs. 10 (Rupees Ten) each.

Pursuant to the provisions of Section 61 of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014, an increase in the Authorised Capital requires the approval of Members by way of an Ordinary Resolution and hence the Resolution at item no. 2 of the Notice.

The Resolution at item no. 3 is a consequential Resolution for amending the Capital Clause in the Memorandum of Association of the Company to record therein the increase in the Authorised Share Capital.

None of the Directors and / or Key Managerial Personnel of the Company including their relatives are interested or concerned in passing of the Resolutions at item no. 2 and 3 of the Notice.

Your Directors recommend the Resolutions at item no. 2 and 3 of the Notice for your approval, as an Ordinary Resolution and a Special Resolution, respectively.

**By Order of the Board**

**Sd/-**

**Navin Joshi**

**Company Secretary**

**Registered Office:**

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Place : Mumbai

Date : 22<sup>nd</sup> December, 2017

- ROUTE MAP -

**Extraordinary General Meeting of Mahindra Rural Housing Finance Limited** to be held at 2.00 p.m. on Tuesday the 16<sup>th</sup> day of January, 2018 at Mahindra Towers, 4<sup>th</sup> Floor, P. K. Kurne Chowk, Worli, Mumbai – 400 018.

**Prominent Landmark :** Near Worli T. V. Tower (Doordarshan Kendra).



**MAHINDRA RURAL HOUSING FINANCE LIMITED**

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**FORM NO. MGT.11**

**PROXY FORM**

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

Name(s) of the Member(s) :

Registered Address :

E-mail ID :

Folio No. / Client ID :

DP ID :

I/We, being the Member(s) of **MAHINDRA RURAL HOUSING FINANCE LIMITED** holding \_\_\_\_\_ Equity Shares hereby appoint :

1 Name :

Address :

E-mail ID :

Signature :

**or failing him/her;**

2 Name :

Address :

E-mail ID :

Signature :

**or failing him/her;**

3 Name :

Address :

E-mail ID :

Signature :

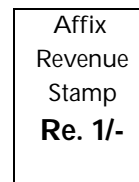
as my/our Proxy to attend and vote (on a Poll) for me/us and on my/our behalf at the **Extraordinary General Meeting of Mahindra Rural Housing Finance Limited** to be held on Tuesday the 16<sup>th</sup> day of January at 2.00 p.m. at Mahindra Towers, 4<sup>th</sup> Floor, P. K. Kurne Chowk, Worli, Mumbai – 400 018 and at any adjournment thereof in respect of such resolutions as are indicated below:

<b>Resolution No.</b>	<b>Description</b>
<b>Special Business</b>	
1.	Approval for the issue, offer and grant of Stock Options to the eligible employees of Mahindra & Mahindra Financial Services Limited, the Holding Company.
2.	Approval for the Increase in the Authorised Share Capital of the Company from Rs. 100 crores to Rs. 150 crores.
3.	Substitution of Clause V of the Memorandum of Association of the Company with new Clause V consequent to increase in the Authorised Share Capital of the Company.

Signed this \_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
Signature of Shareholder

\_\_\_\_\_  
Signature of Proxy Holder(s)



**Notes :**

- (1) A Proxy need not be a Member of the Company.
- (2) This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

**MAHINDRA RURAL HOUSING FINANCE LIMITED**

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**ATTENDANCE SLIP**

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING ROOM.

Name and Registered Address of :  
the Shareholder

Joint Holder :

Folio no. / DP ID no. :

Client ID no. :

No. of Shares :

I hereby record my presence at the **Extraordinary General Meeting of Mahindra Rural Housing Finance Limited** held at 2.00 p.m. on Tuesday the 16<sup>th</sup> January, 2018 at Mahindra Towers, 4<sup>th</sup> Floor, P. K. Kurne Chowk, Worli, Mumbai – 400 018.

Name(s) of the Shareholder(s)/ Representative/Proxy (IN BLOCK CAPITALS)	
Signature(s) of the Shareholder(s)/ Representative/Proxy	