

NOTICE

Notice is hereby given that the Eighth Annual General Meeting of **Mahindra Rural Housing Finance Limited** will be held at Mahindra Towers, 4th Floor, Worli, Mumbai – 400 018, on Monday, the 13th day of July, 2015, at 1.00 p.m. to transact the following Business:

ORDINARY BUSINESS

- 1) To receive and adopt the audited Balance Sheet as at 31st March, 2015, and Statement of Profit and Loss for the year ended on that date together with the reports of the Directors and Auditors thereon.
- 2) To declare a dividend on equity shares.
- 3) To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that Mr. Uday Y. Phadke (DIN: 00030191), a Director liable to retire by rotation, who does not seek re-appointment, be not re-appointed a Director of the Company.

FURTHER RESOLVED that the vacancy so created on the Board of Directors of the Company, be not filled.”

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

“RESOLVED that pursuant to sections 139, 142 and such other applicable provisions of the Companies Act, 2013, Messrs. B. K. Khare & Co., Chartered Accountants (ICAI Registration Number 105102W), the retiring Auditors of the Company, be re-appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting, until



the conclusion of the next Annual General Meeting of the Company at a remuneration to be determined by the Board of Directors of the Company in addition to out of pocket expenses as may be incurred by them during the course of the Audit.”

SPECIAL BUSINESS:

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

“RESOLVED that in supersession of the Resolution passed by the Shareholders at the Annual General Meeting held on 14th July, 2014 and pursuant to the provisions of Sections 180(1)(a), 180(1)(c) and all other applicable provisions of the Companies Act, 2013 read with such Rules as may be applicable and the Memorandum and Articles of Association of the Company, consent of the Company be accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) to borrow moneys from time to time and, if they think fit, for creation of such mortgage, charge and/or hypothecation as may be necessary, on such of the assets of the Company, both present and future, in such manner as the Board may direct, in favour of financial institutions, investment institutions and their subsidiaries, banks, mutual funds, trusts, other bodies corporate (hereinafter referred to as the “Lending Agencies”) and Trustees for the holders of debentures/ bonds and/or other instruments which may be issued on private placement basis or otherwise, to secure rupee term loans/ foreign currency loans, debentures, bonds and other instruments, even though the moneys to be borrowed together with the moneys already borrowed by the Company may exceed at anytime, the aggregate of the paid-up share capital of the Company and its free reserves, of an outstanding aggregate value not exceeding Rs. 5,500 crores (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business), together with interest thereon at the agreed rates, further interest, liquidated damages, premium on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company to the Trustees under the Trust Deed and to the Lending Agencies under their respective Agreements/ Loan Agreements/ Debenture Trust Deeds entered/to be entered into by the Company in respect of the said borrowings.

FURTHER RESOLVED that the Board be and is hereby authorised and empowered to do all such acts, deeds, matters and things, arrange, give



such directions as may be deemed necessary or expedient, or settle the terms and conditions of such instrument, securities, loan, debt instrument as the case may be, on which all such moneys as are borrowed, or to be borrowed, from time to time, as to interest, repayment, security or otherwise howsoever as it may think fit, and to execute all such documents, instruments and writings as may be required to give effect to this Resolution and for matters connected therewith or incidental thereto, including intimating the concerned authorities or other regulatory bodies and delegating all or any of the powers conferred herein to any Committee of Directors or Officers of the Company."

- 6) 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 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Companies (Share Capital and Debentures) Rules, 2014 [hereinafter collectively referred to as "the Rules"] as may be amended from time to time, and subject to such other Regulations/Guidelines, approval of the Members 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 thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) for making offer(s) or invitation(s) to subscribe to Non-Convertible Debentures including but not limited to Subordinated Debentures, bonds, and /or other debt securities, etc., on a private placement basis, in one or more tranches, during the period of one year from the date of passing of the Special Resolution by the Members, within the overall borrowing limits of the Company, as may be approved by the Members from time to time.

FURTHER RESOLVED that the Board be and is hereby authorised and empowered to arrange or settle the terms and conditions on which all such moneys are to be borrowed from time to time, as to interest, repayment, security or otherwise, as it may deem expedient, and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deems 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.

FURTHER RESOLVED that the Board be and is hereby authorised to execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto including intimating the concerned authorities or other regulatory bodies and delegating all or any of the powers conferred herein to any Committee of Directors or Officers of the Company."

- 7) 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 Section 14 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and subject to the necessary registration approvals, consents, permissions and sanctions required, if any, by the jurisdictional Registrar of Companies, and any other appropriate authority and subject to such terms, conditions, amendments or modifications as may be required or suggested by any such appropriate authorities, which terms, conditions, amendments or modifications, the Board of Directors (hereinafter referred to as "the Board", which term shall include any of its duly authorised Committees or one or more Directors) is authorised to accept as it may deem fit, the existing set of Articles of Association of the Company be and is hereby replaced, altered, modified and revised as per the new set of Articles of Association, and the new set of Articles of Association be and is hereby approved and adopted as the Articles of Association of the Company in the place and in exclusion and substitution of the existing Articles of Association of the Company.

FURTHER RESOLVED that the Board be and is hereby authorised to execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto including intimating the concerned authorities or other regulatory bodies and delegating all or any of the powers conferred herein to any Committee of Directors or Officers of the Company."



NOTES:

- (A) Explanatory Statement as required under section 102(1) of the Companies Act, 2013 is annexed hereto.
- (B) 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. 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.
- (C) 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.
- (D) The dividend, if declared at the Annual General Meeting, will be payable to those persons whose names appear on the Company's Register of Members as on 12th June, 2015 being the Record Date fixed by the Board for this purpose.



By Order of the Board
Harshada Pathak
Harshada Pathak
Company Secretary

Registered Office:
Mahindra Towers,
P. K. Kurne Chowk,
Worli, Mumbai - 400 018.
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15th April, 2015

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013

ITEM NO.5

Pursuant to the provisions of section 180(1)(c) of the Companies Act, 2013 (the Act), the Board of Directors of a company cannot borrow moneys in excess of the amount of the paid-up capital of the company and its free reserves without the approval of the shareholders in a General Meeting by way of Special Resolution.

At the Annual General Meeting of the Company held on 14th July, 2014, the shareholders, had passed an Special Resolution under section 180(1)(a) & (c) of the Companies Act, 2013 empowering the Board of Directors of the Company to borrow moneys upto Rs. 3,200 crores even though such borrowing would be in excess of the paid-up capital and free reserves of the Company.

The moneys so borrowed by the Company and outstanding as at 31st March, 2015 amounted to approximately Rs. 1709.67 crores. During the financial year 2014-2015, the Company has disbursed Rs. 989.6 crores and it has plans to disburse over Rs. 1,700 crores during the current year.

In order to further expand its business and to meet the increased financial needs for the budgeted disbursements, the Company would be required to borrow in excess of Rs. 3,200 crores. It was therefore proposed to increase the borrowing limits from Rs. 3,200 crores to Rs. 5,500 crores.

A Housing Finance Company cannot borrow more than 16 times of its net owned funds as per the Guidelines issued by National Housing Bank.

The Company may be required to secure some of the borrowings by creating mortgage/charge on all or any of the movable or immovable properties of the Company in favour of the lender(s) in such form, manner and ranking as may be determined by the Board of Directors of the Company from time to time, in consultation with the lender(s). In terms of section 180(1)(a) of the Act any proposal to sell, lease or otherwise dispose of the whole, or substantially the whole, of any such undertaking requires the approval of the Members by way of an Special Resolution.

Accordingly, the consent of the Members is being sought for the enhancement of the borrowing limits and to secure such borrowings by mortgage/charge on any of the movable and/or immovable properties and / or the whole or any part of the undertaking(s) of the Company as set out in the Special Resolution at Item No. 5 of the Notice.



The Board recommends the passing of the Resolution as a Special Resolution.

None of the Directors of the Company or Key Managerial Personnel of the Company and their relatives is in any way, concerned or interested in this item of business.

ITEM NO.6

The Company can issue Debentures in accordance with the provisions of section 71 of the Companies Act, 2013 read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014 which inter alia, requires approval of shareholders by way of Special Resolution.

As per section 42 of the Act read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 [hereinafter referred to as "the Rules"], a company offering or making an invitation to subscribe to Non-Convertible Debentures ('NCDs') on a private placement basis, is required to obtain the prior approval of the Members by way of a Special Resolution. Such an approval by a Special Resolution can be obtained once a year for all the offers and invitations for such NCDs during the year.

The Board of Directors at its Meeting held on 15th April, 2015 has approved raising of funds by way of Non Convertible Debenture upto Rs. 300 crores and by way of Subordinated Debenture upto Rs. 200 crores. The Company has raised funds by way of issue of Subordinated Debenture of Rs. 7 crores during the F.Y. 2012-13.

It is proposed to offer or invite subscriptions for NCDs including Subordinated Debentures, Bonds, and/or other debt securities, on a private placement basis, in one or more tranches, during the period of one year from the date of passing of the Special Resolution by the Members, within the overall borrowing limits of the Company, as may be approved by the Members from time to time, with authority to the Board to determine the terms and conditions, including the issue price of the NCDs, interest, repayment, security or otherwise, as it may deem expedient and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deems 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 the Resolution. Accordingly, the approval of the Members is being sought by way of a Special Resolution under section 42 and other applicable provisions, if any, of the Act read with the Rules framed thereunder as set out in Item No.6 appended to this Notice.



The Board recommends the passing of the Resolution under Item No.6 as a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested in this item of business.

ITEM NO.7

Upon enactment of the Companies Act, 2013, various provisions of the Companies Act, 1956 have been repealed and in view of the same the Articles of Association of the Company need to be re-aligned as per the provisions of the new Act.

The Board of Directors at its meeting held on 15th April, 2015 decided to incorporate/substitute/alter certain provisions of the Articles of Association as per the Companies Act, 2013. As this would result in a number of changes in the existing Articles of Association of the Company, it was desirable to adopt a new set of Articles of Association in place of and to the exclusion of the existing Articles of Association of the Company. The new Articles of Association to be substituted in place of the existing Articles of Association is based on Table "F" of Schedule I of the Companies Act, 2013 which sets out the model Articles of Association for a company limited by shares.

In terms of Section 14 of the Companies Act, 2013, the consent of the Members by way of Special Resolution is required for adoption of new set of Articles of Association of the Company.

The Board recommends the passing of the Resolution under Item No.7 as a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested in this item of business.



Registered Office:
Mahindra Towers,
P. K. Kurne Chowk,
Worli, Mumbai 400 018.

15th April, 2015

By Order of the Board

A handwritten signature in blue ink that reads "Harshada Pathak".

Harshada Pathak
Company Secretary