

NOTICE

NOTICE is hereby given that an Extra-ordinary General Meeting of the Members of Mahindra Rural Housing Limited will be held on Friday, 27th February, 2015 at 11.00 a.m. at Mahindra Towers, 4th 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 sections 196, 197 and all other applicable provisions of the Companies Act, 2013 ("the Act") read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and such other rules as may be applicable, and subject to approval of Central Government, if necessary and such other approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities in granting such approvals, permissions and sanctions, approval of the Company be accorded to the re-appointment of Mr. Anuj Mehra (DIN : 02712119) as the Managing Director of the Company for a period of 5 (five) years with effect from 16th January, 2015 to 15th January, 2020 on the following terms and conditions:

Salary : In the scale of Rs. 2 lacs per month to Rs. 8 lacs per month.

Perquisites:

1. In addition to the salary, the Managing Director shall also be entitled to perquisites (including allowances) which would include accommodation (furnished or otherwise) or house rent allowance in lieu thereof, gas, electricity, water, furnishings, medical reimbursement and leave travel concession for self and family, performance award, club fees, use of Company cars, medical and personal accident insurance and other benefits, amenities and facilities in accordance with the Rules of the Company.
2. The value of the perquisites would be evaluated as per Income-tax Rules, 1962 wherever applicable and at cost in the absence of any such Rule.

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Regd. Office:

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CIN : U65922MH2007PLC169791

3. Contribution to Provident Fund, Superannuation Fund, Gratuity would not be included in the computation of ceiling on remuneration to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.
4. Encashment of earned leave at the end of the tenure as per Rules of the Company shall not be included in the computation of ceiling on remuneration.
5. Provision of car for use on Company's business, telephone and other communication facilities at residence would not be considered as perquisites.

Commission:

In addition to salary and perquisites, the Managing Director would be entitled to such commission based on the net profits of the Company in any Financial Year not exceeding 1/4% of such profits as the Nomination and Remuneration Committee shall decide, having regard to the performance of the Company.

Provided that the remuneration payable to the Managing Director (including salary, commission, perquisites, allowances, benefits and amenities) shall not exceed the limits laid down in sections 197 and 198 of the Act read with the Rules framed thereunder including any statutory modifications or re-enactment thereof.

FURTHER RESOLVED that the approval of the Company be accorded to Board of Directors [which term shall also include the 'Nomination and Remuneration Committee'] to revise the terms of the said remuneration within the limits as mentioned above.

FURTHER RESOLVED that where in any Financial Year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company may pay to the Managing Director the above remuneration as the minimum remuneration for a period not exceeding 3 (three) years from the date of appointment by way of salary, perquisites and other allowances and benefits as specified above subject to receipt of the requisite approvals, if any.

FURTHER RESOLVED that for the purpose of giving effect to this Resolution, the Board be authorized to do all such acts, deeds, matters and things, to settle any questions, difficulties or doubts that may arise in this regard and further to sign and execute all necessary documents, applications, returns and writings as it may in its absolute discretion deem necessary, proper or desirable or expedient."



Notes:-

1. An Explanatory Statement as required under section Section 102(1) of the Companies Act, 2013 in respect of the item of Special Business is annexed hereto and forms part of this Notice.
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. The instrument appointing a proxy must be deposited with the Company at the Registered Office not less than 48 hours before the time for holding the Meeting.

By order of the Board

Harshada Pathak

Harshada Pathak
Company Secretary

Regd. Office:

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

Date: 3rd February, 2015



EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013, ANNEXED TO THE NOTICE

The Board of Directors at its meeting held on 16th January, 2012, upon recommendation received from the Remuneration/Compensation Committee (now re-designated as the "Nomination and Remuneration Committee") had approved of the appointment and remuneration payable to Mr. Anuj Mehra, as Managing Director of the Company for a period of 3 years with effect from 16th January, 2012 till 15th January, 2015. The Shareholders had approved the said appointment and remuneration payable to Mr. Anuj Mehra as Managing Director of the Company at the Extraordinary General Meeting of the Company held on 9th March, 2012.

The Board of Directors at its Meeting held on 13th January, 2015 has pursuant to approval of the Nomination and Remuneration Committee and subject to approval of Shareholders, approved the re-appointment of Mr. Anuj Mehra as the Managing Director for a further period of 5 years from 16th January, 2015 to 15th January, 2020 on the terms and conditions as mentioned in this notice.

Pursuant to the provisions Section 197 and Schedule V to the Companies Act, 2013 ("the Act") pertaining to Managerial Remuneration, the remuneration payable to the Managing Director shall be determined by a Resolution passed in the General Meeting provided that the remuneration payable to Managing Director shall not exceed five percent of the net profits for current financial year computed in the manner laid down in section 198 of the Act (calculation of net profit) and the overall managerial remuneration shall not exceed eleven percent of the net profits of the Company.

The business activities of the Company are increasing along with growth and opportunities in the Housing Finance Sector. In view of the growing business activities of the Company, responsibilities of the Managing Director have considerably increased.

Considering the performance of the Company, the Managing Director's contribution towards the growth, his increasing responsibilities and trend in the industry, it is proposed to consider re-appointment of Mr. Anuj Mehra from 16th January, 2015 to 15th January, 2020 on the revised terms and conditions.

The Memorandum setting out the terms of Contract as required under Section 190 of the Companies Act, 2013 ('the Act') shall be open for inspection by the Members at the Registered Office of the Company during normal business hours (9.30 am to 5.30 pm) on all working days except Saturdays.

Pursuant to section 197 and Schedule V to the Act pertaining to Managerial Remuneration, the revision in the remuneration payable to Mr. Anuj Mehra as well as his re-appointment as Managing Director of the Company on the revised terms



and conditions, is now being placed before the Shareholders in the Extra-Ordinary General Meeting for their approval by way of a Special Resolution.

Your Directors recommend this resolution as a Special Resolution for approval of the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Anuj Mehra to whom the Resolution relates, is concerned or interested, financially or otherwise, in the proposed Special Resolution.

The following additional information as required by Schedule V to the Companies Act, 2013 is given below :

I. GENERAL INFORMATION :

i) Nature of Industry :

The Company provides Home Loans primarily in rural areas. The loans given by the company, are secured by the property financed and may be availed of by the customer for construction or purchase of a new property or for repairs, modernization or extension of an existing home.

ii) Date or expected date of commencement of commercial production:

The Company was incorporated on 9th April, 2007. The Company started its business operations in October, 2007.

iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not applicable.

iv) Financial performance based on given indicators - as per audited financial results for the year ended 31st March, 2014:

Particulars	Rupees (in crores)
Turnover and Other Income	212.52
Net Profit as per Profit & Loss Account (after Tax)	27.08
Profit as computed under section 309(5) read with section 198 of the Companies Act, 1956	48.12
Net Worth	121.52

vi) Foreign Investments or collaborations, if any : N.A.

II. INFORMATION ABOUT THE APPOINTEE:

Mr. Anuj Mehra has been the Managing Director of the Company since 2012 and has been responsible for setting up, operationalising, and driving the growth and



profitability of the organization since inception in 2007. Mr. Mehra holds a Bachelors Degree in Economics from Delhi University and has done his post graduation in management from I.I.M (Ahmedabad). He has a varied experience of around 30 years in the functional areas of sales, marketing and finance.

Mr. Mehra is a Member of Corporate Social Responsibility Committee of the Company.

Mr. Mehra is on the Board of Mahindra Business & Consulting Services Private Limited.

ii) Past remuneration during the financial year ended 31st March, 2014 :

Rs. 120.64 Lakhs

iii) Recognition or Awards :

The information is already covered in the section "Background details."

iv) Job Profile and his suitability :

Mr. Anuj Mehra has been the Managing Director of the Company since 2012 and has been associated with the Company since its inception. The turnover and profits of the Company have been increasing consistently over the years. The growth in the Company's operations can, to a large extent, be attributable to the dynamism and relentless efforts of Mr. Mehra. Several new initiatives have been and are being taken to further the growth and the profitability of the Company. Taking into consideration his qualifications and expertise, Mr. Mehra is best suited for the responsibilities currently assigned to him by the Board of Directors of the Company.

v) Remuneration Proposed :

Salary in the scale of Rs. 2 lacs per month to Rs. 8 lacs per month with effect from 16th January, 2015 and other perquisites, allowances and commission as fully set out in the Notice.

vi) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin) :

Taking into consideration the size of the Company, the profile of the appointee, his responsibilities, the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies in the industry.

vii) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any :

Besides the remuneration proposed to be paid to him, the Managing Director does not have any other pecuniary relationship with the Company or relationship with the managerial personnel.



III. OTHER INFORMATION :

i) Reasons of loss or inadequate profits :

Not applicable as the Company has posted a net profit after tax of Rs.27.08 crores for the year ended 31st March, 2014.


ii) Steps taken or proposed to be taken for improvement and Expected increase in productivity and profits in measurable terms :

Not applicable as the Company has adequate profits. The Company posted a profit before tax of Rs. 36.80 crores for the year ended 31st March, 2014.

IV. Disclosures :

The Shareholders of the Company are being informed of the remuneration package of the above managerial person in the Resolution forming part of this Notice.

By order of the Board



Harshada Pathak
Company Secretary

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Date: 3rd February, 2015

