

NOTICE

NOTICE IS HEREBY GIVEN THAT AN EXTRA-ORDINARY GENERAL MEETING('EGM') OF FULLERTON INDIA HOME FINANCE COMPANY LIMITED ('COMPANY') WILL BE HELD ON JANUARY 04, 2019 AT 11.30 A.M. AT THE CORPORATE OFFICE OF THE COMPANY AT THE BOARD ROOM, FLOOR 6, B WING, SUPREME IT PARK, SUPREME CITY, BEHIND LAKE CASTLE, POWAI, MUMBAI 400 076 TO TRANSACT THE FOLLOWING BUSINESSES:

ITEM NO.1

SPECIAL BUSINESS:

To consider and if thought fit to pass the following resolution with or without modification as a Special Resolution:

1. Payment of remuneration to Whole Time Director in excess of limits prescribed in Schedule V to the Companies Act, 2013

"RESOLVED THAT in partial modification of the resolution passed on March 15, 2018 and pursuant to the provisions of Section 196, 197, Section 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), considering the recommendation made by the Nomination and Remuneration Committee and the Board of Directors, consent of the Shareholders of the Company be and is hereby accorded for payment of remuneration in excess of the limits mentioned in Schedule V of the Companies Act, 2013 as per the limits mentioned below, to Mr. Rakesh Makkar (holding DIN: 01225230) appointed as Chief Executive Officer (CEO) & Whole-time Director (WTD) of the Company w.e.f. March 16, 2018 for the period from March 16, 2018 to March 15, 2021, in case the Company has no profits or inadequate profits:

- i. Salary: Salary (i.e. Basic & Dearness allowance & any other allowance) in the range of Rs. 60 lacs to Rs. 80 lacs per annum.
- ii. HRA: House Rent Allowance in the range of Rs. 30 lacs to Rs.40 lacs per annum
- iii. Special Allowance in the range of Rs. 80 lacs to 120 lacs per annum
- iv. Perquisites: Perquisites (evaluated as per the Income Tax Act, 1961 and rules framed there under, wherever applicable, and at actual cost to the Company in other cases) like the benefit of medical and accident insurance as per policy, personal insurance; medical reimbursement for self and family, leave & leave travel concession, as the case may be, from time to time, as applicable to the members of the staff.
- v. Retirement benefits: provident fund at 12% of Basic Salary, gratuity at 15 days Basic Salary for every completed year of service and other retirement benefits, in accordance with the scheme/s and rule/s applicable to the members of the staff.
- vi. Bonus: Payment of Bonus up to the percentage of performance bonus paid to the employees as per guidelines or such additions as may be reasonable, as may be determined by the board or any committee thereof, based on an achievement of such performance parameters as may be laid down by the Board of Directors or any committee thereof.



Fullerton India Home Finance Co. Ltd.

Corp Off: Floor 6, B Wing, Supreme Business Park, Supreme City, Powai, Mumbai 400 076

Regd Off: Megh Towers, Floor 3, Old No. 307, New No. 165, Poonamallee High Road, Maduravoyal Chennai 600 095

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RESOLVED FURTHER THAT the above remuneration shall be subject to modification, as may be deemed fit by the Board from time to time and subject to the limits and stipulations prescribed by the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters, things and execute all such documents, instruments and writings as may be necessary, desirable or expedient for the aforesaid purpose, including filing of relevant forms with the Registrar of Companies as per the Companies Act, 2013.”

**On behalf of the Board of Directors
For Fullerton India Home Finance Company Limited**




Seema Sarda
Company Secretary

Date: 10.12.2018

Place: Mumbai

NOTES:

1. **A MEMBER WHO IS ENTITLED TO ATTEND AND VOTE AT THE EXTRA ORDINARY GENERAL MEETING ("EGM") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED, SIGNED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**

The Proxy form for the EGM is enclosed herewith.

2. The proxy holder shall prove his identity at the time of attending the Meeting.
3. When a member appoints a proxy and both the member and proxy attend the meeting, the proxy stands automatically revoked.
4. Requisition for inspection of proxies shall have to be made in writing by members entitled to vote on any resolution three days before the commencement of the meeting.
5. Proxies shall be made available for inspection during twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting.
6. Members/Proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
7. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto and forms part of the notice.
8. Corporate Members are requested to send a duly certified copy of the Board Resolution/Power of Attorney (together with the respective specimen signatures), pursuant to Section 113 of the Companies Act, 2013 (as amended)(the "Act") authorizing their representative(s) to attend and vote on their behalf at the Extraordinary General Meeting (EGM).
9. Communication: The notice of the aforesaid Meeting of the Company along with Proxy Form, attendance slips and route map is being sent to all the Members through permitted modes.
10. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 and Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 read with Rules issued thereunder will be available for inspection by the members at the Meeting.



11. Relevant documents referred to in the accompanying notice are open for inspection by the members at the EGM and such documents will also be available for inspection in physical or in electronic form at the registered office on all working days, except Saturdays, from 10:00 a.m. to 5:00 p.m. up to the date of the ensuing Extraordinary General Meeting.

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

As required under Section 102 of the Companies Act, 2013, the following statement set out all material facts relating to the special business set out in accompanying Notice dated December 10, 2018.

Item No. 1

Payment of remuneration to whole time director in excess of limits prescribe in Schedule V to the Companies Act, 2013

Mr. Rakesh Makkar was appointed as Whole Time Director and CEO of the Company, with effect from March 16, 2018 for a period of 3 years at the EGM of the shareholders held on March 15, 2018. He was entitled to remuneration, as may be decided by the Nomination and Remuneration Committee and which shall not exceed five percent of the net profit calculated in the manner specified under the Companies Act, 2013 and rules specified thereunder.

The profit during the financial year commencing from 1st April, 2017 to 31st March, 2018 is understood to be under pressure. Owing to which the profits to be earned by the Company during the said financial year may not be as per expectations and may become inadequate for the purpose of managerial remuneration in terms of Section 197 of the Companies Act, 2013. The Company has been making necessary efforts to improve its profitability by pursuing and implementing strategies.

In view of the above, the payment of the managerial remuneration for the current year(s) may fall within the purview of Section II of Part II of Schedule V of the Companies Act, 2013 which lays down the following limits for payment of managerial remuneration:

TABLE A

(1)	(2)
Where the effective capital is	Limit of yearly remuneration payable shall not exceed (Rupees)
(i) Negative or less than 5 crores	60 Lakhs
(ii) 5 crores and above but less than 100 crores	84 Lakhs
(iii) 100 crores and above but less than 250 crores	120 Lakhs
(iv) 250 crores and above	120 lakhs plus 0.01% of the effective capital in excess of Rs. 250 crores:



The remuneration being in excess of the above limits, the resolution passed by the shareholders is a special resolution.

Further, in line of the above, the Company has complied with the requirements of the provisions of Section II of Part II of Schedule V of the Companies Act, 2013.

The Board of Directors and Nomination and Remuneration Committee at their meeting held on December 10, 2018, have already approved the revision in terms of remuneration payable to Mr. Rakesh Makkar, Whole Time Director and CEO of the Company as set out in the resolution at Item No.1 of the Notice. Further, the Company has not made any default in repayment of any of its debts or interest payable thereon.

Mr. Rakesh Makkar is not related to any director and Key Managerial Personnel of the Company.

None of the Directors, Key Managerial Personnel and their relatives other than Mr. Rakesh Makkar are, in any way, concerned or interested (financially or otherwise) in the proposed resolution. The resolution set out in Item no.1 of this Notice is accordingly recommended for your approval by passing Ordinary resolution.

The information required under Section II, Part II of Schedule V of the Companies Act, 2013 in case of Special Resolution is as follows:

I. General Information		
1.	Nature of Industry	The Company is a Housing Finance Company duly registered under sub-section (5) of section 29A the National Housing Bank Act, 1987 which offers loans to salaried and self-employed individuals and organizations.
2.	Date of Commencement of Commercial Production	Commercial Operations commenced in the year 2010
3.	Financial performance based on given indicators	FY 2018 – 1102 lakhs(profit) H1 2019 – 760 lakhs (loss)
4.	Foreign investments or collaborators, if any	Capital Infusion by Fullerton India Credit Company (parent company) in September 2018



II. Information about the appointee		
1.	Past remuneration paid	Mr. Rakesh Makkar was appointed on March 15, 2018. Remuneration paid Rs.778,838 for the FY 2017-18 as per the annual report
2.	Recognition or awards	NA
3.	Job profile and his suitability	Mr. Rakesh Makkar has over two decades of valuable experience including new business and brand launches while developing dynamic sales team, product and distribution networks.
4.	Remuneration proposed	Basic Salary in the range of Rs. 60 lacs to Rs.80 lacs per annum HRA in the range of Rs. 30 lacs to Rs. 40 lacs per annum Special Allowance in the range of Rs. 80 lacs to Rs. 120 lacs
5.	Comparative remuneration with respect to industry, size of company, profile of the position and person	The remuneration proposed to be paid to Mr. Rakesh Makkar, Whole time Director is purely based on merit. Further, the Nomination and Remuneration Committee constituted by the Board, perused the remuneration of managerial person in other companies comparable with the size of the Company, industry benchmarks in general, profile and responsibilities of Mr. Rakesh Makkar before recommending the remuneration as proposed hereinabove.
6.	Pecuniary Relationship with the Company and Other Managerial Person in the Company	None



III. Other Information		
1.	Reasons for loss or inadequate profits	The Company is at an investment stage and has softer return on assets
2.	Steps taken or proposed to be taken for improvement	The Company has various strategic plan during the year to improve the margins.
3.	Expected increase in productivity and profits in measurable term	Asset book is expected to grow significantly. The company is expected to make profits by FY 20.

**On behalf of the Board of Directors
For Fullerton India Home Finance Company Limited**




Seema Sarda
Company Secretary

Date: 10.12.2018
Place: Mumbai