

NOTICE is hereby given that the 23rd EXTRA ORDINARY GENERAL MEETING of ORIX Auto Infrastructure Services Limited will be held on Friday, February 5, 2016 at 11:00 a.m. at the Registered Office of the Company at Plot No.94, Marol Co-operative Industrial Estate, Andheri-Kurla Road, Andheri (East), Mumbai – 400 059 to transact the following businesses:

SPECIAL BUSINESSES:

(1) Appointment of B S R & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company:

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

“**RESOLVED THAT** pursuant to the provisions of Section 139(8) and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), B S R & Co. LLP, Chartered Accountants having firm Registration No. 101248W/W-100022, be and are hereby appointed as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s B S R and Company, Chartered Accountants.”

“**RESOLVED FURTHER THAT** the appointment of B S R & Co. LLP, Chartered Accountants as Statutory Auditors of the Company be considered from this Extraordinary General Meeting and that they shall hold the office from the conclusion of this meeting until the conclusion of the 21st Annual General Meeting and that they shall conduct the Statutory Audit of the Company for the financial year 2015-2016 on such remuneration as may be fixed by the Board of Directors in consultation with them.”

(2) Re-appointment of Mr. Sandeep Gambhir as a Managing Director of the Company and payment of remuneration:

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V of the Act and subject to the approval of the Central Government, if required, approval of the members of the Company be and is hereby accorded for re-appointment of Mr. Sandeep Gambhir, Chief Executive Officer and Key Managerial Personnel as Managing Director of the Company for the further period of three (3) years with effect from January 8, 2016 and until January 7, 2019.”

“RESOLVED FURTHER THAT in supersession of earlier resolution, approval of the Company be and is hereby accorded for payment of remuneration (excluding Performance Linked Bonus) to Mr. Sandeep Gambhir, Managing Director with effect from January 8, 2016 and until March 31, 2018 at Rs. 14,243,750/- per annum [Cost to Company (CTC)/ Base Salary] and that the remuneration on CTC basis from April 1, 2018 and until January 7, 2019 shall be subject to such adjustments as deem appropriate by the Board of Directors (the Board) considering Mr. Sandeep Gambhir’s performance and the Company’s profitability for the financial year ending March 31, 2018.”

“RESOLVED FURTHER THAT the Managing Director and Chief Executive Officer be paid Annual Bonus, Deferred Long-Term Incentive and Additional Deferred Long-Term Incentive (Performance Linked Bonus) as a percentage of profitability target of the Company/ CTC, as the case may be, the criteria of which is more particularly stated in the explanatory statement, the final payout of which shall be as approved by the Board/ Nomination and Remuneration Committee (the Committee) every year.”

“RESOLVD FURTHER THAT the components of Cost to Company shall include but not limited to Basic Salary, Personal Pay, House Rent Allowance, Reimbursements such as Medical, Leave Travel, Residential Telephone, Driver’s Salary etc, Provision of Vehicle / Vehicle Allowance including Fuel Reimbursements, Retiral Benefits as per Rules of the Company, Gift Coupons etc and that he shall also be entitled to such other benefits, amenities, perquisites as may be applicable, from time to time, to other officers and employees of the Company and that the perquisites, wherever applicable, shall be valued as per the Income Tax Act 1961”

“RESOLVED FURTHER THAT the Company shall pay or reimburse to the Managing Director all costs, charges and expenses that may have been or may be incurred by him for the purpose of or on behalf of the Company.”

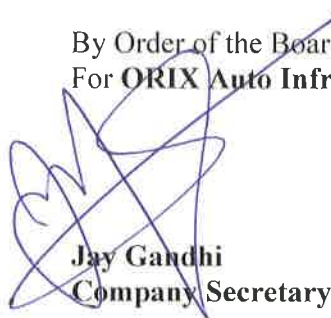
“RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company will pay Mr. Sandeep Gambhir remuneration including Performance Linked Bonus, perquisites, benefits and amenities as per the ceiling laid down in Schedule V of the Companies Act, 2013 or as stated above, as may be decided by the Board and / or Committee”

“RESOLVED FURTHER THAT the Board and / or the Committee be and are hereby severally authorized to alter any/or vary the terms and conditions of the said re-appointment and/or enhance, enlarge, alter or vary the scope and quantum of remuneration, perquisites, benefits and amenities payable to Mr. Sandeep Gambhir as Managing Director of the Company”

“RESOLVED FURTHER THAT the Board or any person authorised by the Board and / or the Committee be and is hereby severally authorised to take all such steps as may be necessary, proper and expedient to give effect to foregoing Resolutions.”

“RESOLVED FURTHER THAT any one of the Directors of the Company or Company Secretary be and is hereby authorised to settle any question, difficulty or doubt, that may arise in relation to re-appointment of Mr. Sandeep Gambhir as Managing Director of the Company and also authorised to do all such acts, deeds, matters and things as may be necessary and sign and execute all documents, or writings as may be necessary, proper or expedients for the purpose of giving effect to foregoing resolutions and for matters concerned therewith or incidental thereto as the Board in its absolute discretion may deem 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 these resolutions.”

By Order of the Board of Directors
For **ORIX Auto Infrastructure Services Limited**



Jay Gandhi
Company Secretary

Regd. Office:
Plot No. 94, Marol Co-operative Industrial Estate
Andheri-Kurla Road
Andheri (East)
Mumbai - 400 059

Date : December 30, 2015
Place : Mumbai

Notes:

- (1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder.

The instrument of proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting.

- (2) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business of the meeting, is annexed hereto.
- (3) All documents referred to in the accompanying Notice and Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 a.m. to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSAUNT TO SECTION 102 OF THE COMPANIES ACT, 2013

Resolution No. 1:

- (1) M/s B S R and Company, Chartered Accountants has tendered their resignation from the position of Statutory Auditors resulting into a casual vacancy in the office of Statutory Auditors of the Company as envisaged by Section 139(8) of the Companies Act, 2013 ("Act").
- (2) Casual vacancy caused by the resignation of auditors can only be filled up by the Company in General Meeting.
- (3) Based on the recommendation of the Audit Committee, the Board of Directors proposes that B S R & Co. LLP, Chartered Accountants be appointed as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s B S R and Company, Chartered Accountants.
- (4) B S R & Co. LLP, Chartered Accountants have conveyed their consent/willingness to be appointed as the Statutory Auditors of the Company along with a confirmation that, their appointment, if approved by the members, would be within the limits prescribed under the Companies Act, 2013.
- (5) Accordingly, Ordinary Resolution, as set out at Resolution No. 1 of the Notice, is submitted to the meeting for the consideration and approval of members.
- (6) None of the Directors, Key Managerial Personnel of Company and their relatives are in any way deemed to be concerned or interested financially or otherwise in the Ordinary Resolution.

Resolution No. 2:

- (1) At the Extra-Ordinary General meeting of the Company held on March 22, 2013, the shareholders, pursuant to the provisions of sections 198, 269, 309 and Schedule XIII and such others applicable provisions of the Companies Act, 1956, accorded their approval through Special Resolution to the appointment of Mr. Sandeep Gambhir, as the Managing Director of the Company for a period of three (3) years commencing from January 8, 2013 to January 7, 2016.

- (2) In terms of the provisions of Section 196 of the Companies Act, 2013 (the Act), re-appointment of Managing Director shall be made no earlier than one year before the expiry of the term. Since the original term of appointment would expire on January 7, 2016, the proposal was also placed before the Nomination and Remuneration Committee and Board of Directors at their meetings held on December 30, 2015 for seeking recommendation / approval for the re-appointment as well as for payment of remuneration of Mr. Sandeep Gambhir as the Managing Director of the Company for a period of three (3) years commencing from January 8, 2016 until January 7, 2019, not liable to retire by rotation. The proposal for re-appointment is in accordance with the provisions of Sections 196, 197 and Schedule V and other applicable provisions, if any, of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), subject to the approval of the shareholders.
- (3) The re-appointment of Mr. Sandeep Gambhir as the Managing Director shall be subject to the supervision and control of the Board of Directors of the Company. The Managing Director shall manage the business and affairs of the Company and also its wholly owned subsidiary Company namely ORIX Leasing & Financial Services India Limited (OLFS) and exercise such powers as are vested in the Managing Director by the Board of Directors subject to any limitation or conditions which may be prescribed by the Act or the provisions of Memorandum and / or Articles of Association of the Company or the Board of Directors or by the Company in General Meeting.
- (4) Justification for re-appointment of Mr. Sandeep Gambhir as Managing Director: Under the leadership and guidance of Mr. Sandeep Gambhir, the Company:
 - (a) Has improved its financial status by reducing losses from Rs 126.12 mn prevailing as on March 31, 2013 to Rs 7.29 mn prevailing as on March 31, 2015.
 - (b) Has built up multiple business verticals in the Auto Infrastructure segment with new and improved means;
 - (c) Has developed requisite systems and processes to provide seamless, efficient and effective support to all business verticals.
 - (d) Is expected to turn around from a loss making unit to a profitable venture during current financial year due to his business strategy, dynamism and overall approach
- (5) Mr. Gambhir is also a Managing Director of OLFS. Under his supervision, direction and control, OLFS has turned around from loss making Company as on March 31, 2013 which reported a loss of Rs 66.49 Mn to a profitable venture as on March 31, 2015 which delivered a significant profit of Rs 197.92 Mn. Mr Gambhir has also been successful in introducing a new business line i.e. Loan Against Property in OLFS then existed during FY 13 and FY 14.

- (6) Other Provisions of Companies Act, 2013: In accordance sub-clause (iv) of second proviso to clause (B) of section II of part II of Schedule V to the Companies Act, 2013 the following details are provided:

(a) **GENERAL INFORMATION:**

(i) Nature of Industry:

The Company is into the Business of Operating Lease, Rent-A-Car (RAC), Business Transport Solutions (BTS), Service Centre Division (SCD) and Mobile Banking.

(ii) Date or expected date of commencement of activities:

Not Applicable, since the Company was incorporated on March 02, 1995.

(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 (Audited) as on March 31, 2015:

Particulars	(Rs. in mn)	
	Amount	
Gross Income	4421.29	
Operating Expenses and Interest	3537.73	
Operating Profit / (Loss)	883.56	
Depreciation	948.80	
Provisions for NPA / Doubtful Debts	-26.58	
Profit (loss) Before Tax	-38.66	
Provision for Tax net of Adjustment	31.37	
Profit (loss) After Tax	-7.29	

(v) Foreign investments or collaborations, if any:

Name of the Collaborator	:	ORIX Corporation
% of holding in Paid up share capital of the Company		99.99%

(b) **INFORMATION ABOUT THE RE-APOINTEE:**

(i) Background details:

Mr. Sandeep Gambhir is a graduate in Commerce from Hansraj College, New Delhi and holds a degree of Chartered Accountant from the Institute of Chartered Accountants of India and Cost Accountant from the Institute of Cost & Works Accountants of India. Mr. Sandeep Gambhir has been adjudged as one of the best students of his batch.

(ii) Past remuneration:

His remuneration details per annum for last three financial years as stated under:

Year	Salary (in Rs.)	Total (in Rs.)
2012-2013	24,409,425	24,409,425
2013-2014	11,072,417	11,072,417
*2014-2015	18,324,118	18,324,118

* Remuneration of 2014-2015 includes the Performance Linked Bonus paid to Mr. Gambhir.

(iii) Recognition or awards:

During his tenure with previous employers viz. Barclays Investments and Loans India Ltd (Barclays) and Citifinancial Consumer Finance India Ltd., Mr. Sandeep Gambhir has worked as Managing Director in Barclays and made the Company from a high loss making entity to a profitable entity, resulting in a complete turnaround.

(iv) Job profile and his suitability:

Mr. Sandeep Gambhir is Managing Director and Chief Executive Officer of the Company and is responsible for strategizing, supervising and managing the overall growth of the Company and that of its subsidiary.

(v) Remuneration Proposed :

➤ Cost to Company (CTC) / Base Salary: With effect from January 8, 2016 and until March 31, 2018 at Rs. 14,243,750/- per annum and that the remuneration on CTC basis from April 1, 2018 and until January 7, 2019 shall be subject to such adjustments as deem appropriate by the Board of Directors (the Board) considering Mr. Sandeep Gambhir's performance and the Company's profitability for the financial year ending March 31, 2018.

➤ Performance Linked Bonus:

- Annual Bonus: Not later than sixty (60) days following the end of each financial year, provided Mr. Gambhir's employment in the Company remains in effect, Mr. Gambhir's shall be paid an Annual Bonus for the prior financial year equal to a percentage of the Mr. Sandeep Gambhir's Base Salary, calculated as follows:

"Profit Target" achievement:

Below 50% of Profit Target: Annual Bonus shall be zero;

50% to 69% of Profit Target: 30% of Base Salary;

70% to 99% of Profit Target: 50% of Base Salary; and

100% of Profit Target and greater: 70% of Base Salary
(maximum Annual Bonus)

"Profit Target" shall, for the applicable financial year means, the Profit before Tax Target to be set and reviewed every financial year for the Company by ORIX Corporation (ORIX/ Holding Company) in its sole and absolute discretion.

- Deferred Long-Term Incentive: Provided the Mr. Gambhir's employment by the Company shall continue through the financial year ending March 31, 2018, he shall be paid additional compensation ("**Standard Long-Term Incentive Compensation**"), consisting of a "**Bonus Supplement**" and a "**Base Salary Increment**" calculated for each of the financial years ending March 31, 2016, March 31, 2017 and March 31, 2018. The Bonus Supplement shall be the following percentage of the Base Salary for the applicable financial year (based on the Profit Target achievement for such financial year): (i) 5% of Base Salary if the Profit Target achievement is 100% to 109%, (ii) 20% of Base Salary if the Profit Target achievement is 110% to 119%, and (iii) 30% of Base Salary if the Profit Target achievement is at least 120%. The Base Salary Increment shall be the following percentage of the Base Salary for the applicable financial year (based on the Profit Target achievement for such financial year): (i) one-eighth (1/8th) of the applicable "**India CPI**" (expressed as a percentage) multiplied by the Base Salary if the Profit Target achievement is 50% to 69%, (ii) one-fourth (1/4th) of the applicable India CPI (expressed as a percentage) multiplied by the Base Salary if the Profit Target achievement is 70% to 99%, (iii) one-half (1/2) of the applicable India CPI (expressed as a percentage) multiplied by the Base Salary if the Profit Target achievement is 100% to 109%, (iv) three-fourths (3/4^{ths}) of the applicable India CPI (expressed as a percentage) multiplied by the Base Salary if the Profit

Target achievement is 110% to 119%, and (v) one hundred percent of the applicable India CPI (expressed as a percentage) multiplied by the Base Salary if the Profit Target achievement is at least 120%. The Standard Long-Term Incentive Compensation shall be paid not later than sixty (60) days following March 31, 2018.

For reference purposes, the Company and Mr. Gambhir acknowledge that the percentages used in calculating the Base Salary Increment shall be based on the Consumer Price Index for India for the preceding calendar year (e.g., 2015 and later years) (“**India CPI**”).

- Additional Deferred Long-Term Incentive: Provided Mr. Gambhir’s employment by the Company shall continue through the financial year ending March 31, 2018, Mr. Gambhir shall be paid “**Additional Long-Term Incentive Compensation**” in a single lump-sum payment, which shall be determined by the Board, but subject to the approval by ORIX in ORIX’s sole and absolute discretion. The criteria that will be taken into account in the determination of the Additional Long-Term Incentive Compensation include, without limitation: (i) improvement of the Company’s profitability (e.g., return on assets, return on equity, etc.); (ii) new strategic business initiatives for enhancing the Company’s future profitability and value; (iii) improvement of the Company’s organization for future sustainability, including succession planning; (iv) improvements in the Company’s technology platform to increase operating efficiencies; (v) strict compliance with the Company’s and ORIX Group’s policies and procedures, including without limitation its compliance and ethics policies, and applicable laws, rules and regulations, including without limitation, the U.S. Foreign Corrupt Practices Act and the UK Bribery Act, as such laws may apply to ORIX and ORIX Group; (vi) improving the corporate governance of the Company; and (vii) improvements in the Company’s asset quality (e.g., improving aged receivables ratios, strengthening non-performing asset collectability, etc.). The Additional Long-Term Incentive Compensation, if any, shall be paid not later than sixty (60) days following March 31, 2018.

Further, remuneration including Performance Linked Bonus payable to Mr. Gambhir shall be subject to deduction at the source under the Income Tax Act and any other applicable laws, rules and regulations.

- (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 w.r.t. the country of his origin):

Over the years, the Company has consolidated its position and transformed itself, by diversifying, into an integrated auto infrastructure services provider while retaining its core activity i.e. auto financing. In view of the above, the comparative remuneration profile of similarly situated candidate is not available.

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

None

(c) **OTHER INFORMATION:**

- (i) Reasons for loss or inadequacy:

- The Company had closed down some of the loss making businesses in the Financial Year 2012 and 2013, however, the impact of closure of these businesses were continued on account of capital loss and bad debts.
- The Company has reassessed and changed depreciation policy with regard to vehicles provided to its customers on Operating Lease basis.
- The Company is a subsidiary of ORIX Corporation Japan, (ORIX) with effect from December 13, 2011. To align with the policies followed by the other entities of ORIX, the Company relooked at its provisioning and write-off policy and changed brought in line with requirements specified by ORIX. The current provisioning policy adopted by the Company is more stringent than earlier practices.

- (ii) Steps taken or proposed to be taken for improvement:

- In order to recoup the loss incurred during FY 2015 and to achieve expected profit as stated herein below, the strategy of the Company is to keep its focus on high yielding transactions, to leverage existing relationship for exploring new business lines.
- During the coming years, the Company has aimed at higher level of growth and profitability plans :
 - To increase its market share in all product lines in India's expanding service industry.

- To leverage its technology platform and to become more customer friendly.
 - To stay ahead of the Curve and remain front runner.
 - To lead the development of transport infrastructure service sector by innovations leading to total alignment with the client requirements and providing cost effective solutions.
- During the current financial year, the Company is expected to reduce interest cost and evaluating various alternative means of borrowings
- Dedicated focus is also planned to reduce overall cost or retain at current level irrespective of growth in the business which may have positive impact on profitability of the Company
- The above will not only provide the Company with a distinctive edge over competition in the same business verticals but also in maintaining the impressive journey and continuously increasing the gap.
- By initiating the abovementioned steps, it is likely that the Company will become profitable during FY 2016 and thereafter sustained the growth trajectory as projected below.

(iii) Expected increase in productivity and profits:

From the budget set for the next three financial years as indicated below, it is expected that the profitability of the Company will increase substantially:

(Rs. in mn)

Particulars	For the year ended 31-03-16 (Expected)	For the year ended 31-03-2017 (Expected)	For the year ended 31-03-2018 (Expected)
Sales (Income)	4821.48	5467.75	6285.97
Expenses	3310.46	3706.68	4248.37
EBIDTA	1511.02	1761.08	2037.61
PAT	56.71	84.34	94.53

- (7) Mr. Sandeep Gambhir satisfies all the conditions as set out in Part I of Schedule V. He is not disqualified for the purpose of re-appointment as a Managing Director of the Company in terms of Section 164 of the Act. Also, he is not falling into restrictive criteria of appointment of a Managing Director as specified under section 196(3) of the Act. Moreover, Mr. Sandeep Gambhir possesses requisite qualification which requires for holding the position of Managing Director of the Company.
- (8) This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

- (9) The Board of Directors are of the opinion that the re-appointment of Mr. Sandeep Gambhir as the Managing Director and payment of remuneration is in the best interest of the Company and accordingly, recommend the resolution set out in Resolution No. 2 for approval of the members.
- (10) Other than Mr. Sandeep Gambhir, none of the other Directors, Key Managerial personnel or their relatives is interested in the proposed Special Resolution No. 2 of this Notice.

By Order of the Board of Directors
For **ORIX Auto Infrastructure Services Limited**



Jay Gandhi
Company Secretary

Regd. Office:
Plot No. 94, Marol Co-operative Industrial Estate
Andheri-Kurla Road
Andheri (East)
Mumbai - 400 059

Date : December 30, 2015
Place : Mumbai