

# Arvind Infrastructure Limited



8<sup>th</sup> Annual Report 2015-16

INFRASTRUCTURE  
**Arvind**  
Building Pride. Building Joy.

## Board of Directors

|                           |                                     |
|---------------------------|-------------------------------------|
| Mr. Sanjay S. Lalbhai     | : Chairman & Non-Executive Director |
| Mr. Kamal Singal          | : Managing Director & CEO           |
| Mr. Kulin S. Lalbhai      | : Non-Executive Director            |
| Mr. Pratul Shroff         | : Independent Director              |
| Mr. Prem Prakash Pangotra | : Independent Director              |
| Dr. Indira J. Parikh      | : Independent Director              |

## Audit Committee

|                           |            |
|---------------------------|------------|
| Mr. Pratul Shroff         | : Chairman |
| Mr. Prem Prakash Pangotra | : Member   |
| Dr. Indira J. Parikh      | : Member   |
| Mr. Kamal Singal          | : Member   |

## Stakeholders Relationship Committee

|                           |            |
|---------------------------|------------|
| Mr. Sanjay S. Lalbhai     | : Chairman |
| Mr. Pratul Shroff         | : Member   |
| Mr. Prem Prakash Pangotra | : Member   |
| Mr. Kamal Singal          | : Member   |

## Nomination & Remuneration Committee

|                           |            |
|---------------------------|------------|
| Mr. Prem Prakash Pangotra | : Chairman |
| Mr. Pratul Shroff         | : Member   |
| Mr. Sanjay S. Lalbhai     | : Member   |

## Corporate Social Responsibility Committee

|                           |            |
|---------------------------|------------|
| Mr. Sanjay S. Lalbhai     | : Chairman |
| Mr. Prem Prakash Pangotra | : Member   |
| Dr. Indira J. Parikh      | : Member   |
| Mr. Kamal Singal          | : Member   |

## Management Committee

|                       |            |
|-----------------------|------------|
| Mr. Sanjay S. Lalbhai | : Chairman |
| Mr. Kulin S. Lalbhai  | : Member   |
| Mr. Kamal Singal      | : Member   |

## Company Secretary

Mr. Prakash Makwana

## Chief Financial Officer

Mr. Mehul Shah

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## Auditors

M/s. G.K. Choksi & Co  
Madhuban, Nr. Madalpur Underbridge,  
Ellisbridge, Ahmedabad – 380006.

## Bankers

HDFC Bank Limited  
Axis Bank Limited  
ICICI Bank Limited

## Registered Office

24, Government Servant's Society,  
Near Municipal Market, Off C.G. Road,  
Navrangpura, Ahmedabad - 380009.  
Phone No. 079-3013 7000 Fax No. 079-3013 7021  
Website: www.arvindinfra.com

## Registrar And Transfer Agent

Link Intime India Private Limited,  
303, Shopper's Plaza - V, Opp. Municipal Market  
Off C.G. Road, Navrangpura, Ahmedabad - 380009.  
Phone & Fax No. 079-26465179  
E-mail: ahmedabad@linkintime.co.in

## NOTICE

NOTICE is hereby given that the Eighth Annual General Meeting of the members of the Company will be held on Friday, the 23<sup>rd</sup> September, 2016 at 10.00 a.m. at J B Auditorium, Ahmedabad Management Association, Opp. Apang Manav Mandal, IIM Road, Dr V S Marg, Ahmedabad 380 015 to transact the following Business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements [including consolidated financial statements] of the Company for the financial year ended 31<sup>st</sup> March, 2016 and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sanjay S. Lalbhai (DIN 00008329), who retires by rotation in terms of Article 149 of the Articles of Association of the Company and being eligible, offers himself for reappointment.
3. To appoint auditors of the Company to hold office from the conclusion of this 8<sup>th</sup> Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration, and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT, pursuant to Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendation made by the Audit Committee of the Board, M/s. S R B C & Co LLP, Chartered Accountants having Firm Registration No. 324982E/E300003 allotted by The Institute of Chartered Accountants of India (ICAI), be and are hereby appointed as the Statutory Auditors of the Company in place of the retiring Auditors M/s. G. K. Choksi & Co., Chartered Accountants, having Registration No. 101895W allotted by ICAI, who shall hold office from the conclusion of this 8<sup>th</sup> Annual General Meeting till the conclusion of the next Annual General Meeting of the Company and that the Board be and is hereby authorised to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors, in addition to reimbursement of all out - of - pocket expenses as may be incurred in connection with the audit of the accounts of the Company.”

### SPECIAL BUSINESS

4. 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 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s Kiran J. Mehta & Co., Cost Accountants, Ahmedabad having Firm Registration No. 000025, appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records maintained by the company for the financial year ending 31<sup>st</sup> March, 2017, amounting to Rs. 75,000 (Rupees Seventy Five Thousand only) as also the payment of service tax as applicable and re-imbursement of out of pocket expenses incurred by them in connection with the aforesaid audit, be and is hereby ratified and confirmed.”

5. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 4(4) 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) and subject to the approval of the Ministry of Corporate Affairs, Office of Registrar of Companies or any other authority as may be necessary, the consent of the Company be and is hereby accorded to change the name of the Company from “Arvind Infrastructure Limited” to “Arvind SmartSpaces Limited”.

RESOLVED FURTHER THAT upon the change of name of the Company becoming effective, the name “Arvind Infrastructure Limited” wherever it occurs in the Memorandum and Articles of Association be substituted by the name “Arvind SmartSpaces Limited” as approved by the Ministry of Corporate Affairs, Office of Registrar of Companies.

RESOLVED FURTHER THAT Board of Directors or Management Committee of the Board of Directors or any one of the Directors of the Company, be and are hereby severally authorized to make application for change of name and to do all such acts, deeds, things and matters as may be required or necessary in this matter on behalf of the Company.”

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

“RESOLVED THAT in partial modification to the special resolution passed by the members of the Company at its Annual General Meeting held on 11<sup>th</sup> May, 2015 for appointment and remuneration payable to Mr. Kamal Singal (DIN 02524196), Managing Director & CEO (“MD & CEO”) of the Company and pursuant to the provisions of Sections 196, 197, 198 and any other applicable provisions of the Companies Act, 2013 (“Companies Act”) and the rules, circulars, orders and notifications issued there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act (including any statutory modification(s) or re-enactment thereof, for time being in force), and subject to approval of Central Government and/or approval of other Government/regulatory authorities/agencies, as may be required, the consent of the Company be and is hereby accorded to increase remuneration of Mr. Kamal Singal, MD & CEO, with effect from 1<sup>st</sup> April, 2016 for a period not exceeding three years, to a maximum of 10% of the net profits of the Company computed in accordance with Section 198 of the Companies Act or in case of loss or inadequacy of profits in any financial year, the below mentioned remuneration as minimum remuneration:

A.

| Particulars                        | P.M. (₹)         | P.A. (₹)           |
|------------------------------------|------------------|--------------------|
| Basic Salary/Basic Pay             | 3,36,000         | 40,32,000          |
| <b>Allowances and Perquisites:</b> |                  |                    |
| Personal Allowance/ Perquisites    | 6,72,000         | 80,64,000          |
| <b>Gross Salary</b>                | <b>10,08,000</b> | <b>1,20,96,000</b> |

- B. An annual performance linked compensation up to ₹ 1,00,00,000/- (Rupees One Crore only ).
- C. Entitlement to shares of the Company in accordance with the Employees Stock Option Scheme as adopted by the Company.
- D. Contribution to Provident Fund, Gratuity and Superannuation Fund will be as per the Rules of the Company.

RESOLVED FURTHER THAT in the event of any statutory amendments, modifications or relaxation by the Central Government in the provisions of section 197, 198 and Schedule V and other applicable provisions, if any, of the Companies Act or Rules made thereunder, the Board of Directors and the Nomination & Remuneration Committee be and are hereby severally authorized to alter, vary or increase the remuneration (including the remuneration stated above) that is salary, perquisites, bonus, benefits, allowances and/or other payments etc. within such prescribed limit and subject to such approvals as may be required by law for the time being in force.

RESOLVED FURTHER THAT the Board of Directors or the Nomination & Remuneration Committee be and are hereby severally further authorized to alter, vary or increase the remuneration of Mr. Kamal Singal, MD & CEO, notwithstanding the same exceeds the limits specified in Section 197, 198 and Schedule V and other applicable provisions, if any, of the Companies Act (including any amendment thereto made from time to time or enactment thereof for the time being in force) subject to previous approval of the Central Government, as may be required.

RESOLVED FURTHER THAT the Board of Directors or any other committee of Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including seeking approvals/sanctions of the Central Government and/or other authorities/agencies as may be applicable and to settle any question or doubt that may arise in relation thereto, in order to give effect to the foregoing resolution.”

7. 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 applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 (as amended from time to time), the Companies Act, 2013 (as amended from time to time), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), the Memorandum and Articles of Association of the Company, and other rules, regulations, circulars and guidelines of various statutory/regulatory authority(ies) that are or may become applicable (collectively referred to as the “Applicable Laws”) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the 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 the Nomination and Remuneration Committee and any other Committee(s) or persons, which the Board may

constitute to exercise its powers, including the powers conferred by this Resolution), to formulate/adopt and implement a shares based employee benefit scheme under the name and style of “Arvind Infrastructure Limited – Employee Stock Option Plan 2016” (hereinafter referred to as the “AIL ESOP 2016”) and to create, offer, issue and allot stock options, under AIL ESOP 2016, to such persons who are in permanent employment of the Company, and to the directors of the Company (except independent directors and any director who himself or through his relative or body corporate, directly or indirectly holds more than 10% outstanding equity shares of the Company) and to such other persons as may from time to time be allowed to be eligible for the benefit of stock incentives under the Applicable Laws prevailing from time to time, except persons who are promoter or belong to promoter group of the Company, aggregating (including stock options proposed to be created / offered / issued / allotted for the benefit of employees/ directors of the Company and its subsidiary company(ies) to not more than 15,00,000 (Fifteen Lakhs) stock options, exercisable into not more than 15,00,000 (Fifteen Lakhs) equity shares of face value Rs. 10/- (Rupees Ten) each of the Company, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the AIL ESOP 2016 and the Applicable Laws.

RESOLVED FURTHER THAT in case of any corporate action (s) such as rights issues, bonus issues, merger, sale of division, demerger and other similar events, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and as permitted under the Applicable Laws, for the purpose of making a fair and reasonable adjustment, and the number of options to be granted and/ or the exercise price payable under the AIL ESOP 2016 shall be appropriately adjusted, without affecting any other rights or obligations under the AIL ESOP 2016, and, if any additional options/ equity shares are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the ceiling in terms specified above shall be deemed to be increased to the extent of such additional options/ equity shares issued.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot equity shares of the Company upon exercise of stock options, from time to time, in accordance with the AIL ESOP 2016 and the equity shares so issued and allotted shall rank pari passu in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of equity shares to be allotted and the price of acquisition payable by the option grantees under the AIL ESOP 2016 shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 10/- (Rupees Ten) per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said option grantees.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 (as amended from time to time), and any

other Applicable Laws, to the extent relevant and applicable to the AIL ESOP 2016.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make, in compliance and conformity with the Applicable Laws, modifications, changes, variations, alterations or revisions in the AIL ESOP 2016 as it may at its absolute discretion deem fit, from time to time, 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 of the Company, 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 or revisions of the AIL ESOP 2016 and do all other things incidental and ancillary thereto.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all acts, matters, deeds and things and to take all steps and to do all things and give such directions as may be necessary, expedient, or desirable, including for listing of the equity shares allotted pursuant to the AIL ESOP 2016 on the stock exchanges where the equity shares of the Company are listed, appointing merchant bankers, advisors etc. and also to settle any question or difficulties that may arise in such matter or delegate all or any of the power conferred herein, to any Committee of Directors or to delegate such powers to any Officers or Directors of the company.”

8. 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 applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 (as amended from time to time), the Companies Act, 2013 (as amended from time to time), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), the Memorandum and Articles of Association of the Company, and other rules, regulations, circulars and guidelines of various statutory/regulatory authority(ies) that are or may become applicable (collectively referred to as the “Applicable Laws”) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the 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 the Nomination and Remuneration Committee and any other Committee(s) or persons, which the Board may constitute to exercise its powers, including the powers conferred by this Resolution), to formulate/adopt and implement a shares based employee benefit scheme under the name and style of “Arvind Infrastructure Limited – Employee Stock Option Plan 2016” (hereinafter referred to as the “AIL ESOP 2016”) and to create, offer, issue and allot stock options, under AIL ESOP 2016, to such persons who are in permanent employment of the Company’s Subsidiaries, and to directors of the Company’s Subsidiaries (except independent directors and any director who himself or through his relative or body corporate, directly or indirectly holds more than 10% outstanding equity shares of the Company) and to such other persons as may from time to time be allowed to be

eligible for the benefit of stock incentives under the Applicable Laws prevailing from time to time, except persons who are promoter or belong to promoter group of the Company, aggregating (including stock options proposed to be created / offered / issued / allotted for the benefit of employees/directors of the Company) to not more than 15,00,000 (Fifteen Lakhs) stock options exercisable into not more than 15,00,000 (Fifteen Lakhs) equity shares of face value Rs. 10/- (Rupees Ten) each of the Company in aggregate as specified in Resolution No. 7 above, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the AIL ESOP 2016 and the Applicable Laws.

RESOLVED FURTHER THAT the maximum number of stock options granted to Eligible Employees of both, the Company as specified in Resolution No. 7 above and its subsidiaries under the AIL ESOP 2016 shall not cumulatively exceed 15,00,000 (Fifteen Lakhs) stock options exercisable into not more than 15,00,000 (Fifteen Lakhs) equity shares of face value Rs. 10/- (Rupees Ten) each.

RESOLVED FURTHER THAT in case of any corporate action (s) such as rights issues, bonus issues, merger, sale of division, demerger and other similar events, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and as permitted under the Applicable Laws, for the purpose of making a fair and reasonable adjustment, and the number of options to be granted and / or the exercise price payable under the AIL ESOP 2016 shall be appropriately adjusted, without affecting any other rights or obligations under the AIL ESOP 2016, and, if any additional options/ equity shares are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the ceiling in terms specified above shall be deemed to be increased to the extent of such additional options/ equity shares issued.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot equity shares of the Company upon exercise of stock options, from time to time, in accordance with the AIL ESOP 2016 and the equity shares so issued and allotted shall rank pari passu in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of equity shares to be allotted and the price of acquisition payable by the option grantees under the AIL ESOP 2016 shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 10/- (Rupees Ten) per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said option grantees.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 (as amended from time to time), and any other Applicable Laws, to the extent relevant and applicable to the AIL ESOP 2016.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make, in compliance and conformity with the Applicable Laws,

modifications, changes, variations, alterations or revisions in the AIL ESOP 2016 as it may at its absolute discretion deem fit, from time to time, 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 of the Company, 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 or revisions of the AIL ESOP 2016 and do all other things incidental and ancillary thereof.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all acts, matters, deeds and things and to take all steps and to do all things and give such directions as may be necessary, expedient, or desirable, including for listing of the equity shares allotted pursuant to the AIL ESOP 2016 on the stock exchanges where the equity shares of the Company are listed, appointing merchant bankers, advisors etc. and also to settle any question or difficulties that may arise in such matter or delegate all or any of the power conferred herein, to any Committee of Directors or to delegate such powers to any Officers or Directors of the company.”

9. 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 applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 (as amended from time to time), the Companies Act, 2013 (as amended from time to time), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), the Memorandum and Articles of Association of the Company, and other rules, regulations, circulars and guidelines of various statutory/regulatory authority(ies) that are or may become applicable (collectively referred to as the “Applicable Laws”) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the 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 the Nomination and Remuneration Committee and any other Committee(s) or persons, which the Board may constitute to exercise its powers, including the powers conferred by this Resolution) to grant stock options to Mr. Kamal Singal, MD & CEO, during any one year, equal to or exceeding 1% of the issued share capital (excluding outstanding warrants and conversions) of the Company at the time of grant of such options, in one or more tranches, on such terms and in such manner as provided in the “Arvind Infrastructure Limited – Employee Stock Option Plan 2016” (AIL ESOP 2016) and determined by the Board, in accordance with the Applicable Laws.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all acts, matters, deeds and things and to take all steps and to do all things and give such directions as may be necessary, expedient, or desirable, including for listing of the equity shares allotted pursuant to the AIL ESOP 2016 on the stock exchanges where the equity shares of the Company are listed, appointing merchant bankers,

advisors etc. and also to settle any question or difficulties that may arise in such matter or delegate all or any of the power conferred herein, to any Committee of Directors or to delegate such powers to any Officers or Directors of the company.”

Registered Office:  
24, Government Servant's Society,  
Near Municipal Market,  
Off C.G. Road, Navrangpura,  
Ahmedabad - 380009  
Date: 12<sup>th</sup> August, 2016

By the order of the Board

**Prakash Makwana**  
Company Secretary

## 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 / HERSELF 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 percent of the total share capital of the company carrying voting rights. 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 shall not act as a proxy for any other person or shareholder.

2. Proxies, 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. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/ authority, as applicable.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
4. Members are requested to bring their copy of the Annual Report to the meeting. The Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
5. Members intending to require information about Accounts in the Meeting are requested to inform the Company at least 7 days in advance of the Annual General Meeting.
6. The members, holding shares in physical form, are requested to intimate any change in their addresses or bank details to the Company or its Registrar and Transfer Agent (RTA) viz. Link Intime India Pvt. Ltd., Unit: Arvind Infrastructure Limited, 303, Shopper's Plaza V, Opp. Municipal Market, Off. C.G. Road, Navrangpura, Ahmedabad - 380009.

Those holding shares in dematerialized form may intimate any change in their addresses or bank details / mandates to their Depository Participants (DP) immediately. The Company or its RTA cannot act on any request directly received from any member holding shares in dematerialized form for any change in such details. Such changes are to be advised only to the DP of the members.

7. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 13<sup>th</sup> September, 2016 to Thursday, the 15<sup>th</sup> September, 2016 (both days inclusive).

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| <p>8. Documents referred to in the Notice and the Explanatory Statement attached hereto are available for inspection by the shareholders at the Registered Office of the Company during business hours on any working day up to and including the date of the Annual General Meeting of the Company.</p> <p>9. The Notice of the Annual General Meeting and Annual Report of the Company for the year ended 31<sup>st</sup> March, 2016 is posted on the Company's website <a href="http://www.arvindinfra.com">www.arvindinfra.com</a> and may be accessed by the members.</p> <p>10. Details of Directors seeking appointment/reappointment at the Annual General Meeting under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.</p> <p>11. Electronic copy of the Annual Report for year 2015-16 is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report for year 2015-16 are being sent in the permitted mode.</p> | <p>12. Electronic copy of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in the permitted mode.</p> <p>13. Instructions for e-voting</p> <p>A separate sheet containing the complete details of the instructions for e-voting is being sent to all the shareholders along with the Annual Report for the year 2015-16 to enable them to cast their votes through e-voting.</p> |
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| <p>Registered Office:<br/>24, Government Servant's Society,<br/>Near Municipal Market,<br/>Off C.G. Road, Navrangpura,<br/>Ahmedabad - 380009<br/>Date: 12<sup>th</sup> August, 2016</p> | <p>By the order of the Board<br/><br/><b>Prakash Makwana</b><br/>Company Secretary</p> |
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## EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013

### Item No. 3

The statutory Auditors, M/s. G.K.Choksi & Co., Chartered Accountants were appointed as auditors at 7<sup>th</sup> Annual General Meeting held on 11<sup>th</sup> May, 2015. In terms of their appointment, they are holding office as statutory auditors up to the conclusion of this 8<sup>th</sup> Annual General Meeting.

The Audit Committee has considered the qualifications and experience of the proposed auditors and has recommended their appointment. The Board of Directors has also considered the matter and recommends the passing of the ordinary resolution for appointment of M/s S R B C & Co. LLP, Chartered Accountants, as statutory auditors in place of the retiring Auditor M/s G. K. Choksi & Co. Written consent of the proposed auditors together with a certificate that the appointment, if made, shall be in accordance with the conditions specified in Rule 4 of the Companies (Audit and Auditors) Rules, 2014 has been received.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No. 3 of the Notice.

### Item No. 4

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad as Cost Auditors to conduct the audit of the cost records maintained by the Company for the financial year ending 31<sup>st</sup> March, 2017 at a remuneration of ₹ 75,000 (Rupees Seventy Five Thousand only) plus service tax and out of pocket expenses.

In accordance with the provisions of Section 148 (3) of the Act read with The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary

Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2017.

The Board recommends the above resolution for your approval.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

### Item No. 5

In the present name of the Company i.e. "Arvind Infrastructure Limited", the usage of "Infrastructure" leads people to believe that it as a company developing infrastructure projects like roads, highways, bridges, transportation systems etc. which is not the Company's business segment.

It is proposed to change the name of the Company from Arvind Infrastructure Limited to "Arvind SmartSpaces Limited" as it is engaged in the business of developing residential / commercial spaces and the name "SmartSpaces" is more in tune and reflects appropriately the various real estate development segments that the Company is catering to. The potential customers, associates and public in general will be able to relate the Company better with its current engagements in the residential and commercial space development.

Therefore to create the correct perception in the mind of public in relation to our business activities, it is proposed to change the name of the company from Arvind Infrastructure Limited to "Arvind SmartSpaces Limited".

The Board recommends the above resolution for your approval.

### Item No. 6

Resolution under item No. 6 of the Notice relates to approval for increase in payment of remuneration to Mr. Kamal Singal, Managing Director & CEO of the Company for a period not exceeding three years.

Members are informed that by a Special Resolution passed at the Annual General Meeting of the Company held on 11<sup>th</sup> May, 2015, they have approved the terms and conditions of appointment of Mr. Kamal Singal as Managing Director & Chief Executive Officer ("MD & CEO") of the Company for a period of five years effective from 1<sup>st</sup> June 2015 to 31<sup>st</sup> May, 2020 including remuneration payable to him pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V of the Companies Act. Accordingly the Company has executed an Agreement dated 14<sup>th</sup> May 2015 with Mr. Singal recording the terms and conditions of his appointment as MD & CEO of the Company. The remuneration paid to him during the financial year 2015-16 is in accordance with the terms of his appointment and as per the limits set out in Section II of Part II of Schedule V of the Companies Act but performance linked variable pay/ special allowance/ role award/ bonus/ commission on profits etc. could not be paid as the profits of the company for the year were not adequate and such payment also required previous approval of Central Government.

Members are further informed that the company is engaged in real estate development business. As per the applicable Guidance Note of ICAI on revenue recognition, the company can recognize revenue and consequently book profits on achieving certain construction milestones of the projects. In case such construction milestones are not achieved in any financial year, the company will not be able to recognize revenue and book profits even if the projects have progressed well as envisaged by the company. Accounting profits in such a situation, especially for a company in growth stage where multiple projects may be at such stage, the revenue and profits as reported may lag and not be adequate to pay remuneration to MD & CEO as envisaged in the Special Resolution proposed by the Board or Nomination & Remuneration Committee, as per the applicable provisions of the Companies Act and the Schedule V in this regard. In order to provide flexibility to the Board or the Nomination & Remuneration Committee, it is proposed to increase the remuneration of MD & CEO with effect from 1<sup>st</sup> April, 2016 for a period not exceeding three years, based on the overall financial performance of the Company as a whole, subject to necessary approval from the Central Government, as may be required, up to a maximum of 10% of the net profits, in case the company makes adequate profits or the minimum remuneration as referred below, in case of inadequacy of profits or incurs losses:

A.

| Particulars                        | P.M. (₹)         | P.A. (₹)           |
|------------------------------------|------------------|--------------------|
| Basic Salary/Basic Pay             | 3,36,000         | 40,32,000          |
| <b>Allowances and Perquisites:</b> |                  |                    |
| Personal Allowance/ Perquisites    | 6,72,000         | 80,64,000          |
| <b>Gross Salary</b>                | <b>10,08,000</b> | <b>1,20,96,000</b> |

- B. An annual performance linked compensation up to ₹ 1,00,00,000/- (Rupees One Crore only).
- C. Entitlement to shares of the Company in accordance with the Employees Stock Option Scheme as adopted by the Company.
- D. Contribution to Provident Fund, Gratuity and Superannuation Fund will be as per the Rules of the Company.

The Nomination and Remuneration Committee and the Board of Directors at their meeting held on 12<sup>th</sup> August 2016 have recommended and approved the above remuneration to MD & CEO for a period not exceeding three years, subject to the approval of members and approval of the Central Government, if required, for the purpose.

## STATEMENT OF INFORMATION FOR THE MEMBERS PURSUANT TO SECTION II OF PART II OF SCHEDULE V TO THE COMPANIES ACT:

### I. GENERAL INFORMATION:

- Nature of industry:  
Real Estate development.
- Date or expected date of commencement of commercial production:  
The Company was incorporated on 26<sup>th</sup> December, 2008 and commenced business thereafter.
- In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:  
Not Applicable.
- Financial performance based on given indicators (As per audited financial statements for the year ended 31.03.2016):

₹ in Crores

| Particulars          | Standalone | Consolidated |
|----------------------|------------|--------------|
| Sales & Other Income | 114.49     | 116.52       |
| EBIDTA               | 36.40      | 36.67        |
| Net Profit           | 17.31      | 17.21        |

- Foreign investments or collaborations, if any: Nil.

### II. INFORMATION ABOUT THE APPOINTEE:

#### 1. Background details:

Mr. Kamal Singal, MD & CEO is Commerce Graduate from Maharshi Dayanand University; ICWAI-Intermediate from Institute of Cost & Works Accounts of India-Calcutta; Post Graduate Diploma in Management from All India Institute of Management-Delhi; Post Graduate Diploma in Computer Application from Kurukshetra University; MS of Computer Science from Guru Jambheshawar University, Hissar and Executive Post Graduate Diploma in Management from Indian Institute of Management, Indore.

Mr. Kamal Singal, MD & CEO of the Company has more than 24 years of experience in the different industries as follows:

(1) DCM Textiles during June 1992 to 1999, as Head-Planning & Systems responsible for Production Planning & Control Financial Planning, Purchase-Materials Handling and MIS; (2) Arvind Limited during July 2001 to Nov 2006 Heading MIS team and also Head-Operations in Garment Exports division; (3) Arvind Brands Ltd during 2006 to 2008 Heading Supply Chain Management and IT functions; (4) Arvind Ltd during August 2008 to Dec 2011 as CEO-Real Estate Division; (5) Arvind Infrastructure Limited during Jan 2012 to May 2015 as CEO and thereafter as Managing Director and Chief Executive Officer, over all in charge of the affairs of the company.

#### 2. Past remuneration:

Mr. Kamal Singal is appointed as MD & CEO of the Company with effect from 1<sup>st</sup> June 2015.

As per the terms of appointment, he is entitled to remuneration:

- Basic salary:** Rs.3,00,000 per month with such increase as may be decided by the Board from time to time, subject to a maximum of Rs.10,00,000 per month.
- Perquisites and Allowances** in the following categories:

**CATEGORY – A**

- (i) The Company shall pay other allowances, Personal Accident Insurance and Medical Expenses as per the Company's policy
- (ii) The Company shall reimburse annual fees for one club

**CATEGORY – B**

- (i) The Company shall contribute towards Provident Fund provided that such contributions either singly or put together shall not exceed the tax-free limit prescribed under the Income-tax Act (ii) The Company shall pay Gratuity as per rules of the Company (iii) Leave on full pay and allowances, as per rules of the Company, but not more than one month's leave for every eleven months of service. However, the leave accumulated but not availed of will be allowed to be encashed at the end of the term as per rules of the Company. The above shall not be included in the computation of ceiling on remuneration or perquisites aforesaid.

**CATEGORY – C**

- (i) The Company shall provide car(s) at the cost of the Company for use on Company's business and the same will not be considered as perquisites (ii) The Company shall provide telephone and other communication facilities to the MD & CEO at the cost of the Company.

**CATEGORY – D**

Performance Linked Variable Pay/Special Allowance/Role Award/Bonus/ Commission on profits etc. or in any other form as the Nomination and Remuneration Committee and the Board of Directors may determine from time to time within the overall limits of 5% of the net profits and the overall limits of the remuneration prescribed under Sections 197 and other applicable provisions of the Companies Act 2013.

Accordingly, for the part of the financial year 2015-16, Mr. Singal has drawn the remuneration as such as approved by members as per the following details:

| Particulars                        | P.A. (₹)         |
|------------------------------------|------------------|
| Basic Salary/Basic Pay             | 30,00,000        |
| <b>Allowances and Perquisites:</b> |                  |
| Personal Allowance/ Perquisites    | 52,06,493        |
| <b>Gross Salary</b>                | <b>82,06,493</b> |
| <b>Retiral benefits</b>            | <b>5,04,235</b>  |

As per the provisions of Part II Section IV of Schedule V of the Companies Act 2013, the employers' contribution to Provident Fund, Gratuity and Superannuation fund is not included in the computation of managerial remuneration.

**3. Recognition or awards:**

Under the leadership of Mr. Singal, the Company, some of the projects and Mr. Singal himself have received the following awards.

**1. Realty Plus Conclave & Excellence Awards (Gujarat) 2016**

Arvind Citadel "Residential Property of the Year"

**2. The Golden Globe Tiger Awards 2016 - Kuala Lumpur, Malaysia**

Uplands - Integrated Township of the Year

Mr. Kamal Singal - Real Estate Most Enterprising CEO of the Year

**3. ABP News Real Estate Awards, 2016**

Arvind Infrastructure - Emerging Developer of the Year - India

Uplands - Integrated Township of the Year - India

Mr. Kamal Singal - 100 Real Estate icons of India

**4. Realty plus excellence Awards, 2015**

Arvind Infrastructure - Emerging Developer of the year - Gujarat

Uplands - Luxury project of the Year - Gujarat

**4. Job profile and his suitability:**

On the basis of background of Mr. Singal, his education, experience of handling independently the real estate business of the Company since 2008, and the role he has been playing in the development of the Company, he has been appointed as Managing Director & Chief Executive officer, overall in charge of management of the company subject to the direction, supervision and control of Board of Directors of the Company. He is responsible for providing strategic and leadership perspective to the company's future business direction and to generate significant additional value for Members in the coming years. Mr. Singal continues to be responsible for giving strategic direction to actively focus on identifying new business opportunities to enter into new JVs and partnerships to further expand the product portfolio of the Company. In addition to the above business specific responsibilities, Mr. Singal further plays a lead corporate role for the Company, in its drive towards sustainability and becoming a more socially and environmentally responsible corporate citizen.

Mr. Singal has been playing key role in successful implementation of strategy and performance of the Company in terms of Project Pipe Line, Revenues and Profits and the Company where it stands today is the result of his dedicated hard work, leadership quality and expertise. In a situation of tough economic scenario and at a juncture where the Company is poised for considerable growth by executing various ambitious projects of high value, revenue and profits, it is imperative at this critical time that the Company continues to benefit from the leadership, knowledge and experience of Mr. Singal as its Managing Director and CEO.

**5. Remuneration proposed:**

The details of the proposed remuneration have already been explained hereinabove and the same are therefore, not repeated.

**6. 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):**

The current remuneration being paid to the MD & CEO (looking at the profile of the position and responsibilities shouldered by person) is lower than the remuneration being paid by the comparable companies. The Company has large growth ambitions

and will continue to need to attract, retain and reward the professionals with a remuneration in accordance with prevailing market conditions and industry bench mark.

**7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:**

Mr. Kamal Singal does not have any pecuniary relationship with the Company except the remuneration being paid to him as MD & CEO and as a shareholder to the extent of his shareholding, directly / indirectly in the company. He does not have any pecuniary relationship with managerial personnel of the company. He is working as an independent professional and in an executive capacity, not related to Promoters/ directors of the Company.

**III. OTHER INFORMATION:**

**1. Reasons of loss or inadequate profits:**

The Company has earned on a standalone basis, PAT of ₹ 9.28 Crores; ₹ 11.00 Crores and ₹ 17.00 Crores for the FY 2013-14; 2014-15 and 2015-16, respectively. The company is expected to maintain the growth of profits during the coming financial years as it has various projects in the pipeline.

As per the Guidance Note of ICAI on revenue recognition, the company can recognize revenue and consequently book profits on achieving certain construction milestones of the project. In case construction milestones are not achieved in any financial year, the company will not be able to recognize revenue and book profits even if the projects have progressed well as envisaged by the company. Accounting profits in such a situation, especially for a company in growth stage where multiple projects may be at such stage, the revenue and profits as reported may lag and not be adequate to pay remuneration to MD & CEO.

**2. Steps taken or proposed to be taken for improvement:**

The company will ensure to maintain pace with the construction so that the desired construction milestones are achieved in order to recognize revenue and in turn book profits which are adequate for the purpose of remuneration payable to Managing Director and CEO. In view of this, there are no specific steps required to be taken and/or proposed to be taken by the Company for improvement in profits.

**3. Expected increase in productivity and profits in measurable terms:**

The Company is actively involved in entering into development of new projects to broaden its project pipe line and offering differentiated and value added products. However, the exact increase in revenue and impact of overall profitability on a standalone basis and consolidated basis due to these initiatives cannot be measured.

**IV. DISCLOSURES:**

The disclosures as required on all the elements of remuneration package such as salary, benefit, bonuses, pensions, details of fixed components and performance linked incentives along with performance criteria, service contract details, notice period, severance fees, stock-option details, etc. have been made in the directors' report and corporate governance report attached to the financial statement of the company.

The Board recommends the Resolution set out at Item No. 6 of the accompanying Notice as Special Resolution for the approval of the Members.

Since the resolution at Item No. 6 relates to payment of remuneration to Mr. Kamal Singal, he is deemed to be concerned or interested in the said resolution. None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

A draft of revised Agreement to be entered into between the Company and Mr. Kamal Singal for his appointment and remuneration, is available for inspection by the members at the Registered Office of the Company during business hours on any working day.

**Additional Information about history of the Company:**

Members are informed that the Company was incorporated as 'Arvind Infrastructure Limited' on 26<sup>th</sup> December, 2008 as a wholly owned subsidiary of Arvind Limited under the provisions of the Companies Act, 1956. The Company was incorporated with the object of doing real estate/infrastructure development business. The paid up equity share capital comprises of 2,58,24,307 equity shares of ₹ 10 each aggregating to ₹ 25.82 Crores. The equity shares of the Company got listed on BSE Limited and National Stock Exchange of India Limited with effect from 26<sup>th</sup> August 2015 as a part of the Demerger Scheme of Real Estate Division of Arvind Limited into the Company. The Promoters of the Company are Aura Securities Private Limited and Sanjaybhai Shrenikbhai Lalbhai and others who are not involved in the day to day operations of the Company. 47% of the Paid up capital is held by Promoters and Promoter Group and 53% is held by Public. The day to day management and operations of the Company is carried out by Mr. Singal, Managing Director and CEO supported by a team of professional managers.

**Item No. 7, 8 & 9**

The main features of the AIL ESOP 2016 are as under:

**1. Brief description of the AIL ESOP 2016:**

The Company recognizes and appreciates the critical role played by the employees and directors of the Company and its subsidiaries in bringing about growth of the organization. It strongly feels that the value created by them should be shared with them. To promote the culture of employee ownership in the Company, and reward and retain the best talent, approval of the Members is being sought for introduction of the shares based employee benefit scheme, namely "Arvind Infrastructure Limited – Employee Stock Option Plan 2016" (the "AIL ESOP 2016") and issue of stock options to the eligible employees of the Company and its subsidiaries under the AIL ESOP 2016.

The purpose of AIL ESOP 2016 is to:

- Motivate and retain talented employees;
- Attract new talent;
- Encourage employees to align with growth of the Company; and
- Reward employee performance.

The AIL ESOP 2016 shall be administered by the Nomination and Remuneration Committee (acting as a Compensation Committee for administration of AIL ESOP 2016).