

## NOTICE

Notice is hereby given that the 37<sup>th</sup> Annual General Meeting of the Company will be held on Tuesday, 28<sup>th</sup> September, 2021 at 10 A.M., through Video Conferencing (VC), adhering to MCA Circulars 02/2021 dated 13<sup>th</sup> January 2021 and 20/2020 dated 5<sup>th</sup> May, 2020 read with circulars 14/2020 dated 8<sup>th</sup> April, 2020 and 17/2020 dated 13<sup>th</sup> April, 2020, and all other applicable provisions of the Companies Act, 2013, to transact the following businesses:

### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2021 together with the Reports of the Board of Directors and Auditors thereon and the Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2021.
2. To appoint a Director in place of Mr. John K Paul (DIN: 00016513), who retires by rotation and, being eligible, offers himself for re-appointment.
3. To reappoint Statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of fifth consecutive Annual General Meeting and to fix their remuneration, and in this regard 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 139 and 142 (1) read with Section 102 (2) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, and other applicable rules, if any, under the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s. B S R & Associates LLP, 3<sup>rd</sup> Floor, Syama Business Center, NH Bye Pass Road, Vytilla, Kochi-682019, Firm registration No. 116231W/W-100024, be and are hereby reappointed as the Statutory Auditors of the Company, who shall hold office from the conclusion of this 37<sup>th</sup> Annual General Meeting for a term of consecutive five years till conclusion of the 42<sup>nd</sup> Annual General Meeting of the Company to be held in the financial year 2026-27 at a remuneration to be fixed by Board of Directors on recommendation of the Audit Committee of the Company, in addition to the 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. Appointment of Mr. George Joseph as Independent Director.

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

"**RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152, and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and in terms of Article 141(b) of the Articles of Association of the Company, Mr. George Joseph (DIN: 00253754), who was appointed as Additional Director of the Company in Independent Category by the Board of Directors at its meeting held on 01<sup>st</sup> July, 2021 and has given a declaration pursuant to provisions of Section 149(7) of the Companies Act, 2013 that he fulfils the criteria of independence for the Independent Directors as specified under subsection (6) of Section 149, and is eligible for appointment, be and is hereby appointed as Independent Director of the Company to hold office for five consecutive years with effect from 01<sup>st</sup> July, 2021 and whose office shall not be liable to determination by retirement of directors by rotation".

"**RESOLVED FURTHER THAT** pursuant to the provisions of Section 197(5) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 and Article 135 of the Articles of Association of the Company, consent of the shareholders be and is hereby accorded for paying sitting fees of Rs.75,000/- (Rupees Seventy five thousand only) for attending each meeting of the Board and Rs.50,000/- (Rupees fifty thousand only) for attending each meeting of committees to Mr. George Joseph, in addition to reimbursement of actual expenses incurred for attending the meeting (s)."

"**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to do all such acts, deeds and things as may be necessary to give the effect to the above."

### 5. To amend the sitting fee payable to Independent Directors.

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

**"RESOLVED THAT** pursuant to the provisions of Section 197(5) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 and Article 135 of the Articles of Association of the Company, approval of the Shareholders of the Company be and is hereby accorded for paying sitting fees of Rs.1,00,000/- (Rupees One lakh only) for attending each meeting of the Board and committees of the Board, to the Independent Directors of the Company in addition to reimbursement of actual expenses incurred for attending the meetings."

**"RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to do all such acts, deeds and things as may be necessary to give the effect to the above."

#### **6. Payment of Commission on Profits to Non-Executive Directors**

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

**"RESOLVED THAT** pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 as amended from time to time and Article 134(3) and 134(6) of the Articles of Association of the Company, the consent of the Shareholders of the Company be and is hereby accorded for the payment of commission at the rate not exceeding 1% (one percent) of the net profits of the Company computed in the manner as laid down under Sections 197 and 198 of the Companies Act, 2013, as amended, in each year to the Directors of the Company other than the Managing Director, Whole Time Directors of the Company (apart from sitting fees and expenses incurred for attending the meeting of the Board or the Committee(s) thereof) for a further period of five years effective from 01<sup>st</sup> April, 2021 and that such commission be divided by the Board of Directors of the Company amongst such Director or Directors and/ or any Directors who have ceased to be Directors of the Company during the Financial Year including Alternate Directors in such manner or proportion and on such basis as they may in their discretion decide."

**"RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to do all such acts, deeds and things as may be necessary to give the effect to the above."

#### **7. Re-appointment of Managing Director**

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

**"RESOLVED THAT** pursuant to the provisions of Section 196 (3) read with proviso thereto and Sections 196 (4), 203, Part I of Schedule V of the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013, and the Article of Association of the company, and subject to the approval of the Central Government, consent of the shareholders of the Company be and is hereby accorded for the reappointment of Mr. John K Paul, (DIN:00016513), as Managing Director of the company, for a period commencing from 01<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2024, liable to retire by rotation and who shall seek reappointment, if eligible, irrespective of his tenure of appointment."

**"RESOLVED FURTHER THAT** pursuant to the provisions of Sections 197, 203 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, consent of the shareholders of the company be and is hereby accorded for payment of remuneration and benefits to Mr. John K Paul, Managing Director as follows:

- a) Salary Rs.7,32,050/- per month on an annual increment as may be decided by the Board of Directors on recommendation of the Nomination and Remuneration Committee, subject to a maximum ceiling of 10% increase per annum.
- b) Performance Incentive: As determined by the Board based on consolidated net profits of the Company in the following category:

Consolidated Net profit	Performance Incentive
Upto Rs.20,00,00,000/-	Nil
Rs.20,00,00,000/- Rs.30,00,00,000/-	1% of the achievement in this slab.
Over and above the slabs mentioned above, additional milestone based incentive: For achievement of every Rs.5 crores. (Any Fractional achievement to be ignored.)	
a) Achievement of Rs.35,00,00,000/-	0.167% of Rs. 5 crores
b) Achievement of Rs.40,00,00,000/- (The slab (a) above will be ignored)	0.333% of Rs. 10 crores

c) Achievement of Rs.45,00,00,000/- (The slab (a) and (b) above will be ignored)	0.50% of Rs. 15 crores
d) Achievement of Rs.50,00,00,000/- and in multiples of every Rs.5 crores thereafter. (Any Fractional achievement to be ignored.) (The slab (a) (b) and (c) above will be ignored)	0.667% of Rs. 20 crores plus 0.667% of every Rs. 5 crore achieved over and above Rs.50 crores.

c) Perquisites (valuated as per Income Tax Rules, wherever applicable and at actual cost to the Company in other cases) like the benefit of the Company's furnished accommodation gas, electricity, water and furnishings, club fees, life and health insurance, use of car and telecommunication facilities including broadband, internet and fax at residence, leave and travel concessions, education benefits.

d) Other Benefits:

In addition to the salary, Performance Incentive, Perquisites as above, the Managing Director shall be entitled to the following Benefits:-

A. Gratuity: Up to half a month's salary for each completed year of service as per the provisions of the Payment of Gratuity Act, 1972."

"RESOLVED FURTHER THAT consent of the shareholders be and is hereby also accorded that where in any financial year the Company has no profits or inadequate profits then remuneration as decided above be paid."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do all such acts, deeds and things as may be necessary to give the effect to the above."

## **8. Reappointment of Whole Time Director**

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

"RESOLVED THAT pursuant to the provisions of Section 196(3) read with proviso thereto and Sections 196(4), 203 and all other applicable provisions, if any, of the Companies Act, 2013, and the Articles of Association of the Company, consent of the shareholders of the Company be is hereby accorded for the reappointment of Mr. Francis K Paul, (DIN: 00018825) as Whole Time Director of

the Company for a period commencing from 01<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2024, liable to retire by rotation and who shall seek reappointment, if eligible, irrespective of his tenure of appointment."

**"RESOLVED FURTHER THAT** pursuant to the provisions of Sections 197, 203 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, consent of the shareholders of the company be and is hereby accorded for payment of remuneration and benefits to Mr. Francis K Paul, Whole Time Director as follows:

- a) Salary Rs. 7,32,050/- per month on an annual increment as may be decided by the Board of Directors on recommendation of the Nomination and Remuneration Committee, subject to a maximum ceiling of 10% increase per annum.
- b) Performance Incentive: As determined by the Board based on consolidated net profits of the Company in the following category:

Consolidated Net profit	Performance Incentive
Upto Rs.20,00,00,000/-	Nil
Rs.20,00,00,000/- Rs.30,00,00,000/-	1% of the achievement in this slab.
Over and above the slabs mentioned above, additional milestone based incentive: For achievement of every Rs.5 crores. (Any Fractional achievement to be ignored.)	
a) Achievement of Rs.35,00,00,000/-	0.167% of Rs. 5 crores
b) Achievement of Rs.40,00,00,000/- (The slab (a) above will be ignored)	0.333% of Rs. 10 crores
c) Achievement of Rs.45,00,00,000/- (The slab (a) and (b) above will be ignored)	0.50% of Rs. 15 crores

d) Achievement of Rs.50,00,00,000/- and in multiples of every Rs.5 crores thereafter. (Any Fractional achievement to be ignored.) (The slab (a) (b) and (c) above will be ignored)	0.667% of Rs. 20 crores plus 0.667% of every Rs. 5 crore achieved over and above Rs.50 crores.
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- c) Perquisites (valuated as per Income Tax Rules, wherever applicable and at actual cost to the Company in other cases) like the benefit of the Company's furnished accommodation gas, electricity, water and furnishings, club fees, life and health insurance, use of car and telecommunication facilities including broadband, internet and fax at residence, leave and travel concessions, education benefits.
- d) Other Benefits:

In addition to the salary, Performance Incentive, Perquisites as above, the Whole time Director shall be entitled to the following additional Benefits:-

- A. Gratuity: Up to half a month's salary for each completed year of service as per the provisions of the Payment of Gratuity Act, 1972."

**"RESOLVED FURTHER THAT** consent of the shareholders be and is hereby also accorded that where in any financial year the Company has no profits or inadequate profits then Performance Incentive as decided above be paid."

**"RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to do all such acts, deeds and things as may be necessary to give the effect to the above."

**BY ORDER OF THE BOARD OF DIRECTORS  
POPULAR VEHICLES AND SERVICES LIMITED  
Sd/-**

Kochi-25  
Date: 31.08.2021

**VARUN T.V  
COMPANY SECRETARY**

## **NOTES:**

1. MCA vide its circular nos. 02/2021 dated 13<sup>th</sup> January, 2021 and 20/2020 dated 5<sup>th</sup> May, 2020 has directed that Companies may conduct Annual General Meeting through Video Conferencing (VC) or Other Audio Visual Means (OAVM) adhering to the provisions as laid down in circular no.14/2020 dated 8th April, 2020 and circular no. 17/2020 dated 13<sup>th</sup> April, 2020. For the purpose of the meeting, the deemed venue shall be at the registered office of the Company at Kuttukaran Centre, Mamangalam, Kochi-682025.
2. **As per Section 105 of the Companies Act, 2013, a member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. Instrument of Proxies, in order to be effective must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting.** The facility for appointment of proxies by members is not allowed for meeting through VC or OAVM as per MCA circular. However, representative as per section 113 of the Companies Act, 2013 are allowed. Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Registered Office of the Company, a certified copy of the Board resolution pursuant to section 113 of the Companies Act, 2013, authorizing their representative to attend and vote on their behalf at the Meeting.
3. Pursuant to section 20(2) of the Companies Act, 2013 read with Rule 35 of the Companies (Incorporation) Rules, 2014, as amended, Companies are permitted to send official documents to their shareholders electronically.
4. Voting shall commence on 28<sup>th</sup> September, 2021. Voting shall be done through email from the Registered e-mail id of the shareholder to the Designated e-mail id provided herein. The Designated e-mail id is [cs@popularv.com](mailto:cs@popularv.com).
5. Members are allowed to raise queries in advance and at the meeting. Queries in advance shall be e-mailed to [varun.varrier@popularv.com](mailto:varun.varrier@popularv.com) on or before 5 pm on 27<sup>th</sup> September, 2021.
6. Notice of the Annual General Meeting along with the financial statements are also placed on the website of the Company at <https://www.popularmaruti.com/>



7. Copies of the Memorandum and Articles of Association of the Company and other relevant records in respect of the ordinary business and the documents referred to in the Resolutions are available at the Registered Office of the Company and electronically for inspection of the members during business hours between 10 am and 5 pm on all working days, except Saturdays.
8. The Explanatory Statement under Section 102 of the Companies Act, 2013, as amended, in respect of the special businesses is annexed herewith and forms part of the notice.
9. Since the AGM will be held through VC in accordance with MCA Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
10. Members who have not registered their email ids with the Company are requested to update their email ids with the Company. If there is any change in the email id already registered with the Company, the same may be intimated to [cs@popularv.com](mailto:cs@popularv.com) along with credentials such as name of the shareholder, registered folio number, number of shares held and copy of self-attested copy of PAN Card.
11. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

#### **INSTRUCTION AS TO HOW THE MEMBERS CAN ACCESS AND PARTICIPATE IN THE MEETING**

1. The meeting begins at 10.00 a.m. on Tuesday, 28<sup>th</sup> September, 2021. Members of the Company holding shares either in physical form or in dematerialized form can participate in the meeting.
2. The members shall be allowed to login to the meeting from 9.45 am to 10.15 am.
3. The meeting shall be conducted through Zoom platform. Shareholders are advised to download zoom App on their smartphone or visit <https://popularv.zoom.us/j/89483716559?pwd=YWVOSkc3ZzOxNkpiTUhYQzNBWHFoUT09> through their browser.
4. The Members are advised to log on to the zoom website or log on through the zoom mobile application 15 minutes before meeting.
5. The Members are advised to enter the following login credentials i.e.  
Meeting ID: 894 8371 6559  
Passcode: 162367
6. Any grievances relating to participation in the meeting shall be reported to:  
Ph: 8089153542 Email Id: [cor.cs.officer@popularv.com](mailto:cor.cs.officer@popularv.com) .  
This facility shall be available throughout the meeting.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013. ("The Act").**

**Item No. 4**

As per provisions of Section 149(4) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, certain class of companies shall have Independent Directors, who are not liable to retire by rotation. In addition to the existing Independent Directors, the Company has identified Mr. George Joseph to be appointed as the third Independent Director of the Company. The Board of Directors at their meeting held on 01<sup>st</sup> July, 2021 appointed Mr. George Joseph as Additional Director of the Company. Further, the board also appointed Mr. George Joseph as Independent Director of the Company subject to approval of the members in general meeting to hold office for a period of five consecutive years with effect from 01<sup>st</sup> July, 2021, not liable to retire by rotation.

As additional director, Mr. George Joseph holds office till the date of the Current Annual General Meeting and is eligible for being appointed as Independent director. The Company has received notice pursuant to Section 160 of the Companies Act, 2013 to appoint Mr. George Joseph as Independent Director of the Company. The Company has also received declaration from the director confirming that he meets the criteria of independence as provided under section 149(6) of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014. The above director is also not disqualified from being appointed as director in terms of Section 164 of the Act and has given his consent pursuant to Section 152 of the Act to act as director of the company.

In the opinion of the Board, Mr. George Joseph fulfills the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Director and he is independent of the management. Mr. George Joseph, Independent Director does not hold any share in the Company in his individual capacity or on a beneficial basis for any other person. He is a non-executive director.

The independent director shall be entitled to a sitting fee of Rs.75,000/- (Rupees Seventy Five Thousand only) for attending each meeting of the Board and Rs.50,000/- (Rupees Fifty Thousand Only) for attending the meetings of each Committees thereof, in addition to reimbursement of actual expenses incurred for attending the meeting(s). The sitting fee to independent directors may from time to time be revised by the Board of directors, subject to the maximum amount as may be fixed by the shareholders and limit prescribed under the Companies Act, 2013 read with rules made there under and the provisions in the Articles of Association of the company.

A brief profile of Mr. George Joseph is given below:

Mr. George Joseph aged 72 years, has over 39 years of hands-on experience in Banking field. He Joined Canara Bank as a probationary officer in 1969 and Promoted to the level of General Manager in Canara Bank. In 2006, elevated as Executive Director and posted to Syndicate Bank and later, further elevated as Chairman & Managing Director, Syndicate Bank, from where, retired in 2009. Post Retirement, served as independent director in Muthoot Finance, Muthoot Asset Management Company & Esaf Small Finance Bank. Currently he is on the Board of Credit Access Grameen, Madura Micro Finance & Wonderla Holidays. He also worked in Wonderla Holidays as a Whole Time Director in the capacity of Executive Vice Chairman and Joint Managing Director.

He is a first-rank commerce graduate from Kerala University. He also ranked 1<sup>st</sup> among the Indian candidates and 11<sup>th</sup> in the AIB Examination (London) of the Institute of Bankers, London. He is also a Certified Associate of Indian Institute of Banking & Finance.

Independent Directors' meeting held on 22<sup>nd</sup> March, 2021 has recommended induction of an Independent Director with a strong finance background to chair the Audit Committee. In the opinion of the Board, Mr. George Joseph is a person of integrity and possess relevant expertise and experience to be appointed as independent director meeting the above recommendation. So the Board recommends the Resolutions as set out in the notice vide item 4 for your approval.

Mr. George Joseph is not related to any of the Directors or Key Managerial Personnel of the Company.

Except the appointee director, Mr. George Joseph, in respect of resolution concerning him, none of the other Directors and Key Managerial Personnel of the Company or their relatives, are in any way concerned or interested, whether financial or otherwise in the resolution as set out in the notice.

There is no other information and facts to disclose that may enable members to understand the meaning, scope and implications of the said resolution and to take decision thereon.

The special business vide item 4 to be transacted at the meeting of the company does not relate to and affect any other company/entity.

A copy of the draft letter of appointment for independent director, setting out the terms and conditions for appointment of independent director is available for inspection by the members at the Registered Office of the company during business hours on all working days and shall also be laid before the meeting.

## **Item No. 5 and 6**

The members at the EGM held on 16<sup>th</sup> February 2019 appointed Mr.Jacob Kurian and Ms. Preeti Reddy as Independent Directors of the Company to hold the office for a period of 5 years. The Board has appointed Mr.George Joseph as the Independent Director of the Company at the meeting held on 01<sup>st</sup> July, 2021 and proposed his appointment for the approval of the members at the current AGM. The Independent Directors are at present entitled to a sitting fee of Rs.75,000/- (Rupees Seventy Five Thousand only) for attending each meeting of the Board and Rs.50,000/- (Rupees Fifty Thousand Only) for attending each meeting of committees.

The Sitting fee payable to the Independent Directors have not been revised since the date of the first independent director appointment. Since the Company has filed the Draft Red Herring Prospectus with SEBI and is expecting to be a listed company, the Independent Directors are required to devote more time and attention and also to fulfill greater responsibilities cast on them under various statutes.

Thereafter the Board has proposed the new set of sitting fee payable to the Independent Directors of the Company. The Nomination and Remuneration Committee held on 31<sup>st</sup> August, 2021 recommended and the Board in its meeting held on 31<sup>st</sup> August, 2021 has proposed to pay a sitting fee of Rs.100,000/- (One lakhs only) for attending each meeting of the Board and of committees thereof.

The Companies Act, 2013 also permits the maximum limit of Rs.100,000/- as sitting fee payable per meeting.

Apart from Sitting Fee, the Act also provides for an option of payment of commission on profits as remuneration, which may be paid to the Non-Executive Directors including Independent Directors.

The Nomination and Remuneration Committee held on 31<sup>st</sup> August, 2021 recommended and the Board in their meeting held on 31<sup>st</sup> August, 2021 has proposed to pay a commission upto 1% of the Net Profits of the Company. So the Board recommends the Resolutions as set out in the notice vide item 5 and 6 for your approval.

Except Mr.Jacob Kurian, Mr.George Joseph and Ms.Preeti Reddy, Independent Directors of the Company, Mr.Naveen Philip, Non-Executive Director and Rahul G.Kurup, Nominee Director of the Company, none of the Directors, Key Managerial Personnel of the company or their relatives are interested whether financial or otherwise, in respect of the resolution as set out in the notice.

There is no other information and facts to disclose that may enable members to understand the meaning, scope and implications of the said item of business and to take decision thereon.

The special business vide item (5) and (6) to be transacted at the meeting of the company does not relate to and affect any other company/entity.

Copies of the relevant records and papers are available at the Registered Office of the company for inspection of the members during business hours between 10 am and 5 pm on all working days, except Saturdays and shall also be laid before the meeting.

### **Item No. 7**

The members at the EGM held on 10<sup>th</sup> December, 2019 has re-appointed Mr. John K Paul as the Managing Director of the Company for a period of 2 years from 01<sup>st</sup> April 2020. His term as Managing Director of the Company is expiring on the 31<sup>st</sup> March, 2022.

Considering his knowledge of various aspects relating to the Company's affairs and long business experience, the Board of Directors is of the opinion that for smooth and efficient running of business, the service of Mr. John K. Paul should be available to the Company for a further term of two years with effect from 01<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2024, on a remuneration as set out in the resolution.

As per the provisions set out in Companies Act, 2013, the said re-appointment requires approval of the Central Government, in case of the appointee Director being sentenced to a fine exceeding Rs.1000/- or Imprisonment which is not there under certain statutes as mentioned therein. Even if the matter is closed by payment of fine, then also this becomes applicable.

Mr. John K Paul was one of the Directors of Kerala Chamber of Commerce and Industries (KCCI) for the financial years 2012-13, 2013-14 and 2014-15 during which KCCI was found in violation of Sections 209(1) and 217(3) of the Companies Act, 1956. He pleaded guilty and remitted a fine of Rs.10,000/- in ST 43/19 and Rs.5,000/- in ST 42/19 before the Chief Judicial Magistrate (Economic Offences) Court at Ernakulam for the said violations.

Hence the approval of Central Government becomes necessary for his re-appointment.

As per Section 196(3)(a) of the Companies Act, 2013, read with proviso thereto, a company can appoint or continue the employment of a person who has attained the age of seventy (70) years as Managing Director, if consent of the members is accorded thereto by passing a special resolution at a general meeting of the company. Mr. John K. Paul is a promoter Director, and has been Key Managerial Personnel of the Company since incorporation. The Board of Directors is confident that, with his extensive business knowledge, experience and expertise, Mr. John K. Paul would definitely continue to enhance the Company's strength. Mr. John K. Paul will attain the age of 70 years in the term of proposed re- appointment and hence approval by way of Special Resolution is required in this behalf.

The proposed remuneration is consistent with the remuneration in the industry of similar size for similarly placed persons. In line with the Companies Act, 2013, the Board recommends the Special Resolution as set out at item no.7 for approval by the shareholders.

The Salary scale as approved by the shareholders for the current term of appointment is Rs.6,05,000/- per month on an annual incremental scale of Rs. 6,05,000–60,500–6,65,500/-. For the Financial year 2021-22, the Managing Director considering the pandemic situation has voluntarily accepted an increment of 7% instead of 10% and currently is being paid a Salary of Rs.6,47,350/- for the financial year 2021-22.

Since the increment takes place annually in the month of April, the salary for the proposed term of re-appointment from 1<sup>st</sup> April 2022 shall start at a 10% increase from the previous scale, i.e. at Rs.7,32,050/- per month.

The Performance incentive is being calculated as a percentage of Consolidated Net Profits of the Company, after factoring in the performance of the Company along with the performance of all its subsidiaries as well.

Mr. John K. Paul has devoted over three and a half decades to the growth and establishment of our Company. He has been a director from its inception and is now serving in the capacity of the Managing Director of the Company for over a decade. Considering his expertise and contributions to the Company, Shareholders' approval is sought for inclusion of provision for Gratuity payable on retirement. The gratuity considered is as per the Company's policy and paid to all the employees of the Company on their retirement.

As per the provisions of Section 197 of the Companies Act, 2013, in the event of inadequate profits or losses, any amount may be paid, regardless of the limits as per Schedule V, with the approval of the Shareholders via Special Resolution. Accordingly, the consent of the shareholders is sought by way of a special resolution that where in any financial year the Company has no profits or inadequate profits then Salary, Performance Incentive, perquisites, gratuity etc as decided above be paid to the Managing Director.

Mr. John K Paul is the promoter of the company and its Managerial Personnel and so he may be deemed to have pecuniary relationship with the Company besides his remuneration in the capacity of Managing Director. Further as on date he holds 27,51,125 Equity shares (21.93%) of the Company.

Except the promoters and directors Mr. John K Paul, Managing Director, Mr. Francis K Paul, Whole time Director and Mr. Naveen Philip, Director of the company and their relatives, none of the Key Managerial personnel of the company or their relatives are interested whether financial or otherwise, in respect of the resolution as set out in the notice. The Board recommends the Resolution as set out in the notice vide item 7 for your approval.

There is no other information and facts to disclose that may enable members to understand the meaning, scope and implications of the said item of business and to take decision thereon.

The special business vide item (7) to be transacted at the meeting of the company does not relate to and affect any other company/entity.

Copies of the relevant records and papers are available at the Registered Office of the company for inspection of the members during business hours between 10 am and 5 pm on all working days, except Saturdays and shall also be laid before the meeting.

### **Item No. 8**

The members at the EGM held on 10<sup>th</sup> December, 2019 reappointed Mr. Francis K Paul as the Whole Time Director of the Company for a Period of 2 years from 1<sup>st</sup> April 2020. His term as Whole Time Director of the Company is expiring on the 31<sup>st</sup> March, 2022.

Considering his knowledge of various aspects relating to the Company's affairs and long business experience, the Board of Directors is of the opinion that for smooth and efficient running of business, the service of Mr. Francis K. Paul should be available to the Company for a further term of two years with effect from 01<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2024, on a remuneration as set out in the resolution.

As per Section 196(3)(a) of the Companies Act, 2013, read with proviso thereto, a company can appoint or continue the employment of a person who has attained the age of seventy (70) years as Whole Time Director, if consent of the members is accorded thereto by passing a special resolution at a general meeting of the company. Mr. Francis K. Paul is a promoter Director, and has been Key Managerial Personnel of the Company since incorporation. The Board of Directors is confident that, with his extensive business knowledge, experience and expertise, Mr. Francis K. Paul would definitely continue to enhance the Company's strength. Mr. Francis K. Paul has completed 70 years of age and hence the Special Resolution as set out in the notice for your approval.

The Salary scale as approved by the shareholders for the current term of appointment is Rs.6,05,000/- per month on an annual incremental scale of Rs. 6,05,000–60,500–6,65,500/-. For the Financial year 2021-22, the Whole Time Director considering the pandemic situation has voluntarily accepted an increment of 7% instead of 10% and currently is being paid a Salary of Rs.6,47,350/- for the financial year 2021-22.

Since the increment takes place annually in the month of April, the salary for the proposed term of re-appointment from 1<sup>st</sup> April 2022 shall start at a 10% increase from the previous scale, i.e. at Rs.7,32,050/- per month.

The Performance incentive is being calculated as a percentage of Consolidated Net Profits of the Company, after factoring in the performance of the Company along with the performance of all its subsidiaries as well.

Mr. Francis K. Paul has devoted over three and a half decades to the growth and establishment of our Company. He has been the first Managing Director of the Company and is now serving in the position of the Whole Time Director of the Company for over a decade. Considering his expertise and contributions to the Company, Shareholders' approval is sought for inclusion of provision of Gratuity payable on retirement. The gratuity considered is as per the Company's policy and paid to all the employees of the Company on their retirement.

As per the provisions of Section 197 of the Companies Act, 2013, in the event of inadequate profits or losses, any amount may be paid, regardless of the limits as per Schedule V, with the approval of the Shareholders via Special Resolution. Accordingly, the consent of the shareholders is sought by way of a special resolution that where in any financial year the Company has no profits or inadequate profits then Salary, Performance Incentive, perquisites, gratuity etc. as decided above be paid to the Whole Time Director.

The proposed remuneration is consistent with the remuneration in the industry of similar size for similarly placed persons. In line with the Companies Act, 2013, the Board recommends the Special Resolution as set out at item no.8 for approval by the shareholders.

Mr. Francis K. Paul is the promoter of the company and its Managerial Personnel and so he may be deemed to have pecuniary relationship with the Company besides his remuneration in the capacity of Whole Time Director. Further as on date he holds 27,51,125 Equity shares (21.93%) of the Company.

Except the promoters and directors Mr. Francis K. Paul, Whole Time Director, Mr. John K Paul, Managing Director and Mr. Naveen Philip, Director of the company and their relatives, none of the Key Managerial Personnel of the company or their relatives are interested whether financial or otherwise, in respect of the resolution as set out in the notice. The Board recommends the Resolution as set out in the notice vide item 8 for your approval.

There is no other information and facts to disclose that may enable members to understand the meaning, scope and implications of the said item of business and to take decision thereon.

The special business vide item (8) to be transacted at the meeting of the company does not relate to and affect any other company/entity.



Copies of the relevant records and papers are available at the Registered Office of the company for inspection of the members during business hours between 10 am and 5 pm on all working days, except Saturdays and shall also be laid before the meeting.

**BY ORDER OF THE BOARD OF DIRECTORS  
POPULAR VEHICLES AND SERVICES LIMITED**

Sd/-

Kochi-25  
Date:31.08.2021

**VARUN T.V  
COMPANY SECRETARY**