

NOTICE

Notice is hereby given that the 38th Annual General Meeting of the Company will be held on Thursday, 14th July, 2022 at 11 A.M., through Video Conferencing (VC), adhering to MCA Circulars 02/2022 dated 05th May, 2022, 02/2021 dated 13th January 2021 and 20/2020 dated 5th May, 2020 read with circulars 14/2020 dated 8th April, 2020 and 17/2020 dated 13th 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 Standalone Financial Statements of the Company for the financial year ended March 31, 2022 together with the Reports of the Board of Directors and Auditors thereon and the audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022 with the Report of the Auditors thereon.
- 2) To appoint a Director in place of Mr. Naveen Philip (DIN:00018827), who retires by rotation and, being eligible, offers himself for re-appointment.
- 3) To fix remuneration of Statutory Auditors 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 142 (1) read with Section 102 (2) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder the Board of Directors of the company be and is hereby authorized to fix the remuneration of M/s. BSR & Associates LLP, 3rd Floor, Syama Business Center, NH Bye pass Road, Vytilla, Kochi-682019, Firm registration No. 116231W/W-100024, for the period from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company, who have been re-appointed by the Members in the 37th Annual General meeting as the Statutory Auditors of the Company for a period of 5 years, pursuant to the provisions of Section 139(1) of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014."

Note: The requirement to place the matter relating to appointment of Auditors for



ratification by members at every Annual General Meeting is done away with vide notification dated 7th May, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were re-appointed in the 37th Annual General Meeting of the Company.

SPECIAL BUSINESS:

4.Appointment of Mr. Naveen Philip as 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 Sections 196 (4),197, 203, Part I of Schedule V of the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the Articles of Association of the Company, consent of the shareholders of the Company be and is hereby accorded for the appointment of Mr. Naveen Philip (DIN:00018827), as Managing Director of the Company, for a period commencing from 15th June, 2022 to 14th June, 2027, liable to retire by rotation and who shall seek reappointment, if eligible, irrespective of his tenure of appointment."

"RESOLVED FURTHER THAT the payment of remuneration and all benefits to Mr. Naveen Philip, Managing Director shall continue to be paid in full from the wholly owned subsidiary, Popular Mega Motors (India) Private Limited."

"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. Appointment of Mr. John K Paul as Whole Time 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), 197, 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 Articles 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 appointment of Mr. John K Paul (DIN:00016513), as Whole Time Director of the Company, for a period commencing from 15th June, 2022 to 31st March, 2024, liable to retire by rotation and who shall seek reappointment, if eligible, irrespective of his tenure of appointment:

- 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, 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% for Rs. 5 crores
b) Achievement of Rs.40,00,00,000/- (The slab (a) above will be ignored)	0.333% for Rs. 10 crores
c) Achievement of Rs.45,00,00,000/- (The slab (a) and (b) above will be ignored)	0.50% for 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% for Rs. 20 crores and above in multiples of Rs. 5 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 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."

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

Sd/-

**VARUNT.V.
COMPANY SECRETARY**

Kochi-25
Date:14.06.2022



NOTES:

1. MCA vide its circular nos.02/2022 dated 05th May, 2022, 02/2021 dated 13th January, 2021 and 20/2020 dated 5th 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 13th April, 2020. For the purpose of the meeting, the deemed venue shall be 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 14th July, 2022. 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.
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 on or before 5 pm on 13th July, 2022.

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. 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.
8. 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 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.
9. 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 11.00 a.m. on Thursday, 14th July, 2022. 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 10.45 am to 11.15 am.
3. The meeting shall be conducted through Zoom platform. Shareholders are advised to download zoom App on their smart phone or visit <https://popularv.zoom.us/j/84239339065?pwd=ZGlsRlRFdHB2MHdySVRwbmNsRWM2dz09> through their browser.
4. The Members are advised to logon to the zoom website or logon through the zoom mobile application 15 minutes before meeting.
5. The Members are advised to enter the following login credentials i.e.
Meeting ID: 842 3933 9065
Passcode: 258979
6. Any grievances relating to participation in the meeting shall be reported to:
Ph:8089153542 Emailld: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

The shareholders of the Company at their meeting held on 28th September, 2021 had resolved to re-appoint Mr. John K Paul as the Managing Director with effect from 01st April, 2022 to 31st March, 2024.

As part of the Company's succession plan, it is now proposed to appoint Mr. Naveen Philip, Director as the Managing Director of the Company.

Mr. Naveen Philip holds a bachelor's degree in mechanical engineering from the University of Calicut and a postgraduate diploma in management from the Xavier Institute of Management, Bhubaneswar. He has more than 24 years of experience in the automobile industry. He is a member of the Federation of Automobile Dealers Association Council. Previously, he held the position of a manager at Godrej Telecom Limited. He is presently the Managing Director of the Subsidiaries Popular Mega Motors (India) Private Limited and Vision Motors Private Limited, dealing in Tata Commercial Vehicles and Honda passenger vehicles respectively. All other subsidiary companies of the Group since its inception, have been reporting to Mr. Naveen Philip.

Mr. Naveen Philip has been a Non-Executive Director of our Company since 2018 and actively participated in the Board and committee meetings. From the vacation of office of CEO of the Company earlier in January, Mr. Naveen Philip has been actively taking part in the Company's affairs.



Considering his vast knowledge of various aspects relating to automobile dealership business, industry experience, insight and for smooth and efficient running of business, it is proposed to appoint Mr. Naveen Philip as Managing Director for a term of five years.

As there is restriction in the number of KMP position one can hold, Mr. Naveen Philip shall resign from the position of Managing Directorship from Wholly Owned Subsidiary, Vision Motors Private Limited (VMPL). He shall continue to be a non-executive Director of VMPL.

All the promoter directors of Kuttukaran group occupying the executive positions in Popular Vehicles and Services Limited or its subsidiaries are paid the same monthly salary, performance incentive, perquisites, gratuity etc. from the respective Companies.

Remuneration of Mr. John K. Paul as Managing Director and Mr. Francis K. Paul as Whole Time Director was paid from our Company. Salary and other benefits to Mr. Naveen Philip as Managing Director was paid from Popular Mega Motors (India) Private Limited and the performance incentive was paid from Vision Motors Private Limited (VMPL).

Since Mr. Naveen Philip will be resigning from the Managing Director position of VMPL, it is now proposed that his total remuneration inclusive of salary and performance incentive based on the consolidated net profits of the Company be paid from Popular Mega Motors (India) Private Limited (PMML); where he will be also continuing as the Managing Director. Therefore no remuneration will be paid from our Company to the new the Managing Director. The Remuneration to Mr. Naveen Philip from PMML shall be 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.
- a) 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, 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% for Rs. 5 crores
b) Achievement of Rs.40,00,00,000/- (The slab (a) above will be ignored)	0.333% for Rs. 10 crores
c) Achievement of Rs.45,00,00,000/- (The slab (a) and (b) above will be ignored)	0.50% for 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% for Rs. 20 crores and above in multiples of Rs. 5 crores.

- b) 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:-

- i) 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."

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.4 for approval by the shareholders.

Mr. Naveen Philip being one of the promoters of the Company and its Managerial Personnel, he may be deemed to have pecuniary relationship with the Company besides his remuneration from the Wholly Owned Subsidiary (PMML), in the capacity of Managing Director of PMML. 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, Whole Time Director, Mr. Francis K Paul, Whole time Director and Mr. Naveen Philip, Managing 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 4 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 (4) to be transacted at the meeting of the company does



not relate to and affect any other company/entity except its subsidiaries as aforesaid .

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. 5

The members at the Annual General Meeting held on 28th September, 2021 had re-appointed Mr. John K Paul as the Managing Director of the Company for a period of 2 years from 01st April 2022 to 31st March, 2024.

As part of the Company's succession plan, it is now proposed to appoint Mr. Naveen Philip as the Managing Director and Mr. John K. Paul would be stepping down from the position of the Managing Director of the Company.

Mr. John K. Paul and Mr. Francis K. Paul have been Directors of the Company from its inception and have been holding executive director positions for over past two decades. They have successfully spearheaded the Company to the level it is now. The Board felt that the continuance of both these Directors in the executive position on the Board was imperative for the smooth transition process. Mr. Francis K. Paul is already a Whole Time Director on the Board. Accordingly, it was proposed to re-designate and appoint Mr. John K Paul as a Whole Time Director of the Company with effect from 15th June, 2022 to 31st March, 2024. Your Company will be having a Managing Director and two Whole Time Directors looking after the Company's affairs and management.

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 as Whole Time Director with effect from 15th June, 2022 to 31st March, 2024, on a remuneration as set out in the resolution.

As per the provisions set out in Companies Act, 2013, the said 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 appointment. The Central Government approval was sought for his previous re-appointment as Managing Director, which the Company is yet to receive.

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. 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 appointment and hence approval by way of Special Resolution is required in this behalf.

All the three promoters of the Company will be holding executive position in the Company.

The Salary scale as approved by the shareholders for his previous term of re-appointment as Managing Director was 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. The said remuneration is proposed to be continued in the new designation as Whole Time Director of the Company.

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.5 for approval by the shareholders.

For the purpose of considering annual increment, 01st April shall be considered as the due date for annual increment as he has been eligible before re-designating him as whole time director.

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.

Since the remuneration is being paid to the existing Whole Time Director of the Company, it is being proposed to pay similar amount to Mr. John K Paul.

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 has been 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 the 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.

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 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. John K Paul, Whole Time Director, Mr. Francis K



Paul, Whole time Director and Mr. Naveen Philip, Managing 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 5 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 (5) 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 OF
POPULAR VEHICLES AND SERVICES LIMITED**

Sd/-

VARUNT.V

COMPANY SECRETARY

Kochi-25
Date:14.06.2022

