

**Mahindra First Choice Services Limited**  
**CIN: U35999MH2008PLC180385**  
**Regd Office: Mahindra Towers, P K Kurne Chowk,**  
**Worli, Mumbai 400 018.**  
**Tel. Ph. 022 2490 1441 Fax No: 022 2490 0833**  
**Website: www.mahindrafirstchoice.com**

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**NOTICE**

Notice is hereby given that the 2<sup>nd</sup> (2020-2021) Extra-Ordinary General Meeting of the Members of **Mahindra First Choice Services Limited** will be held, at **Shorter Notice, through Video Conference on Monday, 14<sup>th</sup> September, 2020 at Flat No. 1702, Mahindra Heights, 96, Tardeo Road, Near A.C. Market, Mumbai 400034 at 2.45 P. M.** to transact the following business:

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**SPECIAL BUSINESS:**

**Approval for Reappointment of Mr. Y V S Vijay Kumar as Managing Director and Chief Executive Officer of the Company**

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

**“RESOLVED THAT** pursuant the provisions of Articles of Association of the Company, Sections 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) including Schedule V to the Act and rules made there under and any statutory modification or re-enactment thereof, and subject to approvals, permissions and sanctions, as may be required and subject to such conditions and modifications as may be prescribed or imposed by any of the Authorities in granting such approvals, permissions and sanctions, consent of the Members be and is hereby accorded for the reappointment of Mr. Y V S Vijay Kumar (DIN: 03588223) as Managing Director & Chief Executive Officer of the Company, who shall also be a Key Managerial Person under Section 203 of the Companies Act, 2013, with effect from 4<sup>th</sup> August, 2020 to 3<sup>rd</sup> August, 2021, on the following terms and conditions:

**1. REMUNERATION:**

In the Pay Scale of Rs. 1,20,00,000 p.a. - Rs. 3,00,00,000 p.a.

**2. OTHER TERMS:**

(i) The total remuneration for any year shall not exceed percentage limit of net profits of the Company as specified in the Companies Act, 2013, calculated in accordance with Section 198, subject to the overall ceiling prescribed under Section 197 read with Section I of Part II of Schedule V of the Companies Act, 2013 as existing or modified or re-enacted.

(ii) Mr. YVS Vijay Kumar shall not be entitled to receive sitting fees for attending meetings of the Board of Directors or any Committee thereof.

**RESOLVED FURTHER THAT** the said Remuneration may include salary, perquisites and allowances which would include House Rent Allowance, Medical Reimbursement and Leave Travel Assistance for self and family, Performance Pay, use of Company’s Car and Telephone, Medical and Personal Insurance, contribution to Provident Fund and other retiral benefits, as per Company’s Rules;

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Remuneration shall also include periodic increments as may be approved by the Nomination and Remuneration Committee and the Board as the case may be during the tenure of the appointment within the above limits.

Provided that:

- i) The value of the perquisites would be evaluated as per Income-tax Rules, 1962 as amended from time to time wherever applicable and at cost in the absence of any such Rules;
- ii) Contribution to Provident Fund, Superannuation Fund, Annuity Fund and Gratuity would not be included in the computation of ceiling on remuneration to the extent these either singly or put together are not taxable under the Income-tax Act,1961;
- iii) Encashment of earned leave at the end of the tenure as per Rules of the Company shall not be included in the computation of ceiling on remuneration;
- iv) Provision of car for use of Company's business and telephone and other communication facilities at residence would not be considered as perquisites;

Provided also that the remuneration payable to Mr. YVS Vijay Kumar (including the salary, perquisites, benefits and amenities) does not exceed the limits laid down in the specified sections, including any statutory modification or re-enactment thereof.

**FURTHER RESOLVED THAT** for the purpose of giving effect to this resolution, the Directors of the Company, Chief Financial Officer and Company Secretary be and are hereby severally authorized to take all steps and to do all such acts, deeds, matters and things, as they may, in their absolute discretion, deem necessary, proper or desirable to give effect to this resolution and to settle any questions, difficulties or doubts that may arise in this regard.

**By order of the Board**  
**For Mahindra First Choice Services Limited**

SD/-  
**Hemangi Patil**  
**Company Secretary**  
**Membership No. 19644**

**Place: Mumbai**  
**Date: 21.07.2020**

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**NOTES:**

- A. In view of the pandemic situation of COVID-19 and pursuant to the guidelines and notification issued by the Ministry of Home Affairs, Government of India and in light of Circulars issued by the Ministry of Corporate Affairs, Government of India (the 'MCA') vide its General Circular No.14/2020 dated April 08, 2020 and General Circular No.17/2020 dated April 13, 2020 (the 'MCA Circulars') and in view of the current extraordinary circumstances due to COVID-19 pandemic requiring social distancing, companies are advised to take all decisions requiring Members' approval, without holding a general meeting that requires physical presence of Members at a common venue.
- B. The MCA has clarified the Company may convene the General Meeting via Video Conferencing or any other audiovisual means and the General Meeting's Notice will be sent via e-mail to all its Members who have registered their e-mail addresses with the Company.
- C. This Extra Ordinary General Meeting is being called through video conferencing and notice thereof, is accordingly being initiated in compliance with the provisions of the Companies Act, Rules made there under and the above MCA Circulars.
- D. This Notice is also available on the website of the Company- [www.mahindrafirstchoice.com](http://www.mahindrafirstchoice.com)
- E. An Explanatory Statement pursuant to Section 102 and 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, setting out the material facts and reasons for the resolution in respect of the business set out above is annexed hereto.
- F. Members are requested to communicate their assent/ dissent on the agenda items of this Extra Ordinary General Meeting by show of hands / sending an email to [DUBEY.RAJEEV@mahindra.com](mailto:DUBEY.RAJEEV@mahindra.com) ("*Designated email ID*") with cc to [VS.RAMESH@mahindra.com](mailto:VS.RAMESH@mahindra.com) and [sharma.manish2@mahindra.com](mailto:sharma.manish2@mahindra.com)
- G. The facility for joining the meeting shall be kept open at least 15 minutes before the time scheduled to start the meeting and shall not be closed till the expiry of 15 minutes after such scheduled time.
- H. The Company's Registrar and Transfer Agents for its share registry work (Electronic) are **KFin Technologies Private Limited** having its office at KFinTech, Tower - B, Plot No 31 & 32, Selenium Building, Financial District, Nanakramguda, Gachibowli, Hyderabad - 500 032, Telangana, India.
- I. Corporate members intending to attend the meeting through their authorized representatives are requested to email to the Company, a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

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- J. For inspection of register of members of the Company, the members may make their request on the designated email ID any time before and during the meeting.
- K. Members can join the Meeting by clicking on the link provided in the email containing this notice convening this Extra Ordinary General Meeting of the Shareholders.

**By order of the Board**  
**For Mahindra First Choice Services Limited**

**SD/-**  
**Hemangi Patil**  
**Company Secretary**  
**Membership No -19644**

**Place: Mumbai**

**Date:21.07.2020**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF COMPANIES ACT, 2013**

The Board of Directors of the Company (“the Board”) had, at its meeting held on 21<sup>st</sup> July, 2020, pursuant to the recommendation of Nomination and Remuneration Committee, reappointed Mr. Y V S Vijay Kumar (DIN: 03588223) as Managing Director and Chief Executive Officer, subject to approval of Members, from 4<sup>th</sup> August, 2020 to 3<sup>rd</sup> August, 2021 on the terms and conditions approved by the Board.

It is proposed to seek members’ approval for the reappointment of Mr. Y V S Vijay Kumar, as the Managing Director and Chief Executive Officer of the Company and payment of Remuneration to him, in accordance with the applicable provisions of the Companies Act, 2013.

Broad particulars of the terms of appointment of and remuneration payable to Mr. Y V S Vijay Kumar are as under:

**(a) Salary, Perquisites and Allowances per annum: (In Rs.)**

Salary, perquisites and allowances: In the pay scale of Rs. 120,00,000 p.a. to Rs. 300,00,000 p.a.

The above remuneration may include salary, perquisites and allowances which would include House Rent Allowance, Medical Reimbursement and Leave Travel Assistance for self and family, Performance Pay, use of Company’s Car and Telephone Medical and Personal Accident Insurance, contribution to Provident Fund and other retiral benefits as per Company’s Rules;

Remuneration shall also include periodic increments as may be approved by the Nomination and Remuneration Committee and the Board as the case may be during the tenure of the appointment within the above limits.

**Provided that:**

(i) The value of the perquisites would be evaluated as per Income-tax Rules, 1962 as amended from time to time wherever applicable and at cost in the absence of any such Rules;

(ii) Contribution to Provident Fund, Superannuation Fund, Annuity Fund and Gratuity would not be included in the computation of ceiling on remuneration to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;

(iii) Encashment of earned leave at the end of the tenure as per Rules of the Company shall not be included in the computation of ceiling on remuneration;

(iv) Provision of car for use of Company's business and telephone and other communication facilities at residence would not be considered as perquisites.

**(b)** Increment in salary, perquisites and allowances and remuneration by way of incentive / bonus / performance linked incentive, payable to Mr. YVS Vijay Kumar as may be determined by the Board, shall be within the limit mentioned under (a) above.

**(c) Reimbursement of Expenses:**

Expenses incurred for travelling, boarding and lodging during business trips and provisions of car(s) for use on company's business and communication expenses at residence shall be reimbursed at actuals and not considered as perquisites.

**(d) General:**

**(i)** The Managing Director and Chief Executive Officer will perform his duties as such with regard to all work of the Company and will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board and the functions of the Managing Director will be under the overall authority of the Board.

**(ii)** The Managing Director and Chief Executive Officer shall adhere to the Company's Code of Conduct.

**(iii)** The office of the Managing Director & CEO may be terminated by the Company or by him giving the other party 3 (three) months' prior notice in writing. Mr. YVS Vijay Kumar has rich and varied experience in the industry and has been involved in the operations of the Company.

It would be in the interest of the Company to continue to avail of his considerable expertise and to appoint Mr. YVS Vijay Kumar as Managing Director and Chief Executive Officer. Accordingly, approval of the members is sought for passing a Special Resolution for appointment of Mr. YVS Vijay Kumar as the Managing Director and Chief Executive Officer, as set out in Part-I of Schedule V to the Act as also under sub-section (3) of Section 196 of the Act.

Save and except as provided in the foregoing paragraph, Mr. Y V S Vijay Kumar satisfies all the other conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of appointment of Mr. Y V S Vijay Kumar under Section 190 of the Act. Details of Mr. Y V S Vijay Kumar are provided herein above pursuant to the requirement of Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Mr. Y V S Vijay Kumar is interested in the resolution set out in this Notice.

The relatives of Mr. YVS Vijay Kumar may be deemed to be interested in the resolution set out in this Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

The Board recommends the Special Resolution set out in this Notice for approval by the members.

**The following additional information as required by Section II of Part II of Schedule V to the Companies Act, 2013 is given below:**

**I. General Information:**

**i) Nature of Industry**

To carry on the business of operating, owning and managing and through franchise any workshops, service centres / stations, showrooms, warehouses, motor garages and providing after sales/market support with respect to servicing displaying, repairing, renovating, painting, altering, assembling, improving, remodeling, overhauling and all other allied services relating to all kind and description of automobile vehicles and accessories, equipments, parts and components of such vehicles and otherwise dealing in all kind and description of automobile vehicles and accessories.

**ii) Date or expected date of commencement of commercial production**

The Company was incorporated on 24<sup>th</sup> March, 2008. The Company obtained Certificate of Commencement of Business on 10<sup>th</sup> April, 2008.

**iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**

Not applicable

**iv) Financial performance based on given indicators -as per audited financial results for the year ended 31<sup>st</sup> March, 2020:**

**Particulars : Rs. in Lakhs 31.03.2020**

Effective Capital (3,921.59)

Total Income: 10,979.22

Total Comprehensive Income as per Profit & Loss Account (3143.34)

Dividend Declared: NIL

**v) Foreign Investments or collaborators, if any : NIL**

## **II. Information about the appointee :**

### **i) Background details :**

Mr. Y.V.S. Vijay Kumar is a professional with 32 years of rich work experience, mainly in the automobile industry. He is a B. Tech (Mechanical) from JNTU Andhra Pradesh and PGDM from IIM (Ahmedabad).

His major stints have been with Maruti Suzuki, Behr India, Gabriel India and lastly Hindustan Motors – Mitsubishi where he was the Executive Vice President.

During the course of his career, in addition to being profit-centre Head in turnaround situations, he has held senior positions in operations, engineering production and supply chain management.

He was re-appointed as the Whole-time Director of the Company designated as Whole-time Director & CEO by the Board of Directors of the Company at its meeting held on 2<sup>nd</sup> May, 2017 for a period of Three years from 4<sup>th</sup> August, 2017 to 3<sup>rd</sup> August, 2020 at a remuneration of Rs. 120 Lakhs per annum.

He was redesignated as Managing Director & CEO for the period from 1<sup>st</sup> August, 2019 to 3<sup>rd</sup> August, 2020.

**ii) Past remuneration during the financial year ended 31<sup>st</sup> March, 2020:**

Rs. 13,428,456/-

**iii) Recognition or Awards :**

NIL

**iv) Job profile and his suitability :**

The Company is set up to carry on the business of operating, owning, managing and through franchisee any workshops, service centres / stations, showrooms, warehouses, motor garages and providing after sales/market support with respect to servicing, displaying, repairing, renovating, painting, altering, assembling, improving, remodeling, overhauling and all other allied services relating to all kind and description of automobile vehicles and accessories, equipments, parts and components of such vehicles and otherwise dealing in all kind and description of automobile vehicles and accessories.

The overall responsibility for the day to day performance of the Company and ongoing development and growth of the Company is the responsibility of the Managing Director & CEO. Mr. Y.V.S Vijay Kumar has impressive track record of over 31 years in the field of Automobiles.

**v) Remuneration Proposed :**

In the pay scale of Rs. 120.00 Lakhs p.a. to Rs. 300.00 Lakhs p.a.

**vi) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin ) :**

Taking into consideration the size of the Company, the profile of the appointee, his responsibilities, the industry benchmarks, the revised remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level appointee(s) in other companies in the industry.

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

Besides the revised remuneration proposed, the Managing Director & CEO does not have any other pecuniary relationship with the Company or relationship with the managerial personnel.

**III Other Information:**

**i) Reasons of loss or inadequate profits:**

Multi brand auto servicing is relatively new industry where there is a huge opportunity but also very big challenges like spare parts management, shortage of technical skilled manpower, lack of customer awareness, etc. Investments are made to tackle these challenges and create huge value for customers and Franchisee owners with long gestation periods. This is the main reason for current losses.

**ii) Steps taken or proposed to be taken for improvement and Expected increase in productivity and profits in measurable terms:**

The focus will be on maintaining current levels of margins while taking steps to reduce costs substantially through increased productivity of manpower as well as consolidating number of hubs to supply spare parts. Measures will be taken to ensure increased sale of higher margin spare parts to franchisees as well.

**iii) Expected increase in productivity and profits in measurable terms:**

All the above steps will help in achieving profitability by Q4 of this financial year.

**Additional Information as per Clause 1.2.5 of the Secretarial Standard 2 of Mr. YVS Vijay Kumar (DIN: 03588223) is as follows:**

Name	Mr. YVS Vijay Kumar
Age	55 years
Qualifications	B. Tech, MBA
Experience	Mr. Y.V.S Vijay Kumar is a professional with 32 years of rich work experience, mainly in the automobile industry
Terms & conditions of appointment (along with details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable)	Appointed as a Director on the Board of Directors of the Company w.e.f. 4 <sup>th</sup> August, 2011.  Remuneration sought to be paid: In the pay scale of Rs. 120 Lakhs p.a. to Rs. 300.00 Lakhs p.a.  Remuneration last paid for FY 2019-20: Rs. 13,428,456/-
Date of first appointment on the Board	4 <sup>th</sup> August, 2011
Shareholding in the company	Nil

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Relationship with other Directors, Manager and other Key Managerial Personnel (KMPs) of the company	Mr. YVS Vijay Kumar is not related to any of the Directors, Manager and KMPs.
The number of Meetings of the Board attended during the year	Mr. YVS Vijay Kumar has attended the following Meetings of the Board of Directors: 1. 27 <sup>th</sup> April, 2020 2. 21 <sup>st</sup> July, 2020 3. 28 <sup>th</sup> August, 2020
Other Directorships, Membership/ Chairmanship of Committees of other Boards	<b>Details of other Directorships -</b> 1. Auto Digitech Private Limited 2. Mahindra MSTC Recycling Private Limited  <b>Details of other Memberships of Committees -</b> NIL

**By order of the Board**  
**For Mahindra First Choice Services Limited**

SD/-

**Hemangi Patil**  
**Company Secretary**  
**Membership No. 19644**

**Place: Mumbai**  
**Date: 21.07.2020**