



## PG ELECTROPLAST LIMITED

**CIN:** L32109DL2003PLC119416

**Regd. Office:** DTJ209, 2nd Floor, DLF Tower-B, Jasola, New Delhi-110025

**Corp. Office:** P-4/2 To P-4/6, Site B, UPSIDC Industrial Area, Surajpur, Greater Noida, (U.P.) -201306

**Email:** [investors@pgel.in](mailto:investors@pgel.in) **Website:** [www.pgel.in](http://www.pgel.in) **Phones:** + 011-41421439 / 0120 - 2569323

### **NOTICE OF POSTAL BALLOT AND E-VOTING**

*Pursuant to Section 110 of the Companies Act, 2013 read with Rule 20 & 22 of The Companies (Management & Administration) Rules, 2014*

Dear Member(s),

NOTICE IS HEREBY GIVEN that pursuant to the provisions of Section 110 read with Section 108 of the Companies Act, 2013 ("the Act"), Rule 20 and 22 of the Companies (Management and Administration Rules), 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Secretarial Standard on General Meetings (SS-2) read with various General Circulars No. 14, 17, 22, 33, 39, 10 and 20 dated April 8, 2020, April 13, 2020, June 15, 2020, September 28, 2020, December 31, 2020, June 23, 2021 and December 08, 2021, respectively in relation to extension of the framework provided in the aforementioned circulars up to June 30, 2022, issued by the Ministry of Corporate Affairs, Government of India (the "MCA Circulars") and all other applicable rules framed under the Act, including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force and as may be enacted hereinafter to the extent applicable and any other applicable laws and regulations, the resolutions appended below are proposed to be passed by the Members as Special Resolutions by way of Postal Ballot (remote e-voting).

The proposed resolutions along with the explanatory statement setting out the material facts thereto are given hereunder.

Due to difficulty in dispatch of the Notice along with the Explanatory Statement and Postal Ballot Form by post or courier, on account of threat posed by COVID-19 pandemic situation and as permitted under the MCA Circulars, the Company is sending the Notice in electronic form only. In compliance with Sections 108 and 110 of the Act read with the rules framed there under and the MCA Circulars, the Company has extended only the remote e-voting facility for its members, to enable them to cast their votes electronically instead of submitting the postal ballot form. The instructions for remote e-voting are appended to the Notice.

The members can vote on resolutions through remote e-voting facility only. Assent or Dissent of the members on the resolutions mentioned in the Notice would only be taken through the remote e-voting system as per the MCA Circulars.

The Board of Directors of the Company has appointed Ms. Puja Mishra of M/s Puja Mishra & Co., Practicing Company Secretaries, to act as the Scrutinizer for conducting the Postal Ballot (remote e-voting) process in a fair and transparent manner.

In compliance with the provisions of Section 108, 110 and other applicable provisions of the Act, read with the Rule 20 and 22 of the said Rules and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations) the Company is providing e-voting facility to all the Members of the Company. For this purpose, the Company has engaged the services of Kfin Technologies Private Limited to enable the Members to cast their votes electronically.

Upon completion of the e-voting process, the Scrutinizer will submit his report to the Chairman of the Company and the result of the Postal Ballot will be announced on Tuesday, March 29, 2022 by 5.00 P.M. The said result along with the Scrutinizer's Report will be displayed at Registered Office of the Company and uploaded on the Company's website [www.pgel.in](http://www.pgel.in) and on the website of Kfin Technologies e-voting website: <https://evoting.kfintech.com>. The result will simultaneously be communicated to the Stock Exchanges.

## **SPECIAL BUSINESSES**

### **ITEM NO. 1**

#### **TO RE-APPOINT MR. ANURAG GUPTA (DIN:00184361) AS WHOLE TIME DIRECTOR OF THE COMPANY**

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To consider and, if thought fit, to give Assent / Dissent to the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee, approval of Board of Directors and pursuant to provisions of section 196, 197, 203 of the Companies Act, 2013 read with Schedule V thereof and the rules made thereunder and provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 and other applicable provisions, if any, (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of members of the Company be and is hereby accorded for appointment of Mr. Anurag Gupta (DIN:00184361), as a Whole-Time Director of the Company for a period of three years with effect from July 15, 2022 on such terms and conditions specified in the explanatory statement of this resolution."

**"RESOLVED FURTHER THAT** the Board of Directors after recommendation of Nomination and Remuneration Committee shall have authority and liberty to alter and vary the terms and conditions of the said remuneration as it may deem fit and as may be acceptable to Mr. Anurag Gupta, subject to the ceiling on aggregate remuneration of ₹ 1,80,00,000/- (Rupees One Crore Eighty Lakh Only) per annum or ₹ 15,00,000/- (Rupees Fifteen Lakh Only) per month."

**"RESOLVED FURTHER THAT** Mr. Anurag Gupta shall be liable to retire by rotation and this appointment shall be subject to continuance as a Director of the Company during the tenure and shall ipso facto terminate, if he ceases to be director of the Company, for any reason whatsoever."

**"RESOLVED FURTHER THAT** subject to Section 197 and Section II of Part II of Schedule V of the Companies Act 2013 and other applicable provisions, if any, and necessary statutory approvals, if any, the above said remuneration or remuneration altered by the Board of Directors as per authority conferred by this resolution, may be paid as minimum remuneration to Mr. Anurag Gupta, as Whole-Time Director even in the event of absence or inadequacy of profits in any financial year during his tenure".

**"RESOLVED FURTHER THAT** the Board of Directors of the company be and is hereby authorized to do all such acts, deeds, matters and things as in absolute discretion it may consider necessary, expedient or desirable in order to give effect to the above resolution."

## **ITEM NO. 2**

### **TO APPROVE THE INCREASE OF POOL OF PG ELECTROPLAST LIMITED EMPLOYEES STOCK OPTION SCHEME – 2020**

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To consider and, if thought fit, to give Assent / Dissent to the following resolution as a **Special Resolution:**

**"RESOLVED THAT** in modification of the earlier resolution passed by the members through Postal Ballot on February 28, 2021 and pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any amendment thereto or re-enactment thereof), the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (**"SEBI (SBEB & SE) Regulations"**), the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"SEBI (LODR) Regulations"**), relevant provisions of the Memorandum and Articles of Association of the Company and any other applicable and prevailing statutory Guidelines / Circulars in that behalf and subject to such other approvals, permissions and sanctions as may be necessary from the appropriate regulatory authority(ies)/ institution(s) and subject to such conditions and modifications as may be prescribed or imposed by the appropriate regulatory authority(ies)/ institution(s) while granting such approvals, permissions and sanctions, the consent of the members be and is hereby accorded to the Board of Directors (hereinafter referred to as "Board of Directors" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board of Directors has constituted to exercise its powers, including the powers conferred by this resolution), to increase the total number of Employee Stock Options (**"Options"**) reserved under the PG Electroplast Limited Employees Stock Option Scheme – 2020 (**"Scheme"**) by 6,09,422 (Six Lakh Nine Thousand Four Hundred and Twenty Two) Options exercisable into 6,09,422 (Six Lakh Nine Thousand Four Hundred and Twenty Two) Equity Shares of ₹ 10/- each in addition to the existing stock option size under the Scheme of 3,90,578 (Three Lakh Ninety Thousand Five Hundred and Seventy Eight) Options exercisable into 3,90,578 (Three Lakh Ninety Thousand Five Hundred and Seventy Eight) Equity Shares of ₹ 10/- each (*or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time*) and to create, grant, offer, issue and allot Options at any time to or to the benefit of Employees and Directors of the Company, its Subsidiary Company(ies) (*as permitted under the applicable laws*) and to such other persons as may from time to time be allowed to be eligible for the benefits of the Scheme under applicable laws and regulations prevailing from time to time (**"Eligible Employees"**), on such terms and conditions as may be fixed or determined by the Board of Directors in accordance with the Scheme."

**"RESOLVED FURTHER THAT** the new equity shares to be issued and allotted by the Company in the manner aforesaid shall rank pari passu, in all respects with the then existing Equity Shares of the Company."

**"RESOLVED FURTHER THAT** all the other terms and conditions of the Scheme shall continue to remain same."

**“RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary including but not limited to appoint Advisors, Merchant Bankers, Consultants or Representatives, to make applications to the appropriate Authorities, for their requisite approvals and take all necessary actions and to settle all such questions, difficulties or doubts whatsoever that may arise while implementing this resolution.”

**“RESOLVED FURTHER THAT** the Board of Directors be and are hereby also authorised to nominate and appoint one or more persons for carrying out any or all of the activities that the Board of Directors are authorized to do for the purpose of giving effect to this resolution.”

***By order of the Board of Directors  
For PG Electroplast Limited  
Sd/-***

**Place: Greater Noida  
Date: February 14, 2022**

**Sanchay Dubey  
Company Secretary**

**NOTES:**

1. Explanatory Statements pursuant to Section 102 of the Companies Act, 2013 setting out material facts concerning the resolutions are annexed hereto.
2. Due to difficulty in dispatch of the Notice along with the Explanatory Statement and Postal Ballot Form by post or courier, on account of threat posed by COVID- 19 pandemic situation and as permitted under the MCA Circulars, the Company is sending the Notice in electronic form only.
3. In compliance with Sections 108 and 110 of the Act read with the rules framed there under and the MCA Circulars, the Company has extended only the remote e-voting facility for its members, to enable them to cast their votes electronically instead of submitting the postal ballot form. For this purpose, the Company has engaged KFin Technologies Private Limited (KFin) for facilitating e-voting to enable the Members to cast their votes electronically.
4. This notice is being sent to all the members, whose names appear in the Register of Members/Records of Depositories as on the close of working hours on February 18, 2022 i.e. “the cut-off date”. Voting Rights shall be reckoned on the paid-up value of the shares registered in the name of the members as on February 18, 2022.
5. The members who have registered their e-mail id either with the Depositories or with the Company are being sent Postal Ballot Notice through e-mail only.
6. The members can vote on resolutions through remote e-voting facility only. Assent or Dissent of the members on the resolutions mentioned in the Notice would only be taken through the remote e-voting system as per the MCA Circulars.
7. The e-voting period begins on Sunday, February 27, 2022 (09.00 A.M.) and ends on Monday, March 28, 2022 (5.00 P.M.). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date February 18, 2022, may cast their vote electronically. The e-voting module shall be disabled for voting thereafter.
8. All documents referred to in this Postal Ballot Notice and Explanatory Statement setting out material facts are open for inspection to the Members at the Registered Office of the Company between 10.00 a.m. to 12.00 p.m. on all working days except Saturdays, Sundays and National Holidays from the date hereof upto March 28, 2022.

**9. Procedure for registering the email address and obtaining the Notice and Remote E-voting instructions by the shareholders whose email addresses are not registered with the Depositories (in case of shareholders holding shares in Demat form) or with RTA (in case of shareholders holding shares in physical form):**

- i. Those Members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:
  - a. Members holding shares in demat form can get their e-mail ID registered by contacting their respective Depository Participant.
  - b. Members holding shares in physical form may register their email address and mobile number with KFin by sending email to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) along with signed scanned copy of the request letter providing the email address, mobile number, self-attested PAN copy and copy of share certificate for receiving the Notice and the e-voting instructions or register their e-mail address with KFin at <https://ris.kfintech.com/clientservices/postalballot/>.
- ii. Further, those members who have not registered their email addresses and mobile nos. and in consequence could not be served the Notice, may temporarily get themselves registered with KFin, by clicking the link: <https://ris.kfintech.com/clientservices/postalballot/>.
- iii. With a view to help us serve better, Members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company/RTA to consolidate their holdings in one folio.
- iv. Members who have registered their e-mail address, mobile nos., postal address and bank account details are requested to validate/update their registered details by contacting the Depository Participant in case of shares held in electronic form or by contacting KFin, in case the shares are held in physical form.

**10. INSTRUCTIONS FOR E-VOTING:**

**A. Voting through electronic means**

- a) In compliance with the provisions of Section 108 and other applicable provisions of the Act, if any, the Companies (Management and Administration) Rules, 2014 as amended, SS-2 and Regulation 44 of the Listing Regulations, the Members are provided with the facility to cast their vote electronically ('remote e-voting') on all resolutions set forth in this Notice through the e-voting platform provided by KFin. A person who is not a member as on the cut-off date should treat this Notice for information purposes only.
- b) The Members, whose names appear in the Register of Members/list of Beneficial Owners as on the cut-off date are entitled to vote on the Resolutions set forth in this Notice.
- c) The details of the process and manner for remote e-voting are given below:
  - i. Initial password is provided in the body of the email.
  - ii. Launch internet browser and type the URL: <https://evoting.kfintech.com> in the address bar.
  - iii. Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your votes.
  - iv. After entering the details appropriately, click on LOGIN.
  - v. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.). It is strongly recommended not to share your

password with any other person and take utmost care to keep your password confidential.

- vi. You need to login again with the new credentials.
- vii. On successful login, the system will prompt you to select the EVENT i.e. PG ELECTROPLAST LIMITED
- viii. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.
- ix. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- x. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/authority letter etc., to the Scrutiniser through email at cspujamishra@gmail.com and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'PG ELECTROPLAST \_EVENT No.'
- xi. Members can cast their vote online from Sunday, February 27, 2022 (9.00 A.M.) till Monday, March 28, 2022 (5.00 P.M.). Voting beyond the said date shall not be allowed and the remote e-voting facility shall be disabled.
- xii. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual available at the 'download' section of <https://evoting.kfintech.com> or call KFin on toll free number 1800-309-4001.

#### **B. Procedure to login through websites of Depositories**

As per the SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, individual shareholders holding securities in Demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

<b>NSDL</b>	<b>CDSL</b>
<p><b>1. User already registered for the IDeAS facility:</b></p> <ul style="list-style-type: none"> <li>I. URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a></li> <li>II. Click on the "Beneficial Owner" icon under 'IDeAS' section.</li> <li>III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting"</li> <li>IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</li> </ul>	<p><b>1. Existing user who have opted for Easi / Easiest</b></p> <ul style="list-style-type: none"> <li>I. URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>II. Click on New System Myeasi</li> <li>III. Login with user id and password.</li> <li>IV. Option will be made available to reach e-Voting page without any further authentication.</li> <li>V. Click on e-Voting service provider name to cast your vote.</li> </ul>

<p><b>2. User not registered for IDeAS e-Services</b></p> <ol style="list-style-type: none"> <li>I. To register click on link: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a></li> <li>II. Select "Register Online for IDeAS"</li> <li>III. Proceed with completing the required fields.</li> </ol> <p><b>3. User not registered for IDeAS e-Services</b></p> <ol style="list-style-type: none"> <li>I. To register click on link: <a href="https://eservices.nsd.com/SecureWeb/IdasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdasDirectReg.jsp</a></li> <li>II. Proceed with completing the required fields.</li> </ol> <p><b>4. By visiting the e-Voting website of NSDL</b></p> <ol style="list-style-type: none"> <li>I. URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a></li> <li>II. Click on the icon "Login" which is available under 'Shareholder/Member' section.</li> <li>III. Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.</li> <li>IV. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.</li> <li>V. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> </ol>	<p><b>2. User not registered for Easi/Easiest</b></p> <ol style="list-style-type: none"> <li>I. Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>II. Proceed with completing the required fields.</li> </ol> <p><b>3. By visiting the e-Voting website of CDSL</b></p> <ol style="list-style-type: none"> <li>I. URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>II. Provide demat Account Number and PAN No.</li> <li>III. System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.</li> <li>IV. After successful authentication, user will be provided links for the respective ESP where the e- Voting is in progress.</li> </ol>
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**Individual members (holding securities in demat mode) login through their depository participants.**

Members can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-voting option. Click on e-Voting option and you will be redirected to NSDL/CDSL Depository site after successful authentication. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-voting period.

**IMPORTANT NOTE:**

Members who are unable to retrieve User ID/ Password are advised to use 'Forget User ID' and 'Forget Password' option available at above mentioned website.

<b>Members facing any technical issue - NSDL</b>	<b>Members facing any technical issue - CDSL</b>
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 18001020 990 and 1800224430	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 22-23058542-43.

## EXPLANATORY STATEMENT

### (Pursuant to Section 102 of the Companies Act, 2013)

The following Statement sets out all material facts relating to the Special Resolutions mentioned in the accompanying Notice:

#### Item No.: 1

The Board of Directors at its meeting held on February 14, 2022 subject to approval of the members of the Company have approved reappointment and remuneration of Mr. Anurag Gupta as Whole-Time Director of the Company for a period of three (3) years with effect from July 15, 2022. The appointment was based on recommendations of the Nomination and Remuneration Committee.

Details of Qualification, experiences etc. are provided below:

<b>Particulars</b>	<b>Anurag Gupta</b>
Date of Birth	May 27, 1969
Date of first appointment on Board	March 17, 2003
Qualification	He holds Bachelor's degree in Computer Engineering & Science from M. S. Ramaiah Institute of Technology, Bangalore University in 1991.
Industrial Experience	He started his career in 1992, with M/s PG Electronics (a partnership firm in the Promoter Group) as a Partner, where he was responsible for manufacturing of TV components. In 1999, he joined Kushang Technologies Limited (formerly Kushang Apparels Limited) as a Director, where he was responsible for all technical functions of the Company.
Association with the Company & Job Profile	He joined our Company as Promoter Director in 2003 and became Executive Director - Technical in 2010. Currently, he is associated as Whole-Time Director of the Company and his current term of appointment shall expire on July 14, 2022. His responsibilities in our Company include development and implementation of all technical policies & procedures including all associated production and post-production services, monitoring of plant & machineries required for production and quality assurance and technology up-gradation as and when required, executing research & development activities, establishing and supervising operations and maintenance routines (preventive, general & emergency) and ensuring strict adherence to our quality assurance policy. He is also the Chairman of the Board of Directors of the Company as well as at all the general meetings of the members of the company.
No. of share held in Company	29,91,201 (14.09% of paid-up capital)
Details of Directorship	<ul style="list-style-type: none"><li>- Kushang Technologies Ltd.</li><li>- P.G.Appliances Private Limited</li><li>- Vrinda Infotech Private Limited</li><li>- PG Infotel Private Limited</li><li>- PG Technoplast Private Limited</li><li>- PG Plastronics Private Limited</li></ul>
Board meetings attended	8 Board meetings in FY 2021-22 till February 14, 2022



Mr. Anurag Gupta is a relative (brother) of Mr. Vishal Gupta, Managing Director-Finance and Mr. Vikas Gupta, Managing Director-Operations of the Company and have no inter-se relationship between other members of the Board and Key Managerial Personnel of the Company.

Mr. Anurag Gupta satisfies all the conditions stated in the Part I of the Schedule V to the Companies Act, 2013.

**The terms of above said appointment and remuneration are as follows:**

**Term:** 3 (three) years, from July 15, 2022 to July 14, 2025.

**Remuneration:**

a) Salary, Perquisites and Allowances:

Salary	Basic Salary: ₹ 5,58,884/- per month with increments as may be decided by the Board of Directors from time to time subject to ceiling up to ₹ 8,00,000/- per month.
Perquisites and Allowances*, Bonus	Value of all kinds of perquisite and allowances shall be ₹ 5,58,904/- per month with increments as may be decided by the Board of Directors from time to time subject to ceiling up to ₹ 7,00,000/- per month.
Provision of Annual increment	There shall be provision of annual increment to alter/enhance his salary as per the Company policy and/or approval of the Board from time to time within the ceiling approved by the shareholders through special resolution.
Due date of increment	As per company policy and/or approval of the Board.

\*Perquisites and allowances, as aforesaid, shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and / or allowances for utilisation of gas, electricity, water, furnishing and repairs, medical assistance, attendant allowance and leave travel concession for self and family including dependents and shall also include any other perquisites and allowances by whatever name called. The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment(s) thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

- b) The Company's contribution to provident fund, superannuation or annuity fund, gratuity payable and encashment of leave, as per the rules of the Company, shall be in addition to the remuneration under (a) above.
- c) Increment in salary, perquisites and allowances and remuneration by way of incentive / bonus / performance linked incentive, payable to Mr. Anurag Gupta, as per company policy and shall be within the remuneration under (a) above.
- d) It is clarified that employees stock options granted / to be granted to Mr. Anurag Gupta, from time to time, if permitted under law shall not be considered as a part of perquisites under (a) above and that the perquisite value of stock options exercised shall be in addition to the remuneration under (a) above.
- e) Reimbursement of Expenses: Expenses incurred for travelling, board and lodging and attendant(s) during business trips and provision of car(s) for use on Company's business and

communication expenses at residence shall be reimbursed at actuals and not considered as perquisites.

- f) Minimum Remuneration: Notwithstanding anything to the contrary herein contained where in any financial year during the currency of the tenure of the Whole-Time Director, the Company has no profits, or its profits are inadequate, the Company will pay to Whole-Time Director remuneration by way of salary, benefits, perquisites & allowances and Commission/performance Bonus as specified above within the limit prescribed in schedule V of the Companies Act 2013.”

**Other Terms and Conditions:**

- (i) Subject to the supervision and control of the Board of Directors, the Whole-Time Director shall perform such duties and exercise such powers, authorities and discretions as the Board shall from time to time delegate to his on such terms and conditions and subject to such restrictions as the Board may from time to time impose. For day to day functioning, the Whole-Time Director shall work under the overall supervision and direction of the Board of Directors. The Whole-Time Director shall act in accordance with the Articles of Association of the Company, Companies Act, 2013 and SEBI Listing Regulations and shall abide by the provisions contained in Section 166 of the Act with regards to duties of directors.
- (ii) The Whole-Time Director shall adhere to the Company’s Code of Conduct and other code and policies.
- (iii) The appointment can be terminated by either of the parties by giving to the other requisite notice in writing or by payment of a sum equivalent to remuneration for the notice period or part as may be mutually agreed.
- (iv) The Whole-Time Director shall not be paid any sitting fees for attending meetings of the Board or any Committee/s thereof.

The above may also be treated as memorandum of the terms and conditions of the appointment of Mr. Anurag Gupta as Whole-Time Director as required under Section 190 of the Companies Act, 2013.

In view of the provisions of Sections 196, 197, 203 of the Companies Act 2013, the Board based on the recommendation of Nomination & Remuneration Committee has recommended the resolution set out in Item No. 1 for approval of shareholders by way of special resolution.

None of the Directors and Key Managerial Personnel except Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta are concerned or interested in the Resolution set out at Item No. 1 of the notice.

**Statement as per Section II of Part II of Schedule V of the Companies Act, 2013:**

**General Information:**

1) Nature of Industry: The Company operates in consumer durables. The Company is an electronic manufacturing services (EMS) provider for original equipment manufacturers (OEMs) of consumer electronic products in India. The Company is engaged in the manufacturing of consumer durables which comprise mainly of:

- Molding division: Parts of Air-Conditioners, Air Coolers, Washing Machines, Refrigerators, ceiling fan parts, Automobile parts, Sanitary ware products, etc.
- Electronics Division: Printed circuit board assemblies for LED TVs, Set Top boxes, energy meters, etc.
- Complete products: Assembly and manufacturing of Set Top boxes, Washing Machines, Air Conditioners, Air-Coolers and LED TVs etc.
- PU Paint Shop: Automated painting line to attend to all kinds of painting related needs.

- Thermoset - (UF) Toilet Seats manufacturing facility: Scratch resistant toilet seats having high aesthetic value.
- Tooling Division: Design & development of moulds for various products.

2) Commencement of business: The Company started its operation on October 05, 2003.

3) Financial Performance: Your company recorded revenue of ₹ 70,582.78 lakh in FY 2020-21 including other income as compared to ₹ 64,188.56 lakh in FY 2019-20, a growth of 10%. The Company has recorded consistent growth in the year ended March 2021. Depreciation increased by 10.4% to Rs 1,801.23 lakh in FY 2020-21 as compared to ₹ 1,631.03 lakh in FY 2019-20. The Interest expense increased by 25% to ₹ 1843.58 lakh in FY 2020-21 from ₹ 1,475.45 lakh in FY 2019-20. This is mainly attributed to increase in average borrowings during FY 2020-21.

4) Foreign Investment/Collaborations: NIL

#### **Information about appointee:**

- 1) Background details, job profile, suitability, recognitions: Refer to explanatory statement.
- 2) Last Drawn Remuneration: ₹ 8,28,017/- per month (Gross Salary) in capacity of Whole-Time Director.
- 3) Proposed remuneration: As mentioned in the Explanatory Statement.
- 4) Comparative remuneration profile: There are no set standards of remuneration of Whole-Time Director in this industry. However, the proposed remuneration commensurate with duties & responsibilities assigned to him and near to remunerations being offered in other companies to managerial persons.
- 5) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel: Mr. Anurag Gupta is a Promoter Director of the Company and relative (brother) of Mr. Vishal Gupta, Managing Director-Finance and Mr. Vikas Gupta, Managing Director-Operations of the Company.

#### **Other Information:**

Reason for inadequate profit & step taken/proposed to be taken for improvement: The Company has incurred ₹ 3,923.31 lakh on capital expenditure which includes new addition to the fleet of injection moulding machines, Pick & place machine, new ODM model based moulds of Air Conditioners and washing machines. The Company increased covered area of existing factories by constructing new buildings/floors. The business operations of the company were impacted due to Covid-19. Interest expense increased by 25% to ₹ 1,843.58 lakh in FY 2020-21 from ₹ 1,475.45 lakh in FY 2019-20. This is mainly attributed to increase in average borrowings during the year.

In FY 2020-21, the Company made its first foray into Fully Automatic Top Loading Washing Machines. The Company ramped up Design shop and Tool room capacity, which places the Company at a significant competitive advantage. The company's Roorkee plant has been upgraded and has come back online as a dedicated Washing Machine manufacturing facility. Clients' engagements are expanding for products categories like Air Conditioners, Washing Machines and Refrigerators.

Expected increase in productivity and profits in measurable terms: The business operations of the company were impacted due to Covid-19. The profit margin is expected to increase in coming years.

## Item No.: 2

Equity based remuneration includes alignment of personal goals of the Employees with organizational objectives by participating in the ownership of the Company. The Board of Directors of your Company understands the need to enhance the Employee engagement, to reward the Employees for their association and performance as well as to motivate them to contribute to the growth and profitability of the Company.

As the employees are key asset for the organization, in order to award and retain and to create a sense of ownership and participation amongst them, the Board of Directors in their meeting held on February 14, 2022, approved to increase the option pool reserved under PG Electroplast Limited Employees Stock Option Scheme – 2020 ("**Scheme**") by 6,09,422 (Six Lakh Nine Thousand Four Hundred and Twenty Two) Options exercisable into 6,09,422 (Six Lakh Nine Thousand Four Hundred and Twenty Two) Equity Shares ("**Shares**") of ₹ 10/- each from the existing stock option size under the Scheme of 3,90,578 (Three Lakh Ninety Thousand Five Hundred and Seventy Eight) Options exercisable into 3,90,578 (Three Lakh Ninety Thousand Five Hundred and Seventy Eight) Shares of ₹ 10/- each (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time).

In terms of Regulation 6 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SEBI (SBEB & SE) Regulations**") and Section 62 (1) (b) of the Companies Act, 2013 ("the Act") read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, any alteration in the terms of the Scheme shall be approved by the Shareholders by passing of Special Resolution in the General Meeting. Accordingly, the consent of the members of the Company is sought.

In view of the above, the Board of Directors recommends the passing of the resolutions set out at Item No. 2 as a special resolution.

The salient features and other details of the Scheme as required pursuant to Regulation 6(2) of SEBI (SBEB & SE) Regulations are as under:

### **1. Brief description of the Scheme:**

The Scheme shall be called as PG Electroplast Limited Employees Stock Option Scheme – 2020.

The Purpose of the Scheme includes the followings:

- a) To motivate the Employees to contribute to the growth and profitability of the Company.
- b) To retain the Employees and reduce the attrition rate of the Company.
- c) To achieve sustained growth and the creation of Shareholder value by aligning the interests of the Employees with the long-term interests of the Company.
- d) To create a sense of ownership and participation amongst the Employees to share the value they create for the Company in the years to come, and
- e) To provide additional deferred rewards to Employees.

### **2. Total number of Options to be granted under the Scheme:**

The maximum number of Options that may be granted pursuant to this Scheme shall not exceed 10,00,000 (Ten Lakh) Options convertible into equal number of Shares.

If Option granted under the Scheme lapses or is forfeited or surrendered under any provision of the Scheme, such Option shall be available for further grant under the Scheme unless otherwise

determined by the Board of Directors (*which term shall be deemed the Nomination and Remuneration Committee*).

Further, the maximum number of Options that can be granted and the Shares arise upon exercise of these Options shall stand adjusted in case of corporate action (*as defined in the Scheme*).

### **3. Identification of classes of Employees entitled to participate and be beneficiaries in Scheme:**

For grants made on and after August 13, 2021

- i. An Employee as designated by the Company, who is exclusively working in India or outside India; or
- ii. a Director of the Company, whether a Whole Time Director or not but excluding an Independent Director and Non-Executive Director; or
- iii. an Employee as defined in clause (a) or (b) of a Subsidiary, in India or outside India, of the Company

But does not include:

- a) an Employee who is a Promoter or a person belonging to the Promoter Group; or
- b) a Director who either himself or through his Relative or through any Body Corporate, directly or indirectly, holds more than ten percent of the outstanding Shares of the Company

### **4. Requirement of Vesting and period of Vesting:**

Vesting period shall commence from the grant date and shall be minimum of 1 (One) year from the grant date and it may extend upto maximum of 4 (Four) years from the grant date, at the discretion of and in the manner prescribed by the Board of Directors

The vesting schedule will be clearly defined in the grant letter of respective Employees. The Actual vesting may further be linked with the eligibility criteria, as determined by the Board of Directors in accordance with the Scheme, the same will be mentioned in the grant letter.

### **5. Maximum period within which the Options shall be vested:**

The stock options granted under the Scheme shall vest within a maximum period of 4 (Four) years from the grant date.

### **6. Exercise Price or Pricing Formula:**

The exercise price of the Shares will be decided by the Board and will either be:

- a. In case the Shares acquired by the Trust is from secondary acquisition then the exercise price will be the average purchase price of the Shares of the Trust.
- b. In case the Shares acquired by the Trust is from direct allotment then the exercise price will be market price of the Shares.

*For the above purpose Market price means the latest available closing price on a recognized stock exchange on which the Shares of the Company are listed on the date immediately prior to the relevant date i.e. date of the meeting of the Nomination and Remuneration Committee on which the grant is made.*

*Explanation – If the Shares of the Company got listed on more than one recognized stock exchange, then the closing price on the recognized stock exchange having higher trading volume shall be considered as the market price.*

The Board of Directors has a power to provide suitable discount on such price as arrived above. However, in any case the exercise price shall not go below the par value of Share of the Company.

**7. Exercise period and process of Exercise:**

The exercise period shall be 1 year from the date of respective vesting. The Options can be exercised in by submitting exercise application under either of the Cash route or Cashless Route (*as defined in the Scheme*).

The mode and manner of the exercise/ cashless exercise shall be communicated to the employees individually.

**8. Appraisal process for determining the eligibility of the Employees to Scheme:**

The Board of Directors may on the basis of all or any of the following criteria, decide on the Employees / Grantees who are eligible for the grant / vesting of Options under the Scheme and the terms and conditions thereof.

- Loyalty: It will be determined on the basis of tenure of employment of an Employee /Grantee in the Company.
- Performance of Employee / Grantee: Employee's / Grantee's performance during the financial year on the basis of the parameters decided by the Board of Directors.
- Performance of Company: Performance of the Company as per the standards set by the Board of Directors.
- Any other criteria as decided by the Board of Directors from time to time.

**9. The Maximum number of Options to be granted per Employee and in aggregate:**

The maximum number of Options that can be granted to any eligible Employee during any one year shall not be equal to or exceed 1% of the issued capital of the Company at the time of grant. The Committee may decide to grant such number of Options equal to or exceeding 1% of the issued capital to any eligible Employee as the case may be, subject to the separate approval of the Shareholders in a general meeting.

The maximum number of Options that may be granted pursuant to this Scheme shall not exceed 10,00,000 (Ten Lakh) Options convertible into equal number of Shares.

**10. The Maximum quantum of benefits to be provided per Employee under the scheme:**

The maximum quantum of benefits that will be provided to every eligible Employee under the Scheme will be the difference between the market value of Company's Share on the recognized Stock Exchanges as on the date of exercise of Options and the Exercise Price paid by the Employee.

**11. Whether the Scheme(s) is to be implemented and administered directly by the Company or through a Trust:**

The Scheme shall be implemented through trust route wherein an irrevocable Trust by the name PG Electroplast Limited Employees Welfare Trust, set-up by the Company in compliance with SEBI

(SBEB & SE) Regulations, shall acquire the Shares either by way of secondary acquisition from the market and/or Direct allotment of the Company.

The Scheme shall be administered by the Nomination and Remuneration Committee which shall delegate some or all of its power to the Trust or any other Committee or Persons for proper administration of the Scheme.

**12. Whether the Scheme involves new issue of shares by the company or secondary acquisition by the Trust or both:**

The Scheme involves both secondary acquisitions of shares by the Trust / Direct allotment to the Trust by the Company.

**13. The amount of loan to be provided for implementation of the Scheme by the Company to the Trust, its tenure, utilization, repayment terms, etc.**

The amount of loan to be provided for implementation of the Scheme by the Company to the Trust Shall not exceed 5% of the Paid-up Equity Capital and Free Reserves as provided in Companies Act, 2013. The tenure of such loan shall be the point where the objects of the Trust are accomplished or the repayment of loan is made, whichever is earlier. The utilization of such loan shall be for the objects of the Trust as mentioned in the Trust Deed. The Trust shall repay the loan to the Company by utilising the proceeds realised from exercise of Options by the Employees and the accruals of the Trust at the time of termination of the Scheme.

**14. The Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the Trust for the purposes of the Scheme.**

The total number of Shares under secondary acquisition held by the Trust shall at no time exceed 5 (Five) percent of paid-up equity capital as at the end of the financial year immediately prior to the year in which the Shareholder approval is obtained for such secondary acquisition. Further, the secondary acquisition in a financial year by the Trust shall not exceed 2 (Two) percent of the Paid-up Equity Capital as at the end of the previous financial year.

**15. Disclosure and accounting policies:**

The Company shall comply with the disclosures requirements and the accounting policies prescribed under Regulation 15 of the SEBI (SBEB & SE) Regulations or as may be prescribed by regulatory authorities from time to time.

**16. The method which the Company shall use to value its Options:**

The Company shall comply with the requirements of IND-AS and shall use Fair Value method.

**17. Statement with regard to Disclosure in Director's Report:**

As the company is adopting fair value method, presently there is no requirement for disclosure in director's report. However, if in future, the Company opts for expensing of share based employee benefits using the intrinsic value, then the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' report.'

**18. Period of Lock in:**

The Shares transferred to the Grantees pursuant to exercise of Options will not be subject to any lock-in period and can be freely sold by the Grantee.

**19. Terms & conditions for buyback:**

The Board of Directors has the power to determine the procedure for buy-back of Options granted under the Scheme, if to be undertaken at any time by the Company, and the applicable terms and conditions, in accordance with the applicable laws.

None of the Directors, Key Managerial Personnel of the Company, and any relatives of such Director, Key Managerial Personnel is in any way concerned or interested, financially or otherwise, in these resolutions except to the extent of Equity Shares held by them in the Company or the Options those may be granted under the said Scheme.

The Board of Directors of the Company recommends the Resolution to be passed as Special Resolution as set out at Item No. 2 for approval of the Members.

PG Electroplast Limited Employees Stock Option Scheme - 2020 and other documents referred to in the aforesaid resolutions will be available for inspection by Members at the Registered Office of the Company between 10.00 a.m. to 12.00 p.m. on all working.

***By order of the Board of Directors  
For PG Electroplast Limited  
Sd/-***

**Sanchay Dubey  
Company Secretary**

**Place: Greater Noida  
Date: February 14, 2022**

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