



# **SMILE ELECTRONICS LIMITED**

Leading EMS Organisation ISO 9001

ISO 14001, IATF16949 & AS 9100 Certified

CIN No. : U85110KA1998PLC023993

**NOTICE** is hereby given that the Twenty-Fourth Annual General Meeting of the members of the company will be held on Friday, September 30, 2022 at 4.30 PM at the registered office of the company at No. 13, Old Madras Road, Bhattarahalli, K. R. Puram Bengaluru -560049 to transact the following business:

## **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended on March 31, 2022 and the Report of the Board of Directors of the Company thereon.
2. To appoint a director in place of Mrs. Suman Gupta, who retires by rotation and being eligible offers herself for re-appointment
3. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT**, in accordance with the provisions of Section 148 of the Companies Act, 2013 and the Rules thereunder, the remuneration of M/s. Sandeep Dahiya & Co, Cost Accountants, (Membership No. 45807) who was appointed by the Board of Directors of the Company as the Cost Auditor to conduct audit of Cost Records of the Company for the financial year 2021-22, at Rs. 50,000 (excluding taxes as applicable, and reimbursement of out-of-pocket expenses incurred), be and is hereby ratified.”

## **Special Business**

4. To consider and if, thought fit, to pass, with or without modification, the following resolution as Ordinary Resolution;

**“RESOLVED THAT** subject to the provisions of the applicable provisions of the Companies Act, 2013 read with rules and schedules thereunder, consent is hereby accorded for the re-appointment of Mrs. Suman Gupta as Executive Director of the Company with effect from 01-05-2022 up to 30-04-2025 for a period of three years for a remuneration of Rs. 2,00,000 per month.”

**“RESOLVED FURTHER THAT** in the event of there being loss or inadequacy of profit for any financial year, the aforesaid remuneration payable to Mrs. Suman Gupta, Executive Director of the Company, shall be the minimum remuneration payable to her subject to compliance with the Companies Act, 2013.”

REGISTERED OFFICE AND WORKS  
Plot No 13 Bhattarahalli K R Puram Old Madras Road  
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Tel: 91 80 40382727, Fax: 91 -80 40382715, 40382720

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5. To increase the remuneration of Mr. Mukesh Gupta, Managing Director of the Company.

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

**RESOLVED THAT** in accordance with Sections 196 and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the remuneration of Mr. Mukesh Gupta, Managing Director be revised from Rs. 7,50,000 per month to Rs. 10,00,000 per month for the period from 1st April 2022 up to 30th April 2023 (i.e., till the completion of his tenure of appointment).

In addition, Mr. Mukesh Gupta shall also be eligible to the following perquisites, which shall not be included in computation of remuneration as permitted under Sl. No. 1 of Section IV of Part II of Schedule V of the Companies Act, 2013.

- Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961.
- Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and
- Encashment of leave at the end of tenure."

**"RESOLVED FURTHER THAT** in the event of there being loss or inadequacy of profit for any financial year, the aforesaid remuneration payable to Mr. Mukesh Gupta, Managing Director of the Company, shall be the minimum remuneration payable to him subject to compliance with Section 197 and Schedule V of the Companies Act, 2013."

**"RESOLVED FURTHER THAT** Mr. Mukesh Gupta shall perform the duties of a Managing Director subject to the superintendence and control of the Board and further subject to such directions as the Board may give from time to time."

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“RESOLVED FURTHER THAT, the Board of Directors of the Company (including Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary desirable or expedient to give effect to the foregoing resolution(s), including delegation of powers herein, to any of the Directors and/or officers of the Company.”

**For Smile Electronics Limited**

**(MUKESH GUPTA)**

**Chairman and Managing Director**

**DIN: 00850136**

**DATE: 25/08/2022**

**PLACE: BENGALURU**

**NOTES:**

- 1) A Member Entitled to attend and vote is entitled to appoint a proxy, to attend and vote instead of himself/ herself and such proxy need not be a member of the company. the proxy form/s, in order to be effective and valid should be submitted at the registered office of the company not later than 48 hours prior to the commencement of the annual general meeting.
- 2) Members are requested to notify change in address, if any immediately to the Company.
- 3) Proxy form, attendance slip and route map is also attached to this notice.

**For Smile Electronics Limited**

**(MUKESH GUPTA)**

**Chairman and Managing Director**

**DIN: 00850136**

**DATE: 25/08/2022**

**PLACE: BANGALURU**

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## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 FOR THE ITEMS OF SPECIAL BUSINESS**

### **Sl. No. 1: Reappointment of Mrs. Suman Gupta as Executive Director**

Mrs. Suman Gupta, Executive Director has been making significant contribution in management of the affairs. The company has also reported excellent performance under her guidance and stewardship. She had been functioning as Executive Director of the Company, since her term of office had expired, it is proposed to reappoint her as Executive Director of the company with effect from 01-05-2022 up to 30-04-2025 for a period of three years for a remuneration of Rs. 2,00,000 per month.”

Mrs. Suman Gupta and Mr. Mukesh Gupta (relative) may be deemed to be interested in the proposed resolution. No other director or Key Managerial personnel have any interest (financial or otherwise) in the proposed resolution.

### **Sl. No. 2: Revision in remuneration of Mr. Mukesh Gupta, Managing Director**

At the Annual General Meeting held on December 31,2020, Mr. Mukesh Gupta was re-appointed as Managing Director of the company for the period from May 1, 2020 to April 30, 2023 on a remuneration of Rs. 7,50,000 per month plus admissible benefits.

Mr. Mukesh Gupta has played a significant role in managing the affairs of the company. The Total Income and Net Profit after Tax for the last three financial years is as under:

	2021-22	2020-21	2019-20
Total Income	270,29,69,150	212,37,06,609	153,84,00,510
Net Profit (after tax)	3,28,67,119	6,79,82,974	1,57,96,994

(In Rs. Cr)

The company has shown excellent progress during the past three years under his able stewardship. Keeping this in mind, the Board of directors have recommended increase in his remuneration from Rs. 7.50 Lakhs per month to Rs. 10 Lakhs per month, the increase to be effective from April 1, 2022 up to April 30, 2023, subject to approval in general meeting.

A special resolution for this purpose is proposed in the notice for your approval.

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Mr. Mukesh Gupta and Mrs. Suman Gupta (relative) may be deemed to be interested in the proposed resolution. No other director or Key Managerial Managerial personnel have any interest (financial or otherwise) in the proposed resolution.

Disclosure pursuant to the clause (iv) of third proviso of Section II of Part II of Schedule V of the Companies Act, 2013:

## General Information:

- 1) **Nature of industry:** Manufacture and Sale of Electronic Components, assemblies, etc.
- 2) **Date or expected date of commencement of commercial production:** The company is engaged in commercial production since 1999-2000.
- 3) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not applicable, Existing Company.
- 4) **Financial performance based on given indicators**

Years	2021-22	2020-21	2019-20
Revenue from operations	269,96,04,153	211,16,17,582	152,89,59,548
Profit for the period	4,10,89,929	7,72,52,782	1,65,35,462

- 5) **Foreign investments or collaborations, if any:** NIL

## II. Information about the Managing Director:

### (1) Background details

The company has shown excellent progress during the past three years under his able stewardship. Keeping this in mind, the Board of directors have recommended increase in his remuneration from Rs. 7,50,000 per month to Rs. 10,00,000 per month, the increase to be effective from April 1, 2022 up to April 30, 2023, subject to approval in general meeting.

### (2) Past remuneration

Mr. Mukesh Gupta was drawing a remuneration of Rs. 7,50,000 per month. It is proposed to increase his remuneration to Rs. 10,00,000 per month with effect from 01/04/2022.

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### **(3) Recognitions or awards: NIL**

### **(4) Job Profile and his suitability**

In his capacity as Managing Director since about 2009, Mr. Mukesh Gupta has been devoting the whole of his time in managing the affairs of the company. He oversees production, administration, marketing and finance responsibilities. Though the company went through difficult times, Mr. Gupta has been instrumental in turning around the operations of the company and has made the company profitable. He is also responsible for identifying and tying up orders with large customers for sale of the products of the company. Hence, it is considered desirable that he be re-appointed.

### **(5) Remuneration proposed**

It is proposed to pay him a remuneration of Rs. 10,00,000 per month, besides perquisites as permissible under Section IV to Schedule V of the Companies Act, 2013. The details of the same is contained in the notice.

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

The company is engaged in the Electronic Manufacturing Services (EMS) Industry and its operations are medium size in nature. Further in the case of electronic components, such as PCB's, etc, the industry is highly specialized. Being an Unlisted company, the remuneration payable to Mr. Mukesh Gupta is not comparable with other unlisted companies engaged in similar industry. Considering the nature of the industry and the responsibilities shouldered by Mr. Mukesh Gupta, we consider the remuneration proposed as reasonable.

### **(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: Mrs. Suman Gupta, director is the wife of Mr. Mukesh Gupta, Managing Director.**

## **III. Other Information:**

### **Reasons for inadequate profits:**

The outbreak of COVID-19 has hit the industry on a large scale basis. Though the Company has managed to increase its revenue and profits during the year the total expenses overall has increased, leading to inadequacy in profits.

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Steps taken for improvement:

We have been constantly putting in our best possible efforts to increase the productivity and profits of the company. We have empowered our marketing and the sales department to increase our customer base. We have been working on technology and automation to increase the speed and accuracy. We have also been redesigning and analyzing our processes for better efficiency and productivity.

Expected increase in productivity and profits in measurable terms:

Projection of revenue from operations and profit for the next three years is as follows,

	2022-23 (In lakhs)	2023-24 (In lakhs)	2024-25 (In lakhs)
I. Revenue from operations-Net Sales	34,555	44,230	56,615
II. Other Income	34	35	36
III. Total Revenue (I +II)	34,589	44,265	56,651
Total Expenses (IV)	32,860	42,052	53,818
XV Profit Loss For the period	1,729	2,213	2,833

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## **ATTENDANCE SLIP**

Members or their proxies are requested to present this form for the admission, duly signed in accordance with their specimen signatures registered with the Company.

Name of the Shareholder/Proxy	
Registered folio Number	
Number of shares held	

I/we hereby record my/our presence at the at Twenty Fourth Annual General Meeting of the members of the company will be held on September 30, 2022 at 4.30 PM at the registered office of the company at No. 13, Old Madras Road, Bhattarahalli, K. R. Puram Bengaluru -560049

Please (✓) in the box

Member  Proxy

Signature of Shareholder/Proxy

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## Form No. MGT-11 PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U85110KA1998PLC023993

Name of the Company: SMILE ELECTRONICS LIMITED

Registered office: No - AT NO. 13, OLD MADRAS ROAD, BHATTARAHALLI, K. R. PURAM BENGALURU -  
560049

Name of the member (s)	
Registered address	
E-mail Id	
Folio No/ Client Id	
DP ID	

I/We, being the member (s) of ..... shares of the above-named company, hereby appoint

1.Name:
Address:
E-mail Id:
Signature: _____, or failing him

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2.Name:

Address:

E-mail Id:

Signature: \_\_\_\_\_, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at Twenty Fourth Annual General Meeting of the members of the company will be held on September 30, 2022 at 4.30 PM at the registered office of the company at at No. 13, Old Madras Road, Bhattarahalli, K. R. Puram Bengaluru -560049

Resolution No.	Resolution	Votes	
		For	Against
Ordinary Business:	Ordinary		
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the year ended on March 31, 2022 and the Report of the Board of Directors of the Company thereon.		
2.	To appoint a director in place of Mrs. Suman Gupta ,who retires by rotation and being eligible offers herself for re-appointment		

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3.	Ratification of remuneration of M/s Sandip Dahiya & Co., Cost Auditors of the Company for the FY 2021-22.		
4.	Reappointment of Mrs. Suman Gupta, Executive Director of the Company.		
5.	To increase remuneration of Mr. Mukesh Gupta, Managing Director of the Company.		

Signed this 30<sup>th</sup> day of September , 2022

Signature of shareholder

Signature of Proxy holder(s)

**Affix  
Revenue  
Stamp**

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 24 hours before the commencement of the Meeting.**

## **INSTRUCTIONS FOR FILLING, STAMPING, SIGNING AND/OR DEPOSITING THE PROXY FORM.**

If any shareholder is unable to attend the meeting and would like to appoint a proxy to attend and vote on his/her behalf then he/she can appoint a proxy using the proxy form (MGT 11) attached to this Notice.

Following are the instruction for filling the proxy form:

1. Fill in your name, address and e-mail id in the space provided;
2. Fill in the number of shares held by you in the space provided;

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3. You can appoint more than one proxy, provision for appointing up to three proxies is made available in the form attached to this notice;
4. Fill in the name, address, and e-mail id of the proxy;
5. A specimen signature of the person appointed as proxy needs to be obtained in the space provided;
6. The instrument of proxy shall be signed by the Shareholder or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorized by it and proxy holder(s);
7. An instrument of proxy duly filled, stamped, and signed, is valid only for the Meeting to which it relates including any adjournment thereof;
8. An instrument of proxy is valid only if it is properly stamped by affixing Re. 1/- (Rupee One) revenue stamp as per the Indian Stamp Act, 1899. Unstamped or inadequately stamped proxy form(s) upon which the stamps have not been cancelled shall be considered as invalid.
9. The proxy-holder shall prove his identity at the time of attending the meeting.
10. Proxy form shall be deposited with the Company either in person or through post not later than forty-eight hours before the commencement of the Meeting in relation to which they are deposited and a proxy shall be accepted even on a holiday if the last date by which it could be accepted is a holiday.

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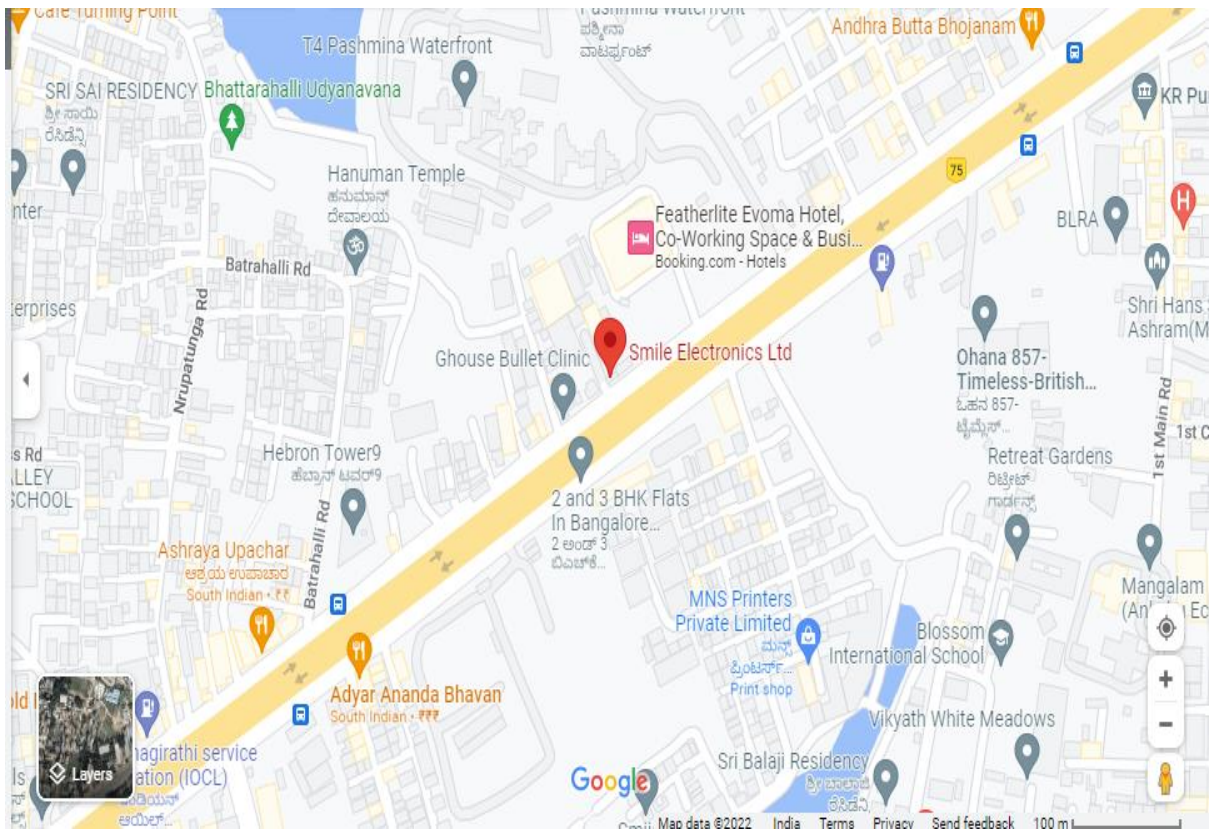


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## PROMINENT LAND MARK OF THE VENUE:

**ROUTE MAP TO THE VENUE OF** Twenty Fourth Annual General Meeting of the members of the company will be held on September, 2022 at 4.30 PM at the registered office of the at No. 13, Old Madras Road, Bhattarahalli, K. R. Puram Bengaluru -560049



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