



## PG ELECTROPLAST LIMITED

PG Electroplast Limited (our “Company” or the “Issuer”) was incorporated as ‘PG Electroplast Private Limited’ on March 17, 2003, as a private limited company under the Companies Act, 1956, as amended pursuant to a certificate of incorporation granted by the RoC. Subsequently, pursuant to a special resolution passed at the meeting of the shareholders of our Company at an extraordinary general meeting held on July 15, 2010, our Company became a public limited company and the name of our Company was changed to “PG Electroplast Limited” and consequently, a fresh certificate of incorporation, dated August 6, 2010, was issued by the RoC. For further details, see the sections titled, “Organisational Structure of our Company” and “General Information” on pages 205 and 447, respectively.

CIN: L32109DL2003PLC119416

**Registered Office:** DTJ-209, 2<sup>nd</sup> Floor, DLF Tower B-Jasola, Plot 11, Non-Hierarchical Commercial Centre, Jasola, New Delhi – 110 025 Delhi, India.

**Corporate Office:** P-4/2 to 4/6, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida, Dist. Gautam Budh Nagar – 201 306, Uttar Pradesh, India.

**Tel.:** +91-11-41421439; **Email:** investors@pge.in; **Website:** www.pge.in

**Company Secretary and Compliance Officer:** Sanchay Dubey

Our Company is issuing 3,205,128 equity shares of face value of ₹ 10 each (the “Equity Shares”) at a price of ₹ 1,560.00 per Equity Share, including a premium of ₹ 1,550.00 per Equity Share (the “Issue Price”), aggregating to ₹ 5,000.00 million (the “Issue”). For further details, see “Summary of the Issue” on page 36.

**THE ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE “SEBI ICDR REGULATIONS”), SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE “COMPANIES ACT, 2013”), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE “PAS RULES”), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER.**

The Equity Shares of our Company are listed on the National Stock Exchange of India Limited (the “NSE”) and the BSE Limited (the “BSE” and together with NSE, the “Stock Exchanges”). The closing prices of the Equity Shares on the NSE and the BSE as on August 31, 2023, were ₹ 1,832.60 and ₹ 1,838.20 per Equity Share, respectively. Our Company has received in-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “SEBI Listing Regulations”) for listing of the Equity Shares to be issued pursuant to this Issue, from each of BSE and NSE on August 28, 2023 and August 28, 2023, respectively. Our Company shall make applications to the Stock Exchanges for obtaining final listing and trading approvals for the Equity Shares to be issued pursuant to this Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to be issued pursuant to this Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or the Equity Shares.

**OUR COMPANY HAS PREPARED THIS PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PLACEMENT DOCUMENT TO ELIGIBLE QIBs (AS DEFINED HEREINAFTER) IS BEING MADE IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS, SECTION 42 OF THE COMPANIES ACT, 2013 READ WITH RULE 14 OF THE PAS RULES AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND OTHER RULES MADE THEREUNDER. THIS PLACEMENT DOCUMENT SHALL BE CIRCULATED TO ONLY SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY, PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO QUALIFIED INSTITUTIONAL BUYERS AS DEFINED IN THE SEBI ICDR REGULATIONS. YOU ARE NOT AUTHORIZED TO AND MAY NOT (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PLACEMENT DOCUMENT, IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILIZE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI ICDR REGULATIONS, THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.**

**INVESTMENT IN EQUITY SHARES INVOLVES A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ “RISK FACTORS” BEGINNING ON PAGE 43 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONDUCT ITS OWN DUE DILIGENCE ON US AND THE EQUITY SHARES AND CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THE PRELIMINARY PLACEMENT DOCUMENT AND THIS PLACEMENT DOCUMENT.**

A copy of the Preliminary Placement Document (which included disclosures prescribed under Form PAS-4 (as defined hereinafter) was delivered to the Stock Exchanges and a copy of this Placement Document (which include disclosures prescribed under Form PAS-4) will be delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the Registrar of Companies, National Capital Territory of Delhi & Haryana at Delhi (“RoC”), within the stipulated period as required under the Companies Act, 2013 and PAS Rules. The Preliminary Placement Document and this Placement Document has not been reviewed by the Securities and Exchange Board of India (“SEBI”), the Reserve Bank of India (“RBI”), the Stock Exchanges or any other listing or regulatory authority and is intended only for use by Eligible QIBs. The Preliminary Placement Document and this Placement Document has not been and will not be filed as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and the Issue will not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of the Equity Shares to be issued pursuant to this Issue shall only be made pursuant to the Preliminary Placement Document together with the Application Form, this Placement Document and the Confirmation of Allocation Note (each as defined hereinafter). For further details, please see the section titled “Issue Procedure” on page 217. The distribution of this Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs to whom this Placement Document is specifically addressed, and persons retained by such Eligible QIBs to advise them with respect to their purchase of Equity Shares is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and make no copies of this Placement Document or any documents referred to in this Placement Document.

The information on the websites of our Company and Subsidiaries, or any other website directly or indirectly linked to the websites of our Company and Subsidiaries, or the website of the Book Running Lead Managers (as defined hereinafter) or its affiliates, does not constitute nor form part of this Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites for their investment in this Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in “offshore transactions”, as defined in and in reliance on Regulation S under the Securities Act (“Regulation S”) and the applicable laws of the jurisdiction where those offers and sales are made. For the selling restrictions in certain other jurisdictions, please see the section titled, “Selling Restrictions” on page 231 of this Placement Document. Also see, “Transfer Restrictions and Purchaser Representation” on page 237 of this Placement Document for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

### BOOK RUNNING LEAD MANAGERS



JM FINANCIAL LIMITED



PHILLIPCAPITAL (INDIA) PRIVATE LIMITED

## TABLE OF CONTENTS

NOTICE TO INVESTORS.....	1
REPRESENTATIONS BY INVESTORS.....	3
OFFSHORE DERIVATIVE INSTRUMENTS.....	8
DISCLAIMER CLAUSE OF THE STOCK EXCHANGES .....	10
PRESENTATION OF FINANCIAL AND OTHER FINANCIAL INFORMATION.....	11
INDUSTRY AND MARKET DATA.....	13
FORWARD-LOOKING STATEMENTS .....	14
ENFORCEMENT OF CIVIL LIABILITIES .....	16
EXCHANGE RATE INFORMATION.....	17
DEFINITIONS AND ABBREVIATIONS .....	18
SUMMARY OF BUSINESS .....	25
SUMMARY OF THE ISSUE.....	36
SELECTED FINANCIAL INFORMATION.....	38
RELATED PARTY TRANSACTIONS.....	42
RISK FACTORS .....	43
MARKET PRICE INFORMATION .....	77
USE OF PROCEEDS .....	80
CAPITALISATION STATEMENT.....	94
CAPITAL STRUCTURE.....	95
DIVIDENDS.....	99
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.....	100
INDUSTRY OVERVIEW.....	129
OUR BUSINESS .....	172
BOARD OF DIRECTORS AND SENIOR MANAGEMENT.....	193
ORGANISATIONAL STRUCTURE OF OUR COMPANY.....	205
SHAREHOLDING PATTERN OF OUR COMPANY .....	206
ISSUE PROCEDURE .....	217
PLACEMENT.....	229
SELLING RESTRICTIONS .....	231
TRANSFER RESTRICTIONS AND PURCHASER REPRESENTATIONS .....	237
THE SECURITIES MARKET OF INDIA.....	239
DESCRIPTION OF THE EQUITY SHARES .....	243
TAXATION.....	246
LEGAL PROCEEDINGS .....	250
STATUTORY AUDITORS .....	251
FINANCIAL INFORMATION.....	252
GENERAL INFORMATION.....	447
DETAILS OF PROPOSED ALLOTTEES.....	449
DECLARATION .....	450
APPLICATION FORM .....	453

## NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Placement Document contains all information with respect to our Company and its Subsidiaries and the Equity Shares which our Company considers material in the context of the Issue. The statements contained in this Placement Document relating to our Company, our Subsidiaries and our Joint Venture and the Equity Shares are, in all material respects, true and accurate and are not misleading, and the opinions and intentions expressed in this Placement Document with regard to our Company and its Subsidiaries and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to us. There are no other facts in relation to our Company and its Subsidiaries and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. Unless otherwise stated, all information in this Placement Document is provided as of the date of this Placement Document and neither our Company nor the BRLMs have any obligation to update such information to a later date.

JM Financial Limited and PhillipCapital (India) Private Limited (the “**Book Running Lead Managers**” or the “**BRLMs**”) have made reasonable enquiries but not separately verified all of the information contained in this Placement Document (financial, legal or otherwise). Accordingly, neither the BRLMs nor any of its affiliates or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents or associates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the BRLMs or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates as to the accuracy or completeness of the information contained in the Preliminary Placement Document and this Placement Document or any other information supplied in connection with the Issue or the distribution of the Equity Shares. Each person receiving this Placement Document acknowledges that such person has neither relied on the BRLMs nor any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates other than the Company in connection with such person’s investigation of the accuracy of such information or such person’s investment decision, and each such person must rely on its own examination of us and the merits and risks involved in investing in the Equity Shares pursuant to the Issue.

Distribution of this Placement Document to any person other than the Eligible QIBs specified by the Book Running Lead Managers or their representatives, and those persons, if any, retained to advise such investor with respect thereto, is unauthorised, and any disclosure of its contents, is prohibited. Any reproduction or distribution of this Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and make no copies of this Placement Document or any offering material in connection with the Equity Shares.

No person is authorised to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorised by, or on behalf of the BRLMs. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The information contained in this Placement Document has been provided by our Company and other sources identified herein. The distribution of this Placement Document or the disclosure of its contents without the prior consent of the Company to any person, other than Eligible QIBs specified by the Book Running Lead Managers or their representatives, and those retained by Eligible QIBs to advise them with respect to their subscription of the Equity Shares is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents referred to in this Placement Document. Any reproduction or distribution of this Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited.

**The Equity Shares have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including the United States Securities and Exchange Commission (“SEC”), any other federal or state authorities in the United States, the securities authorities of any non-United States jurisdiction and any other United States or non- United States regulatory authority. No authority has passed on or endorsed the merits of this Issue or the accuracy or adequacy of this Placement Document. Any representation to the contrary may be a criminal offence in certain jurisdictions.**

The Equity Shares offered in the Issue have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in “offshore transactions”, as defined in and in reliance on Regulation S under the Securities Act (“**Regulation S**”) and the applicable laws of the jurisdiction where those offers and sales are made.

The distribution of this Placement Document and the Issue in certain countries or jurisdictions may be restricted by law. As such, this Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by

anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by our Company or the BRLMs which would permit an offering of the Equity Shares in the Issue or distribution of this Placement Document in any country or jurisdiction other than India where action for that purpose is required. Accordingly, the Equity Shares issued pursuant to the Issue may not be offered or sold, directly or indirectly, and neither the Preliminary Placement Document and this Placement Document nor any Issue materials in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction that would require registration of the Equity Shares in such country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

In making an investment decision, investors must rely on their own examination of our Company, the Equity Shares and the terms of the Issue, including the merits and risks involved. Investors should not construe the contents of the Preliminary Placement Document and this Placement Document as legal, business, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, neither our Company nor the BRLMs are making any representation to any offeree or subscriber of the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or subscriber under applicable laws or regulations.

**Each Bidder in the Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and is eligible to invest in India and in our Company under Indian laws, including Chapter VI of the SEBI ICDR Regulations and Section 42, other applicable provisions of the Companies Act, 2013 and Rule 14 of the PAS Rules and is not prohibited by SEBI or any other regulatory authority from buying, selling or dealing in securities. This Placement Document contains summaries of certain terms of certain documents, which are qualified in their entirety by the terms and conditions of such documents and disclosures included in the section titled “Risk Factors” on page 43.**

The information on our Company’s website at [www.pgel.in](http://www.pgel.in) or any website directly or indirectly linked to our Company’s website or the website of each of the BRLMs, their respective associates or affiliates, does not constitute or form part of this Placement Document. Prospective investors should not rely on any such information contained in, or available through, any such websites.

## REPRESENTATIONS BY INVESTORS

All references to “you” and “your” in this section are to the prospective investors in the Issue. By Bidding for, and/or subscribing to, Equity Shares under the Issue, you are deemed to have made the representations, warranties, acknowledgements, and agreements set forth in the sections titled “*Notice to Investors*”, “*Selling Restrictions*” and “*Transfer Restrictions and Purchase Representations*” on pages 1, 231 and 237, respectively, and represented, warranted, acknowledged and agreed with our Company, and the BRLMs, as follows:

1. Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Company or Subsidiaries which is not set forth in this Placement Document.
2. You are a “qualified institutional buyer” (“**QIB**”) as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under the applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, and (ii) undertake to comply with the SEBI ICDR Regulations and all other applicable laws including any reporting obligations, requirements/ making necessary filings, with appropriate regulatory authorities, including the RBI and Stock Exchanges, if any, in connection with the Issue;
3. You are eligible to invest in India and in the Equity Shares under applicable law, including the FEMA Rules, and any notifications, circulars or clarifications issued thereunder, each as amended and have not been prohibited by SEBI or any other regulatory or statutory authority from buying, selling or dealing in securities or otherwise accessing capital markets in India. Further, you are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act, 2013;
4. If you are not a resident of India, but a QIB, you are an Eligible FPI (and are not an individual, corporate body or a family office) having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and are eligible to invest in India under applicable law, including the FEMA Rules, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets. You confirm that you are not an FVCI;
5. You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws;
6. You are aware that in terms of the FEMA Rules, and any notifications, circulars or clarifications issued thereunder, the total holding by each FPI including its investor group (which means common ownership of more than 50% or common control) shall be below 10% of the total paid-up equity share capital of our Company on a fully diluted basis and the total holdings of all FPIs put together shall not exceed the sectoral cap applicable to our Company, which is 100% under automatic route, in respect of the manufacturing sector. In terms of FEMA Rules, for calculating the total holding of FPIs in a company, holding of all registered FPIs shall be included. Hence, Eligible FPIs may invest in such number of equity shares in the Issue such that (i) the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up equity share capital of our Company on a fully diluted basis, and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company. In case the holding of an FPI or investor group increases to 10% or more of the total paid-up equity share capital, on a fully diluted basis, such FPI shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach, or such other time as may be prescribed by SEBI and the RBI from time to time. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by the Company and the investor with applicable reporting requirements;
7. You agree that our Company shall make necessary filings with the RoC (which shall include certain details such as your name, address and number of Equity Shares Allotted), in terms of Section 42 of the Companies Act, 2013 and Rule 14 of the PAS Rules, or other provisions of the Companies Act, 2013, and you consent to such disclosure being made by us. You will provide the information as required under the Companies Act, 2013, the PAS Rules and the applicable provisions of the SEBI ICDR Regulations for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number and bank account details, and such other details as may be prescribed or otherwise required even after the closure of the Issue;
8. If you are Allotted the Equity Shares pursuant to the Issue, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the floor of the Stock Exchanges (additional restrictions apply if you are in certain other jurisdictions), and in accordance with any other resale restrictions applicable to you. For more information, please see the section titled “*Transfer Restrictions and Purchaser Representations*” on page 237;

9. You are aware that the Preliminary Placement Document and this Placement Document has not been, and will not be, registered as a prospectus with the RoC under the Companies Act, 2013, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. The Preliminary Placement Document and this Placement Document have not been and will not be reviewed, verified or affirmed by RBI, SEBI, the Stock Exchanges, RoC or any other regulatory or listing authority and have not been and will not be filed with the RoC as a prospectus, and are intended only for use by Eligible QIBs. The Preliminary Placement Document and this Placement Document has been and will be filed with the Stock Exchanges only for the purposes of their records and will be displayed on the websites of the Company and the Stock Exchanges;
10. You are entitled to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions which apply to you and you have the necessary capacity and that you have fully observed such laws and obtained all such governmental and other consents and authorisations, in each case which may be required thereunder and have complied with all necessary formalities, to enable you to commit to participation in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorizations to agree to the terms set out or referred to in this Placement Document), and will honour such obligations;
11. You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents (“**Company’s Presentations**”) with regard to our Company, the Equity Shares or the Issue; or (ii) if you have participated in or attended any Company’s Presentations: (a) you understand and acknowledge that the BRLMs may not have knowledge of the statements that our Company or its agents may have made at such Company’s Presentations and are therefore unable to determine whether the information provided to you at such Company’s Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the BRLMs have advised you not to rely in any way on any information that was provided to you at such Company’s Presentations, and (b) confirm that, you have not been provided any material information that was not publicly available;
12. None of our Company, the BRLMs or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates is making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue and that participation in the Issue is on the basis that you are not and will not, up to the Allotment, be a client of any of the BRLMs. Neither the BRLMs nor any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates have any duties or responsibilities to you for providing the protection afforded to their clients or for providing advice in relation to the Issue and are in no way acting in a fiduciary capacity to you;
13. You are aware that if you are Allotted more than 5% of the Equity Shares in the Issue, our Company shall be required to disclose your name and the number of Equity Shares Allotted to you to the Stock Exchanges, and the Stock Exchanges will make the same available on their website and you consent to such disclosures;
14. All statements other than statements of historical facts included in this Placement Document, including, without limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which our Company will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as on the date of this Placement Document. Neither our Company, nor the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates assumes any responsibility to update any of the forward-looking statements contained in this Placement Document;
15. You have been provided a serially numbered copy of this Placement Document and have read them in their entirety, including, in particular, the section titled “**Risk Factors**” on page 43;
16. You are aware and understand that the Equity Shares are being offered only to Eligible QIBs and are not being offered to the general public and that the Allotment shall be on a discretionary basis;
17. You are aware that in terms of the requirements of the Companies Act, upon Allocation, the Company has disclosed names and percentage of post-Issue shareholding of the proposed Allottees in this Placement Document. However, disclosure of such details in relation to the proposed Allottees in this Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company;
18. You have made, or are deemed to have made, as applicable, the representations set forth under the sections titled “**Selling Restrictions**” and “**Transfer Restrictions and Purchaser Representations**” on pages 231 and 237, respectively;

19. You understand that the Equity Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and accordingly, may not be offered or sold within the United States, except in reliance on an exemption from the registration requirements of the Securities Act. For more information, please see the section titled “**Selling Restrictions**” on page 231;
20. You are outside the United States and are subscribing for the Equity Shares in an “offshore transaction” as defined in Regulation S, and are not our Company’s or the BRLMs’ affiliate or a person acting on behalf of such an affiliate;
21. You are not acquiring or subscribing for the Equity Shares as a result of any general solicitation or general advertising (as those terms are defined in Regulation D under the Securities Act) or “directed selling efforts” (as defined in Regulation S) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the Securities Act provided by Section 4(a)(2) thereof. You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described under the sections titled “**Selling Restrictions**” and “**Transfer Restrictions and Purchaser Representations**” on pages 231 and 237, respectively;
22. In making your investment decision, you have (i) relied on your own examination of our Company, the Equity Shares and the terms of the Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of our Company, the Equity Shares and the terms of the Issue based solely on the information contained in the Preliminary Placement Document and this Placement Document, (iii) consulted your own independent advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws, (iv) relied solely on the information contained in the Preliminary Placement Document and this Placement Document and no other disclosure or representation by our Company, its Directors, Promoters and affiliates, or any other party, (v) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company and the Equity Shares and (vi) relied upon your own investigation and resources in deciding to invest in the Issue;
23. You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You and any accounts for which you are subscribing the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares; (ii) will not look to our Company or any of the BRLMs or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates for all or part of any such loss or losses that may be suffered; (iii) are able to sustain a complete loss on the investment in the Equity Shares; (iv) have no need for liquidity with respect to the investment in the Equity Shares; and (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. You are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resale or distribute;
24. The BRLMs or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates have not provided you with any tax advice or otherwise made any representations regarding the tax consequences of the purchase, ownership and disposal of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice and will not rely on the BRLMs or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents or affiliates or our Company when evaluating the tax consequences in relation to the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You waive and agree not to assert any claim against the BRLMs or our Company with respect to the tax aspects of the Equity Shares or the Issue or as a result of any tax audits by tax authorities, wherever situated;
25. That where you are acquiring the Equity Shares for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire the Equity Shares for each managed account; and to make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to “you” to include such accounts;
26. You are not a ‘promoter’ (as defined under the SEBI ICDR Regulations) of our Company and are not a person related to our Promoters, either directly or indirectly, and your Bid does not directly or indirectly represent the promoter or promoter group (as defined under the SEBI ICDR Regulations) of our Company or persons or entities related thereto;
27. You have no rights under a shareholders’ agreement or voting agreement entered into with the Promoters or Promoter Group, no veto rights or right to appoint any nominee director on our Board of Directors other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares, the acquisition of which shall not deem you to be a person related to the Promoters;
28. The Bid made by you would not result in triggering a tender offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the “**SEBI Takeover Regulations**”) and you shall be solely responsible for compliance with all other applicable provisions of the SEBI Takeover Regulations;

29. You have no right to withdraw your Application or revise your Bid downwards after the Issue Closing Date (as defined hereinafter);
30. You are eligible to apply for and hold Equity Shares so Allotted and together with any securities of our Company held by you prior to the Issue. You further confirm that your aggregate holding upon the issue and Allotment of the Equity Shares shall not exceed the level permissible as per any applicable law;
31. To the best of your knowledge and belief, your aggregate holding together with other Bidders in the Issue that belong to the same group or that are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size. For the purposes of this representation:
  - the expression ‘belongs to the same group’ shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst a QIB, its subsidiary or holding company and any other QIB; and
  - ‘control’ shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the SEBI Takeover Regulations.
32. You shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;
33. You are aware and understand that the BRLMs have entered into a Placement Agreement with our Company, whereby the BRLMs have, subject to the satisfaction of certain conditions set out therein, severally and not jointly, agreed to manage the Issue and use reasonable efforts to procure subscriptions for the Equity Shares on the terms and conditions set forth therein;
34. The contents of the Preliminary Placement Document and that of this Placement Document are exclusively the responsibility of our Company and that neither the BRLMs nor any person acting on their behalf has or shall have any liability for any information, representation or statement contained in the Preliminary Placement Document and this Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in the Preliminary Placement Document and this Placement Document or otherwise. By participating in the Issue, you agree to the same and confirm that you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the BRLMs or our Company or any other person and none of the BRLMs, our Company or any other person will be liable for your decision to participate in the Issue based on any other information, representation, warranty or statement that you may have obtained or received;
35. The only information you are entitled to rely on, and on which you have relied, in committing yourself to acquire the Equity Shares is contained in the Preliminary Placement Document and this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares and that you have neither received nor relied on any other information given or representations, warranties or statements made by the BRLMs or our Company and neither the BRLMs nor our Company will be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion that you have obtained or received;
36. You understand that the Equity Shares issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association of our Company and will be credited as fully paid and will rank *pari passu* in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared;
37. You agree to indemnify and hold our Company, the BRLMs and their respective affiliates and their respective directors, officers, employees and persons in control harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of your representations, warranties, acknowledgements and undertakings in the Preliminary Placement Document and this Placement Document including this section. You agree that the indemnity set forth in this section shall survive the resale of the Equity Shares by or on behalf of the managed accounts;
38. You understand that none of the BRLMs has any obligation to purchase or acquire all or any part of the Equity Shares which are subscribed by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non- performance by us of any of our respective obligations or any breach of any representations or warranties by us, whether to you or otherwise;
39. You are aware that (i) applications for in-principle approval, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations for listing and admission of the Equity Shares and for trading on BSE and NSE, were made and such



approvals have been received from BSE and NSE and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final approvals for listing of the Equity Shares will be obtained in time or at all. Our Company, and the BRLMs shall not be responsible for any delay or non-receipt of such final approvals or any loss arising from such delay or non-receipt;

40. You are an investor who is seeking to purchase the Equity Shares for your own investment and not with a view to distribution. In particular, you acknowledge that (i) an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment, (ii) you have sufficient knowledge, sophistication and experience in financial and business matters so as to be capable of evaluating the merits and risk of the purchase of the Equity Shares, and (iii) you are experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions and have such knowledge and experience in financial, business and investments matters that you are capable of evaluating the merits and risks of your investment in the Equity Shares;
41. Neither the Book Running Lead Managers nor any of their respective affiliates have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by our Company of any of its obligations or any breach of any representations and warranties by our Company, whether to you or otherwise;
42. You are aware and understand that you are allowed to place a Bid for Equity Shares. Please note that submitting a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to a successful Bidder. Allotment of Equity Shares will be undertaken by our Company, in its absolute discretion, in consultation with the Book Running Lead Managers;
43. You acknowledge that the Preliminary Placement Document and this Placement Document do not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;
44. You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of India, and the courts in Mumbai, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Preliminary Placement Document and this Placement Document;
45. Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times, up to and including the Allotment, listing and trading of the Equity Shares in the Issue;
46. It is agreed that if any such representations, warranties, acknowledgements, agreements and undertakings are no longer accurate, you will promptly notify our Company and the Book Running Lead Managers;
47. You have made, or are deemed to have made, as applicable, the representations set forth in this section titled “**Representations by Investors**”;
48. Our Company, the BRLMs, their respective affiliates, directors, officers, employees and persons in control and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings which are given to the BRLMs on their own behalf and on behalf of our Company and are irrevocable; and
49. You confirm that neither is your investment as an entity of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (in each which case, investment can only be through the Government approval route), and that your investment is in accordance with press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, and Rule 6 of the FEMA Rules.

## OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines, and approvals in terms of Regulation 21 of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (“**SEBI FPI Regulations**”), FPIs, including the affiliates of the BRLMs, who are registered as category I FPIs may issue, subscribe, or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it in India, as its underlying and herein referred to as “**P-Notes**”) and persons who are eligible for registration as category I FPIs can subscribe to or deal in such P-Notes, provided that in the case of an entity that has an investment manager who is from a Financial Action Task Force member country, such investment manager shall not be required to be registered as a category I FPI. The abovementioned category I FPIs may receive compensation from the purchasers of such instruments. You should ensure that any P-Notes issued by you have been issued in compliance with all applicable laws (including KYC norms and such other conditions as specified by SEBI from time to time). An Eligible FPIs shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as category I FPI, and such instrument is being transferred only to person eligible for registration as category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. P-Notes have not been and are not being offered or sold pursuant to the Preliminary Placement Document and this Placement Document. This Placement Document does not contain any information concerning P- Notes or the issuer(s) of any P-Notes, including any information regarding any risk factors relating thereto.

For further details relating to investment limits of FPIs, please see the section titled “**Issue Procedure**” on page 217. P-Notes may be issued only in favour of those entities which meet the eligibility criteria as laid down in Regulation 4 of the SEBI FPI Regulations. Pursuant to its circular dated June 10, 2016, SEBI has introduced additional requirements applicable to P-Notes, including (i) KYC norms for issuers of P-Notes which require identification and verification of beneficial owners of entities subscribing to the P-Note holding more than a prescribed threshold; (ii) the requirement for issuers to file suspicious transaction reports with the Indian Financial Intelligence Unit; and (iii) the requirement for the issuer to report details of intermediate transfers in the monthly reports on P-Notes submitted to SEBI. An Eligible FPI shall also ensure that no further issue or transfer of any instrument referred to above is made by or on behalf of it to any person other than such entities regulated by appropriate foreign regulatory authorities. P-Notes have not been, and are not being offered, or sold pursuant to this Placement Document. The Preliminary Placement Document and this Placement Document does not contain any information concerning P- Notes or the issuer(s) of any P-notes, including, without limitation, any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or above of our post-Issue equity share capital on a fully diluted basis. The SEBI has, vide a circular dated November 5, 2019, as amended issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the “**FPI Operational Guidelines**”), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the above-mentioned restrictions shall also apply to subscribers P-Notes. Two or more subscribers of P-Notes having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the P-Notes. In the event a prospective investor has investments as an FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Notes held in the underlying company.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 read with the Consolidated FDI Policy, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

Affiliates of the BRLMs which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on, or interests in, our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the BRLMs do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the BRLMs and do not constitute any obligations of, or claims on, the BRLMs. Affiliates of the BRLMs which are FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof.

**Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuers of such P-Notes and the terms and conditions of any such P-Notes from the issuers of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P- Notes or any disclosure related thereto. Bidders are urged to consult with their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.**

Please also see the sections titled, “***Selling Restrictions***” and “***Transfer Restrictions and Purchaser Representations***” on pages 231 and 237, respectively.

## **DISCLAIMER CLAUSE OF THE STOCK EXCHANGES**

As required, a copy of the Preliminary Placement Document and this Placement Document has been submitted to each of the Stock Exchanges. The Stock Exchanges do not in any manner:

- 1) warrant, certify or endorse the correctness or completeness of the contents of this Placement Document;
- 2) warrant that the Equity Shares issued pursuant to the Issue will be listed or will continue to be listed on the Stock Exchanges; or
- 3) take any responsibility for the financial or other soundness of our Company, its Promoters, its management or any scheme or project of our Company,

and it should not for any reason be deemed or construed to mean that the Preliminary Placement Document and this Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

## PRESENTATION OF FINANCIAL AND OTHER FINANCIAL INFORMATION

### Certain Conventions

In this Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to “you”, “your”, “offeree”, “purchaser”, “subscriber”, “recipient”, “investors”, “prospective investors” and “potential investor” are to the Eligible QIBs in the Issue and references to the “Issuer”, “PGEL”, “Company”, “our Company” refers to PG Electroplast Limited and references to “we”, “us”, or “our” are to our Company together with its Subsidiaries, on a consolidated basis.

Unless otherwise specified or the context otherwise requires, all references in this Placement Document to (i) the ‘US’ or ‘U.S.’ or the ‘United States’ or the ‘U.S.A’ are to the United States of America and its territories and possessions; (ii) ‘India’ are to the Republic of India and its territories and possessions; and (iii) the ‘UK’ or ‘U.K.’ or the ‘United Kingdom’ are to the United Kingdom of Great Britain and its territories and possessions; and (iv) the ‘Government’ or ‘GoI’ or the ‘Central Government’ or the ‘State Government’ are to the Government of India, Central or State, as applicable.

In this Placement Document, references to ‘INR’, ‘₹’, ‘Rs.’, ‘Indian Rupees’ and ‘Rupees’ are to the legal currency of India, references to “GBP” or “£”, are to the legal currency of Great Britain and references to ‘USD’, ‘U.S. Dollars’ and ‘US\$’ are to the legal currency of the United States.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. All the numbers in this Placement Document have been presented in million or whole numbers, unless stated otherwise. The amounts in our Financial Statements included herein are presented in Rs. lakhs or in Rs. crores.

In this Placement Document, references to “Lakh” represents “100,000”, “million” represents “1,000,000”, “crore” represents “10,000,000”, and “billion” represents “1,000,000,000”.

Certain figures contained in this Placement Document, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

### Page Numbers

Unless otherwise stated, all references to page numbers in this Placement Document are to page numbers of this Placement Document.

### Financial and Other Information

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise. The terms “Fiscal”, “Financial Year”, “Fiscals” or “Fiscal Year”, refer to the 12-month period ending March 31 of that particular year. Unless stated otherwise, the financial data in this Placement Document is derived from the Financial Statements. Our Subsidiaries, PG Technoplast, and PG Plastronics were incorporated on October 8, 2020, and June 22, 2021, respectively. On July 31, 2023, our Company acquired its shareholding in our joint venture, Goodworth Electronics Private Limited, aggregating to 50% of the joint venture’s share capital.

This Placement Document includes the following:

- a) audited consolidated financial statements of the Company for Fiscal 2021 read along with the notes thereto prepared in accordance with Indian Accounting Standards (Ind AS), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with the SEBI Listing Regulations and the report issued thereon (the “**Fiscal 2021 Audited Consolidated Financial Statements**”);
- b) audited consolidated financial statements of the Company for Fiscal 2022 read along with the notes thereto prepared in accordance with Indian Accounting Standards (Ind AS), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with the SEBI Listing Regulations and the report issued thereon (the “**Fiscal 2022 Audited Consolidated Financial Statements**”);
- c) audited consolidated financial statements of the Company for Fiscal 2023 read along with the notes thereto prepared in accordance with Indian Accounting Standards (Ind AS), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with the SEBI Listing Regulations and the report issued thereon (the “**Fiscal 2023 Audited Consolidated Financial Statements**” and collectively with Fiscal 2021 Audited Standalone Financial Statements and Fiscal 2022 Audited Consolidated Financial Statements, the “**Audited Financial Statements**”); and

- d) unaudited interim condensed consolidated financial statements of the Company as at and for the three months ended June 30, 2023, read along with the notes thereto (including the comparative financial information for the three months ended June 30, 2022), prepared in accordance with Indian Accounting Standard 34 “Interim Financial Reporting”, prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and the report issued thereto (“**Unaudited Interim Condensed Consolidated Financial Statements**” and collectively with Audited Consolidated Financial Statements, the “**Financial Statements**”).

Fiscal 2021 Audited Consolidated Financial Statements, together with the audit report issued thereon by our previous statutory auditor, M/s. Chitresh Gupta & Associates, Chartered Accountants; and the Fiscal 2022 Audited Consolidated Financial Statements, the Fiscal 2023 Audited Consolidated Financial Statements and the Unaudited Interim Condensed Consolidated Financial Statements together with the respective reports issued thereon by our current Statutory Auditors, M/s S.S. Kothari Mehta & Company, Chartered Accountants, have been included in this Placement Document.

The Audited Financial Statements should be read along with the respective audit reports, and the Unaudited Interim Condensed Consolidated Financial Statements should be read along with the respective review report. Further, our Unaudited Interim Condensed Consolidated Financial Statements are not necessarily indicative of results that may be expected for the full financial year or any future reporting period and are not comparable with the annual financials.

Our Company prepares its financial statements in accordance with Ind AS, Companies Act, and other applicable statutory and/or regulatory requirements. Our Company publishes its financial statements in Indian Rupees. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including IFRS and US GAAP and the reconciliation of the financial information to other accounting principles has not been provided. No attempt has been made to explain those differences or quantify their impact on the financial data included in this Placement Document and investors should consult their own advisors regarding such differences and their impact on our Company’s financial data. The degree to which the financial information included in this Placement Document will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Ind AS, the Companies Act, the SEBI ICDR Regulations and practices on the financial disclosures presented in this Placement Document should accordingly be limited. Also see, “**Risk Factors – Significant differences exist between Ind-AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Placement Document**” on page 71.

Our financial statements for the 2021,2022 and 2023 and the three months ended June 30, 2023 are prepared, and have been presented in lakhs in this Placement Document, except for the information in the sections titled “**Risk Factors**”, “**Industry Overview**”, “**Summary of Business**”, “**Selected Financial Information**”, “**Our Business**”, “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” which have been presented in million for presentation purposes and have been rounded off or expressed in two decimals. Certain figures contained in this Placement Document, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

#### **Non-GAAP Financial Measures**

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance such as EBITDA, EBITDA margin, PAT, PAT margin, ROE, ROCE, net asset fixed turnover and asset turnover ratio have been included in this Placement Document. These may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

## INDUSTRY AND MARKET DATA

Information regarding market position, growth rates, other industry data and certain industry forecasts pertaining to our business contained in this Placement Document consists of estimates based on data reports compiled by government bodies, data from other external sources and knowledge of the markets in which we compete. Unless stated otherwise, the statistical information included in this Placement Document relating to the industry in which we operate has been reproduced from various trade, industry and government publications and websites more particularly described in the section titled “**Industry Overview**” on page 129.

The industry, market and economic data included in this Placement Document has been derived from the report titled “*EMS Opportunities in Indian Consumer Durables Segment*” dated August 24, 2023 (the “**F&S Report**”). Our Company has commissioned and paid for the F&S Report pursuant to the engagement letter dated February 20, 2023. Frost & Sullivan is not related in any manner to our Company, its Subsidiaries, Directors, Key Managerial Personnel, members of Senior Management or the Promoters.

This data in the F&S Report is subject to change and cannot be verified with certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analysis and estimates, so we have relied on internally developed estimates. Similarly, while we believe its internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither we nor any of the BRLMs can assure Bidders as to their accuracy.

The extent to which the market and industry data used in this Placement Document is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled “**Risk Factors – This Placement Document contains information from industry sources including the industry report commissioned by the Company from Frost & Sullivan.**” on page 69.

### **Disclaimer of the F&S Report**

The **F&S Report** is subject to the following disclaimer:

*“EMS Opportunities in Indian Consumer Durables Segment” has been prepared for the proposed qualified institutions placement of equity shares by PG Electroplast Limited (the “Company”).*

*This study has been undertaken through extensive primary and secondary research, which involves discussing the status of the industry with leading market participants and experts, and compiling inputs from publicly available sources, including official publications and research reports. Estimates provided by Frost & Sullivan (India) Private Limited (“Frost & Sullivan”) and its assumptions are based on varying levels of quantitative and qualitative analyses, including industry journals, company reports and information in the public domain.*

*Frost & Sullivan has prepared this study in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, and it does not purport to be exhaustive. The results that can be or are derived from these findings are based on certain assumptions and parameters/conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged.*

*Forecasts, estimates, predictions, and other forward-looking statements contained in this report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements.*

*In making any decision regarding the transaction, the recipient should conduct its own investigation and analysis of all facts and information contained in the document of which this report is a part and the recipient must rely on its own examination and the terms of the transaction, as and when discussed. The recipients should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.”*

## FORWARD-LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical fact constitute “forward-looking statements”. Investors can generally identify forward-looking statements by terminology such as “aim”, “anticipate”, “believe”, “continue”, “can”, “could”, “estimate”, “expect”, “intend”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “shall”, “should”, “will”, “would”, or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

The forward-looking statements appear in a number of places throughout this Placement Document and include statements regarding the intentions, beliefs or current expectations of our Company concerning, amongst other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate. In addition, even if the result of operations, financial conditions, liquidity and dividend policy of our Company, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

All statements regarding our Company’s expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company’s business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Placement Document that are not historical facts. These forward-looking statements contained in this Placement Document (whether made by us or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause the actual results, performances and achievements of our Company to be materially different from any of the forward-looking statements include, among others:

- The names of certain our Independent Directors, appear in the suit filed accounts list issued by CIBIL. In the event their names continue to appear in the list of wilful defaulters, it may have an adverse impact on the Issue, our reputation and operations.
- High dependency on a limited number of customers for a majority portion of our revenue from operations and the potential loss of relationship or a significant reduction in purchases by such customers;
- Adverse impact due to change in location of business model of contract manufacturers who are our primary clients;
- Absence of long-term volume purchase commitments from our customers;
- Inability to keep up with technological advancements;
- Seasonality of a significant portion of our sales from our products business which take place immediately prior or during the summer months, and any adverse impact due to change in weather conditions during such peak sales seasons;
- Adverse impact on the Issue, ability to raise funds in the future and reputation on account of our Company and Promoters being debarred from accessing capital markets in the past;
- Failure to comply with the conditions of use of land of our Registered Office and our manufacturing units;
- Inability to manage the expansion of our business and operations and execute our growth strategy in a timely manner or within the budget estimates; and
- Our business is working capital intensive. If we are unable to accurately forecast demand for our products and manage our inventory or working capital balances, it may have an adverse effect on our business, results of operations, cash flows and financial condition.

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under the sections titled “*Risk Factors*”, “*Industry Overview*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 43, 129, 172 and 100, respectively.

By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, any future gains, losses or impact on net income and net income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections. The forward-looking statements



contained in this Placement Document are based on the beliefs of the management, as well as the assumptions made by, and information currently available to, the management of our Company. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as on the date of this Placement Document or the respective dates indicated in this Placement Document, and we undertake no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialize, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements. In accordance with SEBI and Stock Exchange requirements, our Company and the BRLMs will ensure that the eligible equity shareholders are informed of material developments until the time of the grant of listing and trading permissions by the Stock Exchanges.

## ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public limited liability company incorporated under the laws of India. All our Directors, the Key Managerial Personnel and the members of our Senior Management are residents of India and all or a substantial portion of the assets of our Company and such persons are located in India. As a result, it may be difficult or may not be possible for investors outside India to effect service of process upon our Company or such persons in India, or to enforce judgments obtained against such parties outside India predicated upon civil liabilities of our Company or such directors and executive officers under laws other than Indian laws, including judgments predicated upon the civil liability provisions of the federal securities laws of the United States.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908, as amended (the “**Civil Procedure Code**”), on a statutory basis. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. India is not a party to any multilateral international treaty in relation to the recognition or enforcement of foreign judgments. However, Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Among other jurisdictions, the United Kingdom of Great Britain and Northern Ireland, Republic of Singapore, United Arab Emirates and Hong Kong have been declared by the Government to be reciprocating territories for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy of India. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax in accordance with applicable laws. We cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable. Our Company and the Book Running Lead Managers cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

## EXCHANGE RATE INFORMATION

Fluctuations in the exchange rate between the Rupee and the U.S. dollar will affect the U.S. dollar equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into U.S. dollar of any cash dividends paid in Rupees on the Equity Shares.

### INR TO USD

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and the U.S. dollar (in ₹ per U.S.D) based on the reference rates released by the RBI/FBIL. No representation is made that the Indian Rupee amounts actually represent such amounts in U.S. dollar or could have been or could be converted into USD at the rates indicated, any other rates, or at all.

	(₹ Per US\$)			
	Period end <sup>(^)</sup>	Average <sup>(1)</sup>	High <sup>(2)</sup>	Low <sup>(3)</sup>
<b>Financial Year:</b>				
2023	82.22	80.39	83.20	75.39
2022	75.81	74.51	76.92	72.48
2021	73.50	74.20	76.81	72.29
<b>Three months ended:</b>				
June 30, 2023	82.04	82.21	82.80	81.65
<b>Month ended:</b>				
August 31, 2023	82.68	82.79	83.13	82.28
July 31, 2023	82.85	82.15	82.68	81.81
June 30, 2023	82.04	82.23	82.64	81.88
May 31, 2023	82.68	82.34	82.80	81.74
April 30, 2023	81.78	82.02	82.39	81.65
March 31, 2023	82.22	82.29	82.68	81.74

(Source: [www.fbil.org.in](http://www.fbil.org.in))

(^) The price for the period end refers to the price as on the last trading day of the respective fiscal year or quarterly or monthly periods.

(1) Average of the official rate for each working day of the relevant period.

(2) Maximum of the official rate for each Working Day of the relevant period.

(3) Minimum of the official rate for each Working Day of the relevant period.

#### Notes:

- If the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed.
- The RBI reference rates are rounded off to two decimal places.

## DEFINITIONS AND ABBREVIATIONS

*This Placement Document uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein.*

*The following list of certain capitalised terms used in this Placement Document is intended for the convenience of the reader/prospective investor only and is not exhaustive.*

*Unless otherwise specified, the capitalised terms used in this Placement Document shall have the meaning as defined hereunder. Further any references to any agreement, document, statute, rules, guidelines, regulations or policies shall include amendments made thereto, from time to time.*

*The words and expressions used in this Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations framed thereunder. Notwithstanding the foregoing, terms used in the sections titled “**Taxation**”, “**Industry Overview**”, “**Financial Information**” and “**Legal Proceedings**” on pages 246, 129, 252 and 250, respectively, shall have the meaning given to such terms in such sections.*

### General Terms

Term	Description
“Our Company”, “the Company”, “the Issuer” or “PGEL”	PG Electroplast Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 and having its registered office at DTJ-209, 2 <sup>nd</sup> Floor, DLF Tower B-Jasola, Plot 11 Non-Hierarchical Commercial Centre, Jasola, New Delhi – 110025, Delhi, India
“We”, “Our”, or “Us”	Unless the context otherwise indicates or implies, refers to our Company along with the Subsidiaries, on a consolidated basis

### Company related terms

Term	Description
Articles or Articles of Association	The Articles of Association of our Company, as amended from time to time
Audit Committee	The Audit Committee constituted by the Board of our Company as disclosed in the section titled “ <b>Board of Directors and Senior Management</b> ” on page 193
Auditors or Statutory Auditors or Independent Auditors	Statutory auditors of the Company namely, M/s S.S. Kothari Mehta & Company, Chartered Accountants
Board of Directors or Board	The board of directors of our Company, including any duly constituted committee thereof
Corporate Office	P-4/2 to 4/6, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida, Dist. Gautam Budh Nagar – 201 306, Uttar Pradesh, India
Corporate Social Responsibility Committee	The Corporate Social Responsibility Committee constituted by the Board of our Company as disclosed in the section titled “ <b>Board of Directors and Senior Management</b> ” on page 193
Director(s)	The directors on the Board of our Company, as may be appointed from time to time
ESOP 2020	PG Electroplast Employee Stock Option Scheme 2020
Equity Shares	The equity shares of a face value of ₹ 10 each of the Company
Financial Statements	Unaudited Interim Condensed Consolidated Financial Statements, Fiscal 2023 Audited Consolidated Financial Statements, Fiscal 2022 Audited Consolidated Financial Statements and Fiscal 2021 Audited Consolidated Financial Statements
Fiscal 2023 Audited Consolidated Financial Statements	Audited consolidated financial statements for Fiscal 2023, read along with the notes thereto, prepared in accordance with Indian Accounting Standards (Ind AS), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India, and in compliance with the SEBI Listing Regulations
Fiscal 2022 Audited Consolidated Financial Statements	Audited consolidated financial statements for Fiscal 2022, read along with the notes thereto, prepared in accordance with Indian Accounting Standards (Ind AS), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India, and in compliance with the SEBI Listing Regulations
Fiscal 2021 Audited Consolidated Financial Statements	Audited consolidated financial statements for Fiscal 2021, read along with the notes thereto, prepared in accordance with Indian Accounting Standards (Ind AS), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with the SEBI Listing Regulations
Gross Proceeds	The gross proceeds of the Issue that will be available to our Company
Independent Director(s)	Independent directors of our Company, unless otherwise specified

<b>Term</b>	<b>Description</b>
Joint Venture	The joint venture of our Company, in accordance with the Companies Act, 2013, being Goodworth Electronics Private Limited. The term “Joint Venture” shall be construed accordingly
Key Managerial Personnel	The key managerial personnel of our Company in accordance with the provisions of the Companies Act, 2013. For details, please see the section titled “ <b>Board of Directors and Senior Management</b> ” on page 193
Memorandum or Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time
Nomination and Remuneration Committee	The Nomination and Remuneration Committee constituted by the Board of our Company as disclosed in the section titled “ <b>Board of Directors and Senior Management</b> ” on page 193
Non-Executive Director(s)	Non-executive directors of our Company, unless otherwise specified
PG Technoplast	Our wholly owned subsidiary, PG Technoplast Private Limited
PG Plastronics	Our wholly owned subsidiary, PG Plastronics Private Limited
Previous Statutory Auditors	The previous statutory auditors of our Company namely, M/s. Chitresh Gupta & Associates, Chartered Accountants
Promoters	The Promoters of our Company, being, Anurag Gupta, Vishal Gupta and Vikas Gupta
Promoter Group	The individuals and entities forming part of our promoter group in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations
QIP Committee 2022-2023	The QIP Committee 2022-23 constituted for the purposes of the Issue by the Board of our Company as disclosed in the section titled “ <b>Board of Directors and Senior Management</b> ” on page 193
Registered Office	The registered office of the Company situated at DTJ-209, 2 <sup>nd</sup> Floor, DLF Tower B-Jasola, Plot 11 Non-Hierarchical Commercial Centre, Jasola, New Delhi – 110025, Delhi, India
Risk Management Committee	The Risk Management Committee constituted by the Board of our Company as disclosed in the section titled “ <b>Board of Directors and Senior Management</b> ” on page 193
Senior Management	The members of the senior management of our Company in accordance with Regulation 2 (1) (bbb) of the SEBI ICDR Regulations
Shareholders	Shareholders of our Company
Stakeholders Relationship Committee	The Stakeholders Relationship Committee constituted by the Board of our Company as disclosed in the section titled “ <b>Board of Directors and Senior Management</b> ” on page 193
Subsidiaries	The wholly owned subsidiaries of the Company in accordance with the Companies Act, 2013, being:  (i) PG Technoplast Private Limited; and (ii) PG Plastronics Private Limited  The term “Subsidiary” shall be construed accordingly
Unaudited Interim Condensed Consolidated Financial Statements	Unaudited interim condensed consolidated financial statements as at and for the three months ended June 30, 2023 (including the comparative financial information with respect to the three months ended June 30, 2022) prepared in accordance with Indian Accounting Standard 34 “Interim Financial Reporting”, prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India, the unaudited interim condensed consolidated balance sheet as at June 30, 2023 and the unaudited interim condensed consolidated statement of profit and loss, including other comprehensive income, the unaudited interim condensed consolidated cash flow statement and the unaudited interim condensed consolidated statement of changes in equity for the three months ended June 30, 2023 and a summary of select explanatory notes (including the comparative financial information for the three months ended June 30, 2022)

#### Issue related terms

<b>Term</b>	<b>Description</b>
Allocated or Allocation	The allocation of Equity Shares, by our Company in consultation with the BRLMs, following the determination of the Issue Price to Eligible QIBs on the basis of the Application Forms submitted by them, in consultation with the BRLMs and in compliance with Chapter VI of the SEBI ICDR Regulations
Allot/ Allotment/ Allotted	Allotment and issue of Equity Shares pursuant to the Issue

<b>Term</b>	<b>Description</b>
Allottees	Eligible QIBs to whom Equity Shares are issued pursuant to the Issue
Application Amount	With respect to a Bidder shall mean the aggregate amount paid by such Bidder at the time of submitting a Bid in the Issue
Application Form	Form (including any revisions thereof) which was submitted by the Eligible QIBs for registering a Bid in the Issue
Bid Amount	The amount determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by a Bidder and payable by the Bidder in the Issue on submission of the Application Form
Bid(s)	Indication of an Eligible QIB's interest, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for the Equity Shares pursuant to the Issue. The term "Bidding" shall be construed accordingly
Bidder	Any prospective investor, being an Eligible QIB, who made a Bid pursuant to the terms of the Preliminary Placement Document and the Application Form
Book Running Lead Managers or BRLMs	JM Financial Limited and PhillipCapital (India) Private Limited
CAN/ Confirmation of Allocation Note	Note, advice or intimation confirming Allocation of Equity Shares to such Successful Bidders after determination of the Issue Price
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e., on or about September 2, 2023
Designated Date	The date on which the Equity Shares issued pursuant to the Issue, are listed on the Stock Exchanges pursuant to receipt of the final listing and trading approvals for the Equity Shares from the Stock Exchanges or the date on which Form PAS-3 is filed by our Company with the RoC, whichever is later
Eligible FPIs	FPIs that were eligible to participate in this Issue in terms of applicable laws, other than individuals, corporate bodies and family offices
Eligible QIBs	QIBs, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations that were eligible to participate in the Issue and which were not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations and were not restricted from participating in the Issue under the applicable laws. In addition, QIBs, outside the United States in "offshore transactions" in reliance on Regulation S under the Securities Act. Further, FVCIs were not permitted to participate in the Issue
Escrow Account	Special non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, opened in the name and style "PG Electroplast Limited QIP Escrow Account 2023" with the Escrow Bank, subject to the terms of the Escrow Agreement into which the Application Amount payable by the Bidders in connection with the subscription to the Equity Shares pursuant to the Issue was deposited
Escrow Agreement	Agreement dated August 28, 2023, entered into by and amongst our Company, the Escrow Bank and the Book Running Lead Managers for collection of the Application Amounts and remitting refunds, if any, of the amounts collected, to the Bidders
Escrow Bank	YES Bank Limited
Floor Price	Floor price of ₹ 1,641.09 for each Equity Share, calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company has offered a discount of ₹ 81.09 per Equity Share, equivalent to 4.94% on the Floor Price in accordance with the approval of our Board dated May 25, 2022, read with August 12, 2022, and the Shareholders on September 29, 2022, and in terms of Regulation 176(1) of the SEBI ICDR Regulations
Issue	Offer and issuance of the Equity Shares to Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of the Companies Act, 2013 and the rules made thereunder
Issue Closing Date	September 1, 2023, the date after which our Company (or Book Running Lead Managers on behalf of our Company) ceased acceptance of Application Forms and the Application Amount
Issue Opening Date	August 28, 2023, the date on which our Company (or the Book Running Lead Managers on behalf of our Company) commenced acceptance of the Application Forms and the Application Amount
Issue Period	Period between the Issue Opening Date and the Issue Closing Date, inclusive of both days during which Eligible QIBs submitted their Bids along with the Application Amount
Issue Price	₹ 1,560.00 per Equity Share
Issue Size	Aggregate size of the Issue being ₹ 5,000.00 million
Monitoring Agency / CRISIL	CRISIL Ratings Limited, being a credit rating agency registered with SEBI

<b>Term</b>	<b>Description</b>
Monitoring Agency Agreement	Monitoring agency agreement dated August 28, 2023, entered into between our Company and CRISIL
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue
Placement Agreement	Placement agreement dated August 28, 2023, by and among our Company and the Book Running Lead Managers
Preliminary Placement Document	The Preliminary Placement Document dated August 28, 2023, issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules prescribed thereunder
Placement Document	This placement document dated September 1, 2023, issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules prescribed thereunder
QIBs or Qualified Institutional Buyers	Qualified institutional buyers, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement under Chapter VI of the SEBI ICDR Regulations and applicable provisions of the Companies Act, 2013 read with applicable rules
Regulation D	Regulation D under the Securities Act
Regulation S	Regulation S under the Securities Act
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all, or part, of the Application Amount submitted by such Bidder pursuant to the Issue
Refund Intimation	The intimation from the Company to relevant Bidders confirming refund of the Refund Amount to their respective bank accounts
Relevant Date	August 28, 2023, which is the date of the meeting in which our Board decided to open the Issue
Securities Act / U.S. Securities Act / United States Securities Act	The United States Securities Act of 1933, as amended
Stock Exchanges	NSE and BSE
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount with the Application Form and who are Allocated Equity Shares pursuant to the Issue
U.S. / United States	The United States of America

#### **Business related terms**

<b>Term</b>	<b>Description</b>
AI	Artificial intelligence
CBUs	Complete built – up units
CM	Contract manufacturing
EMS	Electronic manufacturing services
EBITDA	Earnings before interest, taxes, depreciation, and amortization
EBITDA Margin	EBITDA margin is calculated as EBITDA as a percentage of revenue from operations
FATL	Fully automatic top load washing machines
IDUs	Indoor units
LCD	Liquid crystal display
LED	Light emitting diode
MI	Metal illumination
NABL	National Accreditation Board for Testing and Calibration Laboratories
ODM	Original design manufacturer
ODUs	Outdoor units
OEM	Original equipment manufacturer
LCD	Liquid crystal display
LED	Light emitting diode
PCB	Printed circuit boards
PLI Scheme	Production Linked Incentive Scheme for Large Scale Electronics Manufacturing
PM	Plastic moulding
RAC	Room air conditioners
R&D	Research and development
ROA	Return on Assets
ROCE	Return on Capital Employed
ROE	Return on equity
SAWM	Semi – automatic washing machines

<b>Term</b>	<b>Description</b>
SMT	Surface mount technology
Unit 1	The manufacturing units of our Company situated at: <ul style="list-style-type: none"> <li>Plot 4/2 to Plot 4/4, UPSIDC Industrial Area, Surajpur, Greater Noida, Uttar Pradesh;</li> <li>Plot 4/5, UPSIDC Industrial Area, Surajpur, Greater Noida, Uttar Pradesh; and</li> <li>Plot 4/6, UPSIDC Industrial Area, Surajpur, Greater Noida, Uttar Pradesh</li> </ul>
Unit 2	The manufacturing units of our Company situated at: <ul style="list-style-type: none"> <li>Khasra No 268, 15<sup>th</sup> Milestore, Village Raipur, Bhagwanpur, Roorkee, Uttarakhand; and</li> <li>Khasra No 275, 15<sup>th</sup> Milestore, Village Raipur, Bhagwanpur, Roorkee, Uttarakhand</li> </ul>
Unit 3	The manufacturing unit of our Company situated at: <ul style="list-style-type: none"> <li>Plot No E-14, E-15 Site-B UPSIDC Industrial Area, Greater Noida, Uttar Pradesh; and</li> <li>Plot No. F – 20, Site – B, UPSIDC Industrial Area, Greater Noida, Uttar Pradesh</li> </ul>
Unit 4	The manufacturing units of our Company situated at: <ul style="list-style-type: none"> <li>Plot A – 20 / 2 Supa MIDC, Taluka Partner, District Ahmednagar, Maharashtra; and</li> <li>C-11, Supa MIDC, Taluka Parner, District Ahmednagar, Maharashtra</li> </ul>
Unit 5	The manufacturing unit of our Company situated at: <ul style="list-style-type: none"> <li>I 26 and I 27 Site – C, UPSIDC Industrial Area, Greater Noida, Uttar Pradesh; and</li> <li>I 15 and I 16 Site – C, UPSIDC Industrial Area, Greater Noida, Uttar Pradesh</li> </ul>
Unit 1 – Subsidiary	The manufacturing unit of our Subsidiary, PG Technoplast Private Limited, situated at: <ul style="list-style-type: none"> <li>Plot No. 76, Sector – Echotech – 12, Greater Noida, Gautam Budh Nagar, Uttar Pradesh, covering 61,545 sq. ft.</li> <li>Plot No. 76, Sector – Echotech – 12, Greater Noida, Gautam Budh Nagar, Uttar Pradesh, covering 80,700 sq. ft.</li> </ul>
Unit 2 – Subsidiary	The manufacturing unit of our Subsidiary, PG Technoplast Private Limited, situated at Plot A – 18 Supa MIDC, Taluka Partner, Ahmednagar, Maharashtra.
Unit 3 – Subsidiary	The proposed manufacturing unit of our Subsidiary, PG Technoplast Private Limited, situated at Plot No A 100-103 and 118-121, Rajasthan State Industrial Development and Corporation Limited Industrial Area, Bhiwadi, Alwar, Rajasthan.  Our Subsidiary, PG Technoplast Private Limited, is in the process of setting up the unit and is therefore, yet to commence operations at this unit.

#### Industry related terms

<b>Term</b>	<b>Description</b>
CAGR	Compound annual growth rate
COVID	Coronavirus disease
CSR	Corporate social responsibility
GDP	Gross domestic product
H1	First half
H2	Second half
HR	Human resource
IMF	International Monetary Fund
NCP	National Commission on Population
NCR	National Capital Region
Q1	Quarter 1
Q2	Quarter 2
Q3	Quarter 3
Q4	Quarter 4
SME	Small and Medium Enterprises
UK	United Kingdom
UP	Uttar Pradesh
USA	United States of America
USD	US Dollars



Term	Description
UT	Union Territory
YTD	Year to Date

#### Conventional and general terms

Term	Description
₹, Rs., INR, Rupees	Indian Rupees
AGM	Annual General Meeting
AS or Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CAGR	Compound annual growth rate
Calendar Year	Year ending on December 31
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CFO	Chief Financial Officer
CIN	Corporate Identification Number
Civil Procedure Code	The Code of Civil Procedure, 1908
Companies Act	The Companies Act, 2013 and applicable provisions of the Companies Act, 1956
Companies Act, 1956	The Companies Act, 1956 along with the relevant rules made thereunder
Companies Act, 2013	The Companies Act, 2013, along with the relevant rules made and clarifications issued thereunder
Consolidated FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020 effective from October 15, 2020
Cr.PC	The Code of Criminal Procedure, 1973
Depositories	CDSL and NSDL
Depositories Act	The Depositories Act, 1996
Depository Participant or DP	A depository participant as defined under the Depositories Act
DP ID Number	Depository participant identification number
DPIIT	Department for Promotion of Industry and Internal Trade
EGM	Extraordinary general meeting
Eligible FPIs	FPIs that are eligible to participate in this Issue
EU	European Union
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999, together with rules and regulations issued thereunder
FEMA Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended
FIR	First information report
Financial Year or Fiscal	The period of 12 months ended March 31 of that particular year, unless otherwise stated
Form PAS-4	Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investor, as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, registered with SEBI
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
General Meeting	AGM or EGM
GoI or Government	Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
HNI	High net-worth individual
I.T. Act	The Income-tax Act, 1961
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards

<b>Term</b>	<b>Description</b>
Ind AS	Indian accounting standards, as per the roadmap issued by the Ministry of Corporate Affairs, Government of India, notified by the MCA under section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015, as amended
Indian GAAP	Indian Generally Accepted Accounting Principles (GAAP) as notified under Section 133 of the Companies Act read with Companies (Accounts) Rules, 2014
IRDAI	Insurance Regulatory and Development Authority of India
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, GoI
MoEF	Ministry of Finance, GoI
MoU	Memorandum of Understanding
Mutual Funds	Mutual funds registered under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NEFT	National Electronic Fund Transfer
Non-Resident Indian or NRI	An individual resident outside India who is citizen of India
Non-Resident or NR	A person resident outside India, as defined under the FEMA
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
P.A. or p.a.	Per annum
PAN	Permanent Account Number allotted under the I.T. Act
PAS Rules	The Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
PAT	Profit after tax
RBI	Reserve Bank of India
RoC or Registrar	Registrar of Companies, National Capital Territory of Delhi & Haryana at Delhi
SCR (SECC) Regulations	The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations), Regulations, 2018
SCRA	The Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India established under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Mutual Fund Regulations	The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
U.S.	United States of America
U.S. GAAP	Generally accepted accounting principles in the United States of America
VCF	Venture capital fund
Wilful Defaulter or Fraudulent Borrower	Wilful defaulter or fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations

## SUMMARY OF BUSINESS

### Overview

We are an established original design manufacturer (“ODM”) and contract manufacturer (“CM”), for the consumer durables industry in India, with primary focus on manufacture of room air conditioners (“RACs”), washing machines and plastic moulding. We provide end – to – end solutions across the entire value chain of the products we supply to our customers, which include more than 50 leading domestic and international brands. This includes product conceptualisation, designing and prototyping, tool design and manufacturing, supply chain development and final assemblies for products like RACs, washing machines, LED TVs and air coolers. We consider our ability to evolve and address the needs of our marquee customer base as a key factor in the growth of our revenue from operations which grew at a CAGR of 75.26% from Fiscal 2021 to Fiscal 2023. We are the fastest growing B2C focused ODM players in India, having recorded the highest revenue CAGR amongst listed peers (Dixon Technologies (India) Limited, Amber Enterprises Limited and Elin Electronics Limited) over Fiscal 2020 – 2023 (*Source: F&S Report*).

We operate under four primary business verticals as set out below:

**Products:** We manufacture and assemble a wide array of products under two business models namely, CM and ODM. Under CM model, we manufacture and supply products basis designs developed by our customers, who then further distribute these products under their own brands. Under the ODM model, in addition to manufacturing, we conceptualize and design the products which are then supplied to our customers, who then further distribute these products under their own brands. We are the second largest player in terms of RAC finished goods sales to the OEMs / brands, basis Fiscal 2023 data. (*Source: F&S Report*). We act as ODM for RACs, washing machines and air coolers. Due to our constant efforts to strive for cost leadership and to be a reliable supply chain partner to our customers, in less than three years of manufacturing RAC complete built – up units (“CBUs”), we have manufactured RACs for 14 brands.

Additionally, in November 2021 and March 2022, our Subsidiary, PG Technoplast, received approval under the PLI Scheme for certain identified eligible white good products such as control assemblies for IDU or ODU or remotes, plastic moulding components, sheet metal components, heat exchangers, cross flow fan, motor and display panels (LCD / LED). Contingent on us achieving the defined revenue targets, meeting investment conditions, and complying with other conditions stipulated thereunder, the PLI Scheme gives us a total potential cumulative benefit of ₹ 1,987.50 million over the five financial years starting from Fiscal 2023 – 2024, which we believe will allow us to provide a better value proposition to our customers. For further details in this respect, see “*Risk Factors – Our Subsidiary, PG Technoplast may not continue to enjoy the existing benefits under the PLI Scheme, which could have a materially adverse impact on our profitability*” on page 63.

For further details, refer to ‘*Business Operations – Products*’ on page 183.

**Plastic Moulding (“PM”):** We are the largest manufacturer of plastic moulding for consumer durables and consumer electronics industry, in terms of revenue in India, as on March 31, 2023 (*Source: F&S Report*). We manufacture small, medium and large sized, high – precision and surface critical injection moulded components for our customers, which are used further to manufacture a wide variety of automotive, electronic equipment and sanitaryware products such as in-wall tank assemblies and toilet seats and for fan parts painting. We offer a variety of post moulding operations such as ultrasonic welding, heat staking, hot stamping, pad printing and screen printing.

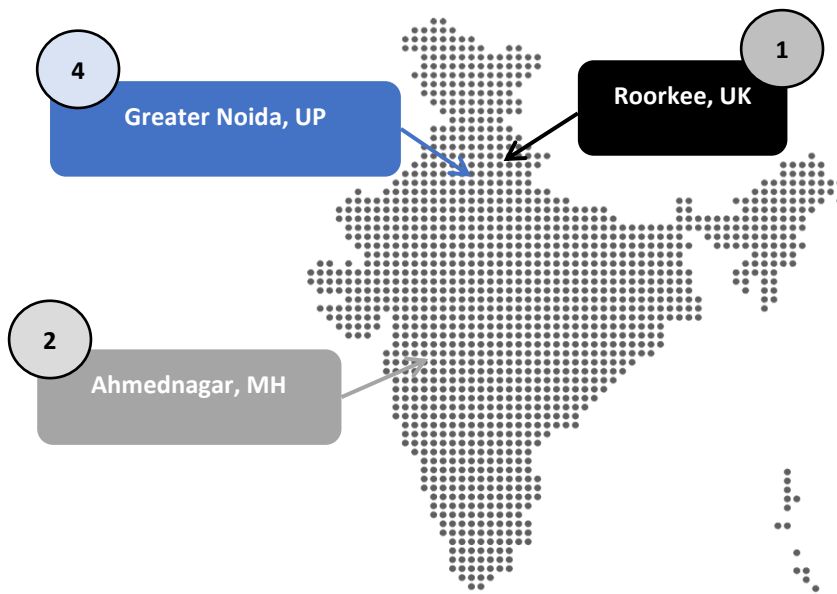
**Electronics:** Under this category, we contract manufacture LED TVs of various sizes. Further, we develop and manufacture printed circuit board assemblies for a range of applications on a turnkey basis (including procurement, surface mount technology (“SMT”), artificial intelligence (“AI”), metal illumination (“MI”), testing, packing and shipping).

**Tool Manufacturing:** We develop moulds for various applications, including automotive applications, white goods (such as refrigerators), home and kitchen appliances, lighting and electrical equipment. The complete range of services from tool design to tool manufacturing and injection moulding under one roof makes us a turnkey tooling solutions provider.

Since inception, we have continuously evolved our product portfolio to meet the needs of our customers and cater to the prevailing industry technologies. Post incorporation of our Company in 2003, we started manufacturing plastic moulded components. Thereafter, in 2014, we started focussing on the products business and commenced manufacturing of air coolers. We set up an in – house tool room for our tool manufacturing business vertical in 2016 and thereafter started manufacturing semi – automatic washing machines (“SAWM”) in 2017. In 2018, we started manufacturing RAC indoor units (“IDUs”) and subsequently RACs outdoor units (“ODUs”) in 2021. Additionally, in 2021, we commenced manufacturing fully automatic top load washing machines (“FATL”) and subsequently LED TVs in 2022. Presently, our product portfolio includes complete RAC sets, washing machines, and electronics, all of which today contribute significantly to our revenue. Our Company has entered into the JV Agreement, with Jaina Marketing & Associates, Jaina India Private Limited (collectively referred to as the “**Jaina Group**”) and Goodworth Electronics Private Limited pursuant to which Goodworth Electronics Private Limited (“**JV**”), has become a joint venture of the Company. Subject to, among others, receipt of relevant approvals and development of necessary infrastructure, the JV intends to manufacture LED televisions, and has been formed to leverage the expertise and resources of our Company and the Jaina Group, towards this purpose.

We have constantly sought to adapt to the changing industry landscapes, business environments and customer requirements. As a result, we have built long – standing relationships with a number of our key customers. We have catered to over 50 major domestic and international brands, with some our key customers being Carrier Midea India Private Limited, DAIKIN Airconditioning India Private Limited, Flipkart India Private Limited, MIRC Electronics Limited (ONIDA), Crompton Greaves Consumer Electricals Limited, Blue Star Limited, OVOT Private Limited, Infiniti Retail Limited, LAVA International Limited, Jaina India Private Limited, AIWA India Sales & Services Private Limited and Golden Arch Consumer Electronics Private Limited.

Presently, we operate seven manufacturing units located in Greater Noida, Uttar Pradesh; Roorkee, Uttarakhand; and Ahmednagar, Maharashtra. We also operate a unit at Ahmednagar, Maharashtra, where we operate incoming and outgoing quality control of products, storage of raw materials and finished goods and dispatch operations for our other manufacturing units in the location. Additionally, recently our Subsidiary, PG Technoplast, has leased premises at Alwar, Rajasthan to set up a manufacturing unit for air conditioners (Unit 3 – Subsidiary). As on the date of this Placement Document, our Subsidiary is in the process of setting up the unit and is therefore, yet to commence operations at this unit. For further details, see “ – *Property*” on page 191.



Our manufacturing units are equipped with high quality machinery, assembly lines and full power backup that enable us to meet the quality requirements of our customers in a timely manner.

We have obtained third party certifications for quality management systems, environmental management systems and occupational health and safety management systems at our manufacturing units. These include ISO 9001:2015, 14001:2015, ISO 45001:2018, UL E520496 and IATF 16949:2016 certifications. In line with our focus to develop better control on our supply chain and improve our margins, we consistently strive to strategically backward integrate our manufacturing processes. In this regard, we have backward integrated our RAC manufacturing processes by adding plastic moulding, sheet metal, powder coating paint – shops, heat exchangers, copper tubing, crossflow fans, printed circuit board assemblies, an NABL – accredited psychometric lab, and complete product assembly lines for RAC IDUs and ODUs. We are also seeking to reduce our environmental footprint by focussing on solar energy. In this respect, we have installed a 1.4 MW rooftop grid system solar panel at our Unit 2 – Subsidiary in Maharashtra, and a 0.65 MW solar plant at our Unit – 4 in Maharashtra. In addition, in 2022, we have also entered into a power purchase agreement with a company to obtain at least 3.1 MW of solar energy for our manufacturing unit at Uttar Pradesh for a period of 25 years.

We remain focussed on R&D and invest in product development. This enables us to offer end – to – end product development services across the lifecycle of product. We have an R&D team for our RAC, washing machine and LED TV product lines. As on June 30, 2023, our R&D team consisted of 32 employees.

Our Promoters, Vishal Gupta, Vikas Gupta and Anurag Gupta have significant experience in the manufacturing sector and our Senior Management include experts from the industry with wide experience. For further information, see “*Board of Directors and Senior Management*” on page 193. In 2021, our Company received private equity funding from Baring Private Equity India AIF, Ananta Capital and Mr. Ashokkumar Sobhamal Patni and Mr. Rajanikanta Gajendrakumar Patni. For details, refer to “*Capital Structure*” on page 95.

Set forth below are our key performance indicators for the periods indicated:

(₹ in million, unless otherwise stated)

Particulars	Fiscal 2021	Fiscal 2022**	Fiscal 2023	Three months ended June 30, 2023*#
Revenue from operations	7,032.06	11,116.35	21,599.48	6,776.16
EBITDA <sup>(1)</sup>	515.65	942.82	1804.26	671.02
EBITDA margin (%) <sup>(2)</sup>	7.33%	8.48%	8.35%	9.90%
Profit for the year ("PAT")	116.12	374.16	774.69	338.06
PAT margin (%) <sup>(3)</sup>	1.65%	3.37%	3.59%	4.99%
Return on Equity ("ROE") (%) <sup>(4)</sup>	6.30%	14.82%	21.88%	24.92%
Return on Capital Employed ("ROCE") (%) <sup>(5)</sup>	9.08%	13.87%	19.07%	21.72%
Net fixed asset turnover <sup>(6)</sup>	2.67	3.12	4.25	4.51
Asset turnover ratio <sup>(7)</sup>	1.30	1.35	1.68	1.94

\* Not annualised.

\*\* Government incentives from State Government (which includes PSI Incentive 2007 from Maharashtra Government) aggregating to ₹ 139.17 million was classified as other non operating income until Fiscal 2022 which was re-classified as other operating income from Fiscal 2023. Accordingly, the financial information for Fiscal 2022 has been disclosed after considering the above as "Other Operating Income" and has been extracted from the comparative financial information for Fiscal 2022 included in the audited financial statements of Fiscal 2023.

# Ratios are calculated for trailing twelve months by taking average of balance sheet data of June 30, 2022, and June 30 2023.

(1) EBITDA is calculated as profit for the period / year, plus tax expenses (consisting of current tax, deferred tax and current taxes relating to earlier years), finance costs and depreciation and amortisation expenses,

(2) EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations.

(3) PAT Margin is calculated as profit for the period / year as a percentage of revenue from operations.

(4) ROE (Return on Equity) is calculated as profit after tax for the period/year divided by average total equity.

(5) ROCE (Return on Capital Employed) is calculated as profit before tax plus finance costs divided by average net worth and average total debt.

(6) Net fixed asset turnover is calculated as revenue from operations divided by average net fixed assets for the respective financial year.

(7) Asset turnover ratio is calculated as revenue from operations divided by average of the total assets of the period / year.

## Our Competitive Strengths

Our key competitive strengths are set out below:

### **Established ODM player and contract manufacturer with leading market position in our focus verticals such as RACs, washing machines and plastic moulding**

Since inception, we have continuously evolved our product portfolio to meet the needs of our customers and cater to the prevailing industry technologies. Post incorporation of our Company in 2003, we started manufacturing plastic moulded components. Thereafter, in 2014, we started focussing on the products business and commenced manufacturing of air coolers. We set up an in – house tool room for our tool manufacturing business vertical in 2016 and thereafter started manufacturing semi – automatic washing machines in 2017. In 2018, we started manufacturing RAC IDUs and subsequently RACs ODUs in 2021. Additionally, in 2021, we commenced manufacturing FATL and subsequently LED TVs in 2022. Presently, our product portfolio includes complete RAC sets, washing machines, and televisions, all of which today contribute significantly to our revenue.

We have been manufacturing RAC IDUs since 2018 and RAC ODUs since 2021. We offer RACs CBU in the capacity ranging from 1.0T to 2.0T in both fixed speed and inverter categories for various star ratings. We are the second largest player in terms of RAC finished goods sales to the OEMs / brands, basis Fiscal 2023 data (Source: F&S Report).

We are the largest manufacturer of plastic moulding for consumer durables and consumer electronics industry, in terms of revenue in India, as on March 31, 2023 (Source: F&S Report). Through our plastic moulding business, we offer a wide range of products including small, medium and large sized, high – precision, surface critical injection moulded components for consumer durables and the consumer electronics industry.

We are the second largest ODM player for washing machines in India in terms of volume of units sold as of March 31, 2023, which provides end – to – end assembly solutions for final products (Source: F&S Report). We commenced manufacturing semi – automatic washing machines in 2017 and presently offer semi – automatic and fully automatic washing machines in capacities ranging from 6 – 14 kg and 6.5 – 7.5 kg, respectively.

We are an end – to – end solutions provider across the entire value chain of the products we supply to our customers. We serve across varied industries such as air conditioners, washing machines, LED TVs, air coolers, automotive components, bathroom fittings and consumer electronics. We believe we owe our leadership position to our experience in the development and manufacturing of RACs and components and our ability to deliver cost leadership, meet stringent customer quality standards, deliver consistently, and evolve our technology to meet customer needs. Additionally, in November 2021 and March 2022, our Subsidiary, PG Technoplast, received approval under the PLI Scheme for certain identified eligible white good products such as control assemblies for IDU or ODU or remotes, plastic moulding components, sheet metal components, heat exchangers, cross flow fan and motor and display panels (LCD / LED). Contingent on us achieving the defined revenue targets, meeting

investment conditions, and complying with other conditions stipulated thereunder, the PLI Scheme gives us a total potential cumulative benefit of ₹ 1,987.50 million over the five financial years starting from Fiscal 2023 – 2024, which we believe will allow us to provide a better value proposition to our customers. For further details in this respect, see “**Risk Factors – Our Subsidiary, PG Technoplast may not continue to enjoy the existing benefits under the PLI Scheme, which could have a materially adverse impact on our profitability**” on page 63.

The domestic manufacturing of RAC has witnessed strong growth in the recent years, supported by government policies. Components such as compressors, motors and refrigerants are imported while IDUs and ODUs are manufactured in India. The overall market size for domestic sales for RAC in FY23 is 8.4 million units and it is expected to grow at a CAGR of 11.6% till FY28. Government’s focus on “*Atma Nirbhar Bharat*” has led to special focus on the RAC business. While all import business may not immediately shift to local players, the move is well thought out. Some RAC manufacturers have enhanced in-house manufacturing capacity, but many marginal players do not have local manufacturing facilities till now. Under Phased Plan Manufacturing Programme, the Government plans to limit imports of components/equipment in the 1st phase by increasing duties and introducing import restrictions on motors, PCBs, compressors etc. from 20% to 30% over a 5-year time period. Under phase 2, raw materials like copper and aluminium will be indigenised. The Government seeks to create wide-scale production infrastructure for RAC components in India, which would help curb imports and provide export opportunities (Source: F&S Report).

**Ability to provide end – to – end product development capabilities leading to strong relationships with marquee customer base**

We are a leading, diversified Indian manufacturing services provider and among the few companies in India specialising in original design manufacturing, original equipment manufacturing and plastic injection moulding for the consumer durables industry, thereby providing one stop and end to end solutions to consumer durable brands (Source: F&S Report).

We are involved in the life cycle of the product from conceptualisation, designing and prototyping, till the final assemblies of products under ODM model. We believe that our in – house manufacturing capabilities of development of various components required for the products, process knowledge and our network of suppliers enables us to provide end – to – end solutions for all products manufactured by us. Further, we believe that having the benefit of providing such end-to-end solutions under one roof enables us to provide value added offerings such as specialised RAC components, PCB assemblies and sheet metal components.

In the Indian industry landscape, ODMs are currently being depended on primarily to manufacture the entry – level products. These products have low differentiation, and the main features for ODMs ends up being their quality, cost and delivery (Source: F&S Report). We believe our reliability, delivery and our service are the main differentiating factors that have helped us develop strong customer relationships.

As on June 30, 2023, we have a qualified and experienced R&D team with 32 employees. We have launched 795 SKUs since April 1, 2020 until June 30, 2023. For Fiscals 2021, 2022, 2023 and for three months ended June 30, 2023, our revenue from products vertical was ₹ 2,441.07 million, ₹ 4,749.98 million, ₹ 13,383.72 million and ₹ 4,415.71 million, which represented 34.71%, 42.73%, 61.96% and 65.17%, of our revenue from operations, respectively.

Set forth below is our revenue from product business under the ODM and CM business models, for the respective periods:

Particulars	Fiscal 2021		Fiscal 2022		Fiscal 2023		Three months ended June 30, 2023*	
	In ₹ million	% contribution to products business	In ₹ million	% contribution to products business	In ₹ million	% contribution to products business	In ₹ million	% contribution to products business
ODM	762.29	31.23%	2,654.15	55.88%	10,441.39	78.02%	3,792.63	85.89%
CM	1,678.78	68.77%	2,095.83	44.12%	2,942.33	21.98%	623.08	14.11%
<b>Total</b>	<b>2,441.07</b>	<b>100.00%</b>	<b>4,749.98</b>	<b>100.00%</b>	<b>13,383.72</b>	<b>100.00%</b>	<b>4,415.71</b>	<b>100.00%</b>

\* Not annualised

Given the spectrum of our portfolio, we have established and will continue to focus on strengthening our longstanding relationships with our key domestic and multi-national customers across our product verticals. Our key customers include Carrier Midea India Private Limited, DAIKIN Airconditioning India Private Limited, Flipkart India Private Limited, MIRC Electronics Limited (ONIDA), Crompton Greaves Consumer Electricals Limited, Blue Star Limited, OVOT Private Limited, Infiniti Retail Limited, LAVA International Limited, Jaina India Private Limited, AIWA India Sales & Services Private Limited, and Golden Arch Consumer Electronics Private Limited. Set forth below is the aggregate number of customers served by us as of the respective dates indicated below:

Particulars	As of March 31, 2021	As of March 31, 2022	As of March 31, 2023	As of June 30, 2023
Number of customers served	51	72	93	97

We believe we have been able to maintain long-term relationships with such customers by maintaining expected standards of manufacturing quality of products in a timely manner as well as our efforts to become a one-stop solution for their manufacturing requirements. This is substantiated by way of the following case studies below:

<b>Case Studies</b>
<p><i>Case Study A</i></p> <p>An example of our capabilities includes an instance where a customer had approached us to manufacture air coolers for them in 2016. We manufactured the product, which was approved by the customer. Subsequently, we commenced manufacturing RAC IDUs in 2018, RAC ODUs in 2022 and are manufacturing semi – automatic washing machines in 2023 for such customer.</p>
<p><i>Case Study B</i></p> <p>An example of our capabilities includes an instance where a customer had approached us to manufacture plastic injection moulded components in 2017. We manufactured the components, which was approved by the customer. Subsequently, we commenced manufacturing RAC CBUs and blow moulded plastic components in 2022, and semi – automatic washing machines in 2023 for such customer over a period of time.</p>

We believe our strong relationships with our customers have not only been instrumental in our success to date, but will also be a strong driver of our future growth and help expand our market share.

***Well – established, de – risked business model***

We derive our revenue by supplying products for usage in multiple industries. Further, as of June 30, 2023, our portfolio under the products vertical included 795 SKUs. In addition, we served 97 customers, as of June 30, 2023. We believe, our varied product offerings and continuous product development efforts have enabled us to cater to multiple industries and customers, and to enhance our ability to attract new customers. We have also been able to develop designs which are customised to customer specific requirements through our ODM capabilities, which positions us as a strategic supplier. As of March 31, 2021 we had 51 customers, and in Fiscals 2022 and 2023 and for three months ended June 30, 2023, we onboarded 21, 21 and 4 new customers, respectively.

Set out below is the revenue from operations from our business verticals during Fiscals 2021, 2022 and 2023 and for three months ended June 30, 2023:

Business Verticals	Fiscal 2021		Fiscal 2022**		Fiscal 2023		Three months ended June 30, 2023*	
	In ₹ million	% of contribution	In ₹ million	% of contribution	In ₹ million	% of contribution	In ₹ million	% of contribution
RAC	1,534.93	21.83%	2,936.75	26.42%	10,412.73	48.21%	3,832.61	56.56%
Washing machine	762.29	10.84%	1,664.33	14.97%	2,588.50	11.98%	533.48	7.87%
Air cooler	143.85	2.05%	148.9	1.34%	382.49	1.77%	49.63	0.73%
<b>Sub - total</b>	<b>2,441.07</b>	<b>34.72%</b>	<b>4,749.98</b>	<b>42.73%</b>	<b>13,383.72</b>	<b>61.96%</b>	<b>4,415.71</b>	<b>65.17%</b>
<b>Electronics</b>	358.92	5.10%	694.54	6.25%	1,571.84	7.28%	491.20	7.25%
<b>Plastic moulding</b>	4,218.31	59.99%	5,611.84	50.48%	6,541.08	30.28%	1,851.25	27.32%
<b>Tool Manufacturing</b>	13.76	0.20%	59.99	0.54%	102.84	0.48%	18.00	0.27%
<b>Total</b>	<b>7,032.06</b>	<b>100.00%</b>	<b>11, 116.35</b>	<b>100.00%</b>	<b>21,599.47</b>	<b>100.00%</b>	<b>6,776.16</b>	<b>100.00%</b>

\* Not annualised

\*\* Government Incentives from State Government (which includes PSI Incentive 2007 from Maharashtra Government) aggregating to ₹ 139.17 million was classified as other non operating income until Fiscal 2022 which was re-classified as other operating income from Fiscal 2023. Accordingly, the financial information for Fiscal 2022 has been disclosed after considering the above as "Other Operating Income" and has been extracted from the comparative financial information for Fiscal 2022 included in the audited financial statements of Fiscal 2023.

Our diverse product portfolio enables us to balance out any impact or risk incurred with respect to any single product, product vertical or customer. The contribution from the plastic moulding business has decreased from 59.99% in Fiscal 2021, to 30.28% in Fiscal 2023, and to 27.32% in the three months ended June 30, 2023.

Similarly, our diversified customer base enables us to balance out any risk associated with the customer concentration. We have over time been able to successfully reduce concentration from our top customers. Set forth below is the revenue contribution of our top customer, top five customers and top 10 customers for the respective periods:

Top Customers*	Fiscal 2021		Fiscal 2022		Fiscal 2023		Three months ended June 30, 2023	
	In ₹ million	% of revenue from operations	In ₹ million	% of revenue from operations	In ₹ million	% of revenue from operations	In ₹ million	% of revenue from operations
Top customer	1,701.69	24.20%	1,866.98	16.79%	2,426.38	11.23%	968.84	14.30%
Top 5 customers	4,229.71	60.15%	5,339.37	48.03%	10,019.53	46.39%	3,395.72	50.11%
Top 10 customers	5,517.65	78.46%	7,519.40	67.64%	15,146.52	70.12%	4,824.18	71.19%

\* The top customers have been identified for each specific year / period based on the revenue contribution of each such customer in the relevant year / period.

### **Backward integrated manufacturing infrastructure**

We have manufacturing units equipped with high quality machinery, assembly lines and full power backup which are strategically located in the states of Uttar Pradesh, Uttarakhand and Maharashtra giving us close proximity to our key customers. Our unit in Ahmednagar, Maharashtra is one of the largest and most backward integrated AC manufacturing plants at a single location in India (*Source: F&S Report*).

Our manufacturing units are subject to periodic audits by our customers, which ensures that our customers are able to confirm the continuance of quality of our facility and processes. In addition to such audits by our customers from time to time, we also conduct our in-house quality testing of our products to ensure that the quality and standard of products remains in compliance with our customer's expectations. Our quality control process has resulted in certifications and approval such as ISO 9001:2015, 14001:2015, ISO 45001: 2018 UL E520496 and IATF 16949:2016. For Fiscals 2021, 2022 and 2023 and for three months ended June 30, 2023, our sales return accounted for only 0.57%, 0.74%, 0.27% and 0.07%, respectively.

In line with the objective of electronic manufacturing services ("EMS") companies to provide end – to – end product solutions, companies are focusing on backward integration in manufacturing processes by developing plastic moulding capabilities in – house. This improves the EMS company's cost-effectiveness, reduces its reliance on third-party suppliers, and grants greater control over the production time and quality of critical components (*Source: F&S Report*). Our manufacturing units are backward integrated. We have backward integrated our RAC manufacturing processes by adding plastic moulding, sheet metal, powder coating paint-shops, heat exchangers, copper tubing, crossflow fans, printed circuit board assemblies, and complete product assembly lines for RAC IDUs and ODUs. We have built capacity to manufacture 200,000 IDUs per month and 100,000 ODUs per month as on June 30, 2023. We have developed four platforms for RACs IDUs and ODUs so far and have in-house NABL-accredited psychometric lab, safety and reliability labs and performance testing labs. Further, we have six platforms and two platforms, comprising tooling abilities and offering different kinds of products with specifications catering to customers, for manufacturing SAWM and FATL, respectively with a capacity to manufacture 100,000 SAWM and 15,000 FATL machines every month. Furthermore, we have increased our capacity from 25,000 units per month to 100,000 units per month for our SAWM platforms, as on June 30, 2023. We have the capacity to offer product development and manufacturing solutions from designing, tooling to final assembling and testing. Most of our operations are backward-integrated and the processes are carried out in-house. Backward integration gives us the flexibility to control our manufacturing processes and reduces dependence on external suppliers, which we believe helps to make us a consistent and reliable ODM supplier and contract manufacturer.

### Unit 1





Unit 2



Unit 5



Unit 2 - Subsidiary



The Government of India has been proactively building a base for electronics manufacturing in India and it has launched numerous incentive schemes, which have allowed manufacturing growth, reduced dependence on the imports, and promoted the exports. The increased demand for electronic goods such as mobile phones and consumer electronics (which includes room air conditioners, washing machine, refrigerators, television, air coolers and others) has resulted in the segment attracting the greatest amount of foreign direct investment (“**FDI**”) in recent years. The significant increase in FDI was primarily due to the establishment of manufacturing and development centres by electronic companies, as well as the government's approval of 100% FDI (Source: *F&S Report*). We believe that our reputation, coupled with future plans for our companies with a focus on integrated manufacturing, will enable us to be well – positioned to capture the growing demand.

***Skilled, experienced and qualified workforce and senior management***

Our Company has an experienced management team with experience across sectors such as industrial, mechanical engineering and manufacturing sectors. We also have a leadership team of experienced professionals, having relevant functional expertise across different industries and who are instrumental in implementing our business strategies. The leadership team is assisted by a strong Senior Management team of nine executives, heading various functions and units of our business. These include the following:

Sr. No.	Name	Designation
1.	Pranav Gupta	Business Manager
2.	Vinod Siwach	Manufacturing Head
3.	Ashwani Kumar Tyagi	Head, Business Development, Northern India
4.	Vikas Koul	Head, Business Development, Western India
5.	Mahabir Prasad Shivhare	Factory Head
6.	Nirbhay Kant Rai	Factory Head
7.	Bharat Bhushan Batra	Factory Head
8.	Bishwanath Mukherjee	Factory Head
9.	Sachin Saxena	Factory Head

For details, refer to ‘***Board of Directors and Senior Management***’ on page 193.

Our management team has been able to create value through organic growth, including new business opportunities through existing channels, as well as our strong customer relationships. The operational and management experience of our management team has enabled us to cater to the customized requirements of customers and proactively plan and execute our projects. We have a robust corporate governance system in place to monitor, guide and support our operations, with oversight by an experienced Board of Directors.

We believe our highly experienced and professional management team provides us with a key competitive advantage. Most members of our senior management have extensive experience in the precision components manufacturing industry, including in operations, business development, quality assurance, customer relationships. For further details, please see the section titled, “***Board of Directors and Senior Management***” on page 193. This results in effective operational coordination and continuity of business strategies. Our management team has led our organisation through a multi-pronged diversification of the business and development of new systems and products over the last several years.

## Consistent and strong financial performance

As a result of our focus on business expansion and capital efficiency, we have been able to achieve sustained growth with respect to various financial indicators. We consider our ability to evolve and address the needs of our marquee customer base as a key factor in the growth of our revenue from operations, which grew at a CAGR of 75.26% from Fiscal 2021 to Fiscal 2023. We are the fastest growing B2C focused ODM players in India, having recorded the highest revenue CAGR amongst listed peers (Dixon Technologies (India) Limited, Amber Enterprises Limited and Elin Electronics Limited) over Fiscal 2020 – 2023 (Source: F&S Report).

The table below sets forth some of the key financial indicators for the Fiscals 2021, 2022 and 2023 and three months ended June 30, 2023:

	(₹ in million)			
Particulars	Fiscal 2021	Fiscal 2022**	Fiscal 2023	Three months ended June 30, 2023*#
Revenue from operations	7,032.06	11,116.35	21,599.48	6,776.16
EBITDA <sup>(1)</sup>	515.65	942.82	1804.26	671.02
EBITDA margin (%) <sup>(2)</sup>	7.33%	8.48%	8.35%	9.90%
Profit for the year (“PAT”)	116.12	374.16	774.69	338.06
PAT margin (%) <sup>(3)</sup>	1.65%	3.37%	3.59%	4.99%
Return on Equity (“ROE”) (%) <sup>(4)</sup>	6.30%	14.82%	21.88%	24.92%
Return on Capital Employed (“ROCE”) (%) <sup>(5)</sup>	9.08%	13.87%	19.07%	21.72%
Net fixed asset turnover <sup>(6)</sup>	2.67	3.12	4.25	4.51
Asset turnover ratio <sup>(7)</sup>	1.30	1.35	1.68	1.94

\* Not annualised

\*\* Government incentives from State Government (which includes PSI Incentive 2007 from Maharashtra Government) aggregating to ₹ 139.17 million was classified as other non operating income until Fiscal 2022 which was re-classified as other operating income from Fiscal 2023. Accordingly, the financial information for Fiscal 2022 has been disclosed after considering the above as "Other Operating Income" and has been extracted from the comparative financial information for Fiscal 2022 included in the audited financial statements of Fiscal 2023.

# Ratios are calculated for trailing twelve months by taking average of balance sheet data of June 30, 2022, and June 30 2023.

- (1) EBITDA is calculated as profit for the period / year, plus tax expenses (consisting of current tax, deferred tax and current taxes relating to earlier years), finance costs and depreciation and amortisation expenses,
- (2) EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations.
- (3) PAT Margin is calculated as profit for the period / year as a percentage of revenue from operations.
- (4) ROE (Return on Equity) is calculated as profit after tax for the period/year divided by average total equity.
- (5) ROCE (Return on Capital Employed) is calculated as profit before tax plus finance costs divided by average net worth and average total debt.
- (6) Net fixed asset turnover is calculated as revenue from operations divided by average net fixed assets for the respective financial year.
- (7) Asset turnover ratio is calculated as revenue from operations divided by average of the total assets of the period / year.

We strive to maintain a robust financial position with emphasis on having a strong balance sheet and increased profitability. With increasing focus on and contribution from our products business, we have been able to improve our ROCE from 9.08 % in Fiscal 2021, to 19.07% in Fiscal 2023. Further, our net fixed asset turnover has improved from 2.67x in Fiscal 2021 to 4.25x in Fiscal 2023. Our strong balance sheet enables us to pursue opportunities for growth and better manage unanticipated cash flow variations. For further details on a comparative analysis of our financial position and revenue from operations, see the “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on page 100.

## Competitive Strategies

We believe that the following are our principal strategies:

### *Expand capacities and offering in existing product vertical*

The manufacturing scenario in India has changed a lot in the last few years. According to the World Bank, India ranked 63rd out of 190 countries in ‘Ease of Doing Business’ in 2021, an improvement of 79 positions between 2014 and 2021. With the recognition of electronics sector as one of the key growth drivers for the Indian economy, the sector has received significant attention from the government in the last 6 – 7 years through various policies, schemes, and incentives. The National Policy on Electronics emphasised local value addition and created an enabling environment. As the cost structure of Chinese electronics contract manufacturing keeps going up, especially with the changing geopolitical situation, tariff issues and the supply chain disruptions, there is an urgency by the OEMs to investigate realistic alternatives to manufacturing in China. Due to the above factors, OEMs are considering adding another country for increased production rather than replacing China entirely, and are looking into production locations like India, Vietnam, and Indonesia. India is well positioned to benefit from global OEM’s strategy towards “China plus one” for supply chain diversification. The Government of India has been proactively building a base for electronics manufacturing in India and it has launched numerous incentive schemes, which have allowed manufacturing growth, reduced dependence on the imports, and promoted the exports. The increased demand for electronic goods such as

mobile phones and consumer electronics (which includes room air conditioners, washing machine, refrigerators, television, air coolers and others) has resulted in the segment attracting the greatest amount of foreign direct investment (“FDI”) in recent years. The significant increase in FDI was primarily due to the establishment of manufacturing and development centres by electronic companies, as well as the government's approval of 100% FDI (*Source: F&S Report*).

To cater to such projected increase in demand, we propose to expand our manufacturing capacities by increasing the capacity of our units. For details, refer to ‘*Use of Proceeds – Investment in our Subsidiary, PG Technoplast – Funding the capital expenditure requirements of our Subsidiary, PG Technoplast for expansion of its manufacturing unit and warehousing/storage by constructing a new building*’ on page 80. In this regard, we, through our Subsidiary PG Technoplast, have entered into memorandum of understanding with the Government of Uttar Pradesh and Government of Maharashtra. In terms of the memorandum of understanding dated February 7, 2023, with Government of Uttar Pradesh, PG Technoplast is required to undertake expansion of manufacturing of RAC components and CBUs with effect from March 2024. Pursuant to the memorandum of understanding dated May 23, 2022, entered into with the Government of Maharashtra, the state government had agreed to facilitate PG Technoplast to obtain such approvals/ incentives, as may be necessary, for its proposed project having 2022 as the year of commencement. Additionally, our Company has entered into the JV Agreement with Jaina Group and Goodworth Electronics Private Limited pursuant to which Goodworth Electronics Private Limited, has become a joint venture of our Company. Subject to, among others, receipt of relevant approvals and development of necessary infrastructure, the JV intends to manufacture LED televisions, and has been formed to leverage the expertise and resources of our Company and the Jaina Group, towards this purpose. For details in relation to the capacity utilization, refer to ‘– *Manufacturing Units*’ on page 188.

We are an innovation led company with a dedicated focus on developing products, customized to the specific needs of our customers. Some of our key R&D undertakings in the past have included manufacturing of air coolers, semi – automatic washing machines, RACs, and LED TVs. We will continue to periodically review the functioning of our in-house product development strategy, identify scope for expansion and undertake projects to increase our production capabilities.

#### ***Expansion of addressable market through development of new products***

We will continue to leverage our ability to launch new products in order to increase our revenues and market share in our target markets. With the ever-evolving consumer needs and preferences, we intend to continuously work towards launching new products and categories at various price points with an aim to increase our market share and our share of the wallets of our consumers. In this regard, we intend to further improve our product offerings and are looking at opportunities in similar product categories.

We cater to our customers across multiple industries. We believe that the repeated business we have received from our customers is an indicator of our position as a preferred supplier. We intend to tap into the market share of existing customers for other products as well as the corresponding market and supply chain for other products. As of June 30, 2023, we had a portfolio of 795 SKUs, which enabled us to cater to existing and new customers and markets. We believe that our continuing R&D endeavours for quality will help increase our overall market share for product groups. We have built long – standing relationships with our customers by capitalizing on our diversified product portfolio and services we offer.

Going forward, we intend to continue to leverage our diversified product portfolio and our industry standing to establish relationships with new export and local customers and expand our customer base.

#### ***Continue to explore adjacent applications for our robust capabilities in plastic moulding***

We are the largest manufacturer of plastic moulding for consumer durables and consumer electronics industry, in terms of revenue in India, as on March 31, 2023 (*Source: F&S Report*). Our Company has over 300 moulding machines, ranging from 90T to 1,850T, across five manufacturing units in Greater Noida, Roorkee and Ahmednagar. Our Company specialises in developing small, medium and large sized, high-precision, surface critical plastic moulded components which are used to manufacture a wide variety of automotive and electronic equipment. We have capacities for various specialised moulding operations such as vertical injection moulding, plastic blow moulding and thermoset moulding and also offer a number of specialised post-moulding operations to meet customer needs.

While our product portfolio includes RACs, washing machines, and electronics, we have also diversified into engineered plastics for sanitaryware, automotive and other specialized applications. We intend to explore further applications for our plastic moulding capabilities, sheet metal capacities and PCB assembly lines, to further grow our component business.

#### ***Take advantage of a growing industry with strong tailwinds***

In terms of the F&S Report, the Government of India is encouraging domestic manufacturing through supporting policies and initiatives that are likely to lead to overall development in the ecosystem and will open up gates of opportunities for companies, vendors, and distributors in the market. Incentives for local manufacturing, demand side support through Government procurement, import barriers via duties and favourable steps like GST that reduced complexity of operations, are pull factors for both multi – national companies as well as domestic manufacturers to invest in India. Some of the key initiatives/ schemes/ programs introduced by the Government in boosting the electronics industry in India include:

- *Atmanirbhar Bharat (Make in India initiative)* wherein the Government of India announced this initiative to make India a global manufacturing hub, by facilitating both domestic as well as international companies to set - up manufacturing bases in India and it has released special funds to boost the local manufacturing of mobile phones and electronic components.
- *Phased Manufacturing Plan Programme (PMP)* to promote indigenous manufacturing of electronic products. Initially introduced for mobile phones, the program is gradually extended to other electronic products. According to the PMP, the government offers various incentives, including differential duty exemptions such as countervailing duty (CVD) on imports and excise duty without input tax credit.
- *Production Linked Incentive (PLI) Scheme* - the scheme was initially announced in the year 2019 by the Government of India considering the incremental investment and sales of manufactured goods specifically to mobile phones and components market in India. It is expected to promote exports in the next few years.

Our Company, through its wholly owned subsidiary PG Technoplast, has one of the largest allocations of the PLI Scheme for white goods (air conditioners), being the fifth largest investment commitment and since the PLI Scheme is fund limited, it has one of the highest benefit eligibilities. PGEL will be eligible for the PLI disbursement starting in FY24 due to shorter project gestation, as compared to most of its peers who have committed investments with longer gestation periods, who can expect the disbursement a year later in FY25 (*Source: F&S Report*).

In November 2021 and March 2022, our Subsidiary, PG Technoplast, received approval under PLI Scheme for certain identified eligible white good products such as control assemblies for IDU or ODU or remotes, plastic moulding components, sheet metal components, heat exchangers, cross flow fan, motor and display panels (LCD / LED). Contingent on us achieving the defined revenue targets, meeting investment conditions, and complying with other conditions stipulated thereunder, the PLI Scheme gives us a total potential cumulative benefit of ₹ 1,987.50 million over the five financial years starting from Fiscal 2023 – 2024, which we believe will allow us to provide a better value proposition to our customers. For further details in this respect, see **“Risk Factors – Our Subsidiary, PG Technoplast may not continue to enjoy the existing benefits under the PLI Scheme, which could have a materially adverse impact on our profitability”** on page 63.

#### ***Continue improving financial performance through focus on operational and functional efficiencies***

Optimisation and reduction of costs remains our key focus area and we continue to work towards attaining cost efficiencies, whether it be in the supply chain management or during the production process.

Further, we are also seeking to reduce our environmental footprint by focussing on solar energy. In this respect, we have installed a 1.4 MW rooftop grid system solar panel at our Unit 2 – Subsidiary in Maharashtra, and a 0.65 MW solar plant at our Unit – 4 in Maharashtra. In addition, in 2022, we have also entered into a power purchase agreement with a company to obtain at least 3.1 MW of solar energy for our manufacturing unit at Uttar Pradesh for a period of 25 years. Going forward, we will continue to evaluate and undertake such initiatives which would improve our functional efficiencies. We will also seek to ensure that our future manufacturing units are strategically located to demand zones, as identified at the relevant time.

## SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Placement Document, including the sections titled “*Risk Factors*”, “*Use of Proceeds*”, “*Placement*”, “*Issue Procedure*” and “*Description of the Equity Shares*” on pages 43, 80, 229, 217 and 243, respectively.

<b>Issuer</b>	PG Electroplast Limited
<b>Face Value</b>	₹10 per Equity Share
<b>Issue Size</b>	Issue of 3,205,128 Equity Shares at a premium of ₹ 1,550.00 per Equity Share, aggregating to ₹ 5,000.00 million  A minimum of 10% of the Issue Size i.e., at least up to 320,513 Equity Shares, was made available for Allocation to Mutual Funds only and the balance 2,884,615 Equity Shares were made available for Allocation to all QIBs, including Mutual Funds. In case of under-subscription in the portion available for Allocation to Mutual Funds, such undersubscribed portion or part thereof would have been Allotted to other Eligible QIBs.
<b>Date of Board Resolution</b>	May 28, 2022, read with August 12, 2022.
<b>Date of Shareholders’ Resolution</b>	September 29, 2022.
<b>Face Value</b>	₹ 10 per Equity Share of the Company.
<b>Floor Price</b>	₹ 1,641.09 per Equity Share  The Floor Price for the Issue has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations.  Our Company has offered a discount of ₹ 81.09 per Equity Share, equivalent to 4.94% on the Floor Price in accordance with the approval of our Board dated May 28, 2022 read with August 12, 2022 and the shareholders of our Company accorded through their special resolution passed on September 29, 2022 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
<b>Issue Price</b>	₹ 1,560.00 per Equity Share of the Company (including a premium of ₹ 1,550.00 per Equity Share)
<b>Eligible Investors</b>	Eligible QIBs, to whom the Preliminary Placement Document and the Application Form were delivered and who were eligible to bid and participate in the Issue. For further details, please see the sections titled “ <i>Issue Procedure – Eligible Qualified Institutional Buyers</i> ” and “ <i>Transfer Restrictions and Purchaser Representations</i> ” on pages 221 and 237, respectively.  The list of Eligible QIBs to whom the Preliminary Placement Document and the Application Form were and this Placement Document will be delivered, shall be determined by the BRLMs in consultation with the Company, at their sole discretion.
<b>Equity Shares issued and outstanding immediately prior to the Issue</b>	22,819,517 Equity Shares of face value of ₹ 10 each, being fully paid-up
<b>Subscribed and paid-up Equity Share capital prior to the Issue</b>	₹ 228,195,170
<b>Equity Shares issued and outstanding immediately after the Issue</b>	26,024,645* Equity Shares  * <i>Subject to Allotment of Equity Shares pursuant to the Issue.</i>
<b>Issue Procedure</b>	The Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act, read with Chapter VI of the SEBI ICDR Regulations. For details, please see the section titled “ <i>Issue Procedure</i> ” on page 217.

<b>Listing</b>	<p>Our Company has received in-principle approvals each dated August 28, 2023 from BSE and NSE respectively in terms of Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue.</p> <p>Our Company shall make applications to each of the Stock Exchanges after Allotment to obtain final listing approval for the Equity Shares.</p>
<b>Trading</b>	<p>The trading of the Equity Shares would be in dematerialized form and only in the cash segment of each of the Stock Exchanges.</p> <p>Our Company will make applications to each of the Stock Exchanges after credit of Equity Shares to the beneficiary account with the Depository Participant to obtain final trading approval for the Equity Shares to be issued pursuant to this Issue.</p>
<b>Lock-up</b>	See “ <b>Placement – Lock-up</b> ” on page 229 for a description of restrictions on our Company and Promoters in relation to Equity Shares.
<b>Transferability Restrictions</b>	The Equity Shares being Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. For further details, please see the section titled “ <b>Transfer Restrictions and Purchaser Representations</b> ” on page 237.
<b>Use of Proceeds</b>	The Gross Proceeds from the Issue aggregate to ₹ 5,000.00 million. Subject to compliance with applicable laws, the net proceeds from the Issue, after deducting fees, commissions and the estimated expenses of the Issue of approximately ₹ 150.00 million is approximately ₹ 4,850.00 million. For details, please see the section titled “ <b>Use of Proceeds</b> ” on page 80.
<b>Risk Factors</b>	For details, please see the section titled “ <b>Risk Factors</b> ” on page 43 for a discussion of risks you should consider before deciding whether to subscribe for the Equity Shares.
<b>Dividend</b>	See “ <b>Description of the Equity Shares</b> ” and “ <b>Dividends</b> ” on pages 243 and 99, respectively.
<b>Taxation</b>	Please see the section titled “ <b>Taxation</b> ” on page 246
<b>Closing Date</b>	The Allotment is expected to be made on or about September 2, 2023
<b>Status, Ranking and dividends</b>	<p>The Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank <i>pari passu</i> in all respects with the existing Equity Shares, including rights in respect of dividends. Our Shareholders (as on record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, 2013, the SEBI Listing Regulations and other applicable laws and regulations. Our Shareholders may attend and vote in shareholders’ meetings on the basis of one vote for every Equity Share held.</p> <p>For details, please see the sections titled “<b>Description of the Equity Shares</b>” and “<b>Dividends</b>” on pages 243 and 99.</p>
<b>Voting Rights</b>	See “ <b>Description of the Equity Shares – Voting Rights</b> ” on page 244.
<b>Security Codes for the Equity Shares</b>	<p>ISIN: INE457L01011</p> <p>BSE Code: 533581</p> <p>NSE Symbol: PGEL</p>

## SELECTED FINANCIAL INFORMATION

The following tables set out selected financial information as extracted from our Financial Statements, prepared in accordance with the applicable accounting standards (Ind AS), Companies Act, 2013 and the requirements of SEBI Listing Regulations, as applicable, and presented in “*Financial Information*” on page 252. The selected financial information presented below should be read in conjunction with “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Financial Information*”, on pages 100 and 252, respectively, for further details.

### SUMMARY OF BALANCE SHEET AS AT JUNE 30, 2023, MARCH 31, 2023, MARCH 31, 2022, AND MARCH 31, 2021

Particulars	As at June 30, 2023 (Consolidated)	As at March 31,		
		2023 (Consolidated)	2022 (Consolidated)	2021 (Consolidated)
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, Plant and Equipment	5,797.25	5,765.70	4,402.88	2,725.77
(b) Capital work-in-progress	25.80	19.75	48.90	60.12
© Goodwill	0.03	0.03	0.03	0.03
(d) Intangible assets	12.25	12.20	6.68	5.52
© Financial Assets				
(i) <i>Investment</i>	23.12	21.76	6.90	1.55
(ii) <i>Other Financial Assets</i>	112.61	99.46	83.74	31.20
(f) Deferred tax assets (net)	-	-	-	-
(f) Other non-current assets	212.15	78.32	55.39	139.33
<b>Total Non-current assets</b>	<b>6,183.21</b>	<b>5,997.22</b>	<b>4,604.52</b>	<b>2,963.52</b>
<b>Current assets</b>				
(a) Inventories	2,752.37	3,533.81	2,860.33	926.11
(b) Financial Assets				
(i) <i>Trade receivables</i>	3,168.19	4,378.74	2,133.27	1,472.56
(ii) <i>Cash and cash equivalents</i>	29.19	86.69	238.53	74.19
(iii) <i>Bank balances other than(ii) above</i>	265.95	309.58	153.31	99.91
(iv) <i>Loans</i>	4.95	4.58	27.53	3.13
(v) <i>Others financial assets</i>	272.41	267.59	193.66	23.25
(c) Other current assets	469.69	366.16	430.42	212.88
(d) Income Tax Assets (Net)	-	137.29	43.69	18.29
<b>Total Current Assets</b>	<b>6,962.75</b>	<b>9,084.43</b>	<b>6,080.74</b>	<b>2,830.32</b>
<b>TOTAL ASSETS</b>	<b>13,145.96</b>	<b>15,081.65</b>	<b>10,685.26</b>	<b>5,793.84</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital	227.91	227.43	212.25	196.94
(b) Other Equity	4,092.33	3,731.85	2,910.73	1,727.75
<b>Total Equity</b>	<b>4,320.34</b>	<b>3,959.28</b>	<b>3,122.98</b>	<b>1,924.69</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	2,138.26	2,249.60	1,717.85	870.88
(ii) Other financial liabilities	21.77	21.75	17.84	24.25
(iii) Lease Liabilities	307.75	316.22	133.98	5.40
(b) Deferred Tax Liabilities (Net)	289.34	281.76	165.56	49.30
(c) Provisions	59.62	56.21	44.77	56.01
(d) Other Liabilities	64.32	60.47	-	-
<b>Total Non-current liabilities</b>	<b>2,881.06</b>	<b>2,986.01</b>	<b>2,080.00</b>	<b>1,005.84</b>
<b>Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	2,643.22	3,175.65	2,120.66	962.13
(ii) Trade payables -other than micro & small enterprises	2,446.89	3,602.73	2,556.27	1,423.05
(iii) Trade payables -micro & small enterprises	182.89	296.78	135.81	110.43
(iv) Other financial liabilities	370.40	531.69	445.33	201.71
(v) Lease Liabilities	29.94	28.42	13.74	9.87



Particulars	As at June 30, 2023 (Consolidated)	As at March 31,		
		2023 (Consolidated)	2022 (Consolidated)	2021 (Consolidated)
(b) Other current liabilities	246.25	407.23	201.38	152.01
(c) Provisions	9.44	9.31	9.09	4.11
(d) Income Tax Liabilities	15.63	84.55	-	-
<b>Total Current liabilities</b>	<b>5,944.66</b>	<b>8,136.36</b>	<b>5,482.28</b>	<b>2,863.31</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>13,145.96</b>	<b>15,081.65</b>	<b>10,685.26</b>	<b>5,793.84</b>

Note: Subsequent to June 30, 2023, our Company acquired its shareholding in our joint venture, Goodworth Electronics Private Limited, aggregating to 50% of the joint venture's share capital on July 31, 2023.

**SUMMARY OF STATEMENT OF PROFIT AND LOSS FOR THE THREE MONTHS ENDED JUNE 30, 2023, AND THE FISCAL YEARS ENDED MARCH 31, 2023, MARCH 31, 2022, AND MARCH 31, 2021**

(₹ in million)

Particulars	For the three months ended June 30, 2023 (Consolidated)	For the financial year ended March 31,		
		2023 (Consolidated)	2022* (Consolidated)	2021 (Consolidated)
<b>I. Income from Operations</b>				
(a) Revenue from Operations (net)	6,776.16	21,599.48	11,116.35	7,032.06
(b) Other Income	12.96	43.86	43.24	26.20
<b>Total Revenue</b>	<b>6,789.12</b>	<b>21,643.34</b>	<b>11,159.59</b>	<b>7,058.26</b>
<b>II. Expenses:</b>				
(a) Cost of Materials consumed	4,902.31	16,046.14	7,314.98	5,183.12
(b) Purchase of stock-in-trade	271.19	1,881.57	1,816.18	350.14
(c) Changes in inventories of Finished Goods, Work in progress & Stock in Trade	377.29	(282.63)	(290.81)	31.89
(d) Employee benefits expense	356.10	1,228.55	778.54	549.95
(e) Finance Costs	140.38	479.32	231.26	184.36
(f) Depreciation and amortisation expense	107.05	349.51	221.13	180.12
(g) Other expenses	211.21	965.44	607.19	419.36
<b>Total Expenses</b>	<b>6,365.53</b>	<b>20,667.90</b>	<b>10,678.47</b>	<b>6,898.94</b>
III. Profit/(Loss) before exceptional items and tax (I-II)	423.59	975.44	481.12	159.32
IV. Exceptional Items	-	-	(9.31)	8.16
<b>V. Profit/(Loss) before tax (III-IV)</b>	<b>423.59</b>	<b>975.44</b>	<b>490.43</b>	<b>151.16</b>
VI. Tax expense				
(1) Current Tax	77.79	84.55	-	-
(2) Deferred Tax	7.74	116.20	116.27	35.04
<b>VII. Profit / (Loss) for the period (V-VI)</b>	<b>338.06</b>	<b>774.69</b>	<b>374.16</b>	<b>116.12</b>
VIII. Other Comprehensive Income				
A(i) Items that will not be reclassified to profit or loss	(0.75)	(0.31)	4.70	5.22
(ii) Income tax relating to items that will not be reclassified to profit or loss	0.17	0.01	-	-
(iii) Deferred tax on above A(ii)	-	-	-	-
B(i) Items that will reclassified to profit or loss	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
Total Other Comprehensive Income	(0.58)	(0.30)	4.70	5.22
<b>IX. Total Comprehensive Income for the period (VII+VIII)</b>	<b>337.48</b>	<b>774.39</b>	<b>378.86</b>	<b>121.34</b>

Note: Subsequent to June 30, 2023, our Company acquired its shareholding in our joint venture, Goodworth Electronics Private Limited, aggregating to 50% of the joint venture's share capital on July 31, 2023.

\* Government Incentives from the State Government (which includes PSI Incentive 2007 from Maharashtra Government) aggregating to ₹ 139.17 million was classified as other non-operating income until Fiscal 2022 which was re-classified as Other Operating Income from Fiscal 2023. Accordingly, the financial information for Fiscal 2022 has been disclosed after considering the above as "Other Operating Income" and has been extracted from the comparative financial information for Fiscal 2022 included in the audited financial statements of Fiscal 2023.

**SUMMARY OF STATEMENT OF CASH FLOW FOR THE THREE MONTHS ENDED JUNE 30, 2023, AND THE FISCAL YEARS ENDED MARCH 31, 2023, MARCH 31, 2022 AND MARCH 31, 2021**

(₹ in million)

Particulars	For the three months ended June 30, 2023 (Consolidated)	For the financial year ended March 31,		
		2023 (Consolidated)	2022 (Consolidated)	2021 (Consolidated)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before tax	423.59	975.44	490.43	151.16
<b>Adjustments to reconcile profit before tax to net cash flows</b>				
Depreciation and amortisation expenses	107.05	349.51	221.13	180.12
Employees expenses non-operating	(0.76)	(0.31)	4.70	5.23
Loss on sale of property, plant and equipment & assets written off	-	3.52	0.43	1.87
Profit on sale of property, plant and equipment	(0.51)	(1.16)	(0.78)	(4.44)
Miscellaneous balances written off	-	3.52	1.92	6.29
Provision for warranty expenses- post sales	-	(1.60)	5.00	-
Provision for Doubtful recoveries	-	-	-	-
Provision for doubtful receivable & debts	-	-	22.11	3.87
Provision for doubtful advance to suppliers & capital advance	-	19.70	10.50	3.00
Provision for slow & non moving Inventories	2.54	0.73	1.80	6.78
Impairment allowance	-	-	-	0.50
Loss on Inventory due to Fire	-	0.79	0.15	14.69
Loss on property, plant and equipment due to Fire	1.51	1.63	1.14	-
Liabilities no longer required written back	(0.03)	(1.47)	(2.82)	(0.91)
Employee stock option scheme	23.02	33.94	20.68	-
Interest expense on lease liabilities	5.18	18.22	7.48	1.81
Fair value gain on Investment recognised through FVTPL	(0.76)	(0.17)	(0.42)	(0.15)
Interest expense	135.20	461.09	223.78	182.55
Interest income	(11.43)	(31.81)	(20.55)	(11.74)
<b>Cash flow generated from operating activity before working capital adjustments</b>	<b>684.60</b>	<b>1831.57</b>	<b>986.68</b>	<b>540.63</b>
<b>Working capital adjustments:</b>				
Increase/(decrease) in trade Payables	(1269.70)	1,208.91	1,161.41	471.24
Increase/(decrease) in non - current provisions	3.42	11.44	(11.23)	(1.45)
Increase/(decrease) in non - current liabilities	3.86	60.47	-	-
Increase/(decrease) in short - term provisions	0.13	1.82	(0.01)	(1.96)
Increase/(decrease) in other current liabilities	(160.98)	205.85	49.36	104.59
Increase/(decrease) in current financial liabilities	(87.59)	131.11	91.48	40.37
Decrease/(increase) in trade receivables	1210.55	(2,268.69)	(695.25)	(473.86)
Decrease/(increase) in inventories	778.90	(675.01)	(1,936.17)	(101.78)
Decrease / (increase) in short - term loans	(0.37)	22.95	(24.40)	(1.33)
Decrease/(Increase) in other current assets	(103.55)	64.28	(217.56)	(37.02)
Decrease/(Increase) in other current financial assets	(4.96)	(24.07)	(153.33)	24.80
Decrease/(increase) in other non current assets	1.14	(2.11)	(3.70)	1.29
Decrease/(Increase) in other non financial assets	(7.90)	(17.55)	(9.91)	(4.66)
<b>Cash generated (used in)/generated from operations</b>	<b>1047.55</b>	<b>550.97</b>	<b>(762.63)</b>	<b>560.86</b>
Direct taxes (paid)/refund	(9.42)	(93.60)	(25.40)	12.10
<b>Net cash flow (used in)/generated from operating activities (A)</b>	<b>1038.13</b>	<b>457.38</b>	<b>(788.03)</b>	<b>572.96</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				

Particulars	For the three months ended June 30, 2023 (Consolidated)	For the financial year ended March 31,		
		2023 (Consolidated)	2022 (Consolidated)	2021 (Consolidated)
Purchase of Property Plant and equipment including CWIP and Intangible assets	(352.89)	(1,545.66)	(1,571.02)	(440.93)
Proceeds from sale of Property plant and equipment	(0.71)	3.78	58.49	15.57
Investments made during the year	(0.60)	(15.32)	(4.93)	(1.40)
Maturity of bank deposit having maturity more than 3 months	38.38	(202.51)	(110.60)	(21.93)
Interest received	11.58	30.02	18.05	11.31
<b>Net cash flow used in investing activities (B)</b>	<b>(304.24)</b>	<b>(1,729.69)</b>	<b>(1,610.01)</b>	<b>(437.38)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from long-term borrowings	47.13	1,154.33	1,260.74	568.76
Repayment of long-term borrowings	(129.58)	(412.28)	(351.09)	(207.65)
Proceeds from issue of equity share capital	-	33.49	440.72	41.06
Shares transferred to beneficiary	0.48	-	-	-
Proceeds from cumulative compulsory convertible debentures	-	-	362.92	-
Proceeds from/(Repayment of) Short-term borrowings (Net)	(562.94)	849.79	1,090.97	(382.86)
Payment of principal portion of lease liabilities	(6.96)	(21.63)	(14.50)	(9.94)
Payment of interest portion of lease liabilities	(5.18)	(18.23)	(7.49)	(1.82)
Interest paid	(134.34)	(465.00)	(219.89)	(181.83)
<b>Net cash flow (used in)/generated from financing activities (C)</b>	<b>(791.39)</b>	<b>1,120.47</b>	<b>2,562.38</b>	<b>(174.28)</b>
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(57.50)	(151.84)	164.34	(38.70)
Cash and cash equivalents at the beginning of the year	86.69	238.53	74.19	112.89
<b>Cash and cash equivalents at the end of the year</b>	<b>29.19</b>	<b>86.69</b>	<b>238.53</b>	<b>74.19</b>
<b>Components of cash and cash equivalents</b>				
Cash on hand	1.31	0.56	1.20	0.48
With banks:				
-on current account	27.88	86.13	237.33	73.71
<b>Total cash and cash equivalents</b>	<b>29.19</b>	<b>86.69</b>	<b>238.53</b>	<b>74.19</b>

*Note: Subsequent to June 30, 2023, our Company acquired its shareholding in our joint venture, Goodworth Electronics Private Limited, aggregating to 50% of the joint venture's share capital on July 31, 2023.*

## **RELATED PARTY TRANSACTIONS**

For details of the related party transactions during (i) the three months ended June 30, 2023 (including the comparative financial information for the three months ended June 30, 2022); (ii) the Financial Year ended March 31, 2023; (iii) the Financial Year ended March 31, 2022; and (iv) the Financial Year ended March 31, 2021 as per the requirements under Indian Accounting Standard (Ind AS) 24– Related Party Disclosures, please see the section titled “***Financial Information***”, on page 252 for the above mentioned period/fiscal years respectively.

## RISK FACTORS

*This Issue and an investment in Equity Shares involve a high degree of risk. You should carefully consider the risks described below as well as other information in this Placement Document expected to be prepared in connection with the Issue before making an investment decision. If any one or a combination of the risks described below actually occurs, our business, prospects, financial condition, results of operations and cash flows could be seriously affected, the trading price of our Equity Shares could decline and you may lose all or part of your investment. Unless specified in the risk factors below, we are not in a position to quantify the financial implications of any of the risks mentioned below. We have described the risks and uncertainties that our management believes are material but the risks set out in this Placement Document may not be exhaustive or complete, and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material, as the case may be, in the future. This section should be read together with the sections titled, “Industry Overview”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Information” beginning on pages 129, 172, 100 and 252 of this Placement Document, respectively, as well as the financial statements, including the notes thereto, and other financial information included elsewhere in this Placement Document. This Placement Document contains forward-looking statements that involve risks and uncertainties. Prospective investors should carefully consider the following risk factors as well as other information included in this Placement Document prior to making any decision as to whether or not to invest in our Issue. The risks described below and any additional risks and uncertainties not presently known to us or that currently are deemed immaterial could adversely affect our business, financial condition, liquidity or results of operations. As a result, the trading price of our Equity Shares could decline and investors may lose part or all of their investment. Any potential investor in, and purchaser of our Equity Shares should pay particular attention to the fact that we are governed in India by a legal and regulatory environment which in some material respects may be different from that which prevails in other countries.*

*Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for Fiscals 2021, 2022 and 2023 included herein is based on the Audited Financial Statements, and the financial information for three months ended June 30, 2023 (including the comparative financial information with respect to the three months ended June 30, 2022) is based on the Unaudited Condensed Interim Consolidated Financial Statements, included in this Placement Document. For further information, see “Financial Information”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Selected Financial Information” on pages 252, 100 and 38, respectively.*

*In this section, unless the context otherwise requires, a reference to “our Company” is a reference to PG Electroplast Limited on a standalone basis, while any reference to “we”, “us”, “our” or “our Group” is a reference to the Company and its Subsidiaries on a consolidated basis. Our Company did not have any joint venture in Fiscals 2021, 2022, 2023 and the three months ended June 30, 2023. However, subsequent to June 30, 2023, our Company acquired its shareholding in Goodworth Electronics Private Limited, our joint venture, on July 31, 2023.*

*Unless otherwise indicated, all industry and market data used in this section has been derived from the report “EMS Opportunities in Indian Consumer Durables Segment dated August 24, 2023 (the “F&S Report”) prepared and released by Frost & Sullivan and commissioned by us. Our Company commissioned and paid for the F&S Report pursuant to the engagement letter dated February 20, 2023. Frost & Sullivan is not related in any manner to our Company, its Subsidiaries, Directors, Key Managerial Personnel, members of Senior Management or the Promoters. For risks in relation to commissioned reports, see “Risk Factors – This Placement Document contains information from industry sources including the industry report commissioned by the Company from Frost & Sullivan.” on page 69.*

*This Placement Document also contains forward-looking statements that involve risk and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below in “Forward-Looking Statements” on page 14, and elsewhere in this Placement Document.*

### **Risks related to our Business**

- 1. The names of two of our Independent Directors, Sharad Jain and Ram Dayal Modi, appear in the suit filed accounts list issued by TransUnion CIBIL Limited (formerly Credit Information Bureau (India) Limited) (“CIBIL”). In the event their names continue to appear in the list of wilful defaulters, it may have an adverse impact on the Issue, our reputation and operations.***

The names of our Independent Directors, Sharad Jain and Ram Dayal Modi, are appearing in the CIBIL list of suit filed accounts – defaulters ₹ 1 crore and above as on the date of this Placement Document. Sharad Jain was appointed as a non – executive director on the board of Allied Strips Limited on August 20, 2014, and resigned on January 1, 2016. Subsequently, after his resignation, Allied Strips Limited was unable to service its debt obligations and accordingly insolvency proceedings were initiated against them. As a result, the lender, Bank of Maharashtra, reported such defaults for publication in the CIBIL list. Further, Ram Dayal Modi was appointed as an independent director on the board of MBL Infrastructure Limited on May 13, 2021. Upon failure by MBL Infrastructure Limited to service its debt obligations, RBL Bank Limited filed an application before the National Company Law Tribunal, Kolkata, to initiate insolvency proceedings against MBL Infrastructure Limited on March 30, 2017, and two resolution plans were passed and put to operation on April

18, 2018. The Supreme Court of India, *vide* its order dated January 18, 2022, disposed – off the appeals and directed for the interest of the dissenting creditors to be met as per the resolution plans. The NCLT *vide* its order dated March 11, 2022, directed the implementation of the resolution plan. Accordingly, MBL Infrastructure Limited will continue to show as a defaulter till the resolution plan has been implemented by all banks. For further details, please see the section titled, “**Board of Directors and Senior Management**” on page 193.

There can be no assurance that the relevant lenders of Allied Strips Limited and MBL Infrastructure Limited will remove the names of Sharad Jain and Ram Dayal Modi from the CIBIL list. Any such event may result in an adverse impact on the Issue, our reputation and our operations.

2. ***Our Company and Promoters were debarred from accessing capital markets in the past. In the event this were to happen again, it may have an adverse impact on our reputation, our ability to raise funds in the future, our growth plans, operations and financial condition.***

Our Company raised money through an initial public offering (“**IPO**”) on September 26, 2011. Upon noticing fluctuations in the share price of our Company immediately following its listing, SEBI conducted an investigation in relation to the IPO, with the preliminary findings prima facie revealing suppression of material facts in the offer documents, syphoning and diversion of IPO proceeds through purchase orders and non – compliance with the disclosure requirements under the SEBI ICDR Regulations, 2009. SEBI passed an interim order dated December 28, 2011, wherein our Company was prohibited from raising any further capital and Promoters were prohibited from buying, selling or dealing in the securities market for a period of 10 years. Subsequently, pursuant to a final order of SEBI dated March 11, 2014 (“**WTM Order**”), our Company and Promoters were prohibited to raise any further capital from the securities market for a period of 10 years from December 28, 2011, and directed us to deposit the IPO proceeds in an escrow account. On appeal of the WTM Order, the Securities Appellate Tribunal (“**SAT**”) held that our Company partially failed to disclose material information as was required for investors to enable them to make an informed decision. The debarment was reduced to seven years from 10 years pursuant to an order of SAT dated August 30, 2016, on grounds of it being highly disproportionate and to maintain balance between imposition of the punishment and upholding interests of investors. Parallely, the adjudicating officer of SEBI, who had commenced proceedings, pursuant to an order dated August 2, 2017 (“**AO Order**”), imposed a monetary penalty of ₹ 10 million on our Company and each of our Promoters for the grounds as stated above. On appeal of the AO Order, the SAT pursuant to an order dated August 2, 2019, set aside the monetary penalty imposed on our Company and each of our Promoters on the ground of it being grossly disproportionate to the violation and stating that the WTM Order of debarment is a sufficient penalty to cover the technical violation by our Company. While the debarment period is over, any non – compliance with securities laws and/or consequent disciplinary action by SEBI or any other governmental authorities may severely impact our reputation, business operations and ability to raise funds in the future.

3. ***We are highly dependent on a limited number of customers for a majority portion of our revenue from operations. The loss of relationship or a significant reduction in purchases by such customers could have a material adverse impact on our business, financial condition, results of operations and future prospects.***

We are highly dependent on a limited number of customers, who contribute to a significant portion of our revenue from operations. Set out below is the revenue generated from our top customer, top five customers and top 10 customers for the respective period / years:

Top Customers	Fiscal 2021		Fiscal 2022		Fiscal 2023		Three months ended June 30, 2023**	
	In ₹	%	In ₹	%	In ₹	%	In ₹	%
	million	of revenue from operations	million	of revenue from operations	million	of revenue from operations	million	of revenue from operations
Top customer	1,701.69	24.20%	1,866.98	16.79%	2,426.38	11.23%	968.84	14.30%
Top 5 customers	4,229.71	60.15%	5,339.37	48.03%	10,019.53	46.39%	3,395.72	50.11%
Top 10 customers	5,517.65	78.46%	7,519.40	67.64%	15,146.52	70.12%	4,824.18	71.19%

\* *The top customers have been identified for each specific year / period based on the revenue contribution of each such customer in the relevant year / period.*

\*\* *Not annualised*

Since we are largely dependent on such customers for a significant portion of our sales, the loss of any one such customers or a significant reduction in demand from such customers could have a material adverse effect on our business. Additionally, we may not be able to retain the business of such customers or maintain the current level of business with each of these customers. The risks may include, but are not limited to, reduction, delay or cancellation of orders from our significant customers, failure to enter into new purchase orders with one or more of our significant customers, failure to renegotiate favourable terms with our key customers, our inability to meet the expectations to track the changing preferences of our customers or non – acceptance of our products by customers. In order to retain some of our existing customers we may also be required to offer terms to such customers which we may place restraints on our resources.

Further, in the event of loss of any of such customers, it may significantly affect our revenues and we may face challenges in securing comparable levels of business from other customers or may not be able to secure new customers in a timely manner or at all to offset any impact of loss of revenue from our customers. The occurrence of any of the above may have a significant adverse impact on our business, financial condition, results of operations and future prospects.

- 4. *Our primary clients are the brands we serve, who outsource some of their manufacturing of their products to us to reduce their costs and achieve scale. Our business model would be impacted, in case of any change in their location of business or change in business model of contract manufacturing.***

We are an established ODM and contract manufacturer, for the consumer durables industry in India, with primary focus on manufacture of RACs, washing machines and plastic moulding. We are the largest manufacturer of plastic moulding for consumer durables and consumer electronics industry in terms of revenue in India as on March 31, 2023 (*Source: F&S Report*). We are the second largest player in terms of RAC finished good sales to the OEMs / brands, basis Fiscal 2023 data (*Source: F&S Report*). However, there can be no assurance that we will be able to retain our market share.

We have manufacturing units equipped with standard quality machinery, assembly lines and full power backup which are strategically located in the states of Uttar Pradesh, Uttarakhand and Maharashtra giving us close proximity to our customers. To meet specific requirements of our customers, some of the brands who we serve, outsource their manufacturing requirements to us. The decision of our customers to outsource is affected by their own ability and capacity for manufacturing, the competitive advantages of outsourcing as well as their business position and financial condition. We cannot assure you that our customers will continue to outsource or increase the share of outsourcing in their manufacturing operations. If our customers do not continue to outsource the manufacturing of their products or reduce the amount of manufacturing outsourced by them or if our customers decide to perform these functions independently or choose to outsource their manufacturing of such products to other ODMs or contract manufacturers, our future growth could be limited and our sales and operating results may suffer. Further, any change or shift in location of business would result in loss of our customers which would have significant impact our revenue and operations.

- 5. *We do not have long – term volume purchase commitments from our customers. If our customers choose not to continue to place orders with us, our business and results of operations will be adversely affected. Further, any breach of the conditions under the purchase orders with customers may adversely affect our business and results of operations.***

We supply specific products to our customers in terms of purchase orders, typically on a per order basis and such customer may place repeat orders, on a case – to – case basis. While we have no formal arrangement with our customers, they provide us with purchase orders which typically include the price, precise terms for lead time for delivery of products, delivery schedule in terms of quantities for certain months. At times we may have to agree with certain onerous terms laid down by our customers. Such onerous terms may have an effect on margins and our future growth including expansion of customer base. Such terms and conditions include, among others, details of vendors for raw materials that are approved by some of our customers, manner of inspection and testing of products manufactured, representation and warranties made by us in relation to our manufacturing capabilities, process to be followed in case of defects, steps to ensure compliance with applicable laws, quality of products, undertakings in relation to protection of intellectual property of our customers, indemnification of our customers due to our negligence or breach of any term of the order, defect warranties in relation to the products manufactured or assembled by us. Additionally, non-compliance with the terms of our purchase orders may lead to, among others, damages or penalties, termination of the order and will also result in us being unable to attract further business in the future. While, in the past we have not had any instances of non – compliance or breach of any terms of the purchase orders, in case we fail to comply with applicable requirements in the future, we would be subjected to damages, penalties or termination of the orders.

There is no guarantee that despite having a good relationship with our customers, we are assured of generating revenues in the future as they are not under any obligations to outsource their manufacturing requirements to us. Accordingly, we are not in a position to predict the extent of revenues that we can generate for each of the products manufactured by us in the future. The short – term nature of our customers’ commitments and the changes in demand for their products (which are in turn manufactured by us) could reduce our ability to estimate accurately future customer requirements, make it difficult to schedule production and limit our ability to maximize utilization of our manufacturing capacity. Accordingly, we face the risk that our customers might not place any order or might place orders of lesser than expected quantity or may even cancel existing orders (including where deliveries were to be made in the future).

Cancellations, reductions, or instructions to delay production (thereby delaying delivery of products manufactured by us) by any significant customer could adversely affect our results of operations due to reduced sales volume, as well as by possibly causing delay in our customers’ paying us for the order placed for purchasing the inventory with us which we would have manufactured for them. While there are no material instances of any delay or defect which has led to loss in customers, we may be liable to bear the cost of any such losses that our borne by our customers. Such instances may have a material impact on our business operations.

In addition, we make significant decisions, including determining the levels of business that we will seek and accept, production schedules, component procurement commitments, inventory, personnel requirements, and other resource

requirements, based on our estimates of customer orders. All of the above could have a material adverse impact on our financial position and results of operations.

**6. Our inability to keep up with technological advancements may adversely affect our business and results of operations.**

Our business verticals i.e. plastic moulding, products business, electronics and tool manufacturing require us to anticipate and keep up with technological advantages in order to remain competitive. While we undertake our own R&D for the products that we manufacture under the ODM business model, we cannot assure you that we will be able to secure the necessary knowledge to keep up with advancements in technology and accordingly manufacture products that meet such changes in technology. Our business is continually changing due to technological advances and scientific discoveries. These changes result in the frequent introduction of new products and services and significant price competition. If our products and technologies become obsolete for various factors, our business and results of operations could be adversely affected. Although we strive to maintain and upgrade our technologies, units and machinery consistent with current national and international standards, the technologies, facilities and machinery we currently use may become obsolete. The cost of implementing new technologies and upgrading our manufacturing units could be significant, which could adversely affect our business, results of operations and financial condition.

As of June 30, 2023 we had a portfolio of 795 SKUs, which enabled us to cater to existing and new customers and markets. Further, we invest in R&D to sustain or enhance our existing products and to develop new technologies and processes that would better allow us to customize products for our clients. We may also be required to incur or allocate higher capital expenditure towards our R&D to meet our customer requirements. If we are unable to develop these in a timely manner, or at all, we may be unable to effectively implement our strategies.

Further, as at June 30, 2023 we had qualified and experienced R&D team with 32 employees representing 0.93% of our total employees. We are dependent on these employees for our R&D capabilities and the loss of the services of such personnel or our inability to recruit or train a sufficient number of experienced personnel may have an adverse effect on our financial results and business prospects.

We cannot assure you that our quality maintenance, product research and development initiatives will be successful or be completed within the anticipated time frame or budget, or that our products will achieve wide market acceptance from our customers or end-users of our products. Even if such products can be commercially successful, there is no guarantee that they will be accepted by our customers and achieve anticipated sales target or in a profitable manner. Additionally, there can be no guarantee that the time and effort that we spend in R&D would be beneficial to us. In addition, it is often difficult to project the time frame for developing new products and the duration of market window for these products, there is a substantial risk that we may have to abandon a potential product that is no longer commercially viable, even after we have invested significant resources in the development of such product. If we continue to fail in our product launching efforts, our business, prospects, financial condition and results of operations may be materially and adversely affected.

**7. A significant portion of our sales from our products vertical is seasonal and takes place immediately prior or during the summer months, and any adverse weather conditions during such peak sales seasons may materially and adversely affect our sales, results of operations and financial condition.**

A significant portion of our sales from our products vertical is seasonal, given that it involves acting as an ODM for RACs and air coolers wherein the sales are typically higher in the summer months due to the weather conditions, and considerably lower during the monsoon and winter months. Set forth below is the contribution of RACs and air coolers to our revenue from operations for each of the periods indicated:

Particulars	For Fiscal 2021		Fiscal 2022		Fiscal 2023		For the three months ended June 30, 2023*	
	Amount (in ₹ million)	% of revenue from operations	Amount (in ₹ million)	% of revenue from operations	Amount (in ₹ million)	% of revenue from operations	Amount (in ₹ million)	% of revenue from operations
Products business	2,441.07	34.71%	4,749.98	42.73%	13,383.72	61.96%	4,415.71	65.17%
<i>Of which</i>								
RACs	1,534.93	21.83%	2,936.75	26.42%	10,412.73	48.21%	3,832.61	56.56%
Air coolers	143.85	2.05%	148.90	1.34%	382.49	1.77%	49.63	0.73%

\*Not annualised

Bad weather conditions, including disturbed summers or untimely rains during the peak sales season of summer, may adversely affect our sales volumes, revenue from operations, results of operations and financial condition, and could therefore have a disproportionate impact on our results of operations in the relevant year. In addition, the seasonality of our results of operations may be affected by unforeseen circumstances that affect production during such peak periods, such as any downtime to production due to breakdown of equipment, shortage of raw materials, interruptions in power supply and other utilities, inadequate inventory planning and other interruptions to timely production and delivery of our



products to our customers. Because of the significant fluctuations in demand for air conditioners and air coolers during various seasons of the year, any comparison of the sales recorded and our results of operations between different periods within a year is not meaningful and should not be relied on as an indicator of our future business prospects or financial performance.

8. ***Our Registered Office, manufacturing units and warehouses, from where we operate, are not owned by us. The land and premises of our manufacturing units are held by us under lease agreements. Further, some of our manufacturing units are located on industrial lands allocated by Maharashtra Industrial Development Corporation (“MIDC”) and Uttar Pradesh State Industrial Development Corporation (“UPSIDC”). Failure to comply with the conditions of use of such land could result in an adverse impact on our business and financial condition.***

Our Company does not own the premises at which our Registered Office is located. Our Company has taken the Registered Office on leave and license basis for a period of 11 months, and Unit 2 on lease basis from one of our Promoters, Vishal Gupta. Additionally, the premises of our manufacturing units have been leased by us for a period between 36 months to 95 years.

The table below provides details of the premises on which our manufacturing units are situated:

Unit No.	Address of the manufacturing units	Owned / Leased	Term	Balance Term of Lease Period
<b>Company</b>				
Unit 1	Plot 4/2 to Plot 4/4, UPSIDC Industrial Area, Surajpur, Site-B, Greater Noida, Uttar Pradesh	Leased	90 years	70 years
	Plot 4/5 and Plot 4/6, UPSIDC Industrial Area, Surajpur, Site – B, Greater Noida, Uttar Pradesh	Leased	90 years	70 years
	Plot 4/6, UPSIDC Industrial Area, Surajpur, Site-B, Greater Noida, Uttar Pradesh	Leased	90 years	70 years
Unit 2	Khasra No 268, 15 <sup>th</sup> Milestone, Village Raipur, Bhagwanpur, Roorkee, Uttarakhand	Leased	30 years	16 years
	Khasra No 275, 15 <sup>th</sup> Milestone, Village Raipur, Bhagwanpur, Roorkee, Uttarakhand	Leased	30 years	16 years
Unit 3	Plot No E-14, E-15, Surajpur, Site-B UPSIDC Industrial Area, Greater Noida, Uttar Pradesh	Leased	83 years	70 years
	Plot No. F – 20, Site – B, UPSIDC Industrial Area, Greater Noida, Uttar Pradesh	Leased	90 years	53 years
Unit 4	Plot A – 20 / 2 Supa Parner, MIDC Industrial Area, Taluka Parner, District Ahmednagar, Maharashtra	Leased	95 years	79 years
	C-11, Supa Parner, MIDC Industrial Area, Taluka Parner, District Ahmednagar, Maharashtra	Leased	95 years	70 years
Unit 5	I 26 and I 27 Site – C, UPSIDC Industrial Area, Surajpur, Greater Noida, Uttar Pradesh	Leased	90 years	57 years
	I 15 and I 16 Site – C, UPSIDC Industrial Area, Surajpur, Greater Noida, Uttar Pradesh	Leased	36 months	1 year
<b>Subsidiary (PG Technoplast)</b>				
Unit 1	Plot No. 76, Sector – Echotech – 12, Greater Noida, Gautam Budh Nagar, Uttar Pradesh, covering 61,545 sq. ft	Leased	120 months	7 years, 11 months
	Plot No. 76, Sector – Echotech – 12, Greater Noida, Gautam Budh Nagar, Uttar Pradesh, covering 80,700 sq. ft	Leased	120 months	9 years, 3 months
Unit 2	Plot A – 18 Supa Parner MIDC Industrial Area, Taluka Parner, Ahmednagar, Maharashtra	Leased	95 years	72 years

In addition to the above, one of our Subsidiaries, PG Technoplast has entered into a leave and license agreement for our unit at Ahmednagar, Maharashtra, where we operate incoming and outgoing quality control of products, storage of raw materials and finished goods and dispatch operations for our other manufacturing units in the location. The agreement is for a period of five years commencing from August 1, 2022. Additionally, our Subsidiary, PG Technoplast, has acquired land on lease at plot no A 100 – 103 and 118 – 121, Rajasthan State Industrial Development and Corporation Limited Industrial Area, Bhiwadi, Alwar, Rajasthan, where it proposes to set up a manufacturing unit (Unit 3 – Subsidiary). The lease is for a period of nine years commencing from July 13, 2023.

The table below provides leased details of our warehouses:

Sr. No.	Address of the warehouses	Owned / Leased	Term	Balance Term of Lease Period
<b>Company</b>				

Sr. No.	Address of the warehouses	Owned / Leased	Term	Balance Term of Lease Period
1.	Plot No. E-31, Site B Surajpur, UPSIDC Industrial Area, Greater Noida - 201306, covering approximately 20,000 sq. ft. area.	Leased	11 months	7 months
2.	Khasra No. 238 & 239, Raipur Industrial Area, Village Raipur, Pargana Bhagwanpur, 247661 (Roorkee), Haridwar, Uttarakhand.	Leased	11 months	2 months
3.	Khasra No. 175-176, Raipur Industrial Area, Village Raipur, Pargana Bhagwanpur, 247661 (Roorkee), Haridwar, Uttarakhand.	Leased	11 months	7.5 months
4.	Khasra No-178, Raipur Industrial Area, Bhagwanpur, Roorkee – 247 657.	Leased	11 months	9.5 months
5.	Khasra No. 819, Village Gulistanpur, Dist. Gautam Budh Nagar, (U.P), 201306, covering approximately 9000 sq. ft.	Leased	11 months	2.5 months
6.	Khasra No. 819, Village Gulistanpur, Dist. Gautam Budh Nagar, (U.P), 201306, covering approximately 5000 sq. ft.	Leased	11 months	3 months
7.	No. 66, Udyog Vihar, Old Kasna Road, Greater Noida, Uttar Pradesh – 201306.	Leased	9 years	9 years
<b>Subsidiary (PG Technoplast)</b>				
8.	Plot No. C – 129/1, MIDC Supa, Parner, Ahmednagar, Maharashtra – 414301, covering approx. 20,000 sq. ft. area.	Leased	11 months	8 months

Under the terms of the respective lease agreements entered into with the respective lessors, we are subject to various payment and compliance requirements, including timely payment of lease rentals, using the whole leased area for industrial purposes to the satisfaction of the lessor in its sole discretion, a prohibition to make any changes or alterations to the building or other erections on the premises without prior approval or effect any change to the use of plot, keeping the buildings constructed on the said land insured against loss or damage by fire in a sum equivalent to the cost of the buildings, compliance with building and safety norms prescribed by relevant authorities, making prescribed arrangements for effluent treatment, and compliance with applicable pollution control norms, and giving preference to a certain number of persons whose land was acquired for the purpose of developing the industrial area where the facilities are located for labour requirements. Termination of our leases may occur due to failure to comply with such conditions, including for reasons beyond our control. In the event of termination of such lease agreements, we may have to relocate to alternative premises or shut down our operations at that site. Further, upon expiration of the relevant agreement for each such manufacturing unit, we will be required to negotiate the terms and conditions on which the lease agreement may be renewed. We cannot assure you that we will be able to renew these agreements on commercially reasonable terms in a timely manner, or at all.

Further, our manufacturing units are located on industrial lands allocated by MIDC and UPSIDC. In terms of the lease agreements entered into with UPSIDC for the land parcels at Unit 1, Unit 3 and Unit 5, we are required to obtain consent from them, for among others, change in capital structure and shareholding of the Company. While our Company has made an application dated March 20, 2023, to UPSIDC seeking its consent, no response has been received from UPSIDC as on the date of this Placement Document. We cannot assure you that we will get this consent in a timely manner or at all. In the event we do not get such consent, it may lead to termination of such lease agreements with UPSIDC which could have a material impact on our operations. Further, we are proposing to construct a building at Supa, Ahmednagar, for which we propose to utilize ₹ 407.93 million from the Net Proceeds for construction of the building. For further details, see “*Use of Proceeds*” on page 80. The land on which the building is proposed to be constructed is leased from MIDC. As of the date of this Placement Document, we have applied for the approval of the building plans for the construction of the building at Supa, to MIDC by way of an application dated March 10, 2023. While such an application has been made, inability to obtain such approval in a timely manner or at all, may affect our business operations.

Once we obtain a lease, we incur significant expenses to install necessary infrastructure, including machinery, furniture, lighting, security systems, to ensure such unit meets our business requirements. Relocation of any part of our operations may cause disruptions to our business and may require significant expenditure, and we cannot assure you that in such a case, we will be able to find suitable premises on commercially reasonable terms in a timely manner, if at all or we may have to pay significantly higher rent or incur additional expenses towards interiors. Set forth below is the lease cost incurred by us for Fiscal 2021, 2022, 2023 and three months ended June 30, 2023:

Particulars	Fiscal 2021		Fiscal 2022		Fiscal 2023		For the three months ended June 30, 2023*	
	Amount (in ₹ million)	% of revenue from operation	Amount (in ₹ million)	% of revenue from operations	Amount (in ₹ million)	% of revenue from operations	Amount (in ₹ million)	% of revenue from operations
Lease cost incurred**	21.94	0.31%	28.13	0.25%	71.40	0.33%	22.94	0.34%

\* Not annualised

\*\* Lease cost includes depreciation on right of use assets, interest cost on lease liabilities and rent expense for the period / year.

Further, some of the lease deeds that we have entered into may not be registered or may not be adequately stamped and consequently, may not be accepted as evidence in a court of law. Accordingly, we may be required to pay penalties for inadequate stamp duty. Further, we may not be able to assess or identify all risks and liabilities associated with any properties, such as faulty or disputed title, unregistered encumbrances or adverse possession rights, improperly executed, unregistered or insufficiently stamped instruments, or other defects that we may not be aware of.

**9. We have substantial capital expenditure requirements and may require additional financing to meet those requirements. Further, our inability to manage the expansion of our business and operations and execute our growth strategy in a timely manner or within the budget estimates could have an adverse effect on our business, results of operations and financial condition.**

We may incur significant capital expenditure in the coming future in the ordinary course of business, which is typical to the industry in which we operate. Set forth below are the cash outflows related to the capital expenditure incurred by us for the respective period / years:

(in ₹ million)

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	Three months ended June 30, 2023*
Capital expenditure incurred	440.93	1,571.02	1,545.66	352.89

\* Not annualised

Additionally, we have set forth below the borrowings availed by us from lenders for the periods indicated to fund our expansion and our other business requirements:

(in ₹ million)

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	Three months ended June 30, 2023*
Borrowings*	1,833.01	3,838.51	5,425.25	4,781.48

\* Computed as sum of borrowings disclosed in our Audited Financial Statements under non – current liabilities and current liabilities.

\*\* Not annualised

We intend to utilize ₹ 905.70 million of the Net Proceeds towards capital expenditure for purchase of new equipment and machinery. For details, refer ‘Use of Proceeds’ on page 80. Recently, our Subsidiary, PG Technoplast, has leased premises at Alwar, Rajasthan to set up a manufacturing unit for air conditioners (Unit 3 – Subsidiary). As on the date of this Placement Document, our Subsidiary is in the process of setting up the unit and is therefore, yet to commence operations at this unit. In addition, one of our Subsidiaries, PG Technoplast, is required to undertake capital expenditure under the PLI Scheme. In November 2021 and March 2022, PG Technoplast received approval under PLI Scheme for certain identified eligible white good products such as control assemblies for IDU or ODU or remotes, plastic moulding components, sheet metal components, heat exchangers, cross flow fan, motor and display panels (LCD / LED). Contingent on us achieving the defined revenue targets, meeting investment conditions, and complying with other conditions stipulated thereunder, the PLI Scheme gives us a total potential cumulative benefit of ₹ 1,987.50 million over the five financial years starting from Fiscal 2024. For further details, please see “Risk Factors – Our Subsidiary, PG Technoplast may not continue to enjoy the existing benefits under the PLI Scheme, which could have a materially adverse impact on our profitability” on page 63. Any failure to comply with the requirements under the PLI Scheme will have material impact on our business operations.

We may also require additional financing in order to expand and upgrade our existing manufacturing units as well as to construct new units. However, we cannot assure you that our operations will be able to generate cash flows sufficient to cover such costs. Further, financing required for such investments may not be available to us on acceptable terms, or at all, and we may be restricted by the terms and conditions of our existing or future financing agreements. If we decide to raise additional funds through the incurrence of debt, our interest obligations will increase, which could significantly affect financial measures such as our earnings per share. If we decide to raise additional funds through the issuance of equity, your ownership interest in our Company will be diluted.

Further, the actual amount and timing of our future capital requirements may differ from our estimates as a result of, among other things, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, engineering design changes, weather-related delays and technological changes. Any inability to obtain sufficient financing could result in the delay, reduction or abandoning of our development and expansion plans. Consequently, we cannot assure you that any expansion or improvement of our manufacturing unit, will be completed as planned or on schedule, or that we will achieve our increased planned output capacity or operational efficiency. If we experience significant delays in the implementation of our expansion plans, the overall benefit of such plans to our revenues and profitability may decline. If the expenditure that we incur does not produce anticipated or desired results, our profitability, cash flows and financial condition will be adversely affected.

**10. Our business is working capital intensive. Our inability to accurately forecast demand for our products and manage our inventory or working capital balances may have an adverse effect on our business, results of operations, cash flows and financial condition.**

Our business requires significant amount of working capital primarily as a considerable amount of time passes between purchase raw materials and sale of our finished products and the subsequent collection process from our customers. As a result, we are required to maintain sufficient stock at all times in order to meet manufacturing requirements, thus increasing our storage and working capital requirements. While we maintain a reasonable level of inventory of raw materials, work in progress and finished goods, if we underestimate demand or have inadequate capacity due to which we are unable to meet the demand for our products, we may end up manufacturing lesser quantities of products than required, which could result in the loss of business. Similarly, an error in our forecast could also result in surplus stock, which may not be sold in a timely manner or at all. If we overestimate demand, we may incur costs to build capacity or purchase more raw materials and manufacture more products than required. Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, results of operations, cash flows and financial condition.

Our historical working capital requirements are set out below for the stated period / years:

*(in ₹ million, unless otherwise stated)*

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	Three months ended June 30, 2023***
Working Capital*	755.05	2,327.29	3,727.45	3,366.17
Number of days / working capital cycle**	39.19	76.42	62.99	53.40

\* Working capital is computed as current assets (excluding cash and cash equivalents and bank balances) minus current liabilities

\*\* Number of days calculated as working capital / total revenue x 365

\*\*\* Not annualised

We evaluate our inventory balances of materials based on expected sourcing levels, known uses and anticipated demand based on forecasted customer order activity and changes in our product sales mix. Efficient inventory management is a key component of the success of our business, results of operations and profitability. To be successful, we must maintain sufficient inventory levels and an appropriate product sales mix to meet our customers' demands, without allowing those levels to increase to such an extent that the costs associated with storing and holding other inventory adversely affects our results of operations. If our raw materials purchase decisions do not accurately predict sourcing levels, or if our estimation of customer requirements and trends are inaccurate, we may have to take unanticipated markdowns or impairment charges to dispose of the excess or obsolete inventory, which can adversely affect our results of operations. Set forth below are our inventory levels as at the stated periods/years:

*(in ₹ million, unless otherwise stated)*

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	Three months ended June 30, 2023# @
Inventories	926.11	2,860.33	3,533.81	2,752.37
Inventory Turnover Ratio*	6.28	4.67	5.52	7.33
Debtors Turnover**	5.66	6.17	6.63	8.63
Current Ratio***	0.99	1.11	1.12	1.17

\* Computed as cost of goods sold for the period divided by average inventory

\*\* Computed as revenue from operations in the period divided by average receivables during the period

\*\*\* Computed as period end current assets divided by period end current liabilities

# Not annualised

@ Ratios are calculated for trailing 12 months by taking average of balance sheet data of June 30, 2022 and June 30, 2023

Our working capital requirements may also increase if payment terms shift to payments on completion of delivery or otherwise increase our working capital burdens. If a customer defaults in making its payment on a product to which we have devoted significant resources, it may also affect our profitability and liquidity and decrease the capital resources that are otherwise available for other uses. If we are unable to finance our working capital needs, or secure other financing when needed, on acceptable commercial terms or at all, it may adversely affect our business, growth prospects and results of operations. All of these factors may result in increases in our working capital requirements.

Management of our working capital requirements involves the timely payment of, or rolling over of, our short – term indebtedness and securing new and additional loans on acceptable terms, or re – negotiation of our payment terms for, our trade payables, collection of trade receivables and preparing and following accurate and feasible budgets for our business operations. If we are unable to manage our working capital requirements, our business, results of operations, financial condition, and cash flows could be materially and adversely affected. Should we fail to effectively implement sufficient internal control procedures and management systems to manage our working capital and other sources of financing, we may have insufficient capital to maintain and grow our business, and we may breach the terms of our financing agreements with banks, face claims under cross-default provisions and be unable to obtain new financing, any of which would have a material adverse effect on our business, results of operations, financial condition, and cash flows.

**11. There may be possible conflicts of interest between us and our Promoters or the entities forming part of our Promoter Group entities due to the operations of such entities in similar line of business, which could adversely affect our financial and business operations.**

Our Promoters are involved in the management of the business operations of our Company and the business operations of certain other companies such as P.G Appliances Private Limited and Kushang Technologies Limited which are in a similar line of business as that of our Company. While currently these entities are non – operational, going forward, these entities once operational, may provide comparable services, expand their presence, solicit our employees or acquire interests in competing ventures in the locations or segment or verticals in which we operate. A conflict of interest may occur between our business and the business of such entities, which could have an adverse effect on our business, financial condition, results of operations and cash flows.

**12. Our Company and our Promoters had received summons from the Directorate of Revenue Intelligence (“DRI”) in connection with anti-dumping duty on import of picture tubes from Malaysia. Any material liability, which could not be contested in our favour, could adversely affect our financial and business operations.**

Officials of the DRI visited our Unit 1 premises and the residence of our Promoters on March 8, 2011. The DRI initiated an investigation alleging overvaluation of imports with an intention to evade payment of anti – dumping duty of picture tubes from M/s. Chunghwa Picture Tubes, Malaysia for assembly of 14-inch colour television supplied to ELCOT in Tamil Nadu. The DRI vide show cause notice dated May 29, 2015 levied ₹ 73.85 million as anti – dumping duty and a deposit of ₹14.50 million was made by the Company for non – payment of anti – dumping duty. The Principal Commissioner of Customs vide order dated February 28, 2017 (“**PCC Order**”) confirmed the demand of anti-dumping duty of ₹ 73.85 million and imposed monetary penalty of ₹ 83.85 million on our Company and ₹ 15.00 million on our Promoter, Vishal Gupta. Pursuant to an appeal filed by our Company, the Customs, Excise and Service Tax Appellate Tribunal, Allahabad vide order dated June 18, 2019 (“**CESTAT Order**”) set aside the PCC Order on the grounds that the regulatory proceedings were barred by limitation. Thereafter, DRI challenged the CESTAT Order before the Supreme Court of India and pursuant to orders dated November 11, 2019 and June 16, 2021 passed by the Principal Commissioner of Customs, an amount of ₹14.50 million was refunded by DRI to our Company. While the matter is currently outstanding, we cannot assure you that an adverse judgement in this matter could not adversely affect our financial and business operations. Further, we cannot assure you that similar instances of such proceedings may not occur in the future.

**13. The geographical concentration of our manufacturing units may restrict our operations and adversely affect our business, results of operations and financial conditions.**

We currently operate through seven manufacturing units spread across Uttar Pradesh, Uttarakhand and Maharashtra. Additionally, we operate a unit at Ahmednagar, Maharashtra, where we operate incoming and outgoing quality control of products, storage of raw materials and finished goods and dispatch operations for our other manufacturing units in the location. Further, recently our Subsidiary, PG Technoplast, has leased premises at Alwar, Rajasthan to set up a manufacturing unit for air conditioners (Unit 3 – Subsidiary). As on the date of this Placement Document, our Subsidiary is in the process of setting up the unit and is therefore, yet to commence operations at this unit. Due to the geographic concentration of our manufacturing operations, our operations are susceptible to local and regional factors, such as accidents, system failures, economic and weather conditions, natural disasters, and demographic and population changes, the outbreak of infectious diseases such as COVID-19 and other unforeseen events and circumstances. Such disruptions could result in the damage or destruction of a significant portion of our manufacturing abilities, significant delays in the transport of our products and raw materials and/or otherwise adversely affect our business, financial condition and results of operations.

**14. Our Subsidiaries have incurred losses in Fiscals 2021, 2022, 2023 and for the three months ended June 30, 2023.**

Our Subsidiaries, PG Technoplast and PG Plastronics were incorporated on October 8, 2020, and June 22, 2021, respectively. Owing to their limited operating history, our Subsidiaries have incurred losses in the recent past.

(in ₹ million)

Subsidiary	Profit/ (Loss) after Tax for Fiscal			For the three months ended June 30, 2023
	2021	2022	2023	
PG Technoplast Private Limited	(0.06)	48.33	333.07	212.74
PG Plastronics Private Limited	NA	(0.06)	(0.08)	(0.01)

In the event any of our Subsidiaries continues to incur losses, our consolidated results of operations and financial condition will continue to be adversely affected.

**15. We have experienced significant growth in the past few years and if we are unable to sustain or manage our growth, our business and results of operations may be adversely affected.**

We have experienced significant growth in Fiscals 2021, 2022, 2023 and for the three months ended June 30, 2023. Set forth below is the revenue from operations for the respective periods and the corresponding growth in our revenue:

Particulars	Fiscal 2021		Fiscal 2022		Fiscal 2023		Three months ended June 30, 2023*	
	In ₹ million	% of growth	In ₹ million	% of growth	In ₹ million	% of growth	In ₹ million	% of growth <sup>#</sup>
Revenue from Operations	7,032.06	9.89%	11,116.35	58.08%	21,599.48	94.30%	6,776.16	26.25%

\* Not annualised

# As compared to three months ended June 30, 2022.

Our growth requires us to invest in our operations on an ongoing basis, improve our operational, financial and internal controls and administrative infrastructure. We may not be able to sustain our growth due to a variety of reasons including a decline in the demand for our products, inability to acquire new customers and increasing/maintaining demand of our products from existing customers, maintaining the quality and precision levels of our products, increased price competition, availability of raw materials and the growth of the overall economy. A failure to sustain our growth may have an adverse effect on our business, financial condition, results of operations and future prospects.

Our growth strategy involves expanding capacity of our existing product vertical, expansion of addressable market through development of new products, continuing to explore adjacent applications for our robust capabilities in plastic moulding, taking advantage of a growing industry with strong tailwinds and continuing to improve financial performance through focus on operational and functional efficiencies. Further, if we are unable to increase our production capacity, we may not be able to successfully execute our growth strategy. Our failure to manage our growth effectively may have an adverse effect on our business, financial condition, results of operations and future prospects. Such a growth strategy will place significant demands on our management as well as our financial, accounting and operating systems. We cannot assure you that our future performance or growth strategy will be successful.

**16. We are subject to counterparty credit risk and any delay in receiving payments or non – receipt of payments may adversely impact our financial condition and results of operations.**

Credit risk is the risk of financial loss to our Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. We are exposed to credit risk from our operating activities, primarily from trade receivables. Due to the nature of, and the inherent risks in the purchase orders and arrangements with our customers, we are subject to counterparty credit risk and a significant delay in receiving large payments or non – receipt of large payments may adversely impact our results of operations. Our operations involve extending credit to our customers in respect of sale of our products and consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. Typically, our credit period ranges from 15 days to 90 days.

Set forth below are certain details of our trade receivables for the respective periods:

(in ₹ million, unless otherwise specified)

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	Three months ended June 30, 2023*
Total Receivables	1,472.56	2,133.27	4,378.74	3,168.19
Receivables individually in excess of 10% of the total receivables	814.44	535.6	2,363.72	1,015.73
Receivables individually in excess of 10% of the total receivables (% of Total Receivables)	55.31%	25.11%	53.98%	32.06%
Total receivables as % of revenue from operations	20.94%	19.19%	20.27%	46.75%

\* Not annualised

There is no guarantee that we will accurately assess the creditworthiness of our customers. Macroeconomic conditions, such as a potential credit crisis in the global financial system, could also result in financial difficulties for our customers, including limited access to the credit markets, insolvency or bankruptcy. Such conditions could cause our customers to delay payments, request modifications of their payment terms, or default on their payment obligations to us, all of which could increase our receivables. Timely collection of dues from customers also depends on our ability to complete our contractual commitments and subsequently bill for and collect from our clients. If we are unable to meet our contractual obligations, we might experience delays in the collection of, or be unable to collect, our customer balances, and if this occurs, our results of operations and cash flows could be adversely affected. In addition, if we experience delays in billing and collection for our services, our cash flows could be adversely affected.

**17. We operate in a highly competitive industry. Failure to compete effectively may have an adverse impact on our business, financial condition, results of operations and prospects.**

We operate in a competitive industry. Some of our peers and competitors in the industries in which we operate may have greater design, engineering, manufacturing, financial capabilities, or superior resources. Our customers evaluate the product suppliers based on, among other things, manufacturing capabilities, quality of production, costs, turnaround time and engineering services. Accordingly, this exposes us to risks of our competitors having better resources than us. There are nearly 700 electronic manufacturing services companies in the market, ranging from large, medium – sized, to small players. Major global companies are Bharat FIH, Flex, Wistron, Pegatron, Jabil; large Indian companies include Dixon, Amber, SFO Technologies, Syrma, Elin, Avalon Technologies etc. (Source: F&S Report)

Further, manufacturers continuously seek to reduce cost. In addition, major manufacturers typically outsource the same type of products to at least two or three outsourcing partners for the purpose of diversifying their supply risks. The competitive nature of the industry may result in substantial price competition. The industries in which we operate could become even more competitive if customers fail to significantly increase their levels of outsourcing or if they begin in-house manufacturing of products that we supply. This would result in an increasingly competitive market with a smaller market share for the existing players. Increased competition could result in significant price competition, reduced revenues, lower profit margins, or loss of market share, any of which would have a material adverse effect on our business, financial condition, and results of operations.

Our customers may opt to transact with our competitors instead of us or if we fail to develop and provide the technology, quality and skills required by our customers at a rate comparable to our competitors and in a timely manner. There can be no assurance that we will be able to competitively develop the higher value add solutions necessary to retain business or attract new customers. There can also be no assurance that we will be able to establish a compelling advantage over our competitors.

**18. Our inability to identify and understand evolving industry trends, consumer preferences and develop new products to meet our customers’ demands may adversely affect our business. Any negative impact on growth, performance and reputation of our key customers may also have an adverse effect on our business.**

We are an established ODM and CM, for the consumer durables industry in India, with primary focus on manufacture of RACs, washing machines and plastic moulding. We consider our ability to evolve and address the needs of our marquee customer base as a key factor in the growth of our revenue from operations which grew at a CAGR of 75.26% from Fiscal 2021 to Fiscal 2023. We are the fastest growing B2C focused ODM players in India, having recorded the highest revenue CAGR amongst listed peers (Dixon Technologies (India) Limited, Amber Enterprises Limited and Elin Electronics Limited) over Fiscal 2020 – 2023 (Source: F&S Report).

The market for such products in India is characterized by introduction of innovative products, price fluctuations and competition. Further, some of these products are also affected by seasonal and cyclical changes, including the demand of consumers for air conditioners and air coolers. Changes in consumer choices and industry requirements may render certain of our products less attractive or obsolete. Our ability to anticipate changes in industry standards or consumer preferences and to successfully develop and introduce new and enhanced products or address yet unidentified needs among our current and potential customers in a timely manner, is a significant factor in our ability to remain competitive. In order to do so, we need to identify and understand the key market trends and address our customers’ evolving needs proactively and on a timely basis. As a result, we may incur, and have in the past incurred, capital expenditures for development of products to meet the demands of our customers. However, there can be no assurance that we will be able to respond to changes in industry trends, in consumer preferences and develop new products to meet customer demands including in a cost – effective manner. Our failure to successfully cater to the requirements of our customers and industry trends could have a material adverse effect on our business, financial condition, results of operations and future prospects.

**19. Pricing pressure from customers may adversely affect our gross margin, profitability and ability to increase our prices.**

The industry in which we operate is particularly competitive, and customers of the products that we manufacture often pursue price reduction initiatives with their suppliers including us. Adoption of cost- cutting measures while maintaining stringent quality standards may lead to a decrease in our margins, which may have a material adverse effect on our business, financial condition, results of operations and future prospects.

Set forth below are the PAT, PAT Margin and Return on Assets (ROA) for the periods indicated below:

(in ₹ million, unless otherwise stated)

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	Three months ended June 30, 2023***@
PAT	116.12	374.16	774.69	338.06
PAT Margin (%)	1.65%	3.37%	3.59%	4.99%

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	Three months ended June 30, 2023**@
PAT	116.12	374.16	774.69	338.06
Return on Asset (%) (ROA)*	2.15%	4.54%	6.01%	8.01%

\* Computed as PAT for the period divided by average total assets during the year / period

\*\* Not annualised

@ Ratios are calculated for trailing 12 months by taking average of balance sheet data of June 30, 2022 and June 30, 2023

Our business is capital intensive, requiring us to maintain a substantial fixed asset base. Therefore, our profitability is dependent, in part, on our ability to spread fixed production costs over higher production volume. Our customers typically negotiate for larger discounts in price as the volume of their orders increases. We fix our prices with our customers on a monthly basis in order to avoid any sudden reduction in our prices. If we are unable to efficiently undertake manufacturing and generate sufficient cost savings in the future to offset price reductions or if there is any reduction in consumer demand for our products or components, our sales, gross margin and profitability may reduce, which may have a material adverse effect on our business, financial condition, results of operations and future prospects.

**20. We have had negative cash flows in the past, and it is possible that we may experience negative cash flows in the future, which may adversely affect our business, results of operations, cash flows and financial condition.**

We have had negative cash flows in the past, and it is possible that we may experience negative cash flows in the future. The table below sets forth selected information from our statements of cash flows extracted from our Financial Statements for the years / periods indicated below:

(in ₹ million)

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	Three months ended June 30, 2022*	Three months ended June 30, 2023*
Net cash flows generated from / (used in) operating activities	572.96	(788.03)	457.38	902.69	1,038.13
Net cash flows generated from / (used in) investing activities	(437.38)	(1,610.01)	(1,729.69)	(315.03)	(304.24)
Net cash flows generated from / (used in) financing activities	(174.28)	2,562.38	1,120.47	(536.54)	(791.39)
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(38.70)</b>	<b>164.34</b>	<b>(151.84)</b>	<b>51.13</b>	<b>(57.50)</b>

\* Not annualised

For details, refer to 'Management's Discussion and Analysis of Financial Conditions and Results of Operations' on page 100.

**21. We source our raw material from suppliers on purchase order basis and do not have any long-term arrangements with our suppliers. Any increase in the cost of our raw material or other purchases, delay, interruption or reduction in the supply of raw materials to manufacture our products may adversely affect our business, results of operations, cash flows and financial condition.**

The primary raw material used for our manufacturing processes are (i) aluminium and copper for RACs, (ii) motors and gear case for washing machines, and (ii) open cells for LED TVs. We procure raw materials from multiple domestic suppliers and also import a portion of our raw material requirements from certain countries including China, Vietnam and Malaysia. We believe that efficient inventory management is a key component of the success of our business, results of operations and profitability and to that end we maintain a reasonable level of inventory of raw materials, work in progress and finished goods at our manufacturing units.

The success of our operations depends on, among other things, our ability to source raw materials at competitive prices and in a timely manner. Raw materials are subject to supply disruptions and price volatility caused by various factors such as commodity market fluctuations, the quality and availability of raw materials, currency fluctuations, consumer demand, changes in domestic as well as force majeure events and supply disruptions, international government policies and regulatory sanctions.

Set forth below are the cost of raw materials consumed and the traded good purchased by us for the respective period / years:

(in ₹ million)



Particulars	Fiscal 2021		Fiscal 2022		Fiscal 2023		Three months ended June 30, 2023*	
	Amount (in ₹ million)	% of total revenue from operations	Amount (in ₹ million)	% of total revenue from operations	Amount (in ₹ million)	% of total revenue from operations	Amount (in ₹ million)	% of total revenue from operations
Cost of material consumed	5,183.12	73.71%	7,314.98	65.80%	16,046.14	74.29%	4,902.31	72.35%
Purchase of traded goods	350.14	4.98%	1,816.18	16.34%	1,881.57	8.71%	271.29	4.00%
<b>Total</b>	<b>5,533.26</b>	<b>78.69%</b>	<b>9,131.16</b>	<b>82.14%</b>	<b>17,927.71</b>	<b>83.00%</b>	<b>5,173.50</b>	<b>76.35%</b>

\* Not annualised

Further, our dependence on a few suppliers may constrain our ability to negotiate our sourcing arrangements and may have an impact on our profitability and financial performance. Set forth below are the contribution of top five and top 10 suppliers for our raw material requirements for each of the respective periods which is inclusive of traded goods:

(in ₹ million)

Top Suppliers*	Fiscal 2021		Fiscal 2022		Fiscal 2023		Three months ended June 30, 2023**	
	In ₹ million	% of cost of goods sold	In ₹ million	% of cost of goods sold	In ₹ million	% of cost of goods sold	In ₹ million	% of cost of goods sold
Top 5 suppliers	2,279.08	32.41%	2,584.49	23.25%	4,078.72	18.88%	1,187.25	17.52%
Top 10 suppliers	3,016.60	42.90%	3,831.43	34.47%	6,190.81	28.66%	1,804.36	26.63%

\* The top five and top 10 suppliers have been identified for each specific year / period based on the cost of goods sold for each such supplier in the relevant year / period.

\*\* Not annualised

We presently do not have any long – term or exclusive arrangements with any of our suppliers of raw materials and we cannot assure you that we will be able to purchase the quantities at the terms we have historically from such suppliers. Most of our transactions with our suppliers are typically on a purchase order basis without any commitment for a fixed volume of business. There can also be no assurance that our suppliers will renew their arrangements with us on current or similar terms, or at all. While we negotiate product prices and payment terms with our raw material suppliers, in the event our suppliers alter their requirements, it could have a material adverse effect on our business. In addition, our suppliers may also cancel purchase orders at short notice or without notice, which could have an impact on our inventory management. Termination of any of the above – mentioned arrangements or frequent cancellation of purchase orders could have a material adverse effect on our business, financial condition, results of operations, and cash flows. Further, any disruptions in sourcing of our raw material could also increase our working capital requirements in case we have to identify substitutes, which may not be available at competitive rates.

22. *We have not yet placed orders for capital requirements proposed to be funded through objects of the Issue. In the event of any delay in placing the orders, or in the event the vendors are not able to provide the equipment in a timely manner, or at all, may result in time and cost over-runs and our business, prospects and results of operations may be adversely affected.*

We intend to utilize portions of the Net Proceeds for (i) investment in our Subsidiary, PG Technoplast for (a) funding its working capital requirements; (b) funding its capital expenditure requirements for expansion of its manufacturing and warehousing/ storage unit by constructing a new building; (c) funding its capital expenditure requirements for purchase of new equipment and machinery; (ii) funding capital expenditure requirements of our Company for purchase of new equipment and machinery; and (iii) general corporate purposes. The successful completion of the proposed capital expenditure is dependent on the performance of external agencies, which are responsible for *inter alia* civil work, installation and commissioning of machinery and supply and testing of equipment. If the performance of these agencies is inadequate, it may result in incremental cost and time overruns which could adversely affect our business and results of operations. We may also be unable to identify suitable replacement external agencies in a timely manner.

Further, we have not placed any firm orders for 100% (amounting to ₹ 905.70 million) of such machinery and equipment for any of the proposed capital expenditure, to the extent it relates to purchase of machinery, and no payments (including advances) have been made towards the same and our Company will be funding it by way of Net Proceeds. Further, we have not entered into any definitive contracts with such parties. For details, see “*Use of Proceeds*” on page 80. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will not be cost escalations. Such quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. Further, the actual amount and timing of our future capital requirements may differ from our estimates as a result of, among other things, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, engineering design changes and technological changes. In the event of any delay in placing the orders,

or an escalation in the cost of acquisition of the equipment or in the event the vendors are not able to provide the equipment in a timely manner, or at all, we may encounter time and cost overruns in setting up of the proposed projects.

Furthermore, if we are unable to procure machinery and equipment from the vendors from whom we have procured quotations, we cannot assure you that we may be able to identify alternative vendors to provide us with the machinery and equipment which satisfy our requirements at acceptable prices. In addition, such projects may also be subject to regulatory restrictions or approvals which we have yet to obtain. Our inability to procure such approvals or machinery and equipment at acceptable prices or in a timely manner, may result in an increase in capital expenditure, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly, thereby resulting in an adverse effect on our business, prospects and results of operations.

**23. We import a significant portion of our raw material requirements and thus fluctuations in foreign exchange rates could adversely affect our results of operations.**

Our exposure to the risk of changes in foreign exchange rates relates primarily to our operating activities. We import a significant portion of our raw materials from certain countries including China, Vietnam and Malaysia and generally pay for such materials in foreign currencies, including the U.S. dollar, and as a result, we are subject to foreign currency fluctuations in respect of such purchases. A substantial portion of our expenses on imports of raw material procured by us are denominated in foreign currency. Accordingly, fluctuations in foreign currency exchange rates influence our results of operations.

Set forth below are our imports of raw materials for the respective period / years:

Particulars	% of cost of materials consumed			
	Fiscal 2021	Fiscal 2022	Fiscal 2023	Three months ended June 30, 2023*
Cost of material imported**	10.59%	27.05%	32.17%	35.21%
- Imported from China	97.68%	97.59%	83.22%	70.58%
- Imported from Vietnam	0.00%	0.00%	10.87%	16.18%
- Imported from other countries	2.32%	2.41%	5.90%	13.24%

\* Not annualised

\*\* Import from respective countries as indicated above is the percentage of total cost of material imported for the respective years / period.

Our net exposure to foreign currency risk as a result of the foreign exchange earnings and outgo are set out below:

(₹ in million)

Particulars	Fiscal 2021	Fiscal 2022	Fiscal 2023	Three months ended June 30, 2023*
Foreign currency earnings	1.20	3.77	20.16	8.51
Foreign currency outgo	603.37	1,694.48	5,467.38	1,757.62

\*Not annualised

We do not use foreign currency derivative to hedge our risks associated with fluctuations in foreign currencies. However, we avail forward cover for foreign letter of credit for import of raw materials to hedge our exposure in an attempt to reduce the risks of currency fluctuations relating to foreign currency liabilities and have formulated a forex and interest rate risk management policy. Consequentially, any fluctuations in the foreign currency exchange rates may have an adverse impact on our results of operations.

Further, a decline in India's foreign exchange reserves could impact the valuation of the Rupee and could result in reduced liquidity and higher interest rates which could adversely affect our financial condition. A future material decline in these reserves could result in reduced liquidity and higher interest rates in the Indian economy which in turn, could adversely affect our business and future financial performance.

**24. We may be unable to meet our obligations or comply with certain covenants under our financing arrangements which may limit our flexibility in operating our business. Non-compliance with certain of these covenants or a failure to obtain waivers from of our lenders, could result in our lenders accelerating the repayment schedules, and enforce security, leading to an adverse effect on our business and financial condition. Further, any downgrade of our credit ratings may restrict our access to capital and thereby adversely affect our business and results of operations.**

As of June 30, 2023, our total outstanding borrowings under the debt financing arrangements are ₹ 4,781.48 million, on a consolidated basis, of which ₹ 1,465.77 million are repayable on demand.

We are bound by restrictive and other covenants in our facility agreements with various lenders, including restrictions on the utilisation of the loan for certain specified purposes, timely provision of information and documents, timely creation of

security, maintenance of financial ratios and obtaining prior written approval from the relevant lender for various corporate actions in terms of our financing arrangements. Failure to comply with certain of these covenants or our inability to obtain necessary waivers as required from our lenders, may result in declaration of outstanding amounts under these loans due and payable, at the discretion of the lenders and in certain instances, enforce their security which has been constituted. We cannot assure you that we will be able to obtain approvals to undertake any of these activities as and when required or to comply with such covenants or other covenants in the future. We cannot assure prospective investors that such covenants will not hinder our business development and growth in the future.

Further, we have provided security to our lenders, including HDFC Bank Limited, State Bank of India, ICICI Bank Limited, YES Bank Limited TATA Capital Financial Services Limited, Bajaj Finance Limited and Uttar Pradesh Industrial Development Corporation Limited, for the performance of our obligations under the facility agreements. Such security comprises of bank guarantees and encumbrances over our assets, including plant and machinery as well as land and building on which our manufacturing facilities are located. In terms of our loan documents, in the event we are unable to repay our borrowings (whether or not secured by an encumbrance over our assets) when due, would constitute a cross default. If any of our lenders accelerates the repayment of our borrowings, we cannot assure you that we will have sufficient assets to repay amounts outstanding under our loan agreements or continue our business. Further, if the lenders enforce the security provided by us, we will not have access to our manufacturing units which would have a material adverse impact on our operations and financial condition.

Additionally, as on June 30, 2023, our Company has provided guarantees amounting to ₹ 6,010.00 million, in relation to certain financing availed by one of our Subsidiaries, PG Technoplast, from State Bank of India, YES Bank Limited, HDFC Bank Limited and ICICI Bank Limited, for the purpose of its business operations. PG Technoplast was incorporated on October 8, 2020 and was loss making until Fiscal 2023. In the event of default on the loans, the guarantees may be invoked by the lenders thereby adversely affecting our ability to manage the affairs of our Company and this, in turn, could adversely affect our business, prospects, financial condition and results of operations.

Our business depends on our ability to obtain funds at competitive rates. The cost and availability of capital, amongst other factors, is also dependent on our current and future results of operations and financial condition, our ability to effectively manage risks, our brand and our credit ratings. We may not be able to avail the requisite amount of financing or obtain financing at competitive interest rates if we fail to have favourable results of operations. We had been last rated by CRISIL Ratings Limited for our fund based long – term borrowing as CRISIL A – Stable and for our non – fund based – short-term borrowing as CRISIL A2+. Such rating was valid till March 31, 2023. Ratings reflect a rating agency’s opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Any downgrade made to our credit ratings could lead to high borrowing costs and limit our access to capital and lending markets and, as a result, could adversely affect our business. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any new or existing financing arrangements.

Further, any fluctuations in the interest rates may directly impact the interest costs of such loans and could adversely affect our financial condition. Our ability to make payments on and refinance our indebtedness will depend on our ability to generate cash from our future operations. While no such instance has occurred in the past, we may not be able to generate enough cash flow from operations or obtain enough capital to service our debt. Any of these circumstances could adversely affect our business, credit rating, reputation, prospects, future cash flows, results of operations and financial condition and lead to initiation of adverse actions by our lenders. Moreover, any such action initiated by our lenders could result in the price of the Equity Shares being adversely affected.

**25. There are outstanding legal proceedings involving our Company, Subsidiaries, Directors and Promoters. Any adverse outcome in such proceedings may have an adverse impact on our reputation, business, financial condition, results of operations and cash flows.**

There are certain outstanding legal proceedings involving our Company, Subsidiaries, Directors and Promoters. These proceedings are pending at different levels of adjudication before various courts and tribunals. Such proceedings could divert management time and attention and consume financial resources in their defense.

Name	Criminal proceedings	Tax proceedings	Statutory or regulatory actions	Material civil litigation	Other material litigation	Aggregate amount involved (in ₹ million)*
<b>Company</b>						
By the Company	Nil	Nil	Nil	Nil	Nil	Nil
Against the Company	Nil	2	Nil	Nil	Nil	150.43
<b>Subsidiaries</b>						
By the Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
Against the Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
<b>Directors</b>						

Name	Criminal proceedings	Tax proceedings	Statutory or regulatory actions	Material civil litigation	Other material litigation	Aggregate amount involved (in ₹ million)*
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
<b>Promoters</b>						
By the Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoters	Nil	Nil	Nil	Nil	Nil	Nil

Note: The amounts indicated above (wherever quantifiable) are approximate amounts.

For details of such outstanding legal proceedings, please see the section titled, “**Legal Proceedings**” on page 250.

An adverse outcome in the aforesaid proceedings or any legal proceedings in future, individually or in the aggregate, involving our Company, Subsidiaries, Directors and Promoters could have an adverse effect on our business, prospects, financial condition and results of operations. Further, any adverse outcome in these proceedings may affect the reputation and standing of us and may impact future business.

**26. Information relating to the historical installed capacity and capacity utilization of our manufacturing facilities included in this Placement Document is based on various assumptions and estimates and our future production and capacity may vary.**

For details of certain information relating to our capacity utilization of all our manufacturing units for our business verticals, calculated on the basis of total installed production capacity and actual production as of/ for the periods, please see “**Our Business – Manufacturing Units**” on page 188. Information relating to the historical installed capacity and capacity utilization of our manufacturing units included in this Placement Document is based on various assumptions and estimates of our management and an independent chartered engineer, including assumptions relating to expected operations, availability of raw materials, expected unit utilization levels, downtime resulting from scheduled maintenance activities, downtime resulting from change in stock keeping units for a particular product and unscheduled breakdowns. Actual production volumes and capacity utilization rates may differ significantly from the estimated production capacities and historical capacity utilization of our manufacturing units. Investors should therefore not place undue reliance on our historical installed capacity information for our existing manufacturing facilities included in this Placement Document.

**27. Our intellectual property rights may not be adequately protected against third party infringement. This could have a material adverse effect on our business which in turn adversely affect results of operations.**



We have registered our logo under classes 9 and 11 of the Trademarks Act, as on the date of this Placement Document. Our process knowledge is a significant independent asset, which may not be adequately protected by intellectual property rights such as patent registration. Some of our process knowledge is protected only by secrecy. As a result, we cannot be certain that our process knowledge will remain confidential in the long run. A significant number of our employees have access to confidential customer design and process knowledge of the products information and there can be no assurance that this information will remain confidential. Further, our purchase orders with our customers also contain confidentiality obligations, which may be liable to be breached. Moreover, certain of our employees may leave us and join our various competitors or form a competing business. The potential damage from such disclosure is increased as many of our designs and products are not patented, and thus we may have no recourse against copies of our products and designs that enter the market subsequent to such leakages. In the event that the confidential technical information in respect of our products or business becomes available to third parties or to the general public, any competitive advantage we may have over other companies in the precision products sector could be harmed. If a competitor is able to reproduce or otherwise capitalize on our technology, it may be difficult, expensive or impossible for us to obtain necessary legal protection. Consequently, any leakage of confidential technical information could have an adverse effect on our business, results of operations, financial condition and future prospects.

**28. We depend on the skills and experience of our Board of Directors, Key Managerial Personnel and members of Senior Management with technical expertise for our business and future growth. A reduction or change of their involvement in our business could have an impact on our business, results of operations, financial condition and prospects.**

Our future performance will depend on the continued service, skill and experience of our Board of Directors, Key Managerial Personnel, members of Senior Management and persons with technical expertise, and the loss of any senior employee and the inability to find an adequate replacement may impair our relationship with key customers and our level of technical expertise, which may adversely affect our business, results of operations, financial condition and prospects. In particular, we rely on the experience and business relationships of our Executive Chairman and Whole – time Director, Anurag Gupta, our Managing Director – Finance, Vishal Gupta and our Managing Director – Operations, Vikas Gupta who are also our Promoters, our Key Managerial Personnel and members of Senior Management, including our Chief

Financial Officer, Pramod Chimmanlal Gupta, our Company Secretary, Mr. Sanchay Dubey and our other functional heads and unit heads. Should their involvement in our business reduce or should our relationship with these persons deteriorate for any reason in the future, our business, results of operations, financial condition and prospects may be adversely affected. For details, refer “*Board of Directors and Senior Management*” on page 193.

In addition, our success in expanding our business also depends, in part, on our ability to attract, retain and motivate mid-to-senior level management personnel and engineers. As of June 30, 2023, we had 3,438 employees working at our manufacturing units. The attrition rate for permanent employees was 2.18%, 2.24%, 1.66% and 2.98% for each Fiscals of 2021, 2022, 2023 and three months ended June 30, 2023, respectively. Our Company’s performance depends largely on the continued efforts and abilities of these employees. Competition for skilled personnel in the manufacturing industry and the ODM and services industry is intense, and we may need to offer a more attractive compensation and other benefits package, including share-based compensation, to attract and retain them. Even if we were to offer higher compensation and other benefits, there is no assurance that these individuals will choose to join or continue to work for us.

We may also require a long period of time to hire and train replacement personnel when skilled personnel terminate their employment with us. We may also be required to increase our levels of employee compensation and benefits more rapidly than in the past to remain competitive in attracting skilled personnel. If we cannot attract and retain qualified personnel, it could have a material adverse impact on our business, financial condition, and results of operations. Moreover, we may be unable to manage knowledge developed internally, which may be lost in the event of our inability to retain employees.

**29. *We have recently forayed into the consumer electronics business for manufacturing televisions and may not be successful in achieving the profitability or level of growth that we envisage. Accordingly, this may expose us to uncertainties and risks, any of which could adversely affect our business, financial condition and result of operations.***

Since inception, we have continuously evolved our product portfolio to meet the needs of our customers and cater to the prevailing industry technologies. Post incorporation of our Company in 2003, we started manufacturing plastic moulded components. Thereafter, in 2014, we focused on the products business and commenced manufacturing of air coolers. We set up an in – house tool room for our tool manufacturing business vertical in 2016 and thereafter started manufacturing semi – automatic washing machines in 2017. In 2018, we started manufacturing RAC IDUs and subsequently RACs ODUs in 2021. Additionally, in 2021, we commenced manufacturing fully automatic top load washing machines and subsequently LED TVs in 2022.

Our Company has entered into the JV Agreement with Jaina Marketing & Associates, Jaina India Private Limited (“**Jaina Group**”) and Goodworth Electronics Private Limited, pursuant to which Goodworth Electronics Private Limited (“**JV**”) has become a joint venture of our Company. Subject to, among others, receipt of relevant approvals and development of necessary infrastructure, the JV intends to manufacture LED televisions, and has been formed to leverage the expertise and resources of our Company and the Jaina Group, towards this purpose.

We have limited experience in our newly forayed consumer electronics business. We may be unable to introduce televisions for technical or operational reasons, and even if we are successful in introducing it, we face significant risks, as well as the possibility of unexpected consequences, including:

- sales of our televisions to our customers may not be as high as we anticipate for a number of factors including product pricing;
- our marketing strategies may be less effective than planned and may fail to effectively reach the targeted consumer base or engender the desired consumption and the rate of purchases by our customers may not be as high as we anticipate;
- we may face operational challenges in initial phase of our consumer electronics business including managing the distribution channel, passing on increased raw material cost to consumers, requirement of higher working capital which we may not be able to set aside for this business;
- any delays or other difficulties impacting our ability, or the ability of our third-party manufacturer and suppliers, to manufacture, distribute and ship products in a timely manner.

Further, we cannot assure you that we will be able to comply with our obligations under the JV Agreement or if the intended purpose of the JV Agreement will be achieved adequately, or at all. Any breach of our obligations pursuant to the JV Agreement may also expose us to, among others, contractual disputes and indemnity claims.

In addition, we compete against a number of multinational manufacturers and marketers, some of which are larger and have substantially greater resources than us, and which may therefore have the ability to spend more aggressively on advertising and marketing and have more flexibility to respond to changing business and economic conditions than us. Furthermore, manufacturers that do not currently compete with us could expand their product portfolios to include products that would compete directly with ours.

**30. Our business is subject to strict quality control requirements. Failure in compliance with such standards may lead to cancellation of orders from our customers as well as product recalls, which could adversely affect our business, financial condition and results of operations.**

We may not meet strict quality standards imposed by our customers, applicable to our manufacturing processes, which could have an adverse effect on our business, financial condition, and results of operations. Our business also requires obtaining and maintaining quality certifications and accreditations from independent certification entities. These include ISO 9001:2015, 14001:2015, ISO 45001:2018, UL E520496 and IATF 16949:2016 certifications. Such specifications and standards of quality is an important factor in the success and wide acceptability of our products. We cannot assure you that we comply or can continue to comply with all regulatory requirements or the quality requirement standards of our customers. Some of customers also undertake audits on in relation to products that we manufacture for them in order to ensure that we meet their quality standards. Our failure to achieve or maintain compliance with these requirements or quality standards may disrupt our ability to supply products sufficient to meet demand until compliance is achieved. Certain customers conduct periodic quality audits of our manufacturing units to verify and ascertain effective implementation of quality management systems. While historically, we have not received any notices pursuant to any inspection or audit undertaken by the our customers or Indian regulatory agencies, going forward if we are not in compliance with any of their requirements, our units and products may be the subject of a warning letter or sanctions or any other action from regulatory authorities, which could result in the withholding of product approval and the shut-down of our units.

Our customers may have their own policies regarding product recalls and other product liability actions relating to their suppliers. However, as suppliers, we are integrally involved in the design process and our customers may seek compensation from suppliers, including us, for contributions when faced with sales return, product liability or warranty claims. Despite our quality control and quality assurance efforts, problems may occur, or may be alleged, in or resulting from the design and/or manufacturing of these products. Further, problems in the products we design and/or manufacture, or in products which include components we manufacture, whether real or alleged, whether caused by faulty customer specifications, the design or manufacturing processes or a component defect, may result in increased costs to us, as well as delayed shipments to customers, and/or reduced or cancelled customer orders and a loss of reputation.

Set forth below is the information in relation to the sales return from customers for the respective period / years:

Particulars	Fiscal 2021		Fiscal 2022		Fiscal 2023		Three months ended June 30, 2023*	
	(in ₹ million)	% of revenue from operations	(in ₹ million)	% of revenue from operations	(in ₹ million)	% of revenue from operations	(in ₹ million)	% of revenue from operations
Sales return / return of products from customers	39.78	0.57%	82.29	0.74%	58.00	0.27%	5.00	0.07%

\* Not annualised

In event of the products being classified as defective by our customers, we could be required to replace such products at our own cost or bear the cost of repair of the defective products to our customer. While there have been no such instances of material defects in the past, occurrence of such events, could lead to cancellation of existing and future orders and have a material adverse effect on our business and revenue.

**31. Our contingent liabilities that have not been provided for could adversely affect our business, cash flows, financial condition and results of operations.**

We may have contingent liabilities from time to time. As of June 30, 2023, the following contingent liabilities were not provided for in our Audited Financial Statements:

(₹ in million)	
Particulars	Amount as at June 30, 2023
Contingent Liabilities (to the extent not provided for, including central excise, anti-dumping duty and claims by third parties)	155.00
<b>Total</b>	<b>155.00</b>

If any of these contingent liabilities materialize, we may have to fulfil our payment obligations, which may have an adverse impact on financial conditions. For further details, see “*Financial Information*” on page 252.

**32. Our respective statutory auditors for the relevant periods have included remarks in connection with the Companies (Auditor’s Report) Order, 2020 / Companies (Auditor’s Report) Order, 2016 (together, the “CARO Reports”).**

Our respective statutory auditors for the relevant periods have included the following observations in the CARO Reports in relation to the audited financial statements as at and for Fiscals 2021, 2022 and 2023.

For the year ended March 31, 2021, 2022 and 2023 in the respective audited standalone financial statements:

“There are no dues of goods and services tax, provident fund, employees’ state insurance, income tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess, goods and service tax and other statutory dues which have not been deposited on account of any dispute except the following:

Name of the Statute	Nature of Dues	Amount (in ₹ million)	Year to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty	76.57	2008 – 09 to 2011 – 12	Supreme Court of India
Customs Act, 1961	Anti-dumping duty	73.85	2010-11	Supreme Court of India

For the year ended March 31, 2022

“As disclosed in note 46 of the standalone financial statements, the Company has been sanctioned working capital limits in excess of ₹ 50 million in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. The quarterly returns / statements filed by the Company with such banks and financial institutions has immaterial variances with the books of accounts of the Company.”

For the year ended March 31, 2023

“As disclosed in note 46 to the standalone financial statements, the Company has been sanctioned working capital limits in excess of ₹ 50 million in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks and financial institutions has immaterial variances with the books of accounts of the Company.”

For details, refer to “**Financial Information**” on page 252.

There can be no assurance that any similar matters prescribed under the CARO Reports, will not form part of our audited financial statements for the future fiscal periods, which could subject us to additional liabilities due to which our reputation and financial condition may be adversely affected.

**33. Our insurance cover may be inadequate to protect us from losses that may occur in the course of our business, which could have an adverse impact of on our business and financial performance.**

We avail various insurance policies covering stocks, buildings, furniture, plant and machinery, electric installations, raw materials. For details, please see “**Our Business – Insurance**” on page 191. However, our insurance policies may not have adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverages.

Set forth below are the carrying values of our key component of fixed assets and working capital and insurance coverage for the periods indicated below:

Particulars	Fiscal 2021		Fiscal 2022		Fiscal 2023		Three months ended June 30, 2023*	
	Amount (in ₹ million)	% of total assets	Amount (in ₹ million)	% of total assets	Amount (in ₹ million)	% of total assets	Amount (in ₹ million)	% of total assets
Property, plant and equipment (excluding capital work in progress)	2,725.77	47.05%	4,402.88	41.21%	5,765.70	38.23%	5,797.25	43.89%
Inventories	926.11	15.98%	2,860.33	26.77%	3,533.81	23.43%	2,752.37	20.84%
<b>Total</b>	<b>3,651.88</b>	<b>63.03%</b>	<b>7,263.21</b>	<b>67.97%</b>	<b>9,299.51</b>	<b>61.66%</b>	<b>8,549.62</b>	<b>64.73%</b>
<b>Insurance Coverage</b>	-	<b>95.55%</b>	-	<b>90.50%</b>	-	<b>79.37%</b>	-	<b>90.78%</b>

\* Not annualised

As on June 30, 2023, 9.22% of our total assets are uninsured. We cannot assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. Further, we are not covered by business interruption policy. Interruption of our business

operations for any reasons including on account of fire, flood, any natural calamities etc. may have a material and adverse impact on our business operations and profitability. For instance, on June 15, 2019, we had an incident of a fire breakout at the washing machine division of our Company at Uttar Pradesh resulting in the loss and damage of raw material and finished goods stored therein. Similarly, on January 20, 2022, we had another incident of a fire breakout at the manufacturing Unit 2 – Subsidiary. While our insurance coverage was adequate to cover the losses suffered, our operations were partially affected due to these incidents. We may be exposed to public liability claims as we deal with products, which are made from raw materials, which are hazardous and poisonous and/or chemicals, which are combustible and flammable. Our Company is not covered under any public liability insurance. Therefore, in the event of any accident, we may have to incur substantial costs or pay damages for, inter-alia, personal injuries or loss or damage to property, suffered by the public or any third party which may have an adverse impact on the financial performance of our Company.

While we believe that the insurance coverage that we maintain is in accordance with industry standards, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all material losses. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, that is not covered by insurance or exceeds our insurance coverage, the loss would have to be borne by us and our cash flows, results of operations and financial performance could be adversely affected. In the event that our Company files a claim under the applicable insurance policy, there is no assurance that we will be able to recover all, or part of the losses incurred.

**34. *Our Promoters have provided personal guarantees for loans availed by us. Invocation of such guarantees can adversely impact the ability of our Promoters to manage the affairs of our Company.***

Our Promoters have provided personal guarantees in relation to certain financing arrangements availed by our Company from Tata Capital Financial Services Limited, HDFC Bank Limited, ICICI Bank Limited, State Bank of India, Bajaj Finance Limited, YES Bank Limited and Uttar Pradesh Financial Corporation aggregating to ₹ 4,005.59 million, as on June 30, 2023. Additionally, our Promoters have provided personal guarantees in relation to the financing arrangements availed by one of our Subsidiaries, PG Technoplast from HDFC Bank Limited, ICICI Bank Limited, State Bank of India and YES Bank Limited, aggregating to ₹ 7,175.00 million, as on June 30, 2023. In the event of default on such loans, the guarantees may be invoked by our lenders thereby adversely affecting our Promoters' ability to manage the affairs of our Company and this, in turn, could adversely affect our business, prospects, financial condition and results of operations. Further, if any of these guarantees are revoked by our Promoters, our lenders may require alternate securities or guarantees and may seek early repayment or terminate such facilities or seek additional sources of capital, which may not be available on acceptable terms or at all. Any such event could adversely affect our financial condition and results of operations.

**35. *Our business is entirely dependent on our manufacturing units and we are subject to certain related risks. Any prolonged disruptions, unplanned slowdowns, unscheduled shutdowns and closure in our manufacturing operations, under-utilization of our manufacturing capacities or inability to effectively utilize our capacity post expansion may restrict our operations and adversely affect our business. Further, our production capacity may not correspond precisely to its production demand which may affect our results of operations.***

We currently operate seven manufacturing units, in the states of Uttar Pradesh, Uttarakhand and Maharashtra. Additionally, we operate a unit at Ahmednagar, Maharashtra, where we operate incoming and outgoing quality control of products, storage of raw materials and finished goods and dispatch operations for our other manufacturing units in the location. Recently, our Subsidiary, PG Technoplast, has acquired land on lease at Alwar, Rajasthan, where it proposes to set up a manufacturing unit (Unit 3 – Subsidiary). However, we are yet to apply for requisite government licenses and approvals for the Unit 3 – Subsidiary, and we cannot assure you that we will be able to apply for and obtain these approvals in a timely manner or at all.

As is typical with manufacturing operations, our business is susceptible to external factors, such as accidents, system failures, economic and weather conditions, natural disasters, and demographic and population changes, and other unforeseen events and circumstances. Our manufacturing units and operations are also subject to risks and factors including, among others, breakdown and/or failure of equipment, industrial accidents, increases in raw materials, consumables and manpower costs, challenges in achieving targeted utilization levels at our manufacturing units, product quality issues, disruption in electrical power or water resources, timely grant or renewal of approvals, severe weather conditions, natural disasters, outbreaks of infectious diseases, such as the COVID-19 pandemic, natural calamities, labor disputes, fire, civil disruptions and changes in the regulations and policies of the states or local governments where our manufacturing units are located. For instance, on June 15, 2019, we had an incident of a fire breakout at the washing machine division of our Company at Uttar Pradesh resulting in the loss and damage of raw material and finished goods stored therein. Similarly, on January 20, 2022, we had another incident of a fire breakout at the manufacturing Unit 2 – Subsidiary. Occurrence of such incidents may have an impact on the operations of our units. While there have been no instances of fatalities or serious Injuries in the past, we cannot assure you that such instances will not have an impact on the operations of our factories.

Disruptions could also result from any accidental damage or destruction of our manufacturing abilities. Any material disruption at our manufacturing units including due to the factors above, could reduce our ability to meet the conditions of



our purchase orders and earnings for the affected period. While our business operations had experienced slow-down during Fiscal 2021, any future outbreak of another highly infectious or contagious disease may adversely affect our business, results of operations and financial condition. In particular, there is also risk of accidents due to the use of hazardous or flammable materials in our manufacturing units including, paints, thinners, fuels and chemicals. Any such disruptions could lead to significant delays or disruption in shipments of our products and/or otherwise materially adversely affect our business, financial condition and results of operations.

We may under – utilize and may be effectively unable to utilize our capacities post expansion. The production capacity and utilization have been calculated on the basis of manufacturing data for each of the manufacturing units of our Company. For details in relation to the capacity utilization of our manufacturing units, please refer to ‘**Our Business – Manufacturing Units**’ on page 188. Interruptions in production may also increase our costs and reduce our sales and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we may become involved in as a result, which may negatively affect our profitability, business, financial condition, results of operations, cash flows and prospects. In the event that our Company files a claim under the applicable insurance policy, there is no assurance that we will be able to recover all, or part of the losses incurred.

36. ***Our Subsidiary, PG Technoplast may not continue to enjoy the existing benefits under the PLI Scheme, which could have a materially adverse impact on our profitability.***

Our Subsidiary, PG Technoplast avails benefits under the PLI Scheme for white goods manufacturing (air conditioners and LED lights) which was notified on April 16, 2021, by the Government of India. The PLI Scheme offers financial incentive to boost domestic manufacturing and attracting large investments in white goods manufacturing value chain with a prime objective to remove sectoral disabilities, creating economies of scale, enhancing exports and creating a robust component ecosystem and generate employment. The PLI Scheme on white goods is being designed to produce complete component ecosystem for the air conditioners and LED lights industry in India and make India an essential part of the global supply chains (*Source: F&S Report*). The PLI Scheme will extend an incentive of 4% to 6% on incremental sales for a period of 5 years succeeding to the base year and one year of incubation period. (*Source: F&S Report*) Only manufacturing of the components of ACs and LED lights will be incentivized under this PLI Scheme (*Source: F&S Report*). 90% of bill of material (“**BoM**”) of ACs and 87% of BoM of LED lights are covered under the PLI Scheme (*Source: F&S Report*). It will further lead to increase in value addition in country from 20% to 80 to 85% and creating a robust component eco-system for AC industry and LED lights industry (*Source: F&S Report*). In November 2021 and March 2022, PG Technoplast, received approval under PLI Scheme for certain identified eligible white good products such as control assemblies for IDU or ODU or remotes, plastic moulding components, sheet metal components, heat exchangers, cross flow fan, motor and display panels (LCD / LED). Contingent on us achieving the defined revenue targets, meeting investment conditions, and complying with other conditions stipulated thereunder, the PLI Scheme gives us a total potential cumulative benefit of ₹ 1,987.50 million over the five financial years starting from Fiscal 2023 – 2024, which we believe will allow us to provide a better value proposition to our customers.

Ineligibility or non-compliance with the conditions set out under the PLI Scheme could lead to invocation and withdrawal the incentive claim including a refund of the incentives already availed. While our Company has not claimed any incentives so far, we cannot assure you that the incentives will be cleared in a timely manner or at all.

37. ***Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been appraised by any bank or financial institution and our management will have broad discretion over the use of the Net Proceeds.***

We intend to utilize portions of the Net Proceeds for (i) investment in our Subsidiary, PG Technoplast for (a) funding its working capital requirements; (b) funding its capital expenditure requirements for expansion of its manufacturing and warehousing/ storage unit by constructing a new building; (c) funding its capital expenditure requirements for purchase of new equipment and machinery; (ii) funding capital expenditure requirements of our Company for purchase of new equipment and machinery; and (ii) general corporate purposes. These estimates are based on various factors, including current conditions and is subject to change in light of changes in external circumstances, costs, other financial conditions or business strategies and the passage of time. Further, for details of certifications and quotations which form basis of such estimates, please see “**Use of Proceeds**” on page 80. If we engage someone other than the identified third-party vendors and contractors from whom we have obtained quotations or if the quotations obtained expire, such vendor’s / contractor’s estimates and actual costs may differ from the current estimates. Our management will have broad discretion to use the Net Proceeds and you will be relying on the judgment of our management regarding the application of these Net Proceeds. Subject to applicable laws, we may have to revise our funding requirements, including increasing or decreasing expenditure for expansion plans on account of a variety of factors.

In relation to the above, we are yet to place orders for all of the plant and machinery and utilities for the proposed project as specified in the section titled “**Use of Proceeds**” on page 80. As on the date of this Placement Document, no payments (including advances) have been made towards the same and our Company will be funding it from the Net Proceeds. Any delay in procurement of the above may delay the implementation schedule which may also lead to increase in prices of the machinery thereby affecting our cost, revenue and profitability.

Further, we are proposing to construct a building at Supa, Ahmednagar, for which we propose to utilize ₹ 407.93 million from the Net Proceeds for construction of the building. For further details, see “*Use of Proceeds*” on page 80. As of the date of this Placement Document, we have applied for the approval of the building plans for the construction of building at Supa, Ahmednagar to MIDC by way of an application dated March 10, 2023. While such an application has been made, we cannot assure you that we will be able to obtain this approval required from the regulatory authorities in a timely manner before the launch of the Issue or at all. Any failure to implement our expansion plan in a timely manner and as per cost estimates currently available, could have an adverse effect on our business, results of operations, financial condition and growth prospects.

**38. *We engage contract labour for carrying out certain functions of our business operations. We may be affected by strikes, work stoppages or uncreased wage demands by such labours.***

We engage third- party independent contractors through whom we engage contract labour for performance of certain functions at our manufacturing units and at our offices, including cleaning and security. As at June 30, 2023, we had 2,097 contract labour staff including trainees, hired on a contractual basis. Although we do not engage these labourers directly, we are responsible for any wage payments to be made to such labourers in the event of default by their respective independent contractors. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, in certain circumstances, we may be required to absorb a number of such contract labourers as permanent employees. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations and financial condition. Furthermore, any upward revision of wages that may be required by the state government to be paid to such contract labourers or the unavailability of the required number of contract labourers, may adversely affect the business and future results of our operations. Any requirement to fund such defaulted wage requirements may have an adverse impact on our results of operations and our financial condition. The success of our operations depends on availability of labour and maintaining good relationship with our workforce. We cannot assure you that our relations with our contract labour staff shall remain cordial at all times and that they do not undertake or participate in strikes, work stoppages or other industrial actions in the future. Any labour disruption may adversely affect our manufacturing operations either by increasing our cost of production or halt a portion or all of our production.

**39. *Our operations depend on the availability of timely and cost-efficient transportation and other logistic facilities and any prolonged disruption may adversely affect our business, results of operations, cash flows and financial conditions.***

Our operations depend on the timely transport of raw materials to our manufacturing units and of our products to our customers. We use a combination of land and water transport and typically rely on third party transportation providers for such purposes, which are subject to various bottlenecks and other hazards beyond our control, including customs, weather, strikes or civil disruptions. We may experience disruption in the transportation of raw materials by ship and delivery of the products to our customers due to bad weather conditions. Further, unexpected delays due to delays in obtaining customs clearance for raw materials imported by us, or increases in transportation costs, could significantly decrease our ability to make sales and earn profits. Any failure to deliver our products to our customers in an efficient, reliable and timely manner could have an adverse effect on our business, results of operations, cash flows and financial conditions.

**40. *Our manufacturing units are dependent on adequate and uninterrupted supplies of electricity, water and fuel; shortage or disruption in electricity, water or fuel supplies may lead to disruption in operations, higher operating cost and consequent decline in operating margins.***

Adequate and cost-effective supply of electrical power, water and fuel is critical to our manufacturing units. Our manufacturing units require a significant amount and continuous supply of water and electricity or any shortage or non – availability may adversely affect our operations. We source electricity and water for our manufacturing units from the relevant private power producers, state departments, industrial estates or diesel generators, pursuant to arrangements entered into with them. For certain manufacturing units, ground water is extracted as per approvals of relevant regulatory authorities and diesel generators may also require approval from relevant regulatory authorities depending upon their generation capacity.

Set forth below is the cost of power and fuel incurred by us for the respective periods:

Particulars	Fiscal 2021		Fiscal 2022		Fiscal 2023		For three months ended June 30, 2023*	
	Amount (in ₹ million)	% of revenue from operations	Amount (in ₹ million)	% of revenue from operation	Amount (in ₹ million)	% of revenue from operations	Amount (in ₹ million)	% of revenue from operations
Cost of power and fuel	161.27	2.29%	206.20	1.85%	286.82	1.33%	72.77	1.07%

\* Not annualised

We are also seeking to reduce our environmental footprint by focussing on solar energy. In this respect, we have installed a 1.4 MW rooftop grid system solar panel at our Subsidiary's Unit – 2 in Maharashtra, and a 0.65 MW solar plant at Unit – 4 in Maharashtra. In addition, in 2022, we have also entered into a power purchase agreement with a company to obtain at least 3.1 MW of solar energy for our manufacturing unit at Uttar Pradesh for a period of 25 years. However, there can be no assurance that these measures will result in expected benefits or at all.

Further, there may be power cuts in the supply provided by the respective state electricity boards from time to time and so we have stand-by captive generator sets and UPS system for our operations to ensure that there is no stoppage in our production. Power costs represent a significant portion of our operating costs. If the per unit cost of electricity is increased by the state electricity boards our power costs will increase. It may not be possible to pass on any increase in our power costs to our customers, which may adversely affect our profit margins. An interruption in or limited supply of electricity may result in suspension of our manufacturing operations. A prolonged suspension in production could materially and adversely affect our business, financial condition or results of operations. In addition to the production losses that we would incur during production shutdowns in the absence of supply of electrical power, we would not be able to immediately return to full production volumes following power interruptions, however brief. Any interruption of power, even if short, could give rise to inefficiencies when we resume production.

**41. *Our Promoters, Managing Director and certain Key Managerial Personnel and members of Senior Management hold Equity Shares in our Company and may be interested in our Company other than remuneration and reimbursement of expenses.***

Our Promoters, Managing Directors and certain Key Managerial Personnel and members of Senior Management, while managing the day-to-day operations, are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding and benefits arising therefrom. Our Directors may also be interested to the extent of any transaction entered into by our Company with any other company/firm/entity in which they are director/promoter/partner or a related party. For instance, our Company has taken on lease and license basis the Registered Office and Unit 2 on lease basis from one of our Promoters, Vishal Gupta. While our Promoters, Managing Director, Key Managerial Personnel and members of Senior Management believe that they act in the benefit and best interest of the Company, there can be no assurance of continuing the same. For details, see “*Board of Directors and Senior Management*” and “*Financial Information*” on pages 193 and 252 respectively.

**42. *We are required to obtain, renew or maintain statutory and regulatory permits, licenses and approvals to operate our business and our manufacturing units, and any delay or inability in obtaining, renewing or maintaining such permits, licenses and approvals could result in an adverse effect on our results of operations. We are also required to be in compliance with various laws that are applicable to us and any non-compliance may have a material adverse effect on our business, financial condition or results of operation.***

Our operations are subject to extensive government regulations and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in the geographies in which we operate, generally for carrying out our business and for our manufacturing units. Several of these approvals are granted for a limited duration. Some of these approvals have expired and we have either made or are in the process of making an application for obtaining the approval for its renewal. Further, while we have applied for some of these approvals such as consent to abstract ground water to Central Ground Water Authority and license to import and store petroleum to the Petroleum and Explosives Safety Organisation, Ministry of Commerce and Industry, we cannot assure you that such approvals will be issued or granted to us in a timely manner, or at all. If we do not receive such approvals or are not able to renew the approvals in a timely manner, our business and operations may be adversely affected.

Further, we are proposing to construct a building at Supa, Ahmednagar, for which we propose to utilize ₹ 407.93 million from the Net Proceeds for construction of the building. For further details, see “*Use of Proceeds*” on page 80. As of the date of this Placement Document, we have applied for the obtaining the approval of building plans for the construction of building at Supa, Ahmednagar to MIDC by way of an application dated March 10, 2023. While such an application has been made, inability to obtain such approval, in a timely manner, or at all, may affect our business operations. Additionally, our Subsidiary, PG Technoplast, has acquired land on lease at Alwar, Rajasthan, where it proposes to set up a manufacturing unit (Unit 3 – Subsidiary). The lease is for a period of nine years commencing from July 13, 2023. We are yet to apply for requisite government licenses and approvals for the Unit 3 – Subsidiary, and we cannot assure you that we will be able to apply for and obtain these approvals in a timely manner or at all.

The approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged noncompliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business. In addition, these registrations, approvals or licenses are liable to be cancelled or the manufacture or sale of products may be restricted. In case any of these registrations, approvals or licenses are cancelled, or its use is restricted, then it could adversely affect our results of operations or growth prospects. For further information, see “*Risk Factors - Our business involves work with*

*hazardous materials and activities, which could cause injuries to people or property, and we must comply compliance with, and our business can be affected by, changes in, safety, health and environmental laws and various labour laws and regulations” on page 66.*

**43. *Our business involves work with hazardous materials and activities, which could cause injuries to people or property, and we must comply compliance with, and our business can be affected by, changes in, safety, health and environmental laws and various labour laws and regulations.***

We are subject to a broad range of safety, health, environmental, labour, workplace and related laws and regulations in the jurisdictions in which we operate, which impose controls on disposal and storage of raw materials, noise emissions, air and water discharges on the storage, handling, discharge and disposal of chemicals, and employee exposure to hazardous substances and other aspects of our operations.

For example, the laws in India limit the amount of hazardous and pollutant discharge that our manufacturing units may release into the air and water. The discharge of substances that are chemical in nature or of other hazardous substances into the air, soil or water beyond these limits may cause us to be liable to regulatory bodies and incur costs to remedy the damage caused by such discharges. We are also required to obtain and comply with environmental permits for certain of our operations. For instance, we require approvals under the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, the Hazardous and Other Waste (Management and Transboundary Movement) Rules, 2016 to establish and operate our manufacturing units.

The adoption of stricter health and safety laws and regulations, stricter interpretations of existing laws, increased governmental enforcement of laws or other developments in the future than that are prevailing as of now may require that we make additional capital expenditures, incur additional expenses or take other actions in order to remain compliant and maintain our current operations. Complying with, and changes in, these laws and regulations or terms of approval may increase our compliance costs and adversely affect our business, prospects, results of operations and financial condition.

We are also subject to the laws and regulations governing relationships with employees in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour hired through and work permits. Our business is also subject to, among other things, the receipt of all required licenses, permits and authorizations including local land use permits, manufacturing permits, building and zoning permits, and environmental, health and safety permits. There is a risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products. Non-compliance with applicable safety, health and environmental laws and various labour, workplace and related laws and regulations including terms of approvals granted to us could subject us to litigation, which may increase our expenses in the event we are found liable, and could adversely affect our reputation.

In addition, environmental laws and regulations in India have increasingly become more stringent. The scope and extent of the new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations, cash flows and prospects.

**44. *The coronavirus pandemic (“COVID-19”) has had an adverse effect on our business and operations, and the extent to which it may continue to do so in the future cannot be predicted.***

In the first half of 2020, COVID-19 spread to a majority of countries across the world, including India. The COVID-19 pandemic has had, and may continue to have, significant repercussions across local, national and global economies and financial markets. The global impact of the COVID-19 pandemic has been rapidly evolving and public health officials and governmental authorities responded by taking measures, including in India where our operations are primarily based, such as prohibiting people from assembling in large numbers, instituting quarantines, restricting travel, issuing “stay-at-home” orders and restricting the types of businesses that may continue to operate, among many others.

In response to the COVID-19 pandemic, the governments of many countries, including India have taken preventive or protective actions, such as imposing country-wide lockdowns, restrictions on travel and business operations and advising or requiring individuals to limit their time outside of their homes. Individuals’ ability to travel both within and outside of India have been curtailed through mandated travel restrictions and may be further limited. Since May 2020 some of these measures have been lifted and partial travel has been permitted. These measures have impacted and may have a further impact on our workforce and our operations in the jurisdictions in which we operate, the business of our customers and suppliers. Despite the lifting of the lockdown, there is significant uncertainty regarding the duration and long-term impact of the COVID-19 pandemic, as well as possible future responses by the Government, which makes it impossible for us to predict with certainty the impact that COVID-19 will have on our business, operations or potential expansion plans in the future. The COVID-19 pandemic has affected and may continue to affect our business, results of operations and financial condition in a number of ways.

COVID-19 led shutdowns and their after-effects led to production loss to our business. For example, two of our manufacturing units at Supa, Ahmednagar, were shut down in March 2020 and May 2021, on account of a portion of our workforce being unable to work, including because of travel or government restrictions in connection with COVID-19, including stay at home order. While these shutdowns were temporary, it did have a significant impact on our business operations. The changing regulatory and policy landscape in China, reduced government support for Chinese manufacturers, along with geopolitical issues and COVID – 19 impact. Imports from China contributed to 8.30%, 24.36%, 23.41% and 17.54% of our revenue in Fiscal 2021, 2022, 2023 and three months ended June 30, 2023. In the event our relationship with our suppliers in China, or diplomatic and economic relationship between India and China, were to get worse, we cannot assure you that this will not have a negative impact on the operations of our Company.

**45. *We may not continue to enjoy our existing tax benefits and government incentives, which could adversely affect our profitability.***

Our Company's manufacturing Unit 4 is eligible for incentives under the Electronic Policy-2016 of Maharashtra Government and has been availing incentives in the form of Gross SGST refund for the period of January 2020 to October 2028. We currently recognise income for such government grants based on Gross SGST payable, having maximum ceiling of ₹ 61.83 million per annum in accordance with the relevant notifications issued by the State of Maharashtra. In Fiscal 2022, we received an in-principle approval for eligibility from the Government of Maharashtra in response to the application filed for incentive under Electronic Policy – 2016 on its investment for expansion for the period from March 2017 to February 2021. Accordingly, we have recognised grant income amounting to ₹ 216.45 million for period of January 2020 to June 2023, out of which ₹29.79 million has received on March 31, 2023 from Government of Maharashtra.

Our Company has also opted for the lower corporate tax rate of 25.168% (prescribed under section 115BAA of the Income-Tax Act, 1961 ("**the Act**")) with effect from AY 2020-21. Section 115BAA gives an option to domestic company to be governed by this section from a particular assessment year. If a company opts for section 115BAA of the Act, the company can pay corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and education cess of 4%). However once opted for reduced rate of taxation under the said section, it cannot be subsequently withdrawn. It further provides that domestic companies availing the option will not be required to pay Minimum Alternate Tax ("**MAT**") on their 'book profits' under section 115JB of the Act. However, such a company will no longer be eligible to avail any specified exemptions / incentives under the Act and will also need to comply with the other conditions specified in section 115BAA. Also, if a company opts for section 115BAA, the tax credit (under section 115JAA), if any, which it is entitled to on account of MAT paid in earlier years, will no longer be available. Further, it shall not be allowed to claim set-off of any brought forward losses arising to it on account of additional depreciation and other specified incentive.

Our Company has also availed deferred payment of customs duty on import of inputs or capital goods under Manufacture and other operations in Warehouse Regulations 2019 (No. 2 Regulations) at one of its plants for which the license has been granted.

Further, we also avail benefits under the IIEPP-2017 (Industrial Investment and Employment Promotion Policy), 2017 by the Pradeshiya Industrial and Investment Corporation of Uttar Pradesh ("**PICUP Scheme**"). The PICUP Scheme provides incentives to attract investments in the state. Under the said scheme, we avail certain benefits, including but not limited to reimbursement of 60% of net SGST paid on incremental sale in the state of Uttar Pradesh for five years starting from Fiscal 2019 to Fiscal 2023 and a capital interest subsidy to the extent of 5% per annum for five years subject to annual ceiling of ₹ 5 million per annum starting from Fiscal 2019 to Fiscal 2023. Our profitability will be affected to the extent that such benefits shall not be available beyond the period currently contemplated in the relevant notifications/ circulars. Our profitability may be further affected in the future if any of the above-mentioned benefits are reduced or withdrawn prior to the respective periods mentioned therein, including due to our inability to meet the eligibility requirements or comply with applicable terms and conditions of the schemes. There is no assurance that we will continue to enjoy such tax benefits in the future. Any change in Indian tax regulations or policy may result in us losing such benefits and our business, financial condition and results of operations may be adversely affected as a result. In addition, our business, results of operations and financial condition may be adversely affected if we are subject to any dispute with the tax authorities in relation to these benefits or in the event, we are unable to comply with the conditions required to be complied with in order to avail ourselves of these benefits. For further information on our tax benefits, please see the section titled, "**Taxation**" on page 246.

**46. *Failure or disruption of our Information Technology ("IT") systems may adversely affect our business, financial condition, results of operations and prospects.***

We have implemented various IT systems that cover key areas of our operations, procurement, inventory, sales and dispatch and accounting, and we rely on our IT systems for the timely supply of our products to customers. IT systems are potentially vulnerable to damage or interruption from a variety of sources, which could result in a material adverse effect on our operations. While we have taken measures for seamless working of our IT systems, any disruption or failure of our IT systems could have a material adverse effect on our operations. A large-scale IT malfunction could disrupt our business or lead to disclosure of sensitive company information. Our ability to keep our business operating depends on the proper and efficient operation and functioning of various IT systems, which are susceptible to malfunctions and interruptions. A

significant or large-scale malfunction or interruption of one or more of our IT systems could adversely affect our ability to keep our operations running efficiently and affect product availability, particularly in the country, region or functional area in which the malfunction occurs, and wider or sustained disruption to our business would be a possibility.

In addition to disruptions to our IT systems, we are exposed to cybersecurity risks which may include breaches of confidentiality, availability of the data and/or transactions processed by the information systems (system malfunction, data theft and data destruction). These may result from external (denial of service, hacking, malware) or internal (tampering, breach of data confidentiality) threats. As a result, a malfunction of our data system security measures could enable unauthorized persons to access sensitive business data, including information relating to our intellectual property (including product designs, design software and other trade secrets) or business strategy or those of our customers. Such malfunction or disruptions could cause economic losses for which we could be held liable. While there have been no such instance of failure or disruption in the past, failure of our information technology systems could cause damage to our reputation which could harm our business. Any of these developments, alone or in combination, could have a material adverse effect on our business, financial condition and results of operations. As such, the unavailability of, or failure to retain, well trained employees capable of constantly servicing our IT and/or ERP systems may lead to inefficiency or disruption of our IT systems, thereby adversely affecting our ability to operate efficiently.

Any failure or disruption in the operation of these systems or the loss of data due to such failure or disruption (including due to human error or sabotage) may affect our ability to plan, track, record and analyse work in progress and sales, process financial information, meet business objectives based on IT initiatives such as product life cycle management, manage our creditors, debtors, manage payables and inventory or otherwise conduct our normal business operations. In addition, we may be required to incur significant costs to protect against damage caused by such attacks or disruptions in the future or failure by us to comply with Indian or foreign laws and regulations, including laws and regulations regulating privacy, data protection or information security, which may increase our costs and otherwise materially adversely affect our business, results of operations, financial condition and prospects.

**47. *The industry and addressable markets may not grow as projected by our peers and us.***

The electronics, RAC vertical, washing machines and television markets may not grow as projected by us or our customers. We face certain market restraints in terms of these industries such as:

- Inefficient supply chain for the required electronics: India has a limited component supplier base, where most of the high value and critical components including include ICs, PCBs, etc. are imported. As supply-chain resilience and localization are becoming more significant, India must take the necessary steps to improve the domestic value chain capability for long-term benefits (*Source: F&S Report*)
- Lack of manufacturing ecosystem: In India, there is lack of a stable component ecosystem. Moreover, FTAs (Free Trade Agreements) with ASEAN countries makes imports less expensive than domestic production, thereby intensifying the situation. Tax disputes, a scarcity of skilled engineers, and a sparse network of local component manufacturers are all significant factors impeding the growth of India's mobile component manufacturing industry (*Source: F&S Report*).
- Skilled labour shortage: There is substantial competition for R&D personnel, qualified technical experts, sales and marketing professionals and post-sales services providers (*Source: F&S Report*).
- Import dependency on components: There is a lack of domestic manufacturing capacity/ capability for critical components such as compressors and motors (*Source: F&S Report*).

We rely on market projections for the smooth functioning of our business. While we endeavour to keep up to the changing market conditions and recent trends in the market, we cannot assure you that such market restraints will not have a material impact on our business and financial operations. Any change in the market conditions may result in loss of our current market positioning and may adversely impact our business operations.

**48. *Availability of counterfeit products or a failure to keep confidential the technical knowledge used in our business could have an impact on our business and results of operations.***

Third parties could pass off their own products as ours, including counterfeit or pirated products. Certain entities could imitate our brand name, packaging materials or attempt to create look-alike products. As a result, our market share could be reduced due to replacement of demand for our products and deficiency in the quality of the counterfeit products will adversely affect our goodwill. Like many of our competitors, we possess extensive technical knowledge about our products. Such technical knowledge has been built up through our own experiences. While we do not use any proprietary technology, our technical knowledge is a significant independent asset, which may not be adequately protected by intellectual property rights such as patent registration. Some of our technical knowledge is protected only as trade secrets. As a result, we cannot be certain that our technical knowledge will remain confidential in the long run.

Certain proprietary knowledge may be leaked, either inadvertently or wilfully. Some of our employees may have access to confidential design and product information and there can be no assurance that this information will remain confidential. Moreover, certain of our employees may leave us and join our various competitors or form a competing business. In the event that the confidential technical information in respect of our products or business becomes available to third parties or to the general public, any competitive advantage we may have over other companies in the automotive components sector could diminish. If a competitor is able to reproduce or otherwise capitalize on our technology, it may be difficult, expensive or impossible for us to obtain necessary legal protection.

**49. *If we fail to maintain an effective system of internal controls, we may not be able to successfully manage, or accurately report, our financial risks.***

Effective internal controls are necessary for us to prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time, due to evolving business conditions. There can be no assurance that deficiencies in our internal controls will not arise in the future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls. Any inability on our part to adequately detect, rectify or mitigate any such deficiencies in our internal controls may adversely impact our ability to accurately report, or successfully manage, our financial risks, and to avoid fraud.

**50. *We have in the past entered into related party transactions and may continue to do so in the future and we cannot assure you that we could not have achieved more favourable terms if such transactions had not been entered into with related parties.***

We have in the past entered into transactions with certain of our related parties and are likely to do so in the future. For details, see “**Financial Information**” on page 252.

While we believe that all such transactions have been conducted on an arm’s length basis, we cannot assure you that we might have obtained more favorable terms had such transactions been entered into with unrelated parties. While we continue to conduct all related party transactions subject to the Board’s or Shareholders’ approval, as applicable, and in compliance with the applicable accounting standards, provisions of Companies Act, 2013, as amended, provisions of the SEBI Listing Regulations and other applicable law, such related party transactions may potentially involve conflicts of interest. Our Company will endeavour to duly address such conflicts of interest as and when they may arise, however, we cannot assure you that such transactions, individually or in the aggregate, may not involve potential conflict of interest which will not have an adverse effect on our business, results of operations, cash flows and financial condition. Furthermore, it is likely that we may enter into related party transactions in the future. While no such instance has occurred in the past, related party transactions may potentially involve conflicts of interest which may be detrimental to our Company and may have an adverse impact on our Company. In respect of loans or advances that our Company and subsidiaries provide to related parties, there can be no assurance that we will be able to recover all or any part of such loans or advances which, if unrecoverable, may have an adverse effect on our business, results of operations, cash flows and financial condition.

**51. *This Placement Document contains information from industry sources including the industry report commissioned by the Company from Frost & Sullivan.***

Certain sections of this Placement Document include information based on, or derived from, the F&S Report or extracts of the F&S Report prepared by Frost & Sullivan, which is not related to our Company, Directors, Key Managerial Personnel, members of Senior Management or Promoters. We exclusively commissioned and paid for this report for the purpose of confirming our understanding of the industry in connection with the Issue. All such information in this Placement Document indicates the F&S Report as its source. Accordingly, any information in this Placement Document derived from, or based on, the F&S Report should be read taking into consideration the foregoing.

Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. Further, the F&S Report is not a recommendation to invest / disinvest in any company covered in the F&S Report. Accordingly, prospective investors should not place undue reliance on, or base their investment decision solely on this information.

In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Issue pursuant to reliance on the information in this Placement Document based on, or derived from, the F&S Report. You should consult your own advisors and undertake an independent assessment of information in this Placement Document based on, or derived from, the F&S Report before making any investment decision regarding the Issue. See “**Industry Overview**” on page 129.

**52. *Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.***

While we have issued dividends in the past, our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. Our Board has approved and adopted a dividend distribution policy effective from May 25, 2021. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act 2013. We have not issued dividend during the Fiscals 2021, 2022, 2023 and three months ended June 30, 2023, and up to the date of this Placement Document. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

**53. Our Promoters and Promoter Group will continue to exercise significant influence over us and may cause us to take actions that are not in the best interest of our other shareholders.**

After the completion of the Issue, our Promoters along with the members of the Promoter Group will continue to hold substantial shareholding in our Company. As on June 30, 2023, the Promoters and the members of the Promoter Group held 61.20% of the paid-up equity share Capital of our Company. So long as our Promoters own a significant portion of our Equity Shares, they will be able to significantly influence the election of our Directors and control most matters affecting us, including our business strategies and policies, decisions with respect to mergers, business combinations, acquisitions or dispositions of assets, dividend policies, capital structure and financing, and may also delay or prevent a change of management or control, even if such a transaction may be beneficial to other shareholders of our Company.

Further, our Promoters will continue to determine decisions requiring majority voting of shareholders and the other shareholders may not be able to affect the outcome of such voting. The interests of our Promoters, as the controlling shareholders, may also conflict with our interests or the interests of the other shareholders of our Company.

**54. We have issued Equity Shares during the preceding twelve months at a price which may be below the Issue Price.**

We have issued Equity Shares in the last 12 months at a price which may be lower than the Issue Price, as set out in the table below. For further information, see "*Capital Structure*" on page 95.

Date of Allotment	Number of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of consideration	Nature of allotment
September 27, 2022	100,000	10	150	Cash	Conversion of 100,000 fully convertible warrants into equity shares <sup>(1)</sup>
December 31, 2022	1,364,551	10	337	Cash <sup>#</sup>	Conversion of 1,076,904 compulsorily convertible debentures
May 26, 2023	48,200	10	250	Cash	Allotment of 48,200 equity shares to PG Electroplast Limited Employees Welfare Trust pursuant to the PG Electroplast Employees Stock Option Scheme – 2020
August 22, 2023	28,700	10	650	Cash	Allotment of 28,700 equity shares to PG Electroplast Limited Employees Welfare Trust pursuant to the PG Electroplast Employees Stock Option Scheme – 2020

<sup>(1)</sup> 600,000 fully convertible warrants were allotted on March 31, 2021, at an issue price of ₹ 150.00. This issuance was approved by way of a Board resolution dated January 25, 2021, and a Shareholders' resolution dated February 28, 2021.

<sup>#</sup> Consideration for such allotment of equity shares was paid at the time of allotment of the compulsorily convertible debentures.

The prices at which Equity Shares were issued by us in the past year should not be taken to be indicative of the Issue Price and the trading price of our Equity Shares after the Issue.

**External Risks**

**55. Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.**

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located elsewhere, including India. Adverse economic developments, such as rising fiscal or trade deficit, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic



activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, Shareholders' equity and the price of our Equity Shares. We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the countries in which we operate is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

**56. *Natural disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.***

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19, acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition and results of operations. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India or countries to who we export our products could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares. A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus and the monkeypox virus. A worsening of the current outbreak of COVID-19 pandemic or monkeypox or future outbreaks of COVID-19 virus or a similar contagious disease could adversely affect the Indian economy and economic activity in the region. As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business and the trading price of the Equity Shares.

**57. *A downgrade in ratings of India, may affect the trading price of the Equity Shares.***

Our borrowing costs and our access to the debt capital markets depends significantly on the credit ratings of India. India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favorable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

**58. *Significant differences exist between Ind-AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Placement Document.***

The financial statements for the years ended March 31, 2021, 2022, 2023 and the three months ended June 30, 2023 (as compared with three months ended June 30, 2022), presented in this Placement Document are prepared and presented in accordance with Ind-AS. Ind-AS differs from accounting principles with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Ind-AS, U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind- AS contained in this Placement Document. Accordingly, the degree to which the financial information included in this Placement Document will provide meaningful information is dependent on the investor's familiarity with Ind-AS and the Companies Act. Any reliance by persons not familiar with Ind-AS on the financial disclosures presented in this Placement Document should accordingly be limited.

**59. *Financial instability in other countries may caused increased volatility in Indian financial markets.***

The Indian market and the Indian economy may be influenced by economic and market conditions in other countries, including conditions in the United States, Europe and Asia. In particular, the ongoing military conflicts between Russia and Ukraine could result in increased volatility in, or damage to, the worldwide financial markets and economy. Increased economic volatility in the markets for increased securities and commodities and may cause inflation. Any worldwide financial instability may cause increased volatility in the Indian financial markets and directly or indirectly, adversely affect

the Indian economy. Although economic conditions vary across markets, loss of investor confidence in emerging economy may cause volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospectus, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on the Indian economy. Recently, the currencies of a few Asian countries including India suffered depreciation against the US Dollar owing to amongst other, the announcement by the US government that it may consider reducing its quantitative easing measures.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition and results of operation. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Issued Shares.

#### **60. *Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax (“STT”) is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months immediately preceding the date of transfer may be subject to long-term capital gains tax in India at the specified rates depending on certain factors, such as STT paid, the quantum of gains, whether the sale is undertaken on or off the Stock Exchanges and any available treaty exemptions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months immediately preceding the date of transfer.

In terms of the Finance Act, 2018 and with effect from April 1, 2018, taxes payable by an assessee on the capital gains arising from transfer of long-term capital assets (introduced as Section 112A of the Income-Tax Act, 1961) shall be calculated on such long-term capital gains at the rate of 10%, where the long-term capital gains exceed ₹100,000, subject to certain exceptions in case of resident individuals and Hindu Undivided Families. Furthermore, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. While non-residents may claim tax treaty benefits in relation to such capital gains income, generally, Indian tax treaties do not limit India's right to impose tax on capital gains arising from the sale of shares of an Indian company. Further, any capital gains realized on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India.

Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder, subject to certain conditions. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

Further, The Finance Act, 2023, has received assent on March 31, 2023. The Finance Act, 2023, proposes various amendments to taxation laws in India. As such, there is no certainty on the impact that the Finance Act, 2023 may have on our business and operations or on the industry in which we operate. In addition, unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, including by reason of absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

We cannot predict whether any new tax laws or regulations impacting our services will be enacted, the likely nature and impact of the specific terms of any such laws or regulations or whether if at all, any laws or regulations would have an adverse effect on our business.

**61. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares**

Foreign investment in Indian securities is subject to regulation by Indian regulatory authorities. Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. As provided in the foreign exchange controls currently in effect in India, the RBI has provided that the price at which the Equity Shares are transferred be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm's length basis, and a higher (or lower, as applicable) price per share may not be permitted. Additionally, the GoI may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the GoI experiences extreme difficulty in stabilizing the balance of payments, or where there are substantial disturbances in the financial and capital markets in India.

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, the Consolidated FDI Policy and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of any such country, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/purview, such subsequent change in the beneficial ownership will also require approval of the Government of India.

Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all. We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all.

As an Indian company, we are also subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business, financial condition and results of operations.

**62. Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, results of operations and prospects.**

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example:

- the GAAR became effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. Given the recent implementation of GAAR, there can be no assurances as to the manner in which this tax regime will be implemented, which could create uncertainty.
- the Government of India has implemented a comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure. In this regard, the Constitution (One hundred and first Amendment) Act, 2016 enables the Government of India and state governments to introduce GST. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including with regard to labour, foreign investment, stamp duty, customs duty and anti-dumping duty governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business,

results of operations and prospects. Uncertainty in the application, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our businesses in the future.

**63. *Investors may not be able to enforce a judgment of a foreign court against our Company.***

We are a limited liability company incorporated under the laws of India and all Directors, Key Managerial Personnel and members of Senior Management named herein are residents of India and a substantial portion of our assets and such persons are located in India. As a result, it may not be possible for investors outside of India to effect service of process on our Company or such persons from their respective jurisdictions outside of India, or to enforce against them judgments obtained in courts outside of India predicated upon civil liabilities of our Company or such Directors, Key Managerial Personnel and members of Senior Management under laws other than Indian law.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes the United Kingdom, Singapore, United Arab Emirates and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Code of Civil Procedure, 1908 (the “**Civil Code**”). Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, cannot be executed in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us or our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment in the same manner as any other suit filed to enforce a civil liability in India. If, and to the extent that, an Indian court were of the opinion that fairness and good faith so required, it would, under current practice, give binding effect to the final judgment that had been rendered in the non-reciprocating territory, unless such a judgment contravenes principles of public policy in India. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate any amount recovered pursuant to the execution of such a judgment. For details, please see the section titled, “*Enforceability of Civil Liabilities*” on page 16.

**64. *We may be affected by competition law in India and any adverse application or interpretation of the Competition Act, 2002 could in turn adversely affect our business.***

The Competition Act, 2002, as amended (“**Competition Act**”) was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the CCI to regulate such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties. Further, any agreement among competitors which, directly or indirectly, involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of subscribers in the relevant market is presumed to have an appreciable adverse effect in the relevant market in India and shall be void.

The Competition Act also prohibits abuse of a dominant position by any enterprise. On March 4, 2011, the Central Government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by the CCI. Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India. The Competition Act aims to, among other things, prohibit all agreements and transactions which may have an appreciable adverse effect in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. We do not have any outstanding notices in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business.

**65. *Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.***

Our articles of association, regulations of our Board of Directors and the Indian law govern our corporate affairs. Legal principles related to these matters and the validity of corporate procedures, directors’ fiduciary duties and liabilities, and

shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

**66. *Anti-takeover provisions under Indian law could prevent or deter an entity from acquiring us.***

As a listed Indian entity, there are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company subsequent to completion of the Issue. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our Shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations.

**Risks relating to the Issue**

**67. *After this Issue, our Equity Shares may experience price and volume fluctuations.***

The market price of our Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by analysts and investors;
- a change in analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of key managerial personnel or members of senior management;
- changes in exchange rates;
- fluctuations in stock market prices and volume; and
- general economic and stock market conditions.

Changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to resell the Equity Shares at or above the Issue Price.

**68. *An investor will not be able to sell any of our Equity Shares subscribed in this Issue other than on a recognized Indian stock exchange for a period of 12 months from the date of allotment of the Equity Shares pursuant to the Issue.***

Pursuant to the SEBI ICDR Regulations, for a period of one year from the date of the allotment of the Equity Shares in the Issue, investors subscribing the Equity Shares in the Issue may only sell such Equity Shares on NSE or BSE and may not enter into any off-market trading in respect of such Equity Shares. We cannot be certain that these restrictions will not have an impact on the price of the Equity Shares. This may affect the liquidity of the Equity Shares subscribed by investors and it is uncertain whether these restrictions will adversely impact the market price of the Equity Shares subscribed by investors.

**69. *Any future issuance of Equity Shares or equity-linked securities by us or sale of our Equity Shares by any of our significant shareholders may lead to a dilution of your stake may adversely affect the trading price of our Equity Shares.***

There is a risk that we may be required to finance our growth or strengthen our balance sheet through additional equity offerings. Any future issuance of Equity Shares (including by way of preferential allotment) or equity-linked securities by us could dilute your shareholding. Further, in terms of the JV Agreement, our Company has agreed, at the discretion of the

partners of Jaina Marketing & Associates (“**JMA**”), to effect the conversion of the shares of the partners of JMA in the joint venture, Goodworth Electronics Private Limited, into Equity Shares of our Company at any time after a period of three years from the date of execution of the JV Agreement, being July 13, 2023, subject to the terms and conditions as specified in the JV Agreement. Any future issuance of Equity Shares or equity-linked securities, or sale of our Equity Shares by any of our significant shareholders may also adversely affect the trading price of our Equity Shares and could affect our ability to raise capital through an offering of our securities. We cannot assure you that we will not issue further Equity Shares or equity-linked securities, or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

**70. *Currency exchange rate fluctuations may affect the value of our Equity Shares, independent of our results of operations.***

Our Equity Shares are quoted in Indian Rupees on the Stock Exchanges. The exchange rate between the Indian Rupee and other foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. If you purchase Indian Rupees to purchase our Equity Shares, fluctuations in the exchange rate between the Indian Rupee and the foreign currency with which you purchased the Indian Rupees may affect the value of your investment in our Equity Shares, including, specifically, such foreign currency equivalent of:

- the Rupee trading price of our Equity Shares in India;
- the proceeds that you would receive upon the sale in India of any of our Equity Shares; and
- cash dividends, if any, on our Equity Shares, which will be paid only in Rupees.

**71. *Applicants to the Issue are not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.***

In terms of the SEBI ICDR Regulations, applicants in the Issue are not allowed to withdraw their Bids after the Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the applicant’s demat account with depository participant could take approximately seven days and up to 10 days from the Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in the business, results of operations and financial condition of our Company, or other events affecting the applicant’s decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment of Equity Shares in the Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of the Equity Shares. The applicants shall not have the right to withdraw their Bids in the event of any such occurrence. Our Company may complete the Allotment of the Equity Shares even if such events may limit the applicants’ ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

## MARKET PRICE INFORMATION

As on the date of this Placement Document, 22,819,517 Equity Shares of face value of ₹ 10 each are subscribed and paid-up.

On August 31, 2023, the closing price of the Equity Shares on BSE and NSE was ₹ 1,838.20 and ₹ 1,832.60 respectively per Equity Share. Since the Equity Shares are available for trading on the Stock Exchanges, the market price and other information for each of BSE and NSE has been given separately.

- (i) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded for the Financial Years ended March 31, 2023, March 31, 2022, and March 31, 2021:

BSE									
Financial Year	High (₹)	Date of high	Number of Equity Shares traded on the date of high	Total turnover of Equity Shares traded on date of high (₹ million)	Low (₹)	Date of low	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on date of low (₹ million)	Average price for the year (₹)
2023	1,444.00	March 9, 2023	1,603	2.29	590.80	May 12, 2022	9,561	6.06	1,005.29
2022	870.00	January 7, 2022	72,695	62.02	285.20	April 20, 2021	6,444	1.92	511.92
2021	501.00	March 16, 2021	13,932	6.59	28.25	April 3, 2020	16,527	0.50	119.63

NSE									
Financial Year	High (₹)	Date of high	Number of Equity Shares traded on the date of high	Total turnover of Equity Shares traded on date of high (₹ million)	Low (₹)	Date of low	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on date of low (₹ million)	Average price for the year (₹)
2023	1,443.90	March 9, 2023	44,945	64.24	594.85	May 12, 2022	72,064	45.10	1,005.67
2022	871.45	January 7, 2022	182,672	156.07	288.50	April 20, 2021	41,660	12.47	512.12
2021	499.00	March 16, 2021	55,465	26.15	26.95	April 3, 2020	53,484	1.56	119.74

(Source: [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com))

**Notes:**

1. High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high price, low price, the date with the higher traded volume has been chosen.

The following table sets forth the details of the number of Equity Shares traded on the Stock Exchanges and the turnover during Fiscals 2023, 2022 and 2021:

Fiscal	Number of Equity Shares Traded		Turnover (In ₹ million)	
	BSE	NSE	BSE	NSE
2023	1,583,983	12,879,137	1,591.52	12,868.51
2022	5,530,053	17,635,093	3,542.45	10,049.25
2021	2,220,750	10,496,263	331.05	1,363.16

- (ii) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded during each of the last six months:

BSE											
Month year	High (₹)	Date of high	Number of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹)	Low (₹)	Date of low	Number of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (₹ million)
August 2023	2,138.70	August 30, 2023	25,941	52.43	1,492.40	August 2, 2023	689	1.04	1,659.90	1,37,467	248.61
July 2023	1,645.25	July 13, 2023	2,455	3.97	1,436.05	July 24, 2023	3,376	4.98	1,528.21	81,899	127.13
June 2023	1,693.05	June 2, 2023	4,824	8.03	1,550.95	June 23, 2023	1,645	2.59	1,624.00	51,501	84.22
May 2023	1,705.05	May 31, 2023	3,810	6.37	1,370.00	May 2, 2023	3,521	4.93	1,487.15	83,453	126.69
April 2023	1,468.95	April 13, 2023	1,685	2.43	1,325.05	April 3, 2023	2,192	2.93	1,409.46	54,547	76.88
March 2023	1,444.00	March 9, 2023	1,603	2.29	1,288.20	March 27, 2023	1,821	2.37	1,367.86	98,526	135.56

NSE											
Month year	High (₹)	Date of high	Number of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ million)	Low (₹)	Date of low	Number of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹- million)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (₹ million)
August 2023	2,143.95	August 30, 2023	4,37,036	880.19	1,486.05	August 2, 2023	15,324	23.20	1,660.45	24,87,755	4,517.65
July 2023	1,640.00	July 13, 2023	53,151	85.30	1,451.15	July 24, 2023	23,200	34.32	1,530.27	6,62,376	1,024.61
June 2023	1,695.00	June 12, 2023	33,079	55.16	1,550.10	June 26, 2023	16,448	25.99	1,624.89	7,88,016	1,289.28
May 2023	1,706.00	May 31, 2023	91,924	154.20	1,372.00	May 2, 2023	48,066	67.44	1,487.75	15,68,323	2,418.62
April 2023	1,467.00	April 17, 2023	49,898	72.58	1,325.90	April 3, 2023	17,101	22.98	1,409.09	5,82,182	826.31
March 2023	1,443.90	March 9, 2023	44,945	64.24	1,287.00	March 27, 2023	23,338	30.64	1,369.21	713,425	981.89

(Source: www.bseindia.com and www.nseindia.com)

Notes:

1. High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high price, low price, the date with the higher traded volume has been chosen.

- (iii) The following table sets forth the market price on the Stock Exchanges on May 30, 2022, and August 16, 2022, that is, the first working days following the approvals dated May 28, 2022, read with August 12, 2022 respectively of our Board of Directors for the Issue:

Date	BSE					
	Open	High	Low	Close	Number of Equity Shares traded	Volume (₹ million)
May 30, 2022	741.00	818.20	741.00	778.45	27,495	21.72
August 16, 2022	910.00	927.90	875.00	916.20	2,142	1.95

(Source: www.bseindia.com)



Date	NSE					
	Open	High	Low	Close	Number of Equity Shares traded	Volume (₹ million)
May 30, 2022	756.00	815.90	756.00	778.35	2,97,536	235.49
August 16, 2022	895.00	923.00	885.00	915.00	15,847	14.43

(Source: [www.nseindia.com](http://www.nseindia.com))

## USE OF PROCEEDS

The Gross Proceeds from the Issue aggregate to ₹ 5,000.00 million. Subject to compliance with applicable laws, the net proceeds from the Issue, after deducting fees, commissions and the estimated expenses of the Issue of approximately ₹ 150.00 million, are approximately ₹ 4,850.00 million (the “Net Proceeds”).

### Objects of the Issue

Subject to applicable laws and regulations, our Company intends to use the Net Proceeds to finance (in whole or part) one or more, or any combination of the following (“Objects”):

(₹ in million)

Sr No.	Particulars	Amount which will be financed from Net Proceeds
<b>1.</b>	<b>Investment in our Subsidiary, PG Technoplast for:</b>	
(a)	Funding the working capital requirements of our Subsidiary, PG Technoplast	2,375.00
(b)	Funding the capital expenditure requirements of our Subsidiary, PG Technoplast, for expansion of its manufacturing and warehousing/ storage unit by constructing a new building	407.93
(c)	Funding the capital expenditure requirements of our Subsidiary, PG Technoplast, for purchase of new equipment and machinery	652.12
<b>2.</b>	<b>Funding the capital expenditure requirements of our Company for purchase of new equipment and machinery</b>	<b>253.58</b>
<b>3.</b>	<b>General corporate purposes*</b>	<b>1,161.37</b>
	<b>Total Net Proceeds</b>	<b>4,850.00</b>

\* The amount to be utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

The main objects and objects incidental and ancillary to the main objects of the memorandum of association of our Company and our Subsidiary, PG Technoplast, as applicable, enable us to undertake (i) existing activities and (ii) the activities proposed to be funded from the Net Proceeds.

### Proposed schedule of implementation and deployment of Net Proceeds

(₹ in million)

Sr. No.	Particulars	Total estimated costs	Amount to be funded from Net Proceeds	Proposed schedule for deployment of the Net Proceeds	
				Fiscals 2024	Fiscal 2025
1.	Investment in our Subsidiary, PG Technoplast, for:				
(a)	Funding the working capital requirements of our Subsidiary, PG Technoplast	2,375.00	2,375.00	2,204.14	170.86
(b)	Funding the capital expenditure requirements of our Subsidiary, PG Technoplast, for expansion of its manufacturing and warehousing/ storage unit by constructing a new building	407.93	407.93	407.93	-
(c)	Funding the capital expenditure requirements of our Subsidiary, PG Technoplast, for purchase of new equipment and machinery	652.12	652.12	652.12	-
2.	Funding the capital expenditure requirements of our Company for purchase of new equipment and machinery	<b>253.58</b>	<b>253.58</b>	<b>253.58</b>	-
3.	General corporate purposes*	1,161.37	1,161.37	1,161.37	-
	<b>Total Net Proceeds</b>	<b>4,850.00</b>	<b>4,850.00</b>	<b>4,679.14</b>	<b>170.86</b>

\* The amount to be utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

The funding requirements, deployment of funds and the intended use of Net Proceeds indicated above is based on management estimates, current circumstances of our business, our existing business plans, the certificates each dated September 1, 2023, from the statutory auditors of PG Technoplast, M. S. Barmecha & Co., Chartered Accountants, and by Bold Designers, Independent Architect, respectively, the prevailing market conditions and other commercial and technical factors. Given the nature of our business, we may have to revise our funding requirements and intended deployment schedule on account of a variety of factors such as our financial condition, business strategy, delay in procuring and operationalizing assets or necessary licenses and approvals, and external factors such as market conditions, competitive environment, price fluctuations and interest

or exchange rate fluctuations and other external factors which may not be within the control of our management. Depending upon such factors, we may have to reduce or extend the deployment period for the stated objects. This may entail rescheduling or revising the planned expenditure, implementation schedule and funding requirements, including the expenditure for a particular purpose, at the discretion of our management. Subject to applicable law, if the actual utilisation towards the objects is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds. In case of a shortfall in raising requisite capital from the Net Proceeds, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Issue, subject to compliance with applicable laws. For details, see “**Risk Factors – “Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been appraised by any bank or financial institution and our management will have broad discretion over the use of the Net Proceeds”**” on page 63.

Our Company proposes to deploy the entire Net Proceeds towards the Objects stated above. If the Net Proceeds are not utilized (in full or in part) for the Objects for the period stated above due to any reason, including (i) the timing of completion of the Issue; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilized (in part or full) in subsequent periods in such manner as may be determined by our Company, in accordance with applicable laws. Further, our Company may also utilise any portion of or the entire the Net Proceeds, towards the aforementioned Objects, ahead of the estimated schedule of deployment specified above.

## Details of the Objects

### 1. Investment in our Subsidiary, PG Technoplast

We propose to utilise ₹3,435.05 million from the Net Proceeds towards investment in our Subsidiary, PG Technoplast. The aforesaid investment shall be undertaken for the following purposes:

(₹ in million)		
Sr. No.	Particulars	Amount which will be financed from Net Proceeds
(a)	Funding the working capital requirements of our Subsidiary, PG Technoplast	2,375.00
(b)	Funding the capital expenditure requirements for expansion of its manufacturing and warehousing/ storage unit by constructing a new building	407.93
(c)	Funding the capital expenditure requirements for purchase of new equipment and machinery of our Subsidiary, PG Technoplast	652.12
<b>Total</b>		<b>3,435.05</b>

The investment by our Company in our Subsidiary, PG Technoplast is proposed to be undertaken in the form of debt or equity or a combination of both as may be agreed by the board of directors of our Company and PG Technoplast. The actual mode of such deployment /investment has not been finalized as on the date of this Placement Document. Our Company expects to benefit from such investment by increase in the value of the investment made by our Company in our Subsidiary, PG Technoplast, increased manufacturing, warehousing and storage facilities, and new equipment and machinery for meeting our business requirements.

#### A. Funding the working capital requirements of our Subsidiary, PG Technoplast

We propose to utilise ₹ 2,375.00 million from the Net Proceeds to fund the working capital requirements of our Subsidiary, PG Technoplast, in Fiscals 2024 and 2025. We have significant working capital requirements in the ordinary course of business, which we typically fund through internal accruals and availing financing facilities from various banks and financial institutions. As on June 30, 2023, our Subsidiary, PG Technoplast had a total sanctioned limit of fund based working capital facilities of ₹ 2,510.00 million (including bill discounting facilities) and had utilised ₹1,185.00 million, as of such date. We, through our Subsidiary, PG Technoplast, require additional working capital in order to support its incremental business requirements and funding future growth opportunities. The investment in the future working capital requirements will help PG Technoplast in meeting the expected growth in demand for our products and services. For further details, please see the section titled, “**Our Business**” on page 172.

#### *Existing working capital*

Set forth below is the working capital of our Subsidiary, PG Technoplast, on a standalone basis, based on the unaudited condensed interim financial statements as of, and for the three months ended June 30, 2023 and the audited financial statements, as of, and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, as certified by the statutory auditors of our Subsidiary, PG Technoplast, M. S. Barmecha & Co, Chartered Accountants, through their certificate dated September 1, 2023:

(₹ in million)

Particulars	Fiscal 2021 (audited)*	Fiscal 2022 (audited)	Fiscal 2023 (audited)	Three months ended June 30, 2023 (limited review)
<b>A. Current assets</b>				
(a) Inventories	-	830.19	2,302.39	1,488.39
(b) Financial assets				
(i) Trade receivables	-	550.30	3,077.46	1,625.38
(ii) Loans	-	0.00 <sup>#</sup>	0.88	1.79
(iii) Other financial assets	0.00 <sup>#</sup>	21.98	8.23	2.08
(c) Other current assets	-	192.17	198.94	206.37
(d) Current income tax assets (net)	-	1.71	33.53	0.00 <sup>#</sup>
<b>Total current assets (A)</b>	<b>0.00<sup>#</sup></b>	<b>1,596.35</b>	<b>5,621.44</b>	<b>3,324.01</b>
<b>B. Current liabilities</b>				
(a) Financial liabilities				
a) Trade payables	-	861.98	2,695.18	1,174.62
b) Lease liabilities	-	7.56	26.57	28.06
(b) Other financial liabilities	0.00 <sup>#</sup>	214.56	333.23	179.85
(c) Other current liabilities	-	131.36	305.61	164.73
(d) Current tax liabilities (net)	-	0.00 <sup>#</sup>	36.24	37.89
(e) Provisions	-	0.35	1.87	1.89
<b>Total current liabilities (B)</b>	<b>0.00<sup>#</sup></b>	<b>1,215.81</b>	<b>3,398.71</b>	<b>1,587.03</b>
<b>C. Total working capital requirements (C=A-B)</b>	<b>0.00<sup>#</sup></b>	<b>380.54</b>	<b>2,222.73</b>	<b>1,736.98</b>

\* PG Technoplast was incorporated on October 8, 2020.

<sup>#</sup> Negligible.

Assumptions for the estimated working capital requirements of our Subsidiary, PG Technoplast

The following table sets forth the details of the holding period for the three months ended June 30, 2023, and the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, which has been computed based on the unaudited condensed interim financial statements for the three months ended June 30, 2023, and the audited financial statements for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, respectively, of our Subsidiary, PG Technoplast:

(₹ in million)

	Fiscal 2021	Fiscal 2022	Fiscal 2023	Three months ended June 30, 2023
	<i>(Actuals)</i>			
Inventory (days on sales)	N.A.	141	81	35
Receivables (days on sales)	N.A.	93	109	38
Others financial assets (days on sales)	N.A.	4	0	0
Other current assets (days on sales)	N.A.	33	7	5
Payable (days on sales)	N.A.	146	95	27
Other current liability (days on sales)	N.A.	22	11	4

Notes:

- The details of holding levels have been certified by M. S. Barmecha & Co, Chartered Accountants, statutory auditors of our Subsidiary, PG Technoplast, by way of their certificate dated September 1, 2023.
- Holding period (in days) is calculated as respective current asset or current liability divided by revenue from operations multiplied by number of days (see Note 3 below).
- The holding period has been computed over 365 days for each fiscal year (wherever applicable).

On the basis of existing working capital requirement and holding levels of PG Technoplast for the three months ended June 30, 2023, and the financial years ended March 31, 2023, March 31, 2022, and March 31, 2021, we have estimated the working capital requirements of PG Technoplast for Fiscal 2024 and Fiscal 2025. The board of directors of PG Technoplast and our Company, pursuant to their respective resolutions dated August 28, 2023 and August 28, 2023, have approved the projected total working capital requirements for Fiscal 2024 and Fiscal 2025 as ₹4,459.50 million and ₹6,355.46 million, respectively, and incremental working capital requirements\*, as ₹2,204.14 million and ₹1,895.96 million, respectively. Accordingly, we propose to utilize ₹2,204.14 million and ₹170.86 million of the Net Proceeds in Fiscal 2024 and Fiscal 2025, respectively, towards the estimated incremental working capital requirements of our Subsidiary, PG Technoplast. The balance portion of working capital requirements of PG Technoplast for Fiscal

2025, shall be met through internal accruals and extending existing or additional working capital facilities from various banks, financial institutions and non-banking financial companies (including bill discounting) or equity.

\* *Incremental working capital requirement for the relevant fiscal means the working capital requirement for such fiscal minus the working capital requirement for the preceding fiscal.*

**B. Funding the capital expenditure requirements of our Subsidiary, PG Technoplast for expansion of its manufacturing and warehousing/ storage unit by constructing a new building**

Our Company proposes to utilise ₹407.93 million towards investment in our Subsidiary, PG Technoplast, in order to expand its unit situated at Plot no A-18, Supa Parner MIDC Industrial Area, Ahmednagar, Maharashtra, India (“**Supa Unit**”) by construction of a new building. The Supa Unit had received its consent to operate from Maharashtra Pollution Control Board on March 1, 2023, which expired on June 30, 2023. We have applied for a renewal of the consent to operate on June 4, 2023, which is currently awaited. As of the date of this Placement Document, our Subsidiary, PG Technoplast, manufactures air conditioners, plastic moulding, sheet metal, and printed circuit board assemblies at the Supa Unit. For details of the manufacturing capacity and utilization of the Supa Unit, please see section titled “**Our Business**” on page 172. The proposed investment by our Company will be undertaken to expand the Supa Unit by constructing a three storeyed building, which will primarily be utilised for warehousing and storage purposes (“**Supa Building**”). We may also use the Supa Building towards manufacturing activities in the future, and will obtain the necessary approvals in this regard, as may be applicable, at the appropriate stage. For further details, please see the section titled, “**Our Business**” on page 172. Please also see “**Risk Factors – Our Registered Office, manufacturing units and warehouses, from where we operate, are not owned by us. The land and premises of our manufacturing units are held by us under lease agreements. Further, some of our manufacturing units are located on industrial lands allocated by Maharashtra Industrial Development Corporation (“MIDC”) and Uttar Pradesh State Industrial Development Corporation (“UPSIDC”). Failure to comply with the conditions of use of such land could result in an adverse impact on our business and financial condition; and “Risk Factors - Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been appraised by any bank or financial institution and our management will have broad discretion over the use of the Net Proceeds, and “Risk Factors - We are required to obtain, renew or maintain statutory and regulatory permits, licenses and approvals to operate our business and our manufacturing units, and any delay or inability in obtaining, renewing or maintaining such permits, licenses and approvals could result in an adverse effect on our results of operations. We are also required to be in compliance with various laws that are applicable to us and any non-compliance may have a material adverse effect on our business, financial condition or results of operation.”**” on pages 47, 63, and 65, respectively.

The land on which the Supa Building is proposed to be constructed, held by our Subsidiary, PG Technoplast, is situated at Plot no A-18, Supa Parner MIDC Industrial Area, Ahmednagar, Maharashtra, India, and has been leased from MIDC. The aforesaid plot, admeasuring 40,011.00 sq. mtrs. has been allotted to our Subsidiary, PG Technoplast pursuant to a deed of assignment dated July 12, 2021 and has a lease period of 95 years (*from February 1, 2000*). A Floor Space Index (“**FSI**”) of 27,800.82 sq. mtrs. is available for utilisation towards construction of the Supa Building, of which 26,791.34 sq. mtrs. is proposed to be utilised.

As of the date of this Placement Document, we have applied for the approval of the building plans for the Supa Building to MIDC by way of our application dated March 10, 2023. Additionally, we require certain other approvals post completion of the construction, such as the occupancy certificate and fire no object certificate which we will apply for as soon as reasonably possible (by paying the requisite charges and fees), at the relevant stage.

Our Company expects to benefit from such investment by having increased warehousing and storage facilities and increase in the value of the investment made by our Company in our Subsidiary, PG Technoplast. Additionally, in November 2021 and March 2022, our Subsidiary, PG Technoplast, received approval under the PLI Scheme for certain identified eligible white good products such as control assemblies for IDU or ODU or remotes, plastic moulding components, sheet metal components, heat exchangers, cross flow fan and motor and display panels (LCD / LED). Contingent on us achieving the defined revenue targets, meeting investment conditions, and complying with other conditions stipulated thereunder, the PLI Scheme gives us a total potential cumulative benefit of ₹ 1,987.50 million over the five financial years starting from Fiscal 2023 – 2024, which we believe will allow us to provide a better value proposition to our customers.

For further details, refer to ‘**Business Operations – Products**’ on page 183.

Estimated costs

The total estimated cost of the Supa Building is ₹407.93 million, as certified by Bold Designers, Independent Architect, pursuant to a certificate dated September 1, 2023. The fund requirements, the deployment of funds and the intended use of the Net Proceeds for the Supa Building as described herein are based on our current business plan, management estimates, and the relevant current and valid quotations from contractors, and other commercial and technical factors.

However, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution.

The total estimated cost for construction of the Supa Building, as certified by Bold Designers, Independent Architect, pursuant to a certificate dated September 1, 2023, is as follows:

			(₹ in million)
Sr. No.	Particulars	Description	Amount*
1.	Building civil works	Excavation, reinforced cement and concrete (“RCC”) work of up to 3 meters from plinth, RCC stub columns, including door windows, plumbing and water supply for flush and other points as per drawings.	72.15
2.	Mezzanine floor	Providing controlled cement concrete and placing reinforced concrete using ratio of 1:0.75:1.5 of cement, sand and aggregate, respectively (“Concrete Mix Design M30”) grade for deck sheet topping and slab on grade or floor.	18.89
3.	Road works	Providing, laying, spreading and compacting removal/ filing of unsuitable murum for formation level.	6.86
4.	Concrete inter-lock pavers works	Providing and laying concrete interlock pavers of approved quality to prepare sub base to required line and level.	2.04
5.	Storm water system works	Providing, lowering and laying including supply of materials and labour for RCC non-pressure (“NP2”) class (HUME) pipe of approved make.	1.96
6.	Hume pipeline for services	Providing, lowering and laying including supply of materials, labour required and excavating trenches in soil hard and soft rock with backfilling for 450 diameters HUME pipeline for services.	1.90
7.	High density polyethylene - PE 80 pipe for effluent drain	Providing and fixing, including labour for 110 mm high density polyethylene (“HDE-PE”) 80, pipe for effluent drain pipe with fittings like sockets, unions, nuts, elbows, etc.	0.14
8.	Pre-engineered building work	Pre-engineered building work.	202.77
9.	Electrical work, fire detection and protection, compressed air and gas	Electrical work, fire detection and protection, compressed air and gas.	38.99
10.	GST @ 18%**		62.23
11.	<b>Total estimated cost</b>		<b>407.93</b>

\* The above cost estimate has been certified by Bold Designers, Independent Architect, pursuant to a certificate dated September 1, 2023, which is based on quotations obtained from contractors.

\*\* GST is considered as no credit can be availed and will form a part of total cost of building.

#### Other confirmations

The fund requirements set out above are proposed to be funded from the Net Proceeds. The estimates of building construction cost is based on the certificate dated September 1, 2023 from Bold Designers, Independent Architect (which includes quotations obtained from contractors) and recent estimates of our management. Quotations and cost estimates received from by Bold Designers, Independent Architect and the contractors are valid as on the date of this Placement Document. However, we have not entered into any definitive agreements or contracts with either of the aforesaid parties, and there can be no assurance that the same architect or contractor would be engaged to eventually construct the Supa Building or provide the services at the same costs. The above cost estimates do not include cost of any applicable duties and taxes (except GST) (wherever applicable) as these can be determined only at the time of placing of orders. In addition, there may be revision in the final amount payable towards these categories pursuant to any other levies and/or installation cost, if any, on such items and accordingly, the actual costs may differ from the current estimates. We are yet to place orders for the above and no payments have been made towards any of the aforementioned costs.

#### C. Funding capital expenditure of our Subsidiary, PG Technoplast, for purchase of new equipment and machinery

As a part of our strategy to expand our capacity and offerings in existing product verticals and expansion of addressable market through development of new products, we intend to increase our Subsidiary, PG Technoplast’s capacities in plastic moulding, electronics (PCB assemblies) and products (window ACs). For further details, please see “Our Business – Our Strategies” on page 181. Accordingly, we intend to utilize ₹652.12 million out of the Net Proceeds towards purchase of new equipment and machinery for our existing production facilities housed under our Subsidiary, PG Technoplast. The specific number and nature of such machinery to be purchased by our Subsidiary, PG

Technoplast, will depend on its business requirements at the time of such purchase. A brief description of the machinery we proposed to purchase, and its intended use, is set out below:

Sr. No.	Machinery / equipment	Description
1.	Injection moulding machine	An injection moulding machine is a machine for manufacturing plastic products utilising the injection moulding process.
2.	Printed circuit board (“PCB”) assembly lines	Machines used for manufacturing various kinds of PCB assemblies, including for ACs, LED TVs, Refrigerators, other consumer electronics and durables.
3.	Gas charging machine	A machine used to fill refrigerant into ACs.
4.	Ultrasonic welding machine	A welding to weld metal components and parts.
5.	Conveyor and trollies	Assembly lines for PCB assemblies.
6.	PCB loader	Assembly lines for PCB assemblies.
7.	Heat exchange die	Machine for making heat exchanges for ACs.
8.	Heat exchanger machine	Machine for making heat exchanges for ACs.
9.	AC testing lab	Testing equipment for ACs.
10.	Copper tubing machine	Machine for making copper parts used in ACs.
11.	Sheet metal parts machine	Machine for making sheet metal parts.
12.	Tools and dies for window ACs / indoor AC units	Various tools and dies to cast window ACs and indoor AC units.
13.	Room AC safety tester	Testing equipment for room ACs.
14.	Bending machine for window AC	Machine used for making room ACs.
15.	Testing equipment	Testing equipment for heat exchanger / leak testing and other AC related technical processes.
16.	Conveyor oven for coils / heat exchanges	Conveyor oven for coils and heat exchanges.
17.	Vacuum pumping system	Vacuum machine for AC assembly.
18.	Packaging line for window ACs	Packaging equipment.
19.	Welding machine	Welding machine for sheet metal parts.
20.	Storage racks	Storage racks for products and raw material.
21.	Air compressor equipment	Machine for supplying compressed air for assembly operations.
22.	Diesel generator (“DG”) set	A DG set to generate power.

A business vertical wise break-up of our proposed investment for purchase of machinery / equipment by our Subsidiary, PG Technoplast utilising the Net Proceeds is as follows:

(₹ in million)

Business Vertical	Total Estimated Cost
Plastic Moulding	62.12
Electronics – PCB assemblies	89.43
Products - Window ACs	500.57
<b>Total</b>	<b>652.12</b>

An indicative list of such machinery that we intend to purchase for deployment at our facilities, based on management estimates, along with details of the quotations, as certified by M. S. Barnecha & Co., Chartered Accountants, pursuant to their certificate dated September 1, 2023, have been set forth below.

(₹ in million)

Sr. No.	Description of equipment / machinery	Total cost	Name of vendor <sup>^</sup>
<b>A.</b>	<b>Plastic Moulding</b>		
1.	Injection moulding machine (650 tonnes)	12.60 <sup>#</sup>	Haitian Huayun Machinery India Private Limited
2.	Injection moulding machine (1,080 tonnes)	16.36 <sup>*</sup>	Haitian Huayuan (Singapore) Pte. Ltd
3.	Injection moulding machine (2,100 tonnes)	33.16 <sup>*</sup>	
	<b>Sub-Total (A)</b>	<b>62.12</b>	
<b>B.</b>	<b>Electronics – PCB Assemblies</b>		
1.	PCB assembly machine - Yamaha SMT pick and place machine	21.89 <sup>*</sup>	Leaptech Overseas Pte Ltd
2.	PCB assembly machine - Yamaha SMD stencil printer	3.59 <sup>*</sup>	
3.	PCB assembly machine - OMRON 3D automatic optical inspection machine	7.60 <sup>*</sup>	

Sr. No.	Description of equipment / machinery	Total cost	Name of vendor^	
4.	PCB assembly machine - Pachda conformal coating lime	5.97*	CID Machines	
5.	PCB assembly machine - Okano in-circuit tester	3.80*		
6.	PCB assembly machine - Magicray 2D pre-wave automatic optical inspection machine	2.12*		
7.	PCB assembly machine - Vitronics soltec reflow	4.38*		
8.	PCB assembly machine - Magicray 3D solder paste inspection machine	3.09*		
9.	PCB assembly machine - Magicray 2D post wave automatic optical inspection machine	3.27*		
10.	PCB assembly machine - Jumper wire insertion machine	3.89*		
11.	PCB assembly machine - Axial component insertion machine	3.89*		
12.	PCB assembly machine - Radial component insertion machine	5.48*		
13.	PCB assembly machine - eyelet insertion machine	4.33*		
14.	PCB assembly machine - leadfree wavesoldering machine	2.61*		
15.	Gas charging machine with spares	7.11*		Shaoxing Cacl Import & Export Co.,Ltd
16.	Ultrasonic welding machine	1.80*		
17.	PCB Loader – surface mount technology line	2.10 <sup>#</sup>		Leaptech Corporation
18.	Conveyor and trollies	2.50 <sup>#</sup>	Unisert Machines India Pvt Ltd	
	<b>Sub-Total (B)</b>	<b>89.43</b>		
<b>C.</b>	<b>Products - Window ACs</b>			
1.	Heat exchanger die – fine die (5 mm)	17.55*	YHM Foreign Trade Co. Ltd	
2.	Heat exchanger die – fine die (7mm)	15.52*		
3.	Heat exchanger machine – hairpin bender	9.20*		
4.	Heat exchanger machine – vertical expander	23.61*		
5.	Heat exchanger machine – fin press	30.50*		
6.	Heat exchanger machine - HE coil auto brazing M/C set	9.05*	Jae Hyun Autonics	
7.	AC testing lab - 3.5TR air enthalpy method calorimeter	18.13*	Guangzhou Kinte Electric Industrial Co. Ltd.	
8.	Copper tubing machine - tube straightening and cutting machine TCM20-2+2/1200-E2	7.07*	Zhongshan Oms Trading Co. Ltd.	
9.	Copper tubing machine - CNC tube Bender TBM20-R2	4.28*		
10.	Copper tubing machine – CNC tube bender TBM20-L2	4.28*		
11.	Copper tubing machine - capillary tube cutting and beading machine TCEMS-2/XP	1.50*		
12.	Copper tubing machine - end forming machine with spinning mode TE1K20-1/C	3.08*		
13.	Copper tubing machine - automatic loading end forming machine - TE1K16-1/C-A(50-250)	1.77*		
14.	Copper tubing machine – hole punching machine TP20-500	1.53*		
15.	Copper tubing machine - coil bending machine CBDM-1200/1F	3.01*		
16.	Sheet metal parts machine - C-frame press machine model no.- JH21-80	3.42*		Yangli Group Corporation Ltd.
17.	Sheet metal parts machine – C-frame press machine model no.- JH21-110	8.78*		
18.	Sheet metal parts machine - C-frame press machine model JH21-160B	11.88*		
19.	Sheet metal parts machine - C-frame press machine model no. JH25-250	7.23*		



Sr. No.	Description of equipment / machinery	Total cost	Name of vendor^
20.	Sheet metal parts machine - C-frame press machine model no. JM36-400	53.03*	E-Ocean Mould Technology Co. Ltd.
21.	Sheet metal parts machine - C-frame press machine model no. JH21-200B	7.68*	
22.	Tools and dies for window ACs - mould of cabinet window	5.50*	
23.	Tools and dies for window ACs - mould of top cover window	2.24*	
24.	Tools and dies for window ACs - mould of base window	2.99*	
25.	Tools and dies for window ACs - mould of air-guide window	5.15*	
26.	Tools and dies for window ACs - mould of control bottom window	0.69*	
27.	Tools and dies for window ACs - mould of control panel cover window	0.76*	
28.	Tools and dies for window ACs - mould of shroud window	2.06*	
29.	Tools and dies for window ACs - mould of angle front window	0.67*	
30.	Tools and dies for window ACs - mould of angle rear window	0.52*	
31.	Tools and dies for window ACs - mould of motor bracket window	1.17*	
32.	Tools and dies for window ACs - mould of connection plate window	0.18*	
33.	Tools and dies for window ACs - mould of motor bracket plate window	0.13*	
34.	Tools and dies for window ACs - mould of tube plate window	0.76*	
35.	Tools and dies for window ACs - mould of tube plate-2 window	0.60*	
36.	Tools and dies for window ACs - mould of tube plate-3 window	0.58*	
37.	Tools and dies for window ACs - mould of tube plate-4 window	0.61*	
38.	Tools and dies for window ACs - mould of tube plate-5 window	0.60*	
39.	Tools and dies for window ACs - mould of service plate window	0.29*	
40.	Tools and dies for window ACs - mould of front grill window	2.82*	
41.	Tools and dies for window ACs - mould of facia window	1.32*	
42.	Tools and dies for window ACs - mould of filter window	0.66*	
43.	Tools and dies for window ACs - mould of display box control cover window	0.27*	
44.	Tools and dies for window ACs - mould of electric control box window	0.44*	
45.	Tools and dies for window ACs - mould of vane horizontal link window	0.24*	
46.	Tools and dies for window ACs - mould of vane horizontal window	3.01*	
47.	Tools and dies for window ACs - mould of vane horizontal lever window	0.35*	
48.	Tools and dies for window ACs - mould of drain pan window	0.44*	
49.	Tools and dies for window ACs - mould of air board duct guide window	1.56*	

Sr. No.	Description of equipment / machinery	Total cost	Name of vendor^
50.	Tools and dies for window ACs - mould of fan 1 window	1.13*	
51.	Tools and dies for window ACs - mould of fan 2 window	1.14*	
52.	Tools and dies for window ACs - mould of thermal bag thermometer window	0.16*	
53.	Tools and dies for window ACs - mould of chassis base EPS window	0.63*	
54.	Tools and dies for window ACs - mould of windway air guide EPS window	0.63*	
55.	Tools and dies for window ACs - mould of top cover 18 inch	3.11*	
56.	Tools and dies for window ACs - mould of front panel 18 inch	3.88*	
57.	Tools and dies for window ACs - Mould of Side-L Panel 18 inch	1.59*	
58.	Tools and dies for window ACs - mould of RH side panel 18 inch	1.81*	
59.	Tools and dies for window ACs - mould of valve cover 18 inch	0.46*	
60.	Tools and dies for window ACs - mould of partition 18 inch	2.12*	
61.	Tools and dies for window ACs - mould of motor bracket 18 inch	2.07*	
62.	Tools and dies for window ACs - mould of base 18 inch	2.69*	
63.	Tools and dies for window ACs - mould of foot 18 inch	0.38*	
64.	Tools and dies for window ACs - mould of side-R 18 inch	0.92*	
65.	Tools and dies for window ACs - mould of side-L 18 inch	0.89*	
66.	Tools and dies for window ACs - mould of grill plastic 18 inch	1.64*	
67.	Bending machine for window AC cabinet	0.80*	
68.	Spares for copper tube bending machine	0.76*	Zhongshan Oms Trading Co. Ltd.
69.	Room AC safety tester	0.38*	Qingdao Ainuo Instrument Co. Ltd.
70.	Testing equipment for heat exchanger - Vacuum leak test equipment with spares (7mm)	7.96*	Woosung Vacuum Technology Co. Ltd.
71.	Testing equipment for heat exchanger - vacuum leak test equipment with spares (5 mm)	7.96*	
72.	Tools and dies for indoor AC unit - injection mould for centre section-24K IDU-1 cavity	0.92*	Guangzhou Kinte Electric Industrial Co. Ltd.
73.	Tools and dies for indoor AC unit - injection mould for end caps-24K IDU-1 cavity	0.51*	
74.	Tools and dies for indoor AC unit - injection mould of shaft cover-24K IDU- 1 cavity	0.28*	
75.	Tools and dies for indoor AC unit - spare of centre section cavity insert (with blade)-24K IDU-1 cavity	0.28*	
76.	Tools and dies for indoor AC unit - spare of end caps cavity insert (with blade)-24K IDU-1 cavity	0.28*	
77.	Tools and dies for indoor AC unit - mould set of 24K IDU	48.54*	
78.	Conveyor oven for coils/radiator water drying	7.00 <sup>#</sup>	KSW India Private Limited
79.	Powder coating paint shop for sheet metal components - SS powder coating booth with reciprocator system, auto gun with accessories	14.00 <sup>#</sup>	

Sr. No.	Description of equipment / machinery	Total cost	Name of vendor^
80.	Powder coating paint shop for sheet metal components - powder coating plant complete with tanks, WDO, PCO & other support structure	30.00 <sup>#</sup>	
81.	Testing equipment - D-TEK 3	0.36 <sup>#</sup>	Intelligent Technoproducts (OPC) Pvt. Ltd.
82.	Testing equipment - HLD 6000 SMART	4.80 <sup>#</sup>	
83.	Conveyor line for indoor AC unit	20.45 <sup>#</sup>	M.A Engg. Works
84.	Sheet metal parts machine - hydraulic shearing machine - presspac brand NC	0.73 <sup>#</sup>	PAC Machine Tools India LLP
85.	Vacuum pumping system - FD60	9.92 <sup>#</sup>	HHV Pumps Private Limited
86.	Leak testing equipment - high pressure N2 micro leak testing machine	1.08 <sup>#</sup>	Welltronix
87.	Conveyor line for assembly and testing of window ACs	4.12 <sup>#</sup>	M.A Engg. Works
88.	Conveyor line for assembly and testing of window ACs	0.86 <sup>#</sup>	
89.	Packaging line for window ACs – automatic strapping machine VA-II Y series	2.50 <sup>#</sup>	V Strap Packaging Pvt. Ltd.
90.	Packaging line for window ACs - online strapping - VA-I and tapping - VC - 6602 machine	0.46 <sup>#</sup>	
91.	Packaging line for window ACs - pusher plate	0.04 <sup>#</sup>	
92.	Welding machine -100KVA bold series AC inverter projection welding machine	1.50 <sup>#</sup>	Nash Robotics & Automation Pvt. Ltd.
93.	Welding machine - 100KVA standard series AC inverter spot welding machine	1.19 <sup>#</sup>	
94.	Welding machine - C-Type IT gun with AC inverter model ACI-6190 & gun access	1.14 <sup>#</sup>	
95.	Welding machine - cross tracker CGS-1R SPAN-2.7mtr	0.05 <sup>#</sup>	
96.	Welding machine - length of long rail CGS-1R (5 mtr X 2 no.)	0.05 <sup>#</sup>	
97.	Testing equipment for window ACs - LQC dummy material (For 2 IDU) 20 sets	6.20 <sup>#</sup>	Unity Industrial Automation Pvt. Ltd.
98.	Testing equipment for window ACs – material tracking software for dispatch	0.08 <sup>#</sup>	
99.	Testing equipment for window ACs - software development and site installation	0.23 <sup>#</sup>	
100.	Testing equipment for window ACs - supply for bar tender licence software	0.35 <sup>#</sup>	
101.	Water leak testing system - electrical control system (Control Panel)	0.26 <sup>#</sup>	Arhan Technologies Pvt. Ltd.
102.	Water leak testing system – heating oven	0.57 <sup>#</sup>	
103.	Water leak testing system – slat conveyor	0.77 <sup>#</sup>	
104.	Water leak testing system - SUS deep tank	0.05 <sup>#</sup>	
105.	Water leak testing system - vertical conveyor system	3.20 <sup>#</sup>	
106.	Storage racks - MEK heavy duty racks addon module	2.82 <sup>#</sup>	MEK Structural Engineering Pvt. Ltd.
107.	Storage racks - MEK heavy duty racks main module	1.04 <sup>#</sup>	
108.	Air compressor equipment - compressed air treatment CAT-1000	1.35 <sup>#</sup>	Adsorbtech Engineers P Ltd.

Sr. No.	Description of equipment / machinery	Total cost	Name of vendor <sup>^</sup>
109.	DG set - 500 KVA silent DG set CPCV IV+ compliance cummins make engine QSM15-G1 coupled to 415V	8.30 <sup>#</sup>	Sudhir Power Limited
110.	Air compressor equipment - ELGI make screw compressor model- EG55-8, capacity 380CFM, pressure 8KG/CM2	1.03 <sup>#</sup>	AS Equipment Pvt. Ltd.
111.	Air compressor equipment - ELGI make screw compressor model- EG55-8V with variable frequency drive capacity 91-380CFM, pressure 10KG/CM2	1.48 <sup>#</sup>	
	<b>Sub-Total (C)</b>	<b>500.57</b>	
	<b>Total estimated cost (A+ B+ C)</b>	<b>652.12</b>	

<sup>^</sup> All quotations and purchase orders are valid as on date of this Placement Document.

<sup>#</sup> Inclusive of freight installation charges and other handling charges, and exclusive of GST and other taxes, as applicable, which will be funded by our Subsidiary, PG Technoplast, through internal accruals.

<sup>\*</sup> These machines will be imported by PG Technoplast, and the costs included herein are inclusive of applicable customs duty, freight installation charges and other handling charges and exclusive of GST. Any additional taxes and levies will be funded by our Subsidiary, PG Technoplast through internal accruals. Further, the above quotations have been provided in foreign currency, USD, which have been converted into INR using the foreign exchange rate of 1 USD = 82.2481 INR and 1 JPY = 0.5806 INR as on July 31, 2023 (source: www.fibil.org.in).

#### Other confirmations

The fund requirements set out above are proposed to be funded from the Net Proceeds. The estimation of the cost for machinery/equipment is based on the certificate dated September 1, 2023 from M. S. Barmecha & Co Chartered Accountants, which is based on quotations obtained from third party vendors and purchase orders for each machinery/equipment, and estimates of our management. We are yet to place orders for such machinery and equipment and no payments (including as advance) have been made towards any of the aforementioned costs.

Further, no second-hand or used or refurbished machinery/ equipment are proposed to be bought by our Subsidiary, PG Technoplast.

In addition to estimated expenses mentioned above, there may be revision in the final amounts payable towards these categories pursuant to any taxes, levies payable and/or installing cost, if any, on such items and accordingly, the actual costs may differ from the current estimates. Based on various commercial considerations including, amongst others, prevailing market price, demand for its products, availability of adequate manpower and equipment in timely manner, competition, business strategy and technological advancements, our Subsidiary, PG Technoplast, shall have the flexibility to replace any existing equipment or machinery, depending on the internal estimates of our management and business requirements. For further details, see **“Risk Factors – We have not yet placed orders for capital requirements proposed to be funded through objects of the Issue. In the event of any delay in placing the orders, or in the event the vendors are not able to provide the equipment in a timely manner, or at all, may result in time and cost over-runs and our business, prospects and results of operations may be adversely affected.”** On page 55.

## 2. Funding capital expenditure of our Company for purchase of new equipment and machinery

As a part of our strategy to expand our capacity and offerings in existing product verticals and expansion of addressable market through development of new products, we intend to increase our capacities in plastic moulding, products (washing machines), electronics (LED TVs) and tool making. For further details, please see **“Our Business – Our Strategies”** on page 181.

Accordingly, we intend to utilize ₹ 253.58 million out of the Net Proceeds towards purchase of equipment and machinery for the existing production facilities of our Company in India.

The specific number and nature of such equipment and machinery to be purchased by our Company, at our discretion, will depend on our business requirements at the time of such purchase.

A brief description of the machinery we proposed to purchase, and their intended use, is set out below:

Sr. No.	Machinery / equipment	Description
1.	Injection moulding machine	Used for manufacturing plastic products utilising the injection moulding process.

Sr. No.	Machinery / equipment	Description
2.	Tools for toilet flush cistern	Tools for manufacturing toilet flush cisterns (“Cisterns”), which are water storage containers that connect to the toilet bowl and are used to store water for flushing.
3.	Blow moulding machine	A blow moulding machine is a machine to undertake blow moulding, which is a manufacturing process for forming hollow plastic parts.
4.	Cistern assembly and testing machines	Assembly and testing machines for Cisterns.
5.	2K moulding machine	A 2K moulding machine blends 2 materials or 2 different colour materials into one plastic part. This machine has the ability to take two different polymers and transform them into a single, final product.
6.	Tools set for washing machine	Tools for manufacturing washing machines.
7.	Moulds for LED TVs	Moulds for manufacturing LED TVs.
8.	Vertical machining centre	A vertical machining center is a type of a computer numerical control milling machine that has vertically oriented spindles that approach a workpiece mounted on the worktable from above.
9.	Double head electric discharge machine	A double headed electric discharge machine is a device used for electrical discharge machining, a metal fabrication process whereby a desired shape is obtained by using electrical discharges.
10.	Surface grinding machine	A surface grinder / machine tool used to provide precision ground surfaces, either to a critical size or for the surface finish.

A business vertical wise break-up of our proposed investment for purchase of machinery / equipment by our Company utilising the Net Proceeds is as follows:

(₹ in million)

Business Vertical	Total Estimated Cost
Plastic Moulding	110.48
Products (Washing machines)	90.27
Electronics (LED TVs)	17.28
Tool Making	35.55
<b>Total</b>	<b>253.58</b>

An indicative list of such equipment and machinery that we intend to purchase for deployment at our facilities, based on management estimates, along with details of the quotations, as certified by M. S. Barmecha & Co., Chartered Accountants, pursuant to their certificate dated September 1, 2023, have been set forth below.

(₹ in million)

Sr. No.	Description of equipment / machinery	Total cost	Name of vendor <sup>^</sup>
<b>A.</b>	<b>Plastic moulding</b>		
1.	Injection moulding machine (470 tonnes)	11.62 <sup>#</sup>	Haitian Huayuan Machinery India Private Limited
2.	Injection moulding machine (360 tonnes)	6.00 <sup>#</sup>	
3.	Injection moulding machine (450 tonnes)	7.75 <sup>#</sup>	
4.	Injection moulding machine (650 tonnes)	12.60 <sup>#</sup>	
5.	Injection moulding machine (1,850 tonnes)	30.95 <sup>*</sup>	Haitian Huayuan (Singapore) Pte. Ltd
6.	Tools for cistern	19.27 <sup>*</sup>	ECO (Xiamen) Technology
7.	Blow moulding machine	5.86 <sup>#</sup>	Jagmohan Pla-Mach Private Limited
8.	Cistern assembly & testing machines	3.27 <sup>#</sup>	Aaditya Mechatronics LLP
9.	2K moulding machine	13.16 <sup>*</sup>	LS Mtron Limited
	<b>Sub-Total (A)</b>	<b>110.48</b>	
<b>B.</b>	<b>Products-Washing machines</b>		
1.	Tools set for washing machine	44.87 <sup>*</sup>	Ningbo Lianhe Aihua China
2.	Injection moulding machine (450 tonnes)	10.90 <sup>#</sup>	Haitian Huayuan Machinery India Pvt Ltd
3.	Injection moulding machine (530 tonnes)	13.60 <sup>#</sup>	
4.	Injection moulding machine (780 tonnes)	20.90 <sup>#</sup>	
	<b>Sub-Total (B)</b>	<b>90.27</b>	

Sr. No.	Description of equipment / machinery	Total cost	Name of vendor <sup>^</sup>
<b>C. Electronics – LED TVs</b>			
1.	Moulds for LED TV set	17.28*	HK Hiton Tech Co. Ltd
	<b>Sub-Total (C)</b>	<b>17.28</b>	
<b>D. Tool making</b>			
1.	Vertical machining centre (VMC)	16.75*	Haitian Precision Machinery (Hong Kong) Co. Limited
2.	Double head electric discharge machine	16.57*	Ching Hung Machinery and Electric Industrial Co. Limited
3.	Surface grinding machine	2.22 <sup>#</sup>	Cosmos Impex (India) Private Limited
	<b>Sub-Total (D)</b>	<b>35.55</b>	
	<b>Total estimated cost (A + B + C + D)</b>	<b>253.58</b>	

<sup>^</sup> All quotations and purchase orders are valid as on date of this Placement Document.

<sup>#</sup> Inclusive of freight installation charges and other handling charges, and exclusive of GST, which will be funded by our Company through internal accruals, as applicable.

\* These machines will be imported by our Company, and the costs included herein are inclusive of applicable customs duty, freight installation charges and other handling charges and exclusive of GST. Any additional taxes and levies will be funded by our Company through internal accruals. Further, the above quotations have been provided in foreign currency, USD, which have been converted into INR using the foreign exchange rate of 1 USD = 82.2481 INR as on July 31, 2023 (source: www.fibil.org.in).

#### Other confirmations

The fund requirements set out above are proposed to be funded from the Net Proceeds. The estimation of the cost for machinery/equipment, is based on the certificate dated September 1, 2023 from M. S. Barmecha & Co., Chartered Accountants, which is based on quotations obtained from third party vendors for each machinery/equipment and estimates of our management. We are yet to place orders for such machinery and equipment and no payments (including as advance) have been made towards any of the aforementioned costs. Further, no second-hand or used or refurbished machinery/equipment are proposed to be bought by our Company.

In addition to estimated expenses mentioned above, there may be revision in the final amounts payable towards these categories pursuant to any taxes, levies payable and/or installing cost, if any, on such items and accordingly, the actual costs may differ from the current estimates. Based on various commercial considerations including, among others, prevailing market price, demand for its products, availability of adequate manpower and equipment in timely manner, competition, business strategy and technological advancements, our Company shall have the flexibility to replace any existing machinery/equipment, depending on the internal estimates of our management and business requirements. For further details, see “**Risk Factors – We have not yet placed orders for capital requirements proposed to be funded through objects of the Issue. In the event of any delay in placing the orders, or in the event the vendors are not able to provide the equipment in a timely manner, or at all, may result in time and cost over-runs and our business, prospects and results of operations may be adversely affected.**” on page 55.

### 3. General corporate purposes

The Net Proceeds will first be utilized towards the Objects as set out above. Subject to this, our Company intends to deploy any balance Net Proceeds towards general corporate purposes and the business requirements of our Company and our Subsidiaries, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds.

Such general corporate purposes may include, but are not restricted to meeting fund requirements which our Company or Subsidiaries may face in the ordinary course of business, any additional capital expenditure, repayment or pre-payment of our borrowings, strategic initiatives, partnerships, tie-ups, joint ventures or acquisitions, investment in our Subsidiaries, meeting working capital requirements of our Company incurred in the ordinary course of business, meeting exigencies and expenses, logistics expenses, installation expenses, accessories, freight, and other expenses in relation to our proposed capital expenditure, and any other purpose as may be approved by our Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act, 2013.

The allocation or quantum of utilization of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our Company’s management shall have flexibility in utilising surplus amounts, if any, in accordance with applicable law.

## **Monitoring of utilisation of funds**

Pursuant to Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CRISIL Ratings Limited, a credit rating agency registered with the SEBI, as the monitoring agency (“**Monitoring Agency**”) by way of an agreement dated August 28, 2023, as the size of our Issue exceeds ₹ 1,000 million. The Monitoring Agency shall submit its report to our Company in the format specified in Schedule XI of the SEBI ICDR Regulations on a quarterly basis, till 100% of the proceeds of the Issue have been utilised. The board of directors and the management of our Company will provide their comments on the findings of the Monitoring Agency as specified in Schedule XI. Our Company shall, within 45 days from the end of each quarter, upload the report of the Monitoring Agency on our website and also submit the same to the Stock Exchanges.

The report of the Monitoring Agency shall be placed before our Audit Committee on a quarterly basis, promptly upon its receipt. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the Objects, as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Objects, as stated above. This information will also be published on our website simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director’s report, after placing the same before the Audit Committee.

## **Other confirmations**

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC and final listing and trading approvals are received from each of the Stock Exchanges. The Net Proceeds shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised as approved by our Board and/ or a duly authorized committee of our Board, from time to time only for such purposes, as permitted under the Companies Act, prescribed Objects as disclosed above and other applicable laws.

Our Company will have flexibility in deploying the Net Proceeds received by our Company from the Issue in accordance with applicable laws. Pending utilisation for the purposes described above, our Company intends to temporarily invest funds in creditworthy instruments, including money market mutual funds and deposits with banks. Such investments would be in accordance with the investment policies as approved by our Board from time to time and applicable laws.

Subject to applicable laws, our Board shall determine the quantum of Net Proceeds to be deployed by our Company from the Issue, depending on business opportunities or requirements of our Company from time to time.

Neither our Promoters nor our Directors are making any contribution either as part of the Issue or separately in furtherance of the Objects. Further, neither our Promoters nor our Directors shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoters, Directors, Key Managerial Personnel or members of Senior Management (including ‘key managerial personnel’ under the Companies Act) are not eligible to subscribe in the Issue.

## CAPITALISATION STATEMENT

The following table sets forth our capitalization and total borrowings, on a consolidated basis, as at June 30, 2023 which has been derived from our Unaudited Interim Condensed Consolidated Financial Statements and as adjusted to give effect to the receipt of the Gross Proceeds of the Issue. This table should be read in conjunction with the sections titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Financial Information*” on pages 100 and 252, respectively.

*(in ₹ million, unless otherwise stated)*

Particulars	Pre-Issue (as at June 30, 2023) (Actuals)	Post-Issue as adjusted <sup>*#</sup>
<b>1. Non-current borrowings</b>		
Secured	2,584.38	2,584.38
Less: Current Maturities	(479.81)	(479.81)
Unsecured	163.01	163.01
Less: Current Maturities	(129.32)	(129.32)
<b>Total non-current borrowings (A)</b>	<b>2,138.26</b>	<b>2,138.26</b>
<b>2. Current borrowings</b>		
Secured	1,465.77	1,465.77
Add: Current Maturities	479.81	479.81
Unsecured	568.32	568.32
Add: Current Maturities	129.32	129.32
<b>Total current borrowings (B)</b>	<b>2,643.22</b>	<b>2,643.22</b>
<b>Total debt (C) = (A + B)</b>	<b>4,781.48</b>	<b>4,781.48</b>
<b>3. Shareholders’ funds</b>		
Equity share capital	227.91 <sup>^</sup>	260.25 <sup>^</sup>
Other equity	4,092.34	9,078.66
<b>Total equity (D)</b>	<b>4,320.25</b>	<b>9,338.90</b>
<b>Total capitalisation (E) = (C+D)</b>	<b>9,101.73</b>	<b>14,120.38</b>
<b>Total non-current borrowings/ Total Equity (A/D)</b>	<b>0.49</b>	<b>0.23</b>
<b>Total debt / Total equity (C/D)</b>	<b>1.11</b>	<b>0.51</b>

\* Subject to Allotment pursuant to the Issue.

# As adjusted to reflect the number of Equity Shares Allocated and Gross Proceeds from the Issue and no other adjustment for allotments made post June 30, 2023. Further, adjustments do not include Issue related expenses.

^ Subsequent to June 30, 2023, our Company has allotted 28,700 Equity Shares on August 22, 2023. For further details, please see “Capital Structure” on page 95.



## CAPITAL STRUCTURE

The share capital of our Company as on the date of this Placement Document is set forth below:

*(in ₹ million, except share data)*

Particulars		Aggregate value at face value (except for securities premium account)
<b>A</b>	<b>AUTHORISED SHARE CAPITAL</b>	
	35,000,000 Equity Shares of face value of ₹ 10 each	350.00
<b>B</b>	<b>ISSUED CAPITAL BEFORE THE ISSUE</b>	
	22,819,517 Equity Shares of face value of ₹ 10 each	228.20
<b>C</b>	<b>SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE<sup>^</sup></b>	
	22,819,517 Equity Shares of face value of ₹ 10 each	228.20
<b>D</b>	<b>PRESENT ISSUE IN TERMS OF THIS PLACEMENT DOCUMENT<sup>^</sup></b>	
	3,205,128 Equity Shares of face value of ₹ 10 each <sup>(1) (2)</sup>	32.05
<b>E</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE</b>	
	26,024,645 Equity Shares of face value of ₹ 10 each <sup>(2)</sup>	260.25
<b>F</b>	<b>SECURITIES PREMIUM ACCOUNT</b>	
	Before the Issue <sup>(3)</sup>	2,353.87
	After the Issue <sup>(2)(4)</sup>	7,321.82

(1) This Issue has been authorised and approved by our Board of Directors on May 28, 2022, read with resolution dated August 12, 2022, and by our Shareholders through a special resolution passed on September 29, 2022.

(2) Subject to Allotment pursuant to the Issue.

(3) As on the date of this Placement Document.

(4) The securities premium account after the Issue is calculated on the basis of Gross Proceeds. Adjustments do not include Issue related expenses.

### Equity share capital history of our Company

The following table sets forth details of allotments of Equity Shares of our Company since the date of incorporation:

Date of Allotment	Number of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of consideration	Nature of allotment
March 17, 2003	10,000	10	10	Cash	Initial subscription to memorandum of association
July 28, 2003	723,300	10	30	Cash	Preferential allotment
February 5, 2004	709,400	10	30	Cash	Preferential allotment
October 23, 2006	4,960	10	710	Cash	Preferential allotment
August 25, 2007	1,112,200	10	30	Cash	Preferential allotment
November 17, 2007	450,900	10	30	Cash	Preferential allotment
August 11, 2009	545,684	10	100	Cash	Preferential allotment
March 15, 2010	7,112,888	10	N.A.	N.A.	Bonus issue in the ratio of 2:1
September 19, 2011	5,745,000	10	210	Cash	Initial public offering
March 25, 2019	2,240,000	10	125	Cash*	Preferential allotment*
February 14, 2020	874,584	10	57.17	Cash*	Preferential allotment*
March 31, 2021	165,000	10	150	Cash	Conversion of 165,000 fully convertible warrants into equity shares <sup>(1)</sup>
July 1, 2021	1,195,950	10	337	Cash	Preferential allotment
December 10, 2021	335,000	10	150	Cash	Conversion of 335,000 fully convertible warrants into equity shares <sup>(1)</sup>
August 12, 2022	53,200	10	250	Cash	Allotment of 53,200 equity shares to the PG Electroplast

Date of Allotment	Number of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of consideration	Nature of allotment
					Limited Employees Welfare Trust pursuant to the PG Electroplast Employees Stock Option Scheme – 2020
<b>Allotments in the one year immediately preceding this Placement Document</b>					
September 27, 2022	100,000	10	150	Cash	Conversion of 100,000 fully convertible warrants into equity shares <sup>(1)</sup>
December 31, 2022	1,364,551	10	337	Cash <sup>#</sup>	Conversion of 1,076,904 compulsorily convertible debentures into equity shares
May 26, 2023	48,200	10	250	Cash	Allotment of 48,200 equity shares to the PG Electroplast Limited Employees Welfare Trust pursuant to the PG Electroplast Employees Stock Option Scheme – 2020.
August 22, 2023	28,700	10	650	Cash	Allotment of 28,700 equity shares to the PG Electroplast Limited Employees Welfare Trust pursuant to the PG Electroplast Employees Stock Option Scheme – 2020.
<b>Total</b>	<b>22,819,517</b>	-	-	-	-

\* Preferential allotment in compliance with SEBI ICDR Regulations, towards conversion of outstanding loan into equity. The consideration was received by our Company at the time of disbursement of the loan.

# Consideration for such allotment of equity shares was paid at the time of allotment of the compulsorily convertible debentures.

<sup>(1)</sup> 600,000 fully convertible warrants were allotted on March 31, 2021, at an issue price of ₹ 150.00. This issuance was approved by way of a Board resolution dated January 25, 2021, and a Shareholders' resolution dated February 28, 2021.

Except as stated in “– **Equity Share Capital History of our Company**” above, our Company has not made any allotment of Equity Shares in the one year immediately preceding the date of this Placement Document, including for consideration other than cash, or made any allotment of Equity Shares pursuant to a preferential issue, private placement or a rights issue.

### Employee Stock Option Plan

Pursuant to a Board resolution dated November 5, 2020, and Shareholders' resolution dated February 28, 2021, our Company instituted the PG Electroplast Employees Stock Option Scheme – 2020 (“**ESOP 2020**”), which was further amended by way of Shareholders' resolution dated March 28, 2022, to provide for the grant of options to employees of our Company who meet the eligibility criteria under ESOP 2020. ESOP 2020, pursuant to an increase in the reserved pool approved by the Shareholders by their special resolution dated March 28, 2022, envisages grant of an aggregate of 1,000,000 options of which each option upon exercise, grants its holder the right to be allotted one Equity Share, upon payment of the exercise price. The quantum of options that can be granted under the ESOP 2020 and the issue of Equity Shares upon its exercise are subject to corresponding fair and reasonable adjustment in the event of corporate actions by our Company including capitalisation of profits or reserves.

The details of ESOP 2020, as on the date of this Placement Document, are as under:

Scheme	Options granted (A)	Exercise Price per option	Options vested (B)	Options unvested	Options exercised	Options lapsed / forfeited before vesting (C)	Options lapsed / forfeited after vesting	Options pending for exercise (D)	Options outstanding (E) = (A)-(B)-(C)+D	No. of Equity Shares to be allotted upon exercise of outstanding options
ESOP 2020- Tranche-1(a)	290,000 <sup>(1)</sup>	250	100,200	145,200	78,600	44,600	800	20,800	166,000	166,000
ESOP 2020 -Tranche-1(b)	15,000 <sup>(2)</sup>	250	3,400	4,800	1,600	6800	200	1,600	6,400	6,400

Scheme	Options granted (A)	Exercise Price per option	Options vested (B)	Options unvested	Options exercised	Options lapsed / forfeited before vesting (C)	Options lapsed / forfeited after vesting	Options pending for exercise (D)	Options outstanding (E) = (A)-(B)-(C)+D	No. of Equity Shares to be allotted upon exercise of outstanding options
ESOP 2020-Tranche-2	160,000 <sup>(3)</sup>	650	28,700	114,800	0	16,500	0	28,700	143,500	143,500
ESOP 2020 – Tranche 3	357,000 <sup>(4)</sup>	1,100	0	357,000	0	0	0	0	357,000	357,000

(1) 290,000 options granted on April 17, 2021.

(2) 15,000 options granted on July 17, 2021.

(3) 160,000 options granted on June 11, 2022.

(4) 357,000 options granted on May 26, 2023.

### Proposed Allottees in the Issue

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made at the sole discretion of our Company in consultation with the BRLMs to Eligible QIBs. The names of the proposed Allottees and the percentage of the post-Issue Equity Share capital that may be held by them are included in this Placement Document, in the section titled “*Details of Proposed Allottees*” on page 449.

### Pre-Issue and post-Issue Equity Shareholding Pattern

The following table provides the pre-Issue shareholding pattern as of June 30, 2023, and the post-Issue shareholding pattern:

S. No.	Category	Pre-Issue (as on June 30, 2023) <sup>#^</sup>		Post-Issue <sup>*</sup>	
		Number of Equity Shares held	% of shareholding	Number of Equity Shares held	% of shareholding
A.	<b>Promoters’ holding<sup>**</sup></b>				
1.	Indian				
	Individual	13,947,534	61.20	1,39,47,534	53.59
	Bodies corporate	0	0	0	0
	<b>Sub-total</b>	<b>13,947,534</b>	<b>61.20</b>	<b>1,39,47,534</b>	<b>53.59</b>
2.	Foreign promoters	0	0	0	0
	<b>Sub-total (A)</b>	<b>13,947,534</b>	<b>61.20</b>	<b>1,39,47,534</b>	<b>53.59</b>
B	<b>Non-Promoter holding</b>				
1.	Institutional investors	2,341,037	10.27	55,46,165	21.31
2.	Non-Institutional investors				
	Private corporate bodies	908,922	3.99	9,08,922	3.49
	Directors and relatives	0	0	0	0
	Indian public	5,400,764	23.7	54,00,764	20.75
	Others including Non- resident Indians (NRIs)	143,760	0.63	1,43,760	0.55
	<b>Sub-total (B)</b>	<b>8794483</b>	<b>38.59</b>	<b>1,19,99,611</b>	<b>46.11</b>
C.	<b>Non-Promoter-Non-Public holding</b>				
	Employee Benefit Trust	48,800	0.21	77,500	0.30
	<b>Sub-total (C)</b>	<b>48,800</b>	<b>0.21</b>	<b>77,500</b>	<b>0.30</b>
	<b>Grand Total (A+B+C)</b>	<b>22,790,817</b>	<b>100.00</b>	<b>2,60,24,645</b>	<b>100.00</b>

\* Based on beneficiary position as on August 31, 2023.

\*\* Includes shareholding of the members of the Promoter Group.

# Not adjusted for any capital issuances post June 30, 2023.

^ Our Company has allotted 28,700 Equity Shares on August 22, 2023, pursuant to the PG Electroplast Employees Stock Option Scheme – 2020. For further details, please see “Capital Structure – Equity Share Capital History of our Company” on page 95.

### Other confirmations

- The Promoters, the Directors, the Key Managerial Personnel and members of the Senior Management of our Company do not intend to participate in the Issue. Since the Issue is only made to Eligible QIBs, our Promoters, Directors or

members of Senior Management (including ‘key managerial personnel’ under the Companies Act) were not eligible to subscribe in the Issue.

2. There would be no change in control in our Company consequent to the Issue.
3. Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of the Issue. Further, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottees for a period of one year from the date of Allotment, except on the Stock Exchanges.
4. In terms of the JV Agreement, our Company has agreed, at the discretion of the partners of Jaina Marketing & Associates (“**JMA**”), to effect the conversion of the shares of the partners of JMA in the joint venture, Goodworth Electronics Private Limited, into Equity Shares of our Company at any time after a period of three years from the date of execution of the JV Agreement, being July 13, 2023, subject to the terms and conditions as specified in the JV Agreement. Except as disclosed herein, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of this Placement Document.
5. Our Equity Shares have been listed for a period of at least one year prior to the date of the issuance of the notice of the annual general meeting of our Shareholders dated September 29, 2022, for approving the Issue.

## DIVIDENDS

The declaration and payment of dividends by our Company is governed by applicable provisions of the Companies Act and our Articles of Association. Our Board has approved and adopted a formal dividend distribution policy on May 25, 2021, in terms of Regulation 43A of the SEBI Listing Regulations. For further information, please see the section titled “*Description of the Equity Shares*” on page 243.

Our Company has not declared any dividend on the Equity Shares for the three-months ended June 30, 2023, and for Fiscals 2021, 2022 and 2023. Further there are no dividends that have been declared but are yet to be paid out by our Company for Fiscal 2024 until the date of this Placement Document.

### **Future Dividends**

The amounts paid as dividends in the past are not necessarily indicative of the dividend distribution policy of our Company or dividend amounts, if any, in the future. The form, frequency and amount of future dividends declared by our Company will depend on a number of internal and external factors, including, but not limited to, capital requirements, earnings, contractual restrictions, availability of adequate profits, investments in subsidiaries, associates and joint-ventures, business expansion plans, diversification of business, requirement of long-term capital and overall financial position of our Company, uncertainty in the economic conditions, change in provision of income-tax or other applicable taxes, volatility in the capital markets and applicable statutory and legal restrictions and any other relevant factors that the Board may deem fit to consider before declaring dividend.

The Equity Shares to be issued in connection with this Issue shall qualify for all dividends, including interim dividend, if any, that is declared in respect of the fiscal in which they have been allotted.

Please also see the sections titled “*Taxation*” and “*Risk Factors*” on pages 246 and 43, respectively.

Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion in conjunction with our Audited Financial Statements and the Unaudited Condensed Interim Consolidated Financial Statements. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are to the 12-month period ended March 31 of that year. Financial information for the three months ended June 30, 2023, is not annualized and not indicative of full year results, and is not comparable with annual financial statements presented in this Placement Document. Our Audited Financial Statements and Unaudited Condensed Interim Consolidated Financial Statements have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013, read with the Rule 3 of the Companies (India Accounting Standards) Rules, 2015. Ind AS differs in certain respects from IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. Accordingly, the degree to which financial statements included in this Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited.*

*This discussion contains forward – looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under “Forward – looking Statements” and “Risk Factors” on pages 14 and 43, respectively.*

*Industry and market data used in this section are derived from the F&S Report, which was commissioned by our Company exclusively for the purpose of this Issue. Our Company has commissioned and paid for the F&S Report pursuant to the engagement letter dated February 20, 2023. Frost & Sullivan is not related in any manner to our Company, its Subsidiaries, Directors, Key Managerial Personnel, members of Senior Management or the Promoters. For more details, see “Industry and Market Data” beginning on page 13. For risks in relation to F&S Report, see “Risk Factors – This Placement Document contains information from industry sources including the industry report commissioned by the Company from Frost & Sullivan.” On page 69.*

### Overview

We are an established original design manufacturer (“ODM”) and contract manufacturer (“CM”), for the consumer durables industry in India, with primary focus on manufacture of room air conditioners (“RACs”), washing machines and plastic moulding. We provide end – to – end solutions across the entire value chain of the products we supply to our customers, which include more than 50 leading domestic and international brands. This includes product conceptualisation, designing and prototyping, tool design and manufacturing, supply chain development and final assemblies for products like RACs, washing machines, LED TVs and air coolers. We consider our ability to evolve and address the needs of our marquee customer base as a key factor in the growth of our revenue from operations which grew at a CAGR of 75.26% from Fiscal 2021 to Fiscal 2023. We are the fastest growing B2C focused ODM players in India, having recorded the highest revenue CAGR amongst listed peers (Dixon Technologies (India) Limited, Amber Enterprises Limited and Elin Electronics Limited) over Fiscal 2020 – 2023 (Source: F&S Report).

We operate under four primary business verticals as set out below:

**Products:** We manufacture and assemble a wide array of products under two business models namely, CM and ODM. Under CM model, we manufacture and supply products basis designs developed by our customers, who then further distribute these products under their own brands. Under the ODM model, in addition to manufacturing, we conceptualize and design the products which are then supplied to our customers, who then further distribute these products under their own brands. We are the second largest player in terms of RAC finished goods sales to the OEMs / brands, basis Fiscal 2023 data. (Source: F&S Report). We act as ODM for RACs, washing machines and air coolers. Due to our constant efforts to strive for cost leadership and to be a reliable supply chain partner to our customers, in less than three years of manufacturing RAC complete built – up units (“CBUs”), we have manufactured RACs for 14 brands.

Additionally, in November 2021 and March 2022, our Subsidiary, PG Technoplast, received approval under the PLI Scheme for certain identified eligible white good products such as control assemblies for IDU or ODU or remotes, plastic moulding components, sheet metal components, heat exchangers, cross flow fan, motor and display panels (LCD / LED). Contingent on us achieving the defined revenue targets, meeting investment conditions, and complying with other conditions stipulated thereunder, the PLI Scheme gives us a total potential cumulative benefit of ₹ 1,987.50 million over the five financial years starting from Fiscal 2023 – 2024, which we believe will allow us to provide a better value proposition to our customers. For further details in this respect, see “Risk Factors – Our Subsidiary, PG Technoplast may not continue to enjoy the existing benefits under the PLI Scheme, which could have a materially adverse impact on our profitability” on page 63.

For further details, refer to ‘Business Operations – Products’ on page 183.

**Plastic Moulding (“PM”):** We are the largest manufacturer of plastic moulding for consumer durables and consumer electronics industry, in terms of revenue in India, as on March 31, 2023 (Source: F&S Report). We manufacture small, medium

and large sized, high – precision and surface critical injection moulded components for our customers, which are used further to manufacture a wide variety of automotive, electronic equipment and sanitaryware products such as in-wall tank assemblies and toilet seats and for fan parts painting. We offer a variety of post moulding operations such as ultrasonic welding, heat staking, hot stamping, pad printing and screen printing.

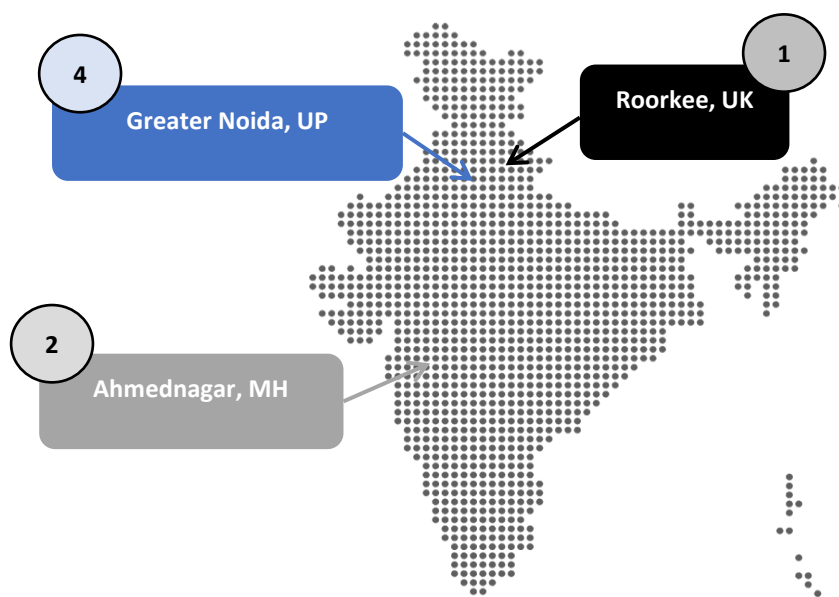
**Electronics:** Under this category, we contract manufacture LED TVs of various sizes. Further, we develop and manufacture printed circuit board assemblies for a range of applications on a turnkey basis (including procurement, surface mount technology (“SMT”), artificial intelligence (“AI”), metal illumination (“MI”), testing, packing and shipping).

**Tool Manufacturing:** We develop moulds for various applications, including automotive applications, white goods (such as refrigerators), home and kitchen appliances, lighting and electrical equipment. The complete range of services from tool design to tool manufacturing and injection moulding under one roof makes us a turnkey tooling solutions provider.

Since inception, we have continuously evolved our product portfolio to meet the needs of our customers and cater to the prevailing industry technologies. Post incorporation of our Company in 2003, we started manufacturing plastic moulded components. Thereafter, in 2014, we started focussing on the products business and commenced manufacturing of air coolers. We set up an in – house tool room for our tool manufacturing business vertical in 2016 and thereafter started manufacturing semi – automatic washing machines (“SAWM”) in 2017. In 2018, we started manufacturing RAC indoor units (“IDUs”) and subsequently RACs outdoor units (“ODUs”) in 2021. Additionally, in 2021, we commenced manufacturing fully automatic top load washing machines (“FATL”) and subsequently LED TVs in 2022. Presently, our product portfolio includes complete RAC sets, washing machines, and electronics, all of which today contribute significantly to our revenue. Our Company has entered into the JV Agreement, with Jaina Marketing & Associates, Jaina India Private Limited (collectively referred to as the “**Jaina Group**”) and Goodworth Electronics Private Limited pursuant to which Goodworth Electronics Private Limited (“**JV**”), has become a joint venture of the Company. Subject to, among others, receipt of relevant approvals and development of necessary infrastructure, the JV intends to manufacture LED televisions, and has been formed to leverage the expertise and resources of our Company and the Jaina Group, towards this purpose.

We have constantly sought to adapt to the changing industry landscapes, business environments and customer requirements. As a result, we have built long – standing relationships with a number of our key customers. We have catered to over 50 major domestic and international brands, with some our key customers being Carrier Midea India Private Limited, DAIKIN Airconditioning India Private Limited, Flipkart India Private Limited, MIRC Electronics Limited (ONIDA), Crompton Greaves Consumer Electricals Limited, Blue Star Limited, OVOT Private Limited, Infiniti Retail Limited, LAVA International Limited, Jaina India Private Limited, AIWA India Sales & Services Private Limited and Golden Arch Consumer Electronics Private Limited.

Presently, we operate seven manufacturing units located in Greater Noida, Uttar Pradesh; Roorkee, Uttarakhand; and Ahmednagar, Maharashtra. We also operate a unit at Ahmednagar, Maharashtra, where we operate incoming and outgoing quality control of products, storage of raw materials and finished goods and dispatch operations for our other manufacturing units in the location. Additionally, recently our Subsidiary, PG Technoplast, has leased premises at Alwar, Rajasthan to set up a manufacturing unit for air conditioners (Unit 3 – Subsidiary). As on the date of this Placement Document, our Subsidiary is in the process of setting up the unit and is therefore, yet to commence operations at this unit. For further details, see “– **Property**” on page 191.



Our manufacturing units are equipped with high quality machinery, assembly lines and full power backup that enable us to meet the quality requirements of our customers in a timely manner.

We have obtained third party certifications for quality management systems, environmental management systems and occupational health and safety management systems at our manufacturing units. These include ISO 9001:2015, 14001:2015, ISO 45001:2018, UL E520496 and IATF 16949:2016 certifications. In line with our focus to develop better control on our supply chain and improve our margins, we consistently strive to strategically backward integrate our manufacturing processes. In this regard, we have backward integrated our RAC manufacturing processes by adding plastic moulding, sheet metal, powder coating paint – shops, heat exchangers, copper tubing, crossflow fans, printed circuit board assemblies, an NABL – accredited psychometric lab, and complete product assembly lines for RAC IDUs and ODUs. We are also seeking to reduce our environmental footprint by focussing on solar energy. In this respect, we have installed a 1.4 MW rooftop grid system solar panel at our Unit 2 – Subsidiary in Maharashtra, and a 0.65 MW solar plant at our Unit – 4 in Maharashtra. In addition, in 2022, we have also entered into a power purchase agreement with a company to obtain at least 3.1 MW of solar energy for our manufacturing unit at Uttar Pradesh for a period of 25 years.

We remain focussed on R&D and invest in product development. This enables us to offer end – to – end product development services across the lifecycle of product. We have an R&D team for our RAC, washing machine and LED TV product lines. As on June 30, 2023, our R&D team consisted of 32 employees.

Our Promoters, Vishal Gupta, Vikas Gupta and Anurag Gupta have significant experience in the manufacturing sector and our Senior Management include experts from the industry with wide experience. For further information, see “*Board of Directors and Senior Management*” on page 193. In 2021, our Company received private equity funding from Baring Private Equity India AIF, Ananta Capital and Mr. Ashokkumar Sobhamal Patni and Mr. Rajanikanta Gajendrakumar Patni. For details, refer to “*Capital Structure*” on page 95.

Set forth below are our key performance indicators for the periods indicated:

(₹ in million, unless otherwise stated)

Particulars	Fiscal 2021	Fiscal 2022**	Fiscal 2023	Three months ended June 30, 2023*#
Revenue from operations	7,032.06	11,116.35	21,599.48	6,776.16
EBITDA <sup>(1)</sup>	515.65	942.82	1804.26	671.02
EBITDA margin (%) <sup>(2)</sup>	7.33%	8.48%	8.35%	9.90%
Profit for the year (“PAT”)	116.12	374.16	774.69	338.06
PAT margin (%) <sup>(3)</sup>	1.65%	3.37%	3.59%	4.99%
Return on Equity (“ROE”) (%) <sup>(4)</sup>	6.30%	14.82%	21.88%	24.92%
Return on Capital Employed (“ROCE”) (%) <sup>(5)</sup>	9.08%	13.87%	19.07%	21.72%
Net fixed asset turnover <sup>(6)</sup>	2.67	3.12	4.25	4.51
Asset turnover ratio <sup>(7)</sup>	1.30	1.35	1.68	1.94

\* Not annualised.

\*\* Government incentives from State Government (which includes PSI Incentive 2007 from Maharashtra Government) aggregating to ₹ 139.17 million was classified as other non operating income until Fiscal 2022 which was re-classified as other operating income from Fiscal 2023. Accordingly, the financial information for Fiscal 2022 has been disclosed after considering the above as “Other Operating Income” and has been extracted from the comparative financial information for Fiscal 2022 included in the audited financial statements of Fiscal 2023.

# Ratios are calculated for trailing twelve months by taking average of balance sheet data of June 30, 2022, and June 30 2023.

(1) EBITDA is calculated as profit for the period / year, plus tax expenses (consisting of current tax, deferred tax and current taxes relating to earlier years), finance costs and depreciation and amortisation expenses,

(2) EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations.

(3) PAT Margin is calculated as profit for the period / year as a percentage of revenue from operations.

(4) ROE (Return on Equity) is calculated as profit after tax for the period/year divided by average total equity.

(5) ROCE (Return on Capital Employed) is calculated as profit before tax plus finance costs divided by average net worth and average total debt.

(6) Net fixed asset turnover is calculated as revenue from operations divided by average net fixed assets for the respective financial year.

(7) Asset turnover ratio is calculated as revenue from operations divided by average of the total assets of the period / year.

### Significant Factors Affecting Our Financial Condition and Results of Operations

Our results of operations have been, and will continue to be, affected by a number of events and actions, some of which are beyond our control. However, there are some specific items that we believe have impacted our results of operations and, in some cases, will continue to impact our results. We believe that the following factors, amongst others, have, or could have, an impact on these results, the manner in which we generate income and incur the expenses associated with generating this income. For further details of such factors, please see the sections titled “*Our Business*” and “*Risk Factors*” on pages 172 and 43, respectively.

#### Revenue from our Key Customers

We depend on certain customers who have contributed to a substantial portion of our total revenues. Set out below is the revenue generated from our top customer, top five customers and top 10 customers for the respective period / years:



Top Customers*	Fiscal 2021		Fiscal 2022		Fiscal 2023		Three months ended June 30, 2023**	
	In ₹ million	% of revenue from operations	In ₹ million	% of revenue from operations	In ₹ million	% of revenue from operations	In ₹ million	% of revenue from operations
Top customer	1,701.69	24.20%	1,866.98	16.79%	2,426.38	11.23%	968.84	14.30%
Top 5 customers	4,229.71	60.15%	5,339.37	48.03%	10,019.53	46.39%	3,395.72	50.11%
Top 10 customers	5,517.65	78.46%	7,519.40	67.64%	15,146.52	70.12%	4,824.18	71.19%

\* The top customers have been identified for each specific year / period based on the revenue contribution of each such customer in the relevant year / period.

\*\* Not annualised

Our customers provide us with purchase orders which typically include precise terms for lead time for delivery of products, delivery schedule in terms of quantities for certain months. There can be no assurance that we will retain the business of our existing key customers or maintain the current level of business with each of these customers. Moreover, as on the date of this Placement Document, we do not have any long-term contracts or commitment arrangements with our key customers.

#### Seasonality

Our products vertical, specifically for manufacturing of RACs, washing machines and air coolers, is subject to seasonality of demand. A significant portion of our sales from our products business, is from the ODM model. Set forth below is our revenue from operations under ODM, CM and PM business models, for the respective periods:

Particulars	Fiscal 2021		Fiscal 2022		Fiscal 2023		Three months ended June 30, 2023*	
	In ₹ million	% contribution to products business	In ₹ million	% contribution to products business	In ₹ million	% contribution to products business	In ₹ million	% contribution to products business
ODM	762.29	31.23%	2,654.15	55.88%	10,441.39	78.02%	3,792.63	85.89%
CM	1,678.78	68.77%	2,095.83	44.12%	2,942.33	21.98%	623.08	14.11%
<b>Total</b>	<b>2,441.07</b>	<b>100.00%</b>	<b>4,749.98</b>	<b>100.00%</b>	<b>13,383.72</b>	<b>100.00%</b>	<b>4,415.71</b>	<b>100.00%</b>

\* Not annualised

Specifically, RACs and air coolers in the product vertical sell a higher number of products in the summer months due to the weather conditions, and considerably lower number of products during the monsoon and winter months. Bad weather conditions, including disturbed summers or untimely rains during the peak sales season of summer, may adversely affect our sales volumes, revenue from operations, results of operations and financial condition, and could therefore have a disproportionate impact on our results of operations in the relevant year. We typically do not observe or anticipate any seasonality in other verticals.

#### Indian and global economic conditions affecting demand

A decline in the level of consumer discretionary spends and the worsening of general economic conditions could adversely affect our results of operations. Our operations are substantially affected and will continue to be affected, by Indian and global macroeconomic conditions as well as emerging industry trends. Demand for our products is directly related to the strength of the global economy and consumer confidence, including overall growth levels. Today's global technology market is driven by demand for products with shorter life cycles, which requires continuous innovation, cost reduction and better customer service. The demand for our products is affected by the level of business activity of our major customers, which is jointly influenced by the level of economic activity in the business categories in India and other countries where they operate. A decline in the industries we operate in or an economic downturn in the country that our customers operate in could adversely affect the performance of our customers and the demand of our products in turn.

#### Capacity utilization and capacity expansion

Capacity utilization is affected by our product mix and the demand and supply balance, which in turn affects our gross profit margin. Our ability to maintain our profitability depends on our ability to optimize the product mix to support specialty products and products with consistent long term demand; and the demand and supply balance of our products in the principal and target markets. Efficient capacity utilization allows us to spread our fixed costs, resulting in cost optimization. Manufacturing levels are affected by the number of lost days due to scheduled and unscheduled plant shutdowns. Our actual production levels and utilization rates may differ from the estimated manufacturing capacities of our units. For details of our capacity utilization of all our manufacturing units, calculated on the basis of total installed production capacity and actual production, please see "*Our Business –Manufacturing Units*" on page 188.

## Competition

We operate in a competitive industry. Should we fail to either compete with other electronic manufacturing services providers (“EMS”) or maintain our competitive advantages, our operations could be adversely affected. EMS companies are steadily shifting towards ODM models, giving full turnkey solutions for items from design, product development to reverse logistics. Also, due to increased competition, EMS companies are striving to diversify their product offerings. EMS providers have the expertise to procure and manufacture at faster turnaround times. Indian RAC market is highly fragmented with varied set of players – global, indigenous and importers – selling a wide range of products in the market. In the total EMS market, contract manufacturing (CM) accounts for approximately 80%, while original design manufacturing (ODM) accounts for the remaining 20%. Also, due to increased competition, EMS companies are striving to diversify their product offerings. There are nearly 700 electronic manufacturing services (“EMS”) companies in the market, ranging from large, medium-sized, to small players. Major global companies are Bharat FIH, Flex, Wistron, Pegatron, Jabil; large Indian companies include Dixon, Amber, SFO Technologies, Syrma, Elin, Avalon Technologies etc. Leading EMS players operating in Indian washing machine market include Dixon, PG Electroplast, MIRC Electronics, GEM, Vimal among others (*Source: F&S Report*).

Any increase in competition can adversely affect our market share, which may lead to price reductions. Any of these events could have a material adverse effect on our financial condition, results of operations and prospects.

## Significant Accounting Policies

### Basis of preparation and presentation

- (i) Compliance with Ind AS.

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III).

- (ii) Historical cost convention.

The financial statements have been prepared on a historical cost basis except for certain assets and liabilities (including derivative instruments) that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 Inventories or value in use in Ind AS 36 Impairment of Assets.

- (iii) The Company has prepared the financial statements on the basis that it will continue to operate as going concern.
- (iv) The Unaudited Interim Condensed Consolidated Financial Statements which comprise the Unaudited Interim Condensed Consolidated Balance Sheet as at June 30, 2023, Unaudited Interim Condensed Consolidated Statement of Profit and Loss (including other comprehensive income) for the period ended June 30, 2023 and June 30, 2022, the Unaudited Interim Condensed Consolidated Statement of Changes in Equity and the Unaudited Interim Condensed Consolidated Statement of Cash Flows for the period ended June 30, 2023 and June 30, 2022 and key explanatory information have been prepared in accordance with the principles laid down in Indian Accounting Standard 34 “Interim Financial Reporting” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India.
- (v) The Unaudited Interim Condensed Consolidated Financial Statements do not include all the information and disclosures in the statements as at March 31, 2023. However, selected explanatory notes are included to explain events and transactions financial position and performance since the last Audited Financial Statements. These Unaudited Interim Condensed Consolidated Financial Statements are not the statutory accounts for the purpose of any statutory compliances or for regulatory requirements in any jurisdiction.

### Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its Subsidiaries (collectively “the Group”). Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the

investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its involvement with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including

- (i) The contractual arrangement with the other vote holders of the investee;
- (ii) Rights arising from other contractual arrangements;
- (iii) The Group's voting rights and potential voting right; and
- (iv) The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31. When the end of the reporting period of the parent company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as at the same date as the financial statements of the parent company to enable the parent company to consolidate the financial information of the subsidiary, unless it is impracticable to do so or there are no significant transaction or event between the date of those financial statement and date of financial statement of parent company.

#### *Consolidation Procedures – Subsidiary*

- (i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.
- (ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (iii) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS – 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for noncontrolling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity

as capital reserve. However, if there is no clear evidence of bargain purchase, the Group recognises the gain directly in equity as capital reserve, without routing the same through OCI.

#### Current versus non – current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

#### Foreign currencies

- (i) Functional and presentation currency.

The consolidated financial statements are presented in Indian rupee (INR), which is the Group's functional and presentation currency unless stated otherwise.

- (ii) Transactions and balances.

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses average rate if the average approximates the actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

- (iii) Foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within exceptional items.

- (iv) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

#### Revenue recognition

Revenues from contract with customers is recognized when controls of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for the said goods or services. Revenue is stated net of goods and service tax and net of returns, trade allowances and discounts.

- (i) **Sale of goods**

Revenue from sale of goods is recognized on transfer of control of goods to the customers, which is usually on dispatch of goods to customers premises.

### *Variable Consideration*

The Group recognizes revenue from the sale of goods measured at the standalone selling price of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

#### **(ii) Sale of services**

Revenue from services represents the job work services and repairing of moulds performed by the Group for its customers, Revenue from services is recognized as per the terms of the contract with the customer over the period of time when the control of services is transferred to the customers.

#### **(iii) Contract balance**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract assets are in the nature of unbilled receivables, which arises when Group satisfies a performance obligation but does not have an unconditional right to consideration. A receivables represents the Group's right to an amount of consideration that is unconditional. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (Financial instruments – initial recognition and subsequent measurement).

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer). A trade receivable is recognized if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (Financial instruments – initial recognition and subsequent measurement).

#### **(iv) Other Income**

Other income comprise interest income, rental income, liabilities no longer required written back, refund of electricity duty, government incentive and others. Interest income is accrued on a timely basis, by reference to the principal outstanding and recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. When calculating the EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Rental income arising from operating lease is accounted on a straight – line basis over the lease term.

In respect of others, Group recognized income when the right to receive is established.

### Government grants

Grants from the government are recognised where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

### Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Income tax expense for the year comprises of current tax and deferred tax.

#### **(i) Current tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date where the Group operates and generates taxable income.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

(ii) *Deferred tax*

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or direct in equity.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

*Group as a lessee*

The Group's lease asset classes primarily consist of leases for land and buildings. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) *Right-of-Use assets (ROU)*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right – of – use assets includes the amount of lease

liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The Group classifies ROU assets as part of property, plant and equipment in balance sheet and lease liability in “*Financial Liability*”.

(ii) *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Variable lease payments that depend on sales are recognized in profit or loss in the period in which the condition that triggers those payments occurs.

(iii) *Short term leases and leases of low – value of assets*

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low – value assets are recognized as expense on a straight – line basis over the lease term.

*Group as a lessor*

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognized on a straight – line basis over the term of the relevant lease.

*Borrowing Costs*

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

*Earnings Per Share (EPS)*

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) if any that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

*Property, plant and equipment*

Property, plant and equipment are tangible items that are held for use in the production or supply for goods and services, rental to others or for administrative purposes and are expected to be used during more than one period. The cost of an item of property, plant and equipment shall be recognised as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items and are net of recoverable taxes / duty. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Each part of item of property, plant and equipment, if significant in relation to the total cost of the item, is depreciated separately. Further, parts of plant and equipment that are technically advised to be replaced at prescribed intervals/ period of operation are depreciated separately based on their specific useful life provided these are of significant amounts commensurate with the size of the Group and scale of its operations. The carrying amount of any equipment accounted for as separate asset is derecognised when replaced.

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. Capital work – in – progress is stated at cost, net of accumulated impairment loss, if any.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit or loss.

#### **Depreciation methods, estimated useful lives and residual value**

Depreciation commences when the assets are ready for their intended use. Depreciation is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Depreciation on property, plant and equipment has been provided on straight line method (“SLM”) based on the useful life of the assets prescribed in Schedule II of the Companies Act, 2013 except in respect of major plant & machinery, where useful life has been taken as 25 years, as technically assessed.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation is not recorded on capital work in progress until construction and installation are complete and the assets is ready for its intended use.

#### **Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Amortisation is recognised on a SLM basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Estimated useful lives of the intangible assets are as follows:

<b>Assets</b>	<b>Estimated Useful Life</b>
Computer software	Six years
Product development	10 years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit or loss when the asset is derecognised.

#### **Research and development costs**

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:



- (i) the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- (ii) its intention to complete and its ability and intention to use or sell the asset;
- (iii) how the asset will generate probable future economic benefits;
- (iv) the availability of adequate technical, financial and other resources to complete the development and to use or sell the asset; and
- (v) the ability to measure reliably the expenditure attributable to asset during its development.

The amount initially recognised for intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no intangible assets can be recognised, development expenditure is recognised in statement of profit or loss in the period in which it is incurred. Subsequent to initial recognition, such intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as at acquired intangible assets.

### Inventories

Inventories are valued at the lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item – by – item basis.

- (i) Inventories of raw materials, components, stores and spares are valued at lower of cost (net of recoverable taxes) and net realizable value. Cost for the purpose of valuation of such inventories is determined using the first-in, first-out (“**FIFO**”) method. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.
- (ii) Finished goods and work-in-progress goods are valued at lower of cost and net realizable value. The cost of finished goods and work-in-progress goods includes raw material costs (net of recoverable taxes), direct cost of conversion and proportionate allocation of indirect costs incurred in bringing the inventories to their present location and condition.
- (iii) Traded goods’ cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Their cost is determined on a weighted average basis.
- (iv) The provision for inventory obsolescence is assessed regularly based on estimated usage and shelf life of inventory.

### Provisions and Contingent liabilities, Contingent assets

#### **(i) Provision**

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

#### *Warranty Provision*

Provision for warranty-related costs are recognized when the product is sold or service is provided to customer. Initial recognition is based on historical experience. The Group periodically reviews the adequacy of product warranties and adjusts warranty percentage and warranty provisions for actual experience, if necessary.

#### **(ii) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

#### **(iii) Contingent assets**

Contingent assets are not recognized. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset. Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

### Employee benefits

#### **(i) Short – term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the undiscounted amounts expected to be paid when the liabilities are settled. The liabilities are presented as current benefit obligations in the balance sheet.

#### **(ii) Other long-term employee benefit obligations**

Other long-term employee benefits includes earned leaves, sick leaves and employee bonus.

##### *Earned leaves*

The liabilities for earned leaves are not expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The benefits are discounted using the government bond yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit & loss. The obligations are presented as provisions in the balance sheet.

#### **(iii) Post-employment obligations**

The Group operates the following post employment schemes:

- defined benefit plan towards payment of gratuity; and
- defined contribution plans towards provident fund and employee pension scheme and employee state insurance.

##### *Defined benefit plans*

The Group provides for gratuity obligations through a defined benefit retirement plan (the '**Gratuity Plan**') covering all employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement / termination of employment or death of an employee, based on the respective employee's salary and years of employment with the Group.

The liability or asset recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The present value of the defined benefit obligation is determined using projected unit credit method by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation, with actuarial valuations being carried out at the end of each annual reporting period.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

##### *Defined contribution plans*

Defined contribution plans are retirement benefit plans under which the Group pays fixed contributions to separate entities (funds) or financial institutions or state managed benefit schemes. The Group has no further payment obligations once the contributions have been paid. The defined contributions plans are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### **• Provident Fund Plan & Employee Pension Scheme**

The Group makes monthly contributions at prescribed rates towards Employees' Provident Fund/ Employees' Pension Scheme to a Fund administered and managed by the Government of India.

- **Employee State Insurance**

The Group makes prescribed monthly contributions towards Employees' State Insurance Scheme.

- **Leave Encashment**

The Group has recognised liability for short term compensated absences on full cost basis with reference to unavailed earned leaves at the year end. To the extent, the compensated absences qualify as a long term benefit, the Group has provided for the long term liability at year end as per the actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses arising from adjustments and changes in actuarial assumptions are charged or credited to the Statement of profit and loss in the year in which such gains or losses arise.

Share-based payment

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

**Equity settled transactions**

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment ("SBP") reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non – vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through statement of profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) **Financial assets**

*Initial Recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("OCI"), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit

or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, are measured at the transaction price determined under Ind AS 115.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

#### *Subsequent Measurement*

##### *Financial assets carried at amortised cost*

A financial asset is subsequently measured at amortised cost which is held with the objective to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### *Financial assets at fair value through other comprehensive income*

A financial asset is subsequently measured at fair value through other comprehensive income which is held with the objective to achieve both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### *Financial assets at fair value through profit or loss*

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

#### *Impairment of financial assets*

The Group recognizes loss allowances using the expected credit loss ("ECL") model for the financial assets which are not fair valued through profit or loss. For impairment purposes significant financial assets are tested on an individual basis, other financial assets are assessed collectively in groups that share similar credit risk characteristics.

The Group recognises life-time expected losses for all trade receivables. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

The Group follows 'simplified approach' for the recognition of impairment loss allowance on trade and other receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on life-time ECLs at each reporting date, right from its initial recognition.

The Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

## **(ii) Financial liabilities**

#### *Initial Recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

#### *Subsequent measurement*

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss; and
- Financial liabilities at amortised cost (loans and borrowings)

#### *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

#### *Financial liabilities at amortised cost (loans and borrowings)*

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

#### *Derecognition*

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition as per Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the group's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

#### *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### *Reclassification of financial assets*

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the group either begins or ceases to perform an activity that is significant to its operations. If the group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

#### *Cash and cash equivalents*

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

#### *Critical accounting estimates, assumptions and judgements*

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Other disclosures relating to Group's exposure to risk and uncertainties includes capital management, financial risk management objective and policies and sensitivity analysis.

#### *Judgements*

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Determining the lease term of contracts with renewal and termination options – Group as lessee.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

#### *Estimates and assumptions*

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### *Property, plant and equipment*

External advisor and/or internal technical team assesses the remaining useful life and residual value of property, plant and equipment. Management believes that the assigned useful lives and residual values are reasonable.

#### *Intangibles*

Internal technical and user team assess the remaining useful lives of intangible assets. Management believes that assigned useful lives are reasonable. All intangibles are carried at net book value on transition.

#### *Impairment of non-financial assets*

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed in notes to accounts.

#### *Share based payments*

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date.

#### *Defined benefit plans (gratuity benefits)*

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries.

Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

#### *Leases – Estimating the incremental borrowing rate*

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

## **Principal Components of Income and Expenditure**

### ***Income***

Our total income comprises (i) revenue from operations, and (ii) other income.

#### *Revenue from operations*

Our revenue from operations primarily includes sales of finished goods, sales of raw materials and components, sale of services and sales of scrap.

#### *Other income*

Our other income primarily includes interest income from fixed deposits, security deposits, rental income, government grants, profit on sale of fixed assets and lease accounting gains.

### ***Expenses***

Our total expenses include the below mentioned expenses:

#### *Cost of materials consumed*

Our cost of raw materials and components primarily include opening stock at the beginning of the year, add-all types of purchases of raw materials, components, bought out parts, packing items, consumable stores, less discounts received from vendors and less closing stocks at the end of the year, less stocks destroyed due to fire and recoverable from insurance company, less sale of as such of raw materials, spare parts and components and packing material.

#### *Purchase of traded goods*

Our cost of purchase of traded goods primarily includes cost of raw materials, components, BOP items and packing materials of sold items.

#### *Changes in inventories of finished goods and work-in-progress*

Our cost of changes in inventories of finished goods and work – in – progress primarily include all type of finished goods ready for despatch, semi-finished goods and raw materials, components and BOP items lying at production floor and issued by store.

#### *Employee Benefit Expense*

Our employee benefit expense primarily includes salary and wages, bonus and ex – gratia, director remuneration, contribution to employee provident fund, ESIC, gratuity and leave expenses, staff welfare, medical expenses and share based expenses.

#### *Finance Costs*

Our finance costs primarily include interest paid on cash credit limits, over draft limits, working capital demand limits, vehicles loans, term loans, guaranteed emergency credit lines, delayed payments to vendors, processing fees, bank charges, letter of credit charges, letter of credit discounting charges and bill discounting charges.

#### *Depreciation and Amortization Expense*

Our depreciation and amortization primarily include depreciation on all property, plant and equipment, amortisation cost on all intangible assets and right to use.

#### *Other Expenses*

Our other expenses primarily include stores, spares and tools consumed, power and fuel expenses, sub-contracting expenses, rent, rate and taxes, insurance expenses, all types of repair and maintenance expenses, travelling and conveyance expenses, vehicles running and maintenance, communication cost, printing and stationary expenses, security expenses, legal and professional expenses, provision for doubtful debts, provision for slow and non-moving inventories, written off bad debts, payment to auditors, director sitting fees, loss on sale of fixed assets, and late delivery charges.

## Tax Expense

Our tax expenses primarily include current year income tax payable and deferred tax.

## Profit for the Year

Profit for the year represents profit after tax.

## Non – GAAP Measures

In addition to our results determined in accordance with Ind AS, we believe the following non-GAAP financial measures are useful to our Company and our investors as a means of assessing and evaluating our operating performance in comparison to prior periods: EBITDA, EBITDA margin, PAT, PAT margin, ROE, ROCE, net asset fixed turnover and asset turnover ratio. We classify a financial measure as being a non – GAAP financial measure if that financial measure excludes or includes amounts, or is subject to adjustments that have the effect of excluding or including amounts, that are not included or excluded in the most directly comparable measure calculated and presented in accordance with Ind-AS as in effect from time to time in our financial statements. The non-GAAP financial measures are supplemental measures that are not required by, or are not presented in accordance with, Ind-AS. Non-GAAP financial measures do not include operating, other statistical measures or ratios calculated using exclusively financial measures calculated in accordance with Ind-AS. Moreover, the way we calculate the non-GAAP financial measures may differ from that of other companies reporting measures with similar names, which may limit these measures' usefulness as a comparative measure. Our management believes these non-GAAP financial measures are useful to compare general operating performance from period to period and to make certain related management decisions. We believe that non-GAAP financial information, when taken collectively with financial measures prepared in accordance with Ind AS, may be helpful to investors because it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance. However, our management does not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with Ind AS.

Non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with Ind AS. Non-GAAP financial information are not recognized under Ind AS and do not have standardized meanings prescribed by IND AS. In addition, non-GAAP financial measures used by us may differ from similarly titled non-GAAP measures used by other companies. The principal limitation of these non-GAAP financial measures is that they exclude significant expenses and income that are required by Ind AS to be recorded in our financial statements, as further detailed below. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by management about which expenses and income are excluded or included in determining these non-GAAP financial measures. A reconciliation is provided below for each non-GAAP financial measure to the most directly comparable financial measure prepared in accordance with Ind AS. Investors are encouraged to review the related Ind AS financial measures and the reconciliation of non-GAAP financial measures to their most directly comparable Ind AS financial measures included below and to not rely on any single financial measure to evaluate our business.

## Results of Operations Based on Financial Statements

The following table sets forth select financial data from our statement of profit and loss for three months ended June 30, 2023 and for June 30, 2022 and for Fiscals 2023, 2022 and 2021, the components of which are also expressed as a percentage of total income for such periods.

Particulars	Three months ended June 30, 2023		Three months ended June 30, 2022		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	(₹in million)	(% of Total Income)	(₹in million)	(% of Total Income)	(₹in million)	(% of Total Income)	(₹in million)	(% of Total Income)	(₹in million)	(% of Total Income)
Revenue from Operations	6,776.16	99.81%	5,367.33	99.77%	21,599.48	99.80%	11,116.35	99.61	7,032.06	99.63
Other income	12.96	0.19%	12.55	0.23%	43.86	0.20%	43.24	0.39%	26.20	0.37%
<b>Total Income</b>	<b>6,789.12</b>	<b>100.00%</b>	<b>5,379.88</b>	<b>100.00%</b>	<b>21,643.34</b>	<b>100.00%</b>	<b>11,159.59</b>	<b>100.00%</b>	<b>7,058.26</b>	<b>100.00%</b>
<i>Expenses</i>										
Cost of materials consumed	4,902.31	72.21%	3,597.29	66.87%	16,046.14	74.14%	7,314.98	65.55%	5,183.12	73.43%
Purchase of traded goods	271.19	3.99%	1,032.65	19.19%	1,881.57	8.69%	1,816.18	16.27%	350.14	4.96%
Changes in inventories of finished goods and work-in-progress	377.29	5.56%	(155.86)	(2.90)%	(282.63)	(1.31)%	(290.81)	(2.61) %	31.89	0.45%



Particulars	Three months ended June 30, 2023		Three months ended June 30, 2022		Fiscal 2023		Fiscal 2022		Fiscal 2021	
	(₹in million)	(% of Total Income)	(₹in million)	(% of Total Income)	(₹in million)	(% of Total Income)	(₹in million)	(% of Total Income)	(₹in million)	(% of Total Income)
Employee Benefits Expenses	356.10	5.25%	273.31	5.08%	1,228.55	5.68%	778.54	6.98%	549.95	7.79%
Finance costs	140.38	2.07%	96.25	1.79%	479.32	2.21%	231.26	2.07%	184.36	2.61%
Depreciation and Amortization Expenses	107.05	1.58%	77.34	1.44%	349.51	1.61%	221.13	1.98%	180.12	2.55%
Other Expenses	211.21	3.11%	253.47	4.71%	965.44	4.46%	607.19	5.44%	419.36	5.94%
<b>Total Expenses</b>	<b>6,365.53</b>	<b>93.76%</b>	<b>5,174.45</b>	<b>96.18%</b>	<b>20,667.90</b>	<b>95.49%</b>	<b>10,678.47</b>	<b>95.69%</b>	<b>6,898.94</b>	<b>97.74%</b>
Profit before Tax & Exceptional	423.59	6.24%	205.43	3.82%	975.43	4.51%	481.12	4.31%	159.32	2.26%
Exceptional Item	-	-	-	-	-	-	(9.31)	(0.08) %	8.16	0.12%
Profit before tax	423.59	6.24%	205.43	3.82%	975.43	4.51%	490.43	4.39%	151.16	2.14%
<i>Tax Expense</i>										
Current Tax	77.79	1.15%	7.52	0.14%	84.55	0.39%	-	-	-	-
Deferred Tax	7.74	0.11%	33.91	0.63%	116.20	0.54%	116.27	1.04%	35.04	0.50%
<b>Profit for the year</b>	<b>338.06</b>	<b>4.98%</b>	<b>164.01</b>	<b>3.05%</b>	<b>774.69</b>	<b>3.58%</b>	<b>374.16</b>	<b>3.35%</b>	<b>116.12</b>	<b>1.65%</b>
<b>Other comprehensive income</b>	<b>(0.58)</b>	<b>(0.01)%</b>	<b>(1.50)</b>	<b>(0.03)%</b>	<b>(0.30)</b>	<b>0.00%</b>	<b>4.70</b>	<b>0.04%</b>	<b>5.22</b>	<b>0.07%</b>
<b>Total comprehensive income</b>	<b>337.48</b>	<b>4.97%</b>	<b>162.51</b>	<b>3.02%</b>	<b>774.39</b>	<b>3.58%</b>	<b>378.86</b>	<b>3.39%</b>	<b>121.34</b>	<b>1.72%</b>

### THREE MONTHS ENDED JUNE 30, 2023, COMPARED TO THREE MONTHS ENDED JUNE 30, 2022

#### Income

Our total income increased by 26.19% to ₹ 6,789.12 million for the three months ended June 30, 2023, from ₹ 5,379.89 million for the three months ended June 30, 2022, on account of the factors discussed below.

#### *Revenue from operations*

Our revenue from operations increased by 26.25% to ₹ 6,776.16 million for the three months ended June 30, 2023 from ₹ 5,367.33 million for the three months ended June 30, 2022, primarily due to growth in the product business, which increased to ₹ 4,415.71 million for the three months ended June 30, 2023 from ₹3,151.20 million for the three months ended June 30, 2022.

#### *Other income*

Our other income increased by 3.25% to ₹12.96 million for the three months ended June 30, 2023 from ₹12.55 million for the three months ended June 30, 2022, primarily due to increase in the interest income on deposit with the banks.

#### Expenses

Our total expenses increased by 23.02% to ₹ 6,365.53 million for the three months ended June 30, 2023 from ₹ 5,174.45 million for the three months ended June 30, 2022, on account of the factors discussed below.

#### *Cost of materials consumed*

Our cost of material consumed increased by 36.28% to ₹ 4,902.31 million for the three months ended June 30, 2023 from ₹ 3,597.29 million for the three months ended June 30, 2022, primarily due to increase in the sales of RAC and electronics by ₹ 1,329.03 million and ₹ 275.93 million, respectively as compared to June 30, 2022.

#### *Purchase of traded goods*

Our cost of purchase of traded goods decreased by 73.74% to ₹ 271.19 million for the three months ended June 30, 2023 from ₹ 1,032.65 million for the three months ended June 30, 2022, primarily due to the reduction of outsourcing of plastic and sheet metal components in RAC business on account of the increase of the in – house capacity of such components.

#### *Changes in inventories of finished goods and work – in – progress*

Our cost of changes in inventories of finished goods and work – in – progress increased to ₹ 377.29 million for the three months ended June 30, 2023 from ₹(155.86) million for the three months ended June 30, 2022, primarily due to reduction in the finished goods inventory implying higher shipping of the finished goods than production during the period.

#### *Employee Benefit Expense*

Our employee benefit expense increased by 30.29% to ₹356.10 million for the three months ended June 30, 2023, from ₹ 273.31 million for the three months ended June 30, 2022, primarily due to increase in the sales of our products business vertical. Our products business witnessed a growth of ₹ 1,264.51 million which resulted in the subsequent increase in employee cost and due to wage increments in the ordinary course.

#### *Finance Costs*

Our finance costs increased by 45.84% to ₹140.38 million for the three months ended June 30, 2023, from ₹96.25 million for the three months ended June 30, 2022, primarily due to increase in the gross borrowings and increase in the interest rates on these borrowings.

#### *Depreciation and Amortization Expense*

Our depreciation and amortization expenses increased by 38.41% to ₹107.05 million for the three months ended June 30, 2023, from ₹77.34 million for the three months ended June 30, 2022, primarily due to increase in the commissioning of fixed assets during Fiscal 2023 by ₹ 1,499.10 million.

#### *Other Expenses*

Our other expenses decreased by 16.67% to ₹ 211.21 million for the three months ended June 30, 2023 from ₹253.47 million for the three months ended June 30, 2022, primarily due to foreign exchange gains of ₹ 26.20 million and the loss of ₹ 27.76 million in the three months ended June 30, 2023 and June 30, 2022, respectively.

#### *Tax Expense*

Our tax expenses increased by 106.45% to ₹ 85.53 million for the three months ended June 30, 2023 from ₹ 41.43 million for the three months ended June 30, 2022, primarily due to increase in the profit before tax.

#### *Profit for the Year*

As a result of the foregoing factors, our profit for the three months increased by 106.13% to ₹ 338.06 million for the three months ended June 30, 2023 from ₹164.01 million for the three months ended June 30, 2022.

#### *Other comprehensive income / (loss) for the year*

Our other comprehensive loss for the period decreased by 61.27% to ₹ (0.58) million for June 30, 2023 from ₹ (1.50) million for June 30, 2022 due to change in the actuarial liabilities on account of change in the interest rate.

#### *Total comprehensive income for the year*

On account of the above, our total comprehensive income for the period increased by 107.67 % to ₹337.48 million for the three months ended June 30, 2023 from ₹162.51 million for the three months ended June 30, 2022.

### **FISCAL 2023 COMPARED TO FISCAL 2022**

#### *Income*

Our total income increased by 93.94% to ₹ 21,643.33 million for Fiscal 2023 from ₹11,159.59 million for Fiscal 2022, on account of the factors discussed below.

#### *Revenue from operations*

Our revenue from operations increased by 94.30% to ₹ 21,599.48 million for Fiscal 2023 from ₹ 11,116.35 million for Fiscal 2022, primarily due to growth in our sales of the product business by ₹ 8,633.74 million driven by growth in sales of RACs and washing machines. Our sale of RACs and washing machines increased by ₹ 7,475.98 million and ₹ 924.17 million, respectively, for Fiscal 2023 from Fiscal 2022.

### *Other income*

Our other income increased by 1.43% to ₹43.86 million for Fiscal 2023 from ₹43.24 million for Fiscal 2022, primarily due to increase in the interest income on deposits with banks and others.

### Expenses

Our total expenses increased by 93.55% to ₹ 20,667.90 million for Fiscal 2023 from ₹ 10,678.47 million for Fiscal 2022, on account of the factors discussed below.

### *Cost of materials consumed*

Our cost of material consumed increased by 119.36% to ₹ 16,046.14 million for Fiscal 2023 from ₹ 7,314.98 million for Fiscal 2022, primarily due to increase in the sale of all the business verticals of our Company. Our Company witnessed a growth (i) in the sales of the product business by ₹ 8,633.74 million, driven by growth in sales of RACs and washing machines by ₹ 7,475.98 million and ₹ 924.17 million, (ii) sales of plastic moulding components by ₹ 929.23 million, (iii) sales of the electronics by ₹ 877.30 million, and (iv) sales of tool manufacturing by ₹ 42.85 million, to Fiscal 2023 from Fiscal 2022.

### *Purchase of traded goods*

Our cost of purchase of traded goods increased by 3.60% to ₹1,881.57 million for Fiscal 2023 from ₹1,816.18 million for Fiscal 2022, primarily due to increase in the outsourcing of plastic moulding and sheet metal components.

### *Changes in inventories of finished goods and work – in – progress*

Our cost of changes in inventories of finished goods and work – in – progress was ₹(282.63) million for Fiscal 2023 and was ₹(290.81) million for Fiscal 2022, primarily due to delay in shipping of the manufactured products and increase in inventory finished goods.

### *Employee Benefit Expense*

Our employee benefit expense increased by 57.80% to ₹1,228.55 million for Fiscal 2023 from ₹778.53 million for Fiscal 2022, primarily due to increase in our products business vertical. Our products business vertical witnessed a growth of ₹ 8,633.74 million which resulted in increase in the manpower. Consequently, our expenses increased towards salaries and wages of the employees to ₹1,082.06 million for March 31, 2023 from ₹681.47 million for March 31, 2022. Further this led to increase in the employee cost in line with our increase in employee strength to 4,939 as at March 31, 2023 from 3,902 as at March 31, 2022.

### *Finance Costs*

Our finance costs increased by 107.26% to ₹479.32 million for Fiscal 2023 from ₹231.26 million for Fiscal 2022, primarily due to increase in the gross borrowings and the interest rates on these borrowings. Our average gross borrowings increased to ₹ 4,631.88 million as at March 31, 2023 from ₹ 2,835.76 million as at March 31, 2022.

### *Depreciation and Amortization Expense*

Our depreciation and amortization expenses increased by 58.06% to ₹349.51 million for Fiscal 2023 from ₹221.13 million for Fiscal 2022, primarily due to addition of property, plant and equipment amounting to ₹1,499.10 million for Fiscal 2023 from ₹1,716.10 million for Fiscal 2022.

### *Other Expenses*

Our other expenses increased by 59.00% to ₹965.44 million for Fiscal 2023 from ₹607.19 million for Fiscal 2022, primarily due to increase in (i) the size of our operations on account of increase in the manufacturing capacity of RAC unit in Supa, Ahmednagar, and (ii) commissioning of our washing machine facility at our existing manufacturing unit at Greater Noida, Uttar Pradesh. Consequently, this led to increase in our power and fuel expenses and expense of factory overheads.

### *Tax Expense*

Our tax expenses increased by 72.66% to ₹200.75 million for Fiscal 2023 from ₹116.27 million for Fiscal 2022, primarily due to increase in profit before tax.

### Profit for the Year

As a result of the foregoing factors, our profit for the year increased by 107.05% to ₹774.69 million for Fiscal 2023 from ₹374.16 million for Fiscal 2022.

#### *Other comprehensive income / (loss) for the year*

Our other comprehensive income for the year decreased to ₹(0.30) million for Fiscal 2023 from ₹4.70 million for Fiscal 2022 due to difference in the actuarial liabilities on account of change in the interest rate.

#### *Total comprehensive income for the year*

On account of the above, our total comprehensive income increased by 104.40% to ₹774.39 million for Fiscal 2023 from ₹378.86 million for Fiscal 2022.

### **FISCAL 2022 COMPARED TO FISCAL 2021**

#### Income

Our total income increased by 58.11% to ₹11,159.59 million for Fiscal 2022 from ₹7,058.26 million for Fiscal 2021, on account of the factors discussed below.

#### *Revenue from operations*

Our revenue from operations increased by 58.08% to ₹11,116.35 million for Fiscal 2022 from ₹7,032.06 million for Fiscal 2021, primarily due to growth in the sales across our business verticals which was attributable to setting up of Unit 2 and Unit 2 – Subsidiary which became commercially operational in May 2021 and January 2022, respectively. On account of this, the sales from our (a) products business vertical increased to ₹4,749.98 million for Fiscal 2022 from ₹2,441.07 million for Fiscal 2021, (b) plastic moulding vertical increased to ₹5,611.84 million for Fiscal 2022 from ₹4,218.31 million for Fiscal 2021, (c) tool manufacturing vertical increased to ₹59.99 million for Fiscal 2022 from ₹13.76 million for Fiscal 2021, and (d) electronics vertical increased to ₹694.54 million for Fiscal 2022 from ₹358.92 million for Fiscal 2021.

#### *Other income*

Our other income increased by 65.04% to ₹43.24 million for Fiscal 2022 from ₹26.20 million for Fiscal 2021, primarily due to state government grants under the Maharashtra Electronics Policy, 2016 and Package Scheme of Incentives – 2019, which provides incentives to the manufacturers of electronics, which were availed by our Company. While we completed expansion of Unit 4 in 2020, there was a delay in receipt of the eligibility certificate from the state government, on account of COVID – 19 pandemic, due to which our other income was only accrued for the period from January 2020 up to March 2022.

#### Expenses

Our total expenses increased by 54.78% to ₹10,678.47 million for Fiscal 2022 from ₹6,898.94 million for Fiscal 2021, on account of the factors discussed below.

#### *Cost of materials consumed*

Our cost of material consumed increased by 41.13% to ₹7,314.98 million for Fiscal 2022 from ₹5,183.12 million for Fiscal 2021, primarily due to increase in the size of our operations attributable to setting up of Unit 2 and Unit 2 – Subsidiary which became commercially operational in May 2021 and January 2022, respectively. As a result, our sales revenue from washing machines increased to ₹1,664.33 million in Fiscal 2022 from ₹762.29 million in Fiscal 2021, and of RAC to ₹2,936.75 million in Fiscal 2022 from ₹1,534.93 million in Fiscal 2021. Further, we re – focused on the manufacturing of TVs and our sales revenue increased to ₹ 517.29 million in Fiscal 2022, whereas in Fiscal 2021 we did not generate any revenue.

#### *Purchase of traded goods*

Our cost of purchase of traded goods increased by 418.71% to ₹1,816.18 million for Fiscal 2022 from ₹350.14 million for Fiscal 2021, primarily due to increase in the outsourcing of plastic components required for the manufacturing of RACs and washing machines for our products business.

#### *Changes in inventories of finished goods and work – in – progress*

Our cost of changes in inventories of finished goods and work – in – progress was ₹(290.81) million for Fiscal 2022 and was ₹31.89 million for Fiscal 2021, primarily due to increase in the finished goods inventory.

#### *Employee Benefit Expense*

Our employee benefit expense increased by 41.56% to ₹778.54 million for Fiscal 2022 from ₹549.95 million for Fiscal 2021, primarily due to increase in the employees and wage inflation. Our expenses increased towards salaries and wages to ₹681.47 million for March 31, 2022, from ₹490.44 million for March 31, 2021, on account of employment of additional 105 employees at Unit – 2, 214 employees at Unit 2 – Subsidiary and 94 employees at Unit 1 – Subsidiary, respectively and also due to wage increments in the ordinary course.

### *Finance Costs*

Our finance costs increased by 25.44% to ₹231.26 million for Fiscal 2022 from ₹184.36 million for Fiscal 2021, primarily due to increase in the outstanding borrowings comprising the term loans and working capital demand loans. This was on account of increase in the term loan availed for the purposes of capital expenditure and increase in the working capital demand loans availed for the purposes of the business operations of our Company. Further, our average borrowings increased to ₹ 2,835.76 million as at March 31, 2022 from ₹ 1,857.64 million as at March 31, 2021.

### *Depreciation and Amortization Expense*

Our depreciation and amortization expenses increased by 22.76% to ₹221.13 million for Fiscal 2022 from ₹180.12 million for Fiscal 2021, primarily due to addition of property, plant and equipment amounting to ₹1,716.10 million for Fiscal 2022 from ₹377.36 million for Fiscal 2021.

### *Other Expenses*

Our other expenses increased by 44.79% to ₹607.19 million for Fiscal 2022 from ₹419.36 million for Fiscal 2021, primarily due to growth in the size of our operations attributable to setting up of Unit 2 and Unit 2 – Subsidiary which became commercially operational in May 2021 and January 2022, respectively.

### *Tax Expense*

Our tax expenses increased by 231.75% to ₹116.27 million for Fiscal 2022 from ₹35.05 million for Fiscal 2021, primarily due to increase in the profit before tax.

### *Profit for the Year*

As a result of the foregoing factors, our profit for the year increased by 222.20% to ₹374.16 million for Fiscal 2022 from ₹116.12 million for Fiscal 2021.

### *Other comprehensive income / (loss) for the year*

Our other comprehensive income for the year decreased by 9.97% to ₹4.70 million for Fiscal 2022 from ₹5.22 million for Fiscal 2021 due to difference in the actuarial liabilities on account of change in the interest rate.

### *Total comprehensive income for the year*

On account of the above, our total comprehensive income increased by 212.21% to ₹378.86 million for Fiscal 2022 from ₹121.34 million for Fiscal 2021.

## **CERTAIN ITEMS IN THE STATEMENT OF ASSETS AND LIABILITIES**

### *Property, plant and equipment*

Our property, plant and equipment increased to ₹5,797.25 million as at June 30, 2023 from ₹5,765.70 million as at March 31, 2023, primarily due to expansion of the manufacturing capacity of RACs and washing machines. Our property, plant and equipment increased to ₹5,765.70 million as at March 31, 2023 from ₹4,402.88 million as at March 31, 2022, primarily due to expansion of RAC capacity and washing machine capacity during the year. Further, our property, plant and equipment increased to ₹ 4,402.88 million as at March 31, 2022 from ₹ 2,725.77 million as at March 31, 2021, primarily due to commissioning of two units for the manufacturing of RACs.

### *Capital work – in – progress*

Our capital work – in progress increased to ₹25.80 million as at June 30, 2023 from ₹19.75 million as at March 31, 2023, primarily due to increase in the manufacturing capacity of our washing machines. Our capital work – in progress decreased to ₹19.75 million as at March 31, 2023 from ₹48.90 million as at March 31, 2022, primarily due to ongoing expansion of the manufacturing capacities of RAC and washing machines. Our capital work – in progress decreased to ₹48.90 million as at March 31, 2022 from ₹60.12 million as at March 31, 2021, primarily due to setting up of new Unit 2.

### *Trade receivables*

Our trade receivables decreased to ₹3,168.19 million as at June 30, 2023 from ₹4,378.74 million as at March 31, 2023 primarily on account of the seasonal nature of our business, wherein during the monsoon and winter months, our sales are impacted. Our trade receivables increased to ₹4,378.74 million from ₹2,133.27 million as at March 31, 2022, primarily due to the growth in our revenue from operations. Our trade receivables increased to ₹2,133.27 million as at March 31, 2022 from ₹1,472.56 million as at March 31, 2021, primarily due to the increase in our total income to ₹11,159.59 million for Fiscal 2022 from ₹7,058.26 million for Fiscal 2021.

### *Inventories*

Our inventories decreased to ₹2,752.37 million as at June 30, 2023 from ₹3,533.81 million as at March 31, 2023, primarily due to decline in raw materials and inventory for RAC on account of end of the season for sale of RACs. Our inventories increased to ₹3,533.81 million as at March 31, 2023 from ₹2,860.33 million as at March 31, 2022, primarily due to increase in the operations due to higher order for the RACs during Fiscal 2023. Our inventories increased to ₹2,860.33 million as at March 31, 2022 from ₹926.11 million as at March 31, 2021, primarily due to non – utilisation of the raw materials on account of non – operational of Unit 2 – Subsidiary due to the fire breakout accident that occurred at this unit on January 20, 2022.

### *Borrowings*

Our overall borrowings decreased to ₹4,781.48 million as at June 30, 2023 from ₹5,425.25 million as at March 31, 2023, primarily due to decline in the working capital borrowings on account of repayment of working capital loans. Our overall borrowings increased to ₹5,425.25 million as at March 31, 2023 from ₹3,838.51 million as at March 31, 2022, primarily due to availing term loans for expanding the manufacturing capacities of RACs and washing machines and availing of working capital facilities for increased operations during the Fiscal 2023. Our overall borrowings increased to ₹3,838.51 million as at March 31, 2022 from ₹1,833.01 million as at March 31, 2021, primarily due to availing term loans and working capital facilities for setting up of manufacturing Unit 2 – Subsidiary for manufacturing of RACs and RAC components.

### *Trade payables*

Our trade payables decreased to ₹2,629.78 million as at June 30, 2023 from ₹3,899.51 million as at March 31, 2023, primarily due to higher payment to vendors and suppliers then the supplies delivered by them during the period as RAC business season ended in June 2023. Our trade payables increased to ₹3,899.51 million as at March 31, 2023 from ₹2,692.07 million as at March 31, 2022, primarily due to increase in the operations leading to higher operating revenues to ₹21,599.48 million for Fiscal 2023 from ₹11,116.35 million for Fiscal 2022. This in turn lead to higher raw material and component supplies from vendors and suppliers. Our trade payables increased to ₹2,692.07 million as at March 31, 2022 from ₹1,533.47 million as at March 31, 2021, primarily due to commencement of operations at Unit 2 – Subsidiary for manufacturing of RACs and amount payable to raw material and component suppliers of RACs.

## **LIQUIDITY AND CAPITAL RESOURCES**

Historically, our primary liquidity requirements have been to finance our working capital needs for our operations. We have met these requirements through cash flows from operations, equity infusions from shareholders and borrowings. As at June 30, 2023, we had ₹29.19 million in cash and cash equivalents, ₹265.95 million as bank balances, ₹2,643.22 million in short term borrowings and current maturities and ₹2,138.26 million in term loans from banks. We believe that, after taking into account the expected cash to be generated from operations, our borrowings and the proceeds from the Issue, we will have sufficient liquidity for our present requirements and anticipated requirements for capital expenditure and working capital for 12 months following the date of this Placement Document.

## **CASH FLOWS**

The table below summarizes the statement of cash flows, as per our cash flow statements, for the periods indicated:

*(in ₹million)*

	Fiscal			Three months ended June 30, 2022*	Three months ended June 30, 2023*
	2021	2022	2023		
Net cash generated from operating activities	572.96	(788.03)	457.38	902.69	1,038.13
Net cash (used in)/generated from investing activities	(437.38)	(1,610.01)	(1,729.69)	(315.03)	(304.24)
Net cash (used in)/generated from financing activities	(174.28)	2,562.38	1,120.47	(536.54)	(791.39)
<b>Cash and cash equivalents at the end of the year</b>	<b>74.19</b>	<b>238.53</b>	<b>86.69</b>	<b>289.66</b>	<b>29.19</b>

\* Not annualised

### *Operating Activities*

Net cash flows from operating activities were ₹1,038.13 million for the three months ended June 30, 2023. While our profit before tax was ₹423.59 million, we had cashflow before changes in working capital of ₹684.60 million primarily due to depreciation and amortisation expense of ₹107.05 million, finance cost of ₹135.20 million, and employee stock-based compensation of ₹23.02 million. Our working capital adjustments for the three months ended June 30, 2023 primarily consisted of decrease in trade receivables of ₹1,210.55 million, decrease in inventories of ₹778.90 million, decrease in trade payables of

₹1,269.70 million, increase in other current assets of ₹103.55 million, increase in other financial assets of ₹4.96 million. Our cash generated from operations was ₹1,047.55 million.

Net cash flows from operating activities were ₹902.69 million for the three months ended June 30, 2022. While our profit before tax was ₹205.43 million, we had cashflow before changes in working capital of ₹379.67 million primarily due to depreciation and amortisation expense of ₹77.34 million, loss on sale of fixed assets of ₹1.65 million and finance cost of ₹93.43 million. Our working capital adjustments for the three months ended June 30, 2022 primarily consisted of increase in trade receivables of ₹32.79 million, decrease in inventories of ₹511.51 million, increase in trade payables of ₹168.91 million, increase in other current assets of ₹39.30 million, increase in other financial assets of ₹12.08 million. Our cash generated from operations was ₹910.41 million.

Net cash flows from operating activities were ₹457.38 million for Fiscal 2023. While our profit before tax was ₹975.44 million, we had cashflow before changes in working capital of ₹1831.57 million primarily due to depreciation and amortisation expense of ₹349.51 million, loss on sale of fixed assets of ₹3.52 million, finance cost of ₹461.09 million, and employee stock-based compensation of ₹33.94 million. Our working capital adjustments for Fiscal 2023 primarily consisted of increase in trade receivables of ₹2,268.68 million, increase in inventories of ₹675.01 million, increase in trade payables of ₹1,208.91 million, decrease in other current assets of ₹64.28 million and increase in other financial assets of ₹24.07 million. Our cash generated from operations was ₹550.97 million.

Net cash flows from operating activities were ₹(788.03) million for Fiscal 2022. While our profit before tax was ₹490.43 million, we had cashflow before changes in working capital of ₹986.68 million primarily due to depreciation and amortisation expense of ₹221.13 million, loss on sale of fixed assets of ₹0.43 million, finance cost of ₹223.78 million, and employee stock-based compensation of ₹20.68 million. Our working capital adjustments for Fiscal 2022 primarily consisted of increase in trade receivables of ₹695.25 million, increase in inventories of ₹1,936.17 million, increase in trade payables of ₹1,161.41 million, increase in other current assets of ₹217.56 million and increase in other financial assets of ₹153.33 million. Our cash generated from operations was ₹(762.63) million.

Net cash flows from operating activities were ₹572.96 million for Fiscal 2021. While our profit before tax was ₹151.16 million, we had cashflow before changes in working capital of ₹540.63 million primarily due to depreciation and amortisation expense of ₹180.12 million, loss on sale of fixed assets of ₹1.87 million, finance cost of ₹182.55 million, and loss of inventory due to fire of ₹14.69 million. Our working capital adjustments for Fiscal 2021 primarily consisted of increase in trade receivables of ₹473.86 million, increase in inventories of ₹101.78 million, increase in trade payables of ₹471.24 million, increase in other current assets of ₹37.02 million, decrease in other financial assets of ₹24.80 million. Our cash generated from operations was ₹560.86 million.

#### *Investing Activities*

Net cash flows used in investing activities were ₹304.24 million for the three months ended June 30, 2023, primarily comprising of purchase of property, plant and equipment including capital work – in – progress and intangible assets of ₹352.89 million.

Net cash flows used in investing activities were ₹315.03 million for the three months ended June 30, 2022, primarily comprising of purchase of property, plant and equipment including capital work – in – progress and intangible assets of ₹318.86 million.

Net cash flows used in investing activities were ₹1,729.69 million for Fiscal 2023, primarily comprising of purchase of property, plant and equipment including capital work – in – progress and intangible assets of ₹1,545.66 million.

Net cash flows used in investing activities were ₹1,610.01 million for Fiscal 2022, primarily comprising of purchase of property, plant and equipment including capital work – in – progress and intangible assets of ₹1,571.02 million.

Net cash flows used in investing activities were ₹437.38 million for Fiscal 2021, primarily comprising of purchase of property plant and equipment including capital work – in – progress and intangible assets of ₹440.93 million and ₹15.57 million of proceeds from property plant and equipment.

#### *Financing Activities*

Net cash flows from financing activities were ₹(791.39) million for the three months ended June 30, 2023, primarily comprising repayments of Short term borrowings of ₹562.94 million and repayment of long term borrowings of ₹129.58 million.

Net cash flows from financing activities were ₹(536.54) million for the three months ended June 30, 2023, primarily comprising repayment of short term borrowings of ₹362.96 million .and repayment of long term borrowings of ₹87.41 million.

Net cash flows from financing activities were ₹1,120.47 million for Fiscal 2023 primarily comprising proceeds from long term borrowings of ₹1,154.32 million.

Net cash flows generated from financing activities were ₹2,562.38 million for Fiscal 2022, primarily comprising proceeds from long term borrowings of ₹1,260.74 million and proceeds from short term borrowings of ₹1,090.97 million.

Net cash flows used in financing activities were ₹(174.28) million for the Fiscal 2021, primarily comprising proceeds from long term borrowings of ₹568.76 million, repayment of long term borrowings of ₹207.65 million, repayment of short term borrowings of ₹382.86 million and interest payment of ₹181.83 million.

## INDEBTEDNESS

As at June 30, 2023, we had total borrowings (consisting of long-term borrowings and short-term borrowings) of ₹4781.48 million of which ₹2138.26 million was long term borrowings and ₹2643.22 million was short term borrowings and current maturities. Our debt – to – equity ratio was 1.37:1 as at March 31, 2023. Some of our financing agreements include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. We cannot assure you that we will be able to obtain these consents and any failure to obtain these consents could have significant adverse consequences for our business.

## CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Except as stated below, we do not have any commitments as at June 30, 2023:

	As at June 30, 2023
	(₹in million)
Estimated amount of contracts remaining to be executed on capital account	410.56

## CONTINGENT LIABILITIES AND OFF – BALANCE SHEET ARRANGEMENTS

The following table sets forth the principal components of our contingent liabilities as at June 30, 2023:

	As at June 30, 2023
	(₹in million)
Contingent Liabilities (to the extent not provided for, including central excise, anti-dumping duty and claims by third parties)	155.00
<b>Total</b>	<b>155.00</b>

## RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties. For further information, please see the section titled, “*Related Party Transactions*” on page 42.

## QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

### *Market risk*

It is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, foreign currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, foreign currency hedging instruments such as forward contracts and options. We have put in place appropriate risk management policies to limit the impact of these risks on its financial performance. The company ensures optimization of cash through fund planning and robust cash management practices.

### *Client Business Model Risk*

Our primary clients are OEM players, who outsource some of the products manufacturing or process to us to reduce their costs and achieve scale. Our business model would be impacted, in case of any change in their location of business or change in business model of OEMs.

### *Client Concentration Risk*

We are dependent on a limited number of clients for a majority share of the revenue. This poses a risk to our Company as losing any of its key customers or any disruption in the customer's business may affect the Company as well.

### *Operational Risk*

Operational efficiency forms the key factor for the profitability and sustainable growth for our Company and it also determines our Company's competitiveness against other players in the region.

### *Peer Risk*

Our Company operates in a highly competitive market and is subject to high competition from its peers.



### *Technology Risk*

The electronic business of our Company may get affected with rapid changes in technology. Any change in end user's preferences, behaviour or usage pattern could adversely impact the growth prospects of our Company.

### *Interest Rate Risk*

Most of the borrowings availed by our Company are subject to interest on floating rate of basis linked to the base rate or MCLR (marginal cost of fund based lending rate). In view of the fact that the total borrowings of our Company are quite substantial, our Company is exposed to interest rate risk. The above strategy of our Company to opt for floating interest rates is helpful in declining interest scenario. Further, most of the loans and borrowings have a prepayment clause through which the loans could be prepaid with or without payment of a pre-payment premium. The said clause helps our Company to arrange debt substitution to bring down the interest costs or to prepay the loans out of the surplus funds held. While adverse interest rate fluctuations could increase the finance cost, the total impact, in respect of borrowings on floating interest rate basis.

### *Foreign Currency Risk*

Foreign exchange risks for our Company arise from the payment obligations arising from import of raw materials / capital goods etc. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Our Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). Our Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

### *Liquidity Risk*

Liquidity risk is defined as the risk that our Company will not be able to settle or meet its obligations on time or at reasonable price. Our Company uses liquidity forecast tools to manage its liquidity and is able to organise liquidity through own funds and through working capital loans. Our Company has good relationship with its lenders, as a result of which it does not experience any difficulty in arranging funds from its lenders.

### *Credit Risk*

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to our Company. Our Company is exposed to credit risk from its operating activities, primarily trade receivables. The credit risks in respect of deposits with the banks, foreign exchange transactions and other financial instruments are only nominal. The customer credit risk is managed subject to our Company's established policy, procedure and controls relating to customer credit risk management. In order to contain the business risk, prior to acceptance of an order from a customer, the creditworthiness of the customer is ensured through scrutiny of its financials, if required, market reports and reference checks. Our Company remains vigilant and regularly assesses the financial position of customers during execution of contracts with a view to limit risks of delays and default. Further, in most of the cases, our Company typically allows credit period ranging from 15 to 90 days to all customers which vary from customer to customer except mould and dies business. In case of mould and dies business, advance payment is taken before start of execution of the order. In view of the industry practice and being in a position to prescribe the desired commercial terms, credit risks from receivables are well contained on an overall basis.

## **CAPITAL EXPENDITURES**

Our historical capital expenditures were, and we expect our future capital expenditures to be, primarily for the purchase of plant and equipment. For the three months ended June 30, 2023 and in Fiscals 2023, 2022 and 2021, our capital expenditures (comprising of payments for acquisition of property, plant and equipment, intangibles and capital work in progress including capital advances) were ₹ 352.89 million, ₹ 1,545.66 million, ₹1,571.02 million and ₹440.93 million, respectively.

## **SIGNIFICANT ECONOMIC CHANGES**

Other than as described above under the heading titled “– *Significant Factors Affecting Our Financial Condition and Results of Operations*,” to the knowledge of our management, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

## **UNUSUAL OR INFREQUENT EVENTS OF TRANSACTIONS**

Except as described in this Placement Document, there have been no other events or transactions that, to our knowledge, may be described as “unusual” or “infrequent”.

## **KNOWN TRENDS OR UNCERTAINTIES**

Our business has been affected and we expect will continue to be affected by the trends identified above in the heading titled “– *Significant Factors Affecting Our Financial Condition and Results of Operations*” and the uncertainties described in the section titled “*Risk Factors*” on page 43. To our knowledge, except as described or anticipated in this Placement Document,

there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

## FUTURE RELATIONSHIP BETWEEN COST AND INCOME

Other than as described in this Placement Document, including disclosure regarding the impact of COVID – 19 on our operations, to the knowledge of our management, there are no known factors that might affect the future relationship between costs and revenues.

## NEW PRODUCTS OR BUSINESS SEGMENTS

Other than as described in the section titled, “*Our Business*” on page 172, there are no new products or business segments in which we operate.

## SEASONALITY OF BUSINESS

Our business operations and the air conditioner industry in general may be affected by the seasonality of trends in the Indian economy. Generally, we witness an increase in sales in the first half of the calendar year. Sales generally decline during the monsoon and winter seasons. Any significant event such as unforeseen floods, earthquakes, political instabilities, epidemics, pandemics or economic slowdowns during this peak season may adversely affect our results of operations. In these periods, we may continue to incur operating expenses, but our income from operations may be delayed or reduced. For further information, please see the sections titled, “*Industry Overview*”, “*Our Business*” and “*Risk Factors*” on pages 129, 172 and 43, respectively.

## SUPPLIERS OR CUSTOMER CONCENTRATION

Except as disclosed in “*Risk Factors – We are highly dependent on a limited number of customers for a majority portion of our revenue from operations. The loss of relationship or a significant reduction in purchases by such customers could have a material adverse impact on our business, financial condition, results of operations and future prospects*” on page 44, we are not dependent on major customers or suppliers for a significant portion of our revenue.

## RESERVATIONS, QUALIFICATIONS OR ADVERSE REMARKS INCLUDED BY AUDITORS

There are no qualifications, reservations or adverse remarks included in the audited financial statements of our Company or the relevant reports thereon, for Fiscals 2019, 2020, 2021, 2022 and 2023.

For details of certain observations in the CARO Reports as at and for Fiscals 2021, 2022 and 2023, please see “*Risk Factors – Our respective previous statutory auditors for the relevant periods have included remarks in connection with the Companies (Auditor’s Report) Order, 2020 / Companies (Auditor’s Report) Order, 2016 (together, the “CARO Reports”)*” on page 60.

## INTEREST COVERAGE RATIO

Set forth below is the interest coverage ratio for the period / years indicated:

(in ₹ million, unless otherwise stated)

	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2023	For the three months ended June 30, 2023*	For the three months ended June 30, 2022*
(A) Net Profit for the year	116.12	374.16	774.69	338.06	164.01
Add:					
(B) Provision for tax	35.05	116.27	200.75	85.54	41.43
(C) Depreciation	180.12	221.13	349.51	107.05	77.34
(D) Finance costs	184.36	231.26	479.32	140.38	96.25
(E) Earnings before Interest, Tax and Depreciation (A+B+C+D)	515.65	942.82	1,804.26	671.02	379.03
(F) Interest coverage Ratio (E/D)	<b>2.80</b>	<b>4.08</b>	<b>3.76</b>	<b>4.78</b>	<b>3.94</b>

\* Not annualised

## SIGNIFICANT DEVELOPMENTS AFTER JUNE 30, 2023

Except as stated in the section titled ‘*Capital Structure*’ and ‘*Organisational Structure of our Company*’ on page 95 and 205, respectively, to our knowledge no circumstances have arisen since June 30, 2023, that could materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

## INDUSTRY OVERVIEW

Industry and market data used in this section are derived from the F&S Report, which was commissioned by our Company exclusively for the purpose of this Issue. Our Company has commissioned and paid for the F&S Report pursuant to the engagement letter dated February 20, 2023. Frost & Sullivan is not related in any manner to our Company, its Subsidiaries, Directors, Key Managerial Personnel, members of Senior Management or the Promoters. For more details, see “Industry and Market Data” on page 13. For risks in relation to F&S Report, see “Risk Factors - This Placement Document contains information from industry sources including the industry report commissioned by the Company from Frost & Sullivan.” on page 69.

### MACROECONOMIC SCENARIO OF INDIA

#### India macroeconomic overview

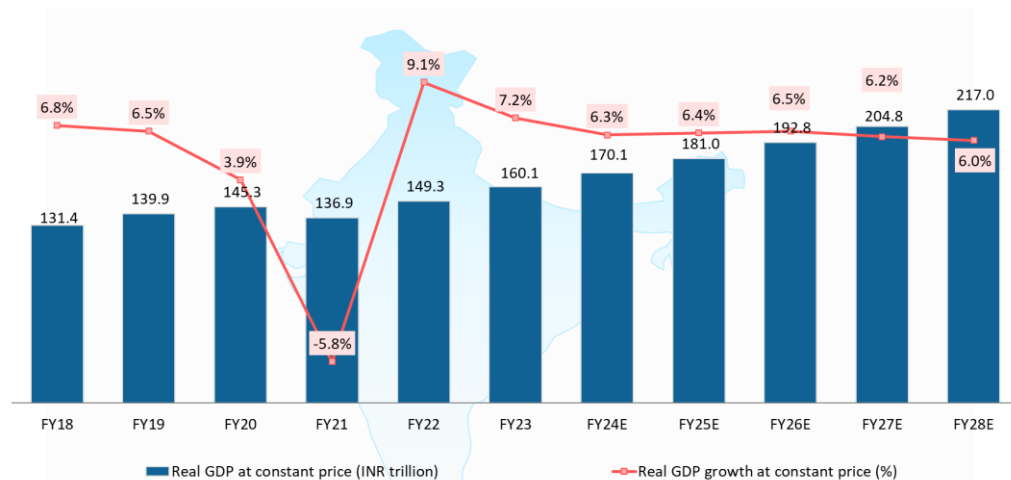
Indian economic growth ended on a positive note in FY22, outperforming many other major economies, as the pandemic faded. The government has been promoting structural reforms (as part of the FY22 budget), such as a focus on disinvestment and higher FDI limits, while also working on a national logistics policy. These reforms are critical for accelerating the post-pandemic economic recovery. The FY23 budget has proposed a total capex outlay of INR 10 trillion, which is a 33% increase y-o-y and 3.3% of the total GDP. In addition, the government has announced seven priorities for the budget, ‘Saptarishi’ which include inclusive development, reaching the last mile, infrastructure and investment, unleashing the potential, green growth, youth power, and the financial sector.

In 2019, the Indian government set a target of becoming a USD 5 trillion economy and a global powerhouse by FY25. As a result of the COVID pandemic, the government revised the original timeline by 18–24 months. In a realistic scenario, the target is achievable with a GDP of 8 - 8.5%.

#### A. Review and outlook of GDP growth in India

Since FY10, India's GDP growth has oscillated back and forth between the trends that continued until FY20. Prior to the pandemic, real GDP growth was strong, and fundamentals were stable. During the pandemic in FY21, the government implemented corrective measures, and the effect was visible in FY22 which ended on a high note, with the Indian economy growing 8.7% (real GDP), and 19.5% (nominal GDP) for the year.

**Chart 1.1: India - Real GDP and real GDP growth (annual percentage change), value in INR trillion, growth in %, FY18-FY28E**

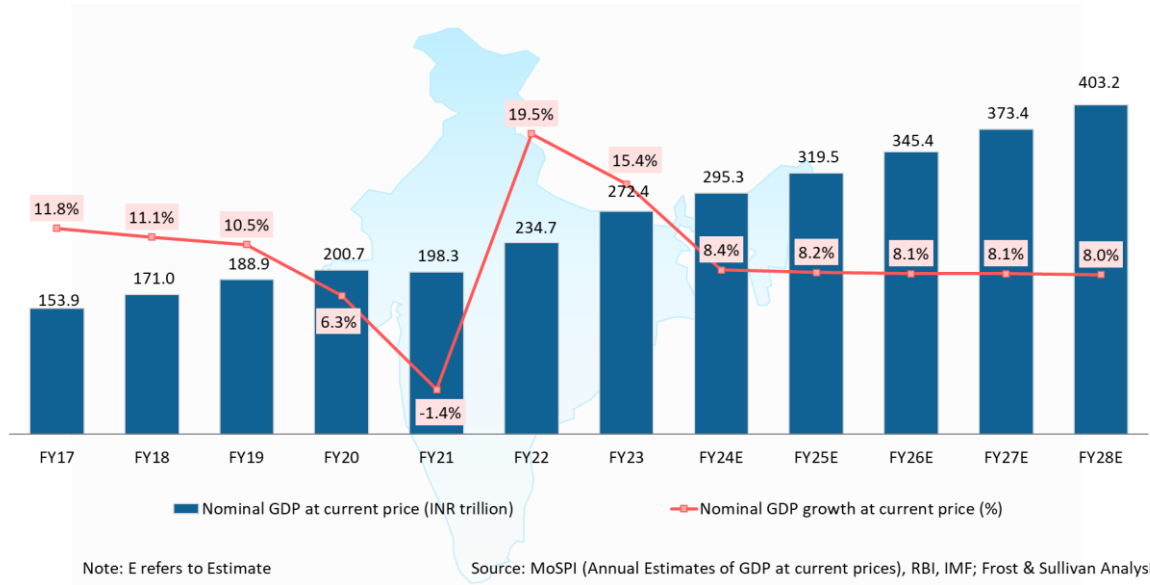


Note: E refers to Estimate Source: MoSPI (Annual Estimates of GDP at constant price, 2011-12 series) May'23, RBI, IMF; Frost & Sullivan Analysis

As per early estimates, the Indian economy is expected to achieve a growth of 6.3% (real GDP) and 8.4% (nominal GDP) in FY24. The outlook for FY25 looks positive, with growth of 6.4% (real GDP) and 8.2% (nominal GDP). The government has implemented a slew of measures to get the economy back on track. Through various policy initiatives such as Atmanirbhar Bharat, PLI schemes and so on, there is a strong emphasis on the growth of the domestic manufacturing sector. These initiatives will assist the economy in achieving medium-term stable growth (CAGR) of approximately 6.3% (real GDP) and 8.1% (nominal GDP) between FY24 and FY28.

The privatisation of a few public sector undertakings is expected to boost private sector participation in the industry. Favourable business environment, liberal FDI norms, constantly improving ‘Ease of Doing Business’ rankings, enormous consumer base and rapidly improving digital infrastructure are some of the key factors that will drive investment in India in the coming years.

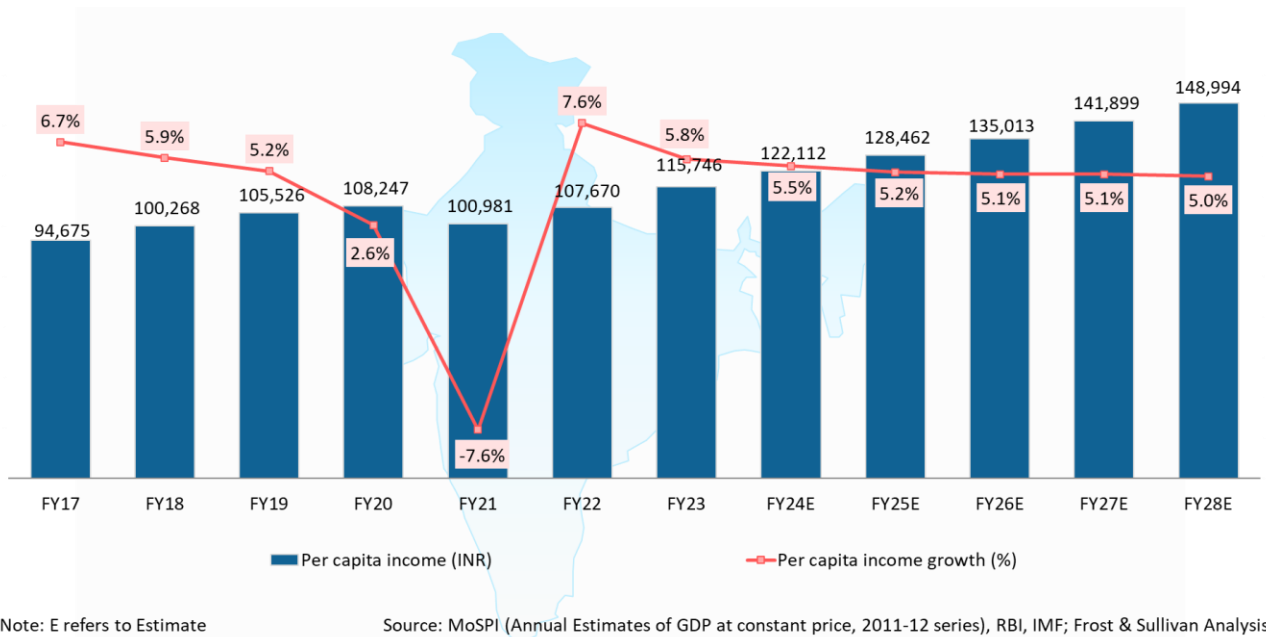
**Chart 1.2: India - Nominal GDP and nominal GDP growth (annual percentage change), value in INR trillion, growth in %, FY17-FY28E**



**B. Per capita income growth in India**

The per capita income is a broad indicator of the prosperity of an economy. India's per capita income, calculated in correlation to Real GDP, was INR 107,670 during FY22 compared to INR 100,981 in FY21, an approximate increase of 7.6%. Per capita income increased by around 5.8% during FY23 to touch INR 115,746 and is expected to reach INR 122,112 in FY24. The growth is likely to be stable at approximately 5.1% CAGR between FY24 and FY28.

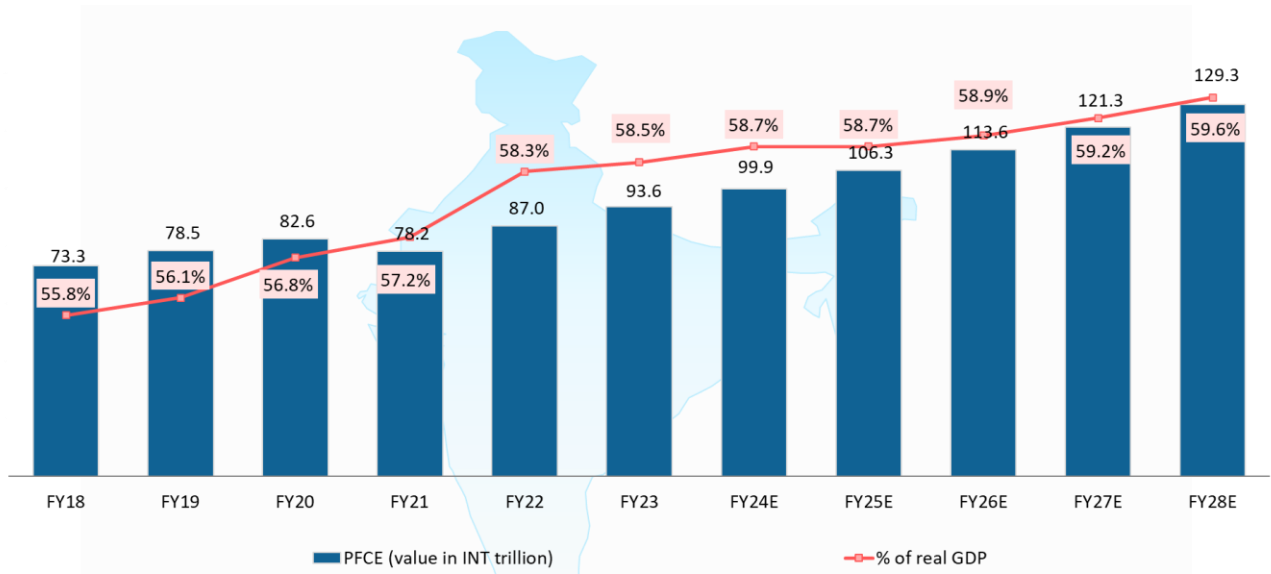
**Chart 1.3: India - Per capita income and growth (annual percentage change), value in INR, growth in %, FY17-FY28E**



**C. Private Final Consumption Expenditure (% of GDP)**

India's Private Final Consumption Expenditure (PFCE) has increased by 11.2% in FY22 and increase by 7.5% in FY23. Due to COVID-19 pandemic, the FY21 PFCE was not only 5.3% lower than FY20; it was also 0.3% lower than FY19. Consumption expenditure growth has been slowing through the last decade. This shrinking of consumption expenditure had a direct impact on the intermediate industries that feed India's consumption engine.

**Chart 1.4: India - Private Final Consumption Expenditure, rate in % of GDP, FY18-FY28E**



Note: E refers to Estimate

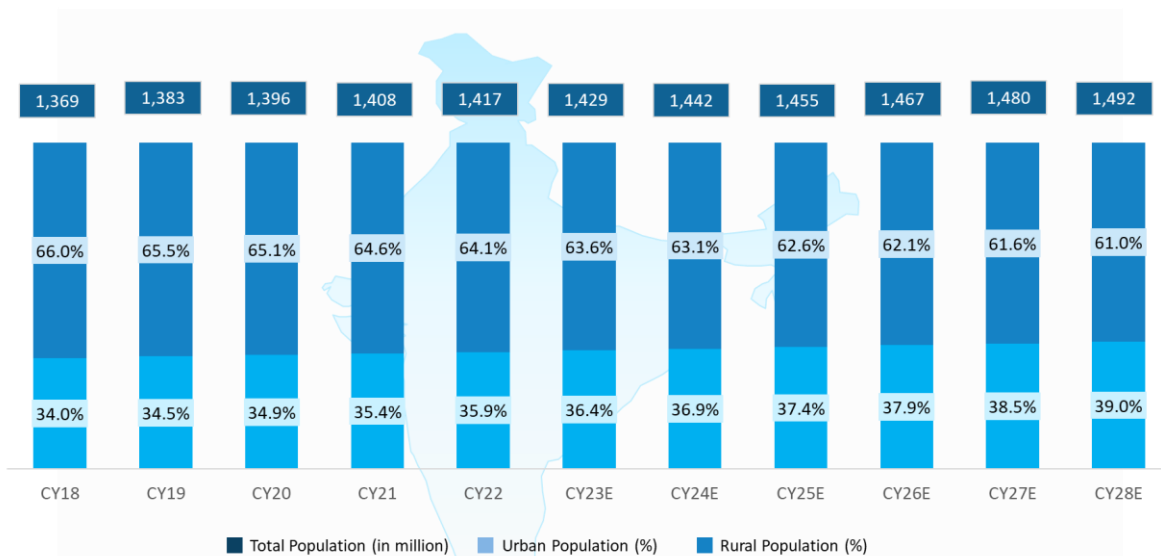
Source: Provisional estimates of National income, May'23 (MoSPI), RBI, IMF; Frost & Sullivan Analysis

As the threat and uncertainty around COVID-19 has significantly declined, consumer confidence is back and PFCE has reached pre-COVID levels in FY22. In the next few years, the PFCE is expected to be stable at approximately 59% of GDP in the medium term. The PFCE is expected to grow at a CAGR of 6.7% between FY24 and FY28.

**D. Population and Urbanization in India**

As per World Bank, India is the world's most populous country surpassing China, with 1.41 billion people in CY22, or 18% of the world's total population. India's population is expected to grow at an average of 0.9% between CY22 and CY27. India's Gen Y constitutes a third of the country's population and will join the working-age group, forming 42% of the total working-age population by CY27. India is in the midst of a massive wave of urbanization. There has been a drastic increase in urban towns and cities in the country over the past few years. A better standard of living and increasing opportunities in the cities have led to urbanization, which has further increased the requirement for infrastructure and housing in these cities.

**Chart 1.5: India - Population vs Urbanization, Split in %, CY17-CY28E**



Note: E refers to Estimate

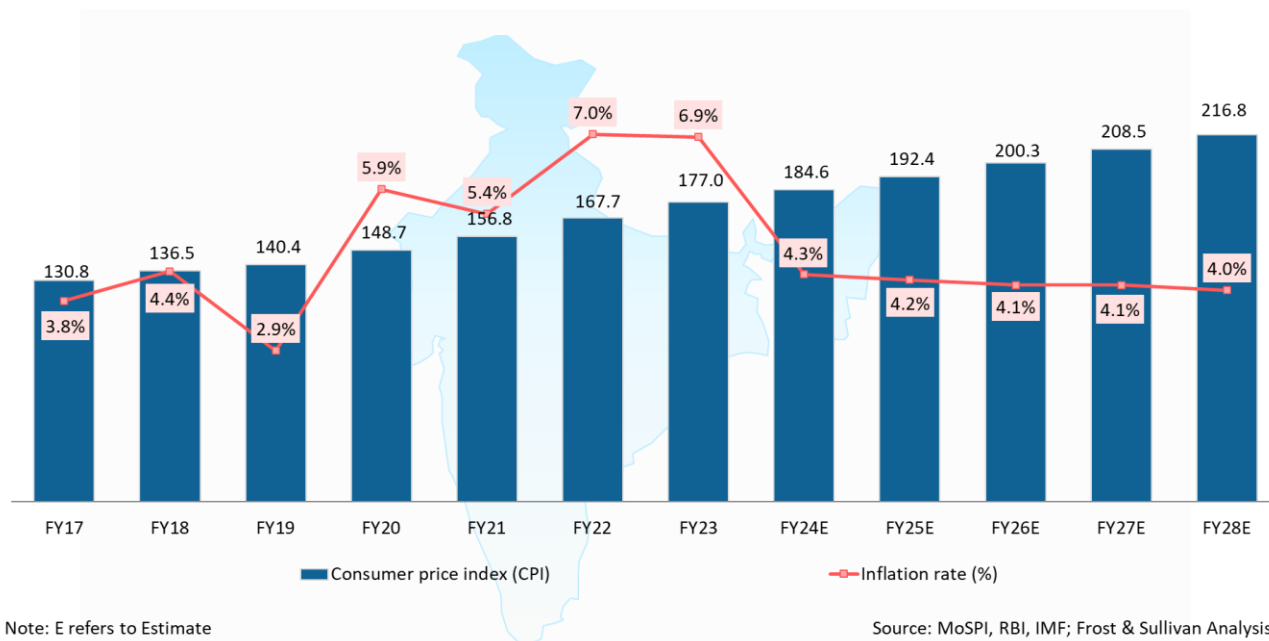
Source: World Bank, IMF; Frost & Sullivan Analysis

Employment opportunities and the opportunity for income generation across newly urbanised towns create a positive outlook for the consumption of electronic products. High-end technology adoption also contributes to the growth of consumer electronic devices. The introduction of significant technological transitions such as the Internet of Things (IoT) and 4G/LTE networks is rapidly increasing consumer electronics (room air conditioners, washing machine, refrigerators, television, air coolers and

others) adoption. Also, rural markets will likely see increased demand for consumer electronics as the government aims to invest heavily in rural electrification.

### E. Consumer Price Index (CPI) and Inflation rate

**Chart 1.6: India - Consumer price index (CPI) and annual inflation rate, index in number, rate in %, FY17-FY28E**



Inflation has been trending lower since FY17, a positive sign for the consumption economy since customers can then afford to purchase more products, providing the necessary fuel to the manufacturing sector. However, inflation rate has since almost doubled. Rising inflation has emerged as a key macroeconomic concern in the recent months with prices of almost every commodity has touched new heights. Going forward, the trajectory of inflation will be governed by multiple factors such as global commodity prices, crude oil prices etc.

In the face of weak consumer demand, the RBI has, as usual, struck a balance between managing growth and inflation. In the current fiscal year, the RBI has increased the repo rate by 225 basis points. In May 2022, the repo rate was 4.0% and was revised every two months; in August 2023, the most recent revision brought the repo rate to 3.35%. The central bank remains committed to sustaining growth while maintaining inflation within the target range. As the market is completely open, consumer spending had moved back to pre-pandemic levels, reducing demand for products, and therefore relieving some inflationary pressure on the goods side. However, the Russia-Ukraine war, increasing crude oil and food prices, and the inflation in FY23 stood at 6.9%. This rate is expected to go back to RBI's anticipated range as the monsoon progresses, and this will be essential in controlling food inflation. The weakening rupee continues to pose a threat to inflation in the near term. However, inflation is expected to be moderate, and in the medium to long term, it is expected to stabilise at around 4.0% by FY28.

### India a favourable destination for Electronics Manufacturing

The manufacturing scenario in India has changed a lot in the last few years. From 2014, the government policies changed and started favouring local manufacturing. According to the World Bank, India ranked 63rd out of 190 countries in 'Ease of Doing Business' in 2021, an improvement of 79 positions between 2014 and 2021. With the recognition of electronics sector as one of the key growth drivers for the Indian economy, the sector has received significant attention from the government in the last 6-7 years through various policies, schemes, and incentives. The National Policy on Electronics (NPE) emphasised local value addition and created an enabling environment. The government's focus on manufacturing being one of the key pillars of the future Indian economy, through Make-in-India policies attracted the interest of both global and domestic companies. The following factors will contribute to India becoming the next Electronics manufacturing hub of the world.

India slashed the corporate tax rates to 22% from 30% for existing companies and to 15% from earlier rate of 25% for new manufacturing companies in 2019. This concessional corporate tax rate of 15% would remain available for one more year, till March 2024, for newly incorporated manufacturing companies and this is set to give India the much-needed competitive edge over other countries.

- Stable political government that assures global investors on consistency in policies.
- Rising cost of labour in China while India is still at a lower end of this cost.

- Creation of National Manufacturing Zones (NMZ), Electronics Manufacturing Clusters (EMC), close coordination between centre and states for investment promotion.
- High domestic demand for products and services
- Investment by EMS companies in capabilities and capacities.
- Duties and tariffs to discourage imports and encourage domestic value addition.
- Digitalization that accentuates demand for select products.

### **Trend of global companies setting up manufacturing in India**

As the cost structure of Chinese electronics contract manufacturing keeps going up, especially with the changing geopolitical situation, tariff issues and the supply chain disruptions, there is an urgency by the OEMs to investigate realistic alternatives to manufacturing in China. However, the integration of sub-tier vendors for metal fabrication, plastics, and other mechanical components in China reduces product cost, efficiency, and time-to-market. Due to the above factors, OEMs are considering adding another country for increased production rather than replacing China entirely, and are looking into production locations like India, Vietnam, and Indonesia. India is well positioned to benefit from global OEM's strategy towards "China plus one" for supply chain diversification.

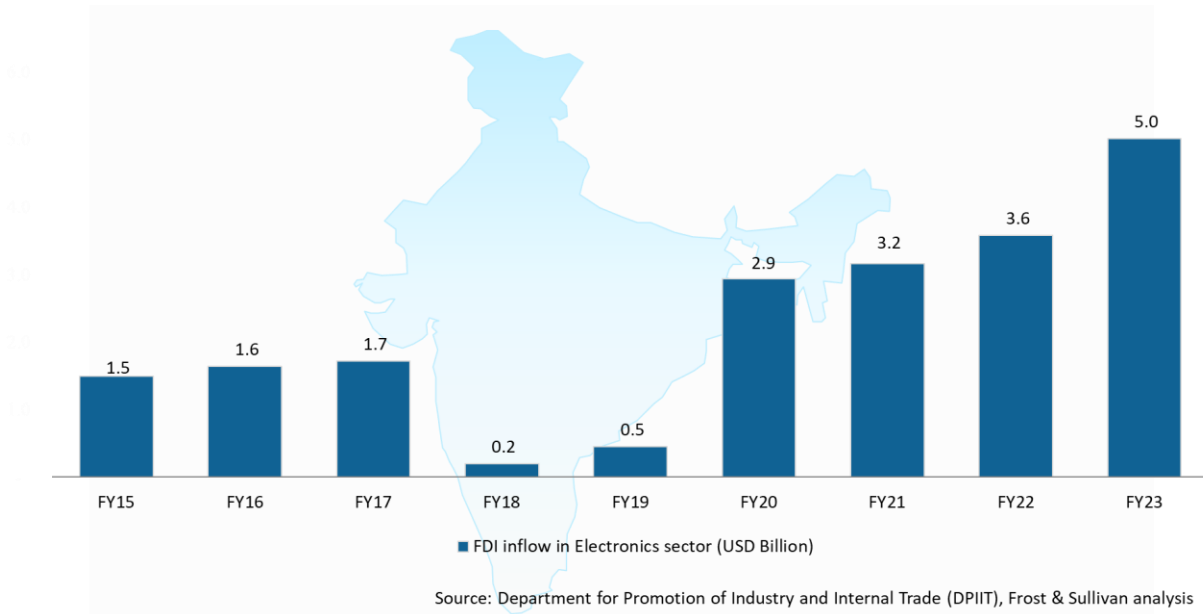
Some of the notable expansions announced recently:

- In 2022, Reliance Strategic Business Ventures Ltd (RSBVL), a subsidiary of Reliance Industries Ltd (RIL), has entered into a joint venture with Sanmina Corporation for INR 16.7 billion, with a 50.1% stake. According to reports, the JV will focus on telecom infrastructure (5G), medical and healthcare systems, industrial and cleantech, defence and aerospace, and plans to establish a manufacturing technology centre of excellence that will serve as incubation for the product development and hardware start-up ecosystem.
- In 2021, TATA Electronics (TATA Group) stated that it will invest INR 57 billion (USD 790 million) as part of its phase 1 investment in an industrial complex in Tamil Nadu, India, to construct a phone component manufacturing facility.
- In 2021, Jabil announced they are going to invest INR 20 billion (USD 275 million) in Pune and plans to venture into smartphones, home appliances, mobile spare parts, and food packaging.
- Dixon Technologies, a provider of electronic manufacturing services, announced in 2021 that it would invest approximately INR 6 billion (USD 80 million) to build new capacity in India in the mobile devices, laptops and tablets, telecom equipment, and LED components.
- Flex, a US-based manufacturer of electronic components, announced in 2020 that it is considering increasing its investment in India to ~ USD 12 billion to expand its manufacturing capabilities and boost exports from India.

### **FDI inflow in Electronics sector**

The government of India has been proactively building a base for electronics manufacturing in India and it has launched numerous incentive schemes, which have allowed manufacturing growth, reduced dependence on the imports, and promoted the exports. The increased demand for electronic goods such as mobile phones and consumer electronics (which includes room air conditioners, washing machine, refrigerators, television, air coolers and others) has resulted in the segment attracting the greatest amount of foreign direct investment (FDI) in recent years. The significant increase in FDI was primarily due to the establishment of manufacturing and development centres by electronic companies, as well as the government's approval of 100% FDI.

**Chart 1.7: India - FDI inflow in the Electronics sector, value in USD billion, FY15-FY23**



**Key government policies and schemes driving electronics manufacturing in India**

The Government of India is encouraging domestic manufacturing through supporting policies and initiatives that are likely to lead to overall development in the ecosystem and will open up gates of opportunities for companies, vendors, and distributors in the market. Incentives for local manufacturing, demand side support through Government procurement, import barriers via duties and favourable steps like GST that reduced complexity of operations, are pull factors for both MNCs as well as domestic manufacturers to invest in India. Some of the key initiatives/ schemes/ programs introduced by the government in boosting the electronics industry in India include:



**Atmanirbhar Bharat (Make in India initiative):** In 2014, the government of India announced this initiative to make India a global manufacturing hub, by facilitating both domestic as well as international companies to set-up manufacturing bases in India. India has the potential to be one of the most attractive manufacturing destinations and support the objective of ‘Make in India for the World.’ As per the scheme, the government released special funds to boost the local manufacturing of mobile phones and electronic components,

and later the PLI scheme was extended to room air conditioners. However, the domestic manufacturers are awaiting the PLI scheme to be expanded to other consumer electronic products such as washing machines, television and refrigerators. The scheme has also introduced multiple new initiatives, including promoting foreign direct investment, implementing intellectual property rights, and developing the manufacturing sector.

Atmanirbhar Bharat Abhiyaan, or Self-reliant India campaign, launched in May 2020, is the government's vision of New India following the announcement of a special economic and comprehensive package worth INR 20 lakh crores, or 10% of India's GDP, to combat the COVID-19 pandemic in India. This scheme entails a variety of measures across sectors, with larger focus on the CAPEX and R&D. The Make in India initiative, a part of the ‘Atmanirbhar Bharat Abhiyan,’ would provide an additional boost to country’s business operations by encouraging substitution of imports of low-technology products from other countries and generating demand for local manufacturing. Atmanirbhar Bharat Abhiyan is planned to get carried out in two phases:

- Phase 1: The emphasis will be on segments like medical, textiles, electronics, plastics and toys.
- Phase 2: For products like gems and jewellery, pharmaceutical and steel, etc.

In furtherance of the vision of Atmanirbhar Bharat and positioning India as the global hub for Electronics Manufacturing, Government of India has approved the comprehensive program for the development of sustainable semiconductor and display ecosystem in the country with an outlay of INR 76,000 Crore. The programme will usher in a new era in electronics manufacturing by providing a globally competitive incentive package to companies in semiconductors and display manufacturing as well as design.

**Phased Manufacturing Programme (PMP):** In order to promote indigenous manufacturing of electronic products, the government has introduced this program. Indian electronics manufacturers are heavily dependent on imports for raw materials sourcing. The phased manufacturing programme of the Government of India involves a mix of local assembly import levies and incentives. Initially introduced for mobile phones, the program is gradually extended to other electronic products. According to the PMP, the government offers various incentives, including differential duty exemptions such as countervailing



duty (CVD) on imports and excise duty without input tax credit. For example, one of the key raw materials is plastics and plastic components are driven by international prices and there is no noticeable disadvantage for Indian producers. As a large number of electronic manufacturing units are anticipated to undertake greater value addition, the plastic component cost is likely to go down over the next 3 to 4 years. Various PLI schemes across sectors are expected to address this challenge by bridging the cost gap between India and China.

The government is willing to look at the PMP for the Air Conditioning industry to reduce imports and increase the local value addition and employment along with increasing exports. The industry response to the Production Linked Incentive (PLI) scheme for the white goods has been tremendous and manufacturing units in over 50 locations across different parts of India stand to make benefit from it in the component chain of Air Conditioner and LED. The Government is considering options to increase the Basic Customs Duty on AC to 30% from 20%, on Compressors to 20% from 12.5% and on other items (PCB controller, motor, cross flow fan, evaporator, metal, plastic parts) to 20% from 10% to further encourage local manufacturing.

The DPIIT will make sure that all the investments coming in under the PLI scheme for white goods get approvals from the Central and the State government authorities on fast track so that the targets set can be achieved on time. The government is currently in the process of fast tracking the national single window clearance system which is being aimed at ease of doing business where all the applications can be filed and tracked online.

The PMP, which is already in implementation phase for the mobile phone industry, could also be an important scheme to promote the domestic manufacturing of AC components and reduce imports from China and Thailand.

Under PMP scheme Tariff structure is rationalized for Televisions (TVs) and parts/ sub-parts thereof, as under:

- TVs attract Basic Customs Duty of 20%.
- Panels of TVs attract Basic Customs Duty of 15%.
- Specified parts of Panels of TV including Plate diffuser, Film diffuser, Reflector sheet, etc. attract Basic Customs Duty of 10%.
- Open Cell and its specified inputs/ parts attract Basic Customs Duty of 5%.

**Production Linked Incentive (PLI) Scheme:** The scheme was initially announced in the year 2019 by the Government of India considering the incremental investment and sales of manufactured goods specifically to mobile phones and components market in India. It is expected to promote exports in the next few years. As per the scheme, a total production of INR 11,500 billion is expected including INR 7,000 billion exports in the next five years. PLI for large scale electronics manufacturing was notified in April 2020.

As per the FY22 budget, under the PLI scheme the government has allotted INR 1,970 billion for 13 sectors. However, the financial outlay for the auto sector was revised in September 2021, bringing the total allotment down to around INR 1,661.9 billion. Initially introduced in mobile phone production, this PLI policy is being expanded to other sectors as well. The PLI scheme is also extended to white goods (Air conditioners and LED lighting) and select few electronic/ technology products at a value of up to INR 62 billion to be given over a period of 5 years. The allocation for Mobile Manufacturing and Specified Electronic Components is around INR 409 billion, which is significantly higher than any other scheme. It has different thresholds of investments required for domestic and international companies. Fully integrated manufacturers are going to be the biggest beneficiary of this scheme. This scheme will definitely help India Inc. to be an integral part of the global supply chain. India can aim to capture 16% of the export market in the next 10 years, compared to less than 1% now. PGEL, through its wholly owned subsidiary PG Technoplast Private Limited (PGTL), has one of the largest allocations of the PLI Scheme for White Goods (Air conditioners), being the fifth largest investment commitment and since the PLI Scheme is fund limited, it has one of the highest benefit eligibilities. PGEL will be eligible for the PLI disbursement starting in FY24 due to shorter project gestation, as compared to most of its peers who have committed investments with longer gestation periods, who can expect the disbursement a year later in FY25.

**Chart 1.8: PLI scheme in 13 key sectors for enhancing India’s manufacturing capabilities and enhancing exports, Atmanirbhar Bharat, FY21-FY23**

Sectors	Implementing Ministry/Department	Approved financial outlay over a five year period (INR billion)
Mobile manufacturing and specified electronic components	Ministry of Electronics and Information Technology	409.5
Critical key starting materials/ drugs intermediaries, APIs	Department of Pharmaceuticals	69.4
Manufacturing of medical devices	Department of Pharmaceuticals	34.2
Advance Chemistry Cell ACC Battery	NITI Aayog and Department of Heavy Industries	181.0
Electronic/Technology Products	Ministry of Electronics and Information Technology	50.0
Automobiles & Auto Components <sup>#</sup>	Department of Heavy Industries	259.4
Pharmaceuticals drugs	Department of Pharmaceuticals	150.0
Telecom & Networking Products	Department of Telecom	122.0
Textile Products	Ministry of Textiles	106.8
Food Products	Ministry of Food Processing Industries	109.0
High Efficiency Solar PV Modules	Ministry of New and Renewable Energy	45.0
White Goods (ACs & LED)	Department for Promotion of Industry and Internal Trade	62.4
Specialty Steel	Ministry of Steel	63.2
<b>Total</b>		<b>1,661.9</b>

# Financial outlay for Automobiles & auto components was revised on September 2021 from INR 570.4 billion to INR 259.4 billion

Source: MeitY (Ministry of Electronics and Information Technology), Invest India

**PLI scheme for white goods (Air conditioner and LED lights):** The PLI Scheme on White Goods is being designed to produce complete component ecosystem for the Air Conditioners and LED Lights Industry in India and make India an essential part of the global supply chains. The scheme will extend an incentive of 4% to 6% on incremental sales for a period of 5 years succeeding to the base year and one year of incubation period. Only manufacturing of the components of ACs and LED Lights will be incentivized under this scheme. 90% of Bill of Material (BoM) of ACs and 87% of BoM of LED Lights are covered under this PLI Scheme. It will further lead to increase in value addition in country from 20% to 80 to 85% and creating a robust component eco-system for AC Industry and LED Lights Industry.

Over the next 5 years, the scheme is estimated to lead to total production of about INR 2,71,000 crore of components of ACs and LEDs. The scheme will bring further investment in component manufacturing eco-system of ACs and LED Lights industry to the tune of INR 5,886 crore. 31 companies have committed investments of about INR 4,995 crore for AC components and 21 companies have committed investments of INR 871 crore for LED components. PGEL is one of the best placed companies among the beneficiaries of the PLI for White Goods, on account of its base year of revenues being Fiscal 2020, in which its revenues from air conditioners and components was low, having recently entered the segment.

**Manufacture and Other Operations in Warehouse (MOOWR):** MOOWR has been a business-friendly initiative after revamp, which can substantially benefit manufacturers of goods in India. MOOWR has very limited although certain vital compliance requirements together with customs duty exemption on input/capital goods used in the export product. It additionally allows deferment of Customs duty on the inputs used in the manufactured goods sold into the domestic market. The revamped MOOWR has also factored in the challenges which was being raised during mounted various export promotion in India like Advance Authorization (AA), Export Oriented Unit (EOU), Export Promotion Capital Goods (EPCG), Special Economic Zone (SEZ), etc. by the order of the Dispute Resolution Board (DSB) of the World Trade Organization (WTO). MOOWR not being an export-obligation linked structure also imitates to WTO norms.

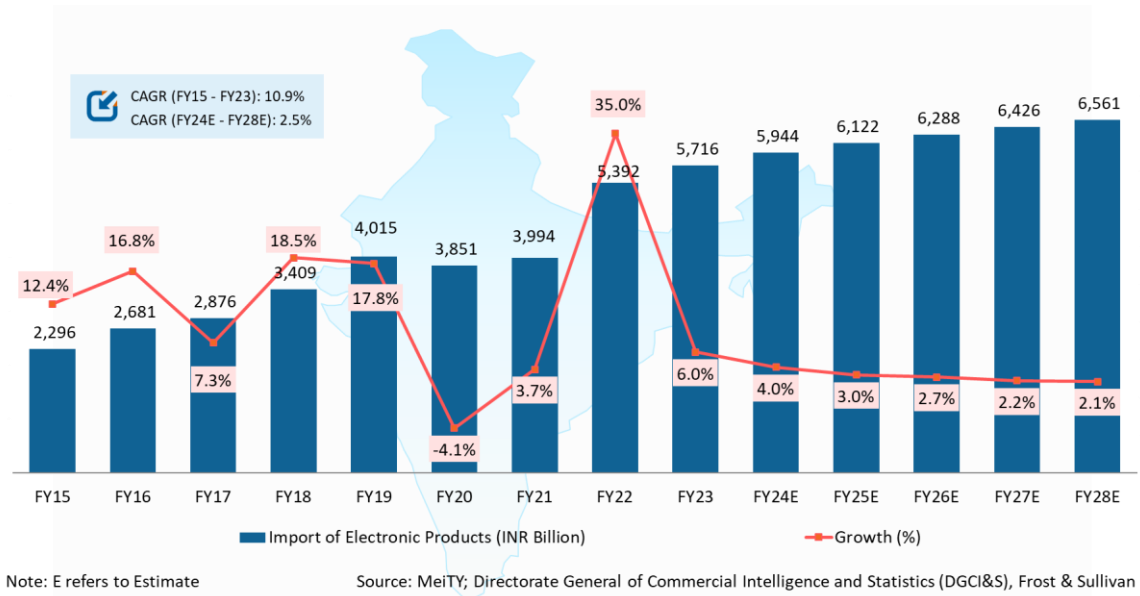
### Import substitution

The total import value of electronics products was INR 2,296 billion in FY15 and INR 3,851 billion in FY20. India’s import of electronics products systematically declined between FY15 and FY20 however increased sharply in FY22 owing to slowdown in domestic production due to shortage of semiconductors globally. As per MeitY, electronic imports accounted for INR 5,392 billion in FY22, which is 21% of the total electronics market in India. China and Hong Kong accounted for ~ 62.5% of India's total electronic imports in FY22. The majority of semiconductor demand is now fulfilled by imports from the United States, Japan, and Taiwan. The government is developing electronics manufacturing clusters (EMCs) around the country to provide world-class infrastructure and facilities in order to minimise reliance on imports.

In a move to promote domestic manufacturing of televisions, the government of India made an announcement in July 2020 to license the import of fully built television sets by placing them on a restricted list. Also, in October 2020, the government announced the prohibition of the imports of air conditioners (both split and window ACs with refrigerants). Their imports were free until that time period. The import policy of air conditioners with refrigerants was amended from ‘free’ to ‘prohibited’ category.

Indian electronics import is expected to grow between 2.5% CAGR between FY24 and FY28 while Indian domestic electronics manufacturing is expected to grow by approximately 24% during the same period. This shows lesser reliability on import and increasing dependability on domestic components and EMS in the coming years.

**Chart 1.9: Import of Electronic products, INR billion, India, FY15-FY28E**



Importing electronics and IT products without the BIS registration is now prohibited in India. Under its 'Make in India' initiative, India is tightening quality controls for electronic products in order to limit the rising import of low-cost electronic products, particularly from China, and to boost domestic manufacturing. According to the DGFT notification, every business importing and selling electronic products such as mobile phones, LED lights, etc. in India is required to register with the BIS for government clearance; failing to do so, the imported goods would be re-exported back to their origin. Earlier, the government had started the Electronics and Information Technology Goods Order in 2012 and mandated that 15 electronic products under this category have the BIS certification, which incorporated laptops, televisions, and notebooks, among others. The order now encompasses each imported electronic and IT product up for sale in the open market. The new rules have wider implications on the future imports of electronic items to India, which imports close to 50% of its entire electronic product sold in the market. Given India's enormous appetite for the imported electronic products, it is very important for the importers and the foreign manufacturers to get every aspect of the compliance right. Failing to do so can actually prove to be very expensive and can also damage the business credibility.

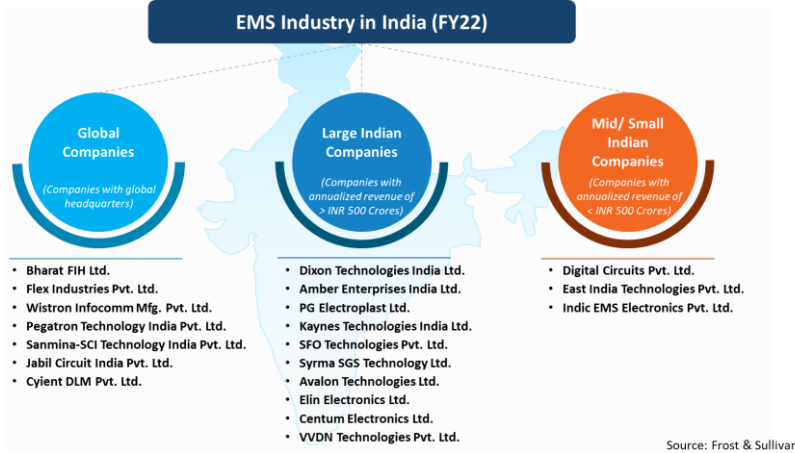
The top products contributing to the highest electronics imports are the Engine Control Unit, FPD (Flat Panel Display) TV, Refrigerator, Set Top Box, Machine Tools, CCTV Camera, Notebooks, Servers, Storage Devices, Home Automation Modules, Mobile Phones, Media Gateways, Enterprise Routers, Defence, Medical Devices Smart Cards & Readers, low voltage power switchgear segment, among others. Imports are expected to reach USD 68 Billion by FY25, accounting for 12.6% of total electronics market demand. Long run mission of the government is to reduce dependency on imported electronics products and services through 'Atmanirbhar Bharat' and developing local electronics manufacturing ecosystem with the help of various incentives and policies.

# ASSESSMENT OF ELECTRONICS MANUFACTURING SERVICES (EMS) IN INDIA

## Indian EMS industry

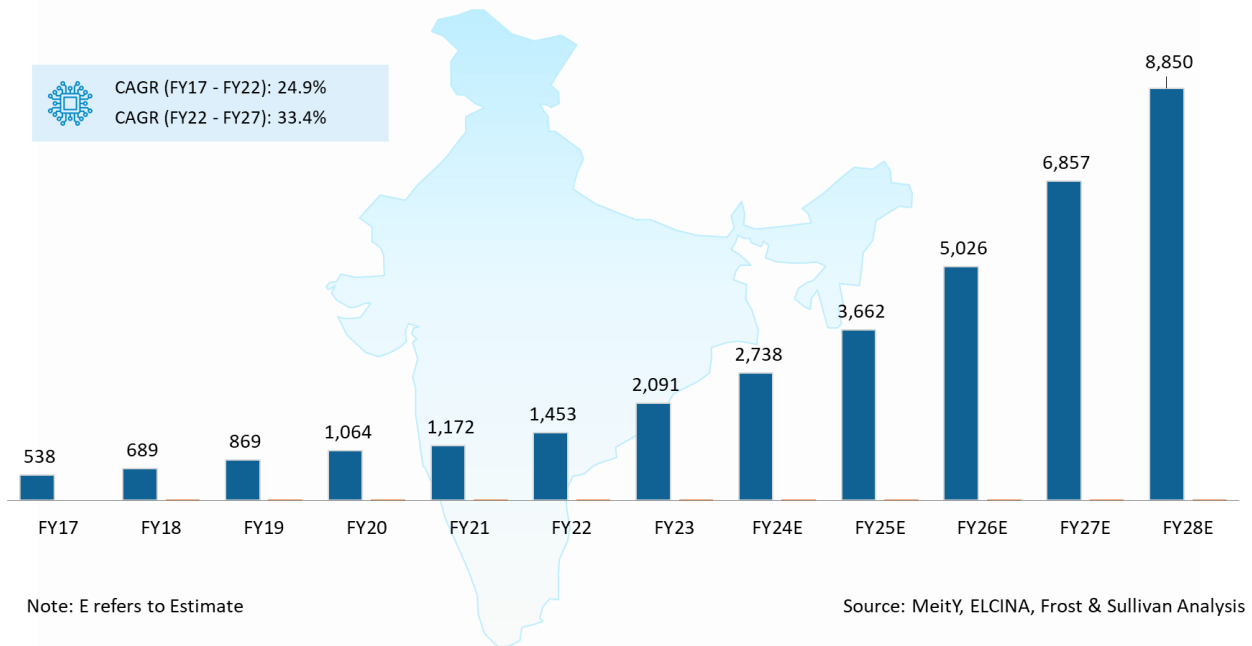
### Market overview of EMS industry in India

Chart 2.1: Industry structure of EMS market in India, FY22



There are nearly 700 EMS companies in the market, ranging from large, medium-sized, to small players. Major global companies are Bharat FIH, Flex, Wistron, Pegatron, Jabil; large Indian companies include Dixon, Amber, SFO Technologies, Syrma, Elin, Avalon Technologies etc. Ambitious expansion plans and capacity augmentation of indigenous EMS players to capitalise on favourable policy initiatives ensure that the EMS sector in India will witness heightened growth in coming years.

Chart 2.2: Indian EMS market, value in INR billion, growth in %, FY17-FY28E

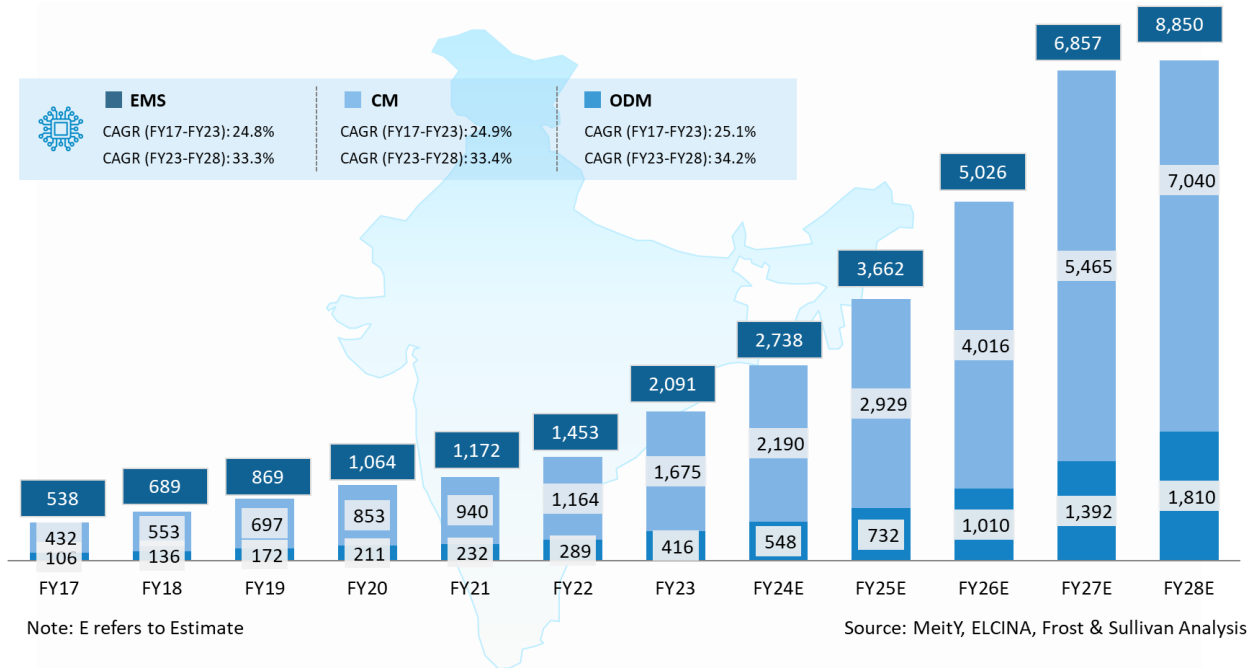


The EMS market in India was valued at INR 2,091 billion in FY23 and is expected to grow at a CAGR of 33.4% to reach a value of INR 8,850 billion in FY28. Indian EMS industry is part of the larger Electronics ecosystem of the country. A systematic approach has been followed to separate various components of the Indian Electronics market and derive the size and potential for the EMS business in India. The Indian EMS market comprises various tiers of companies, including global EMS companies with operations in India and large, midsized, and small Indian EMS companies.

Mobile Phones, Consumer Electronics and Industrial Electronics contribute to more than 75% of the total EMS market in India. Few EMS providers are slowly evolving to offer complete design services apart from contract manufacturing. This acts as a win-win situation for both EMS players as well as OEMs; EMS players obtain higher margins through this model, and OEMs benefit by outsourcing manufacturing and design activities, enabling them to focus on other activities. High volumes will influence EMS companies to establish the component ecosystem locally and enhance domestic capabilities for component sourcing, making the ecosystem stronger.

**EMS market segmentation by CM and ODM**

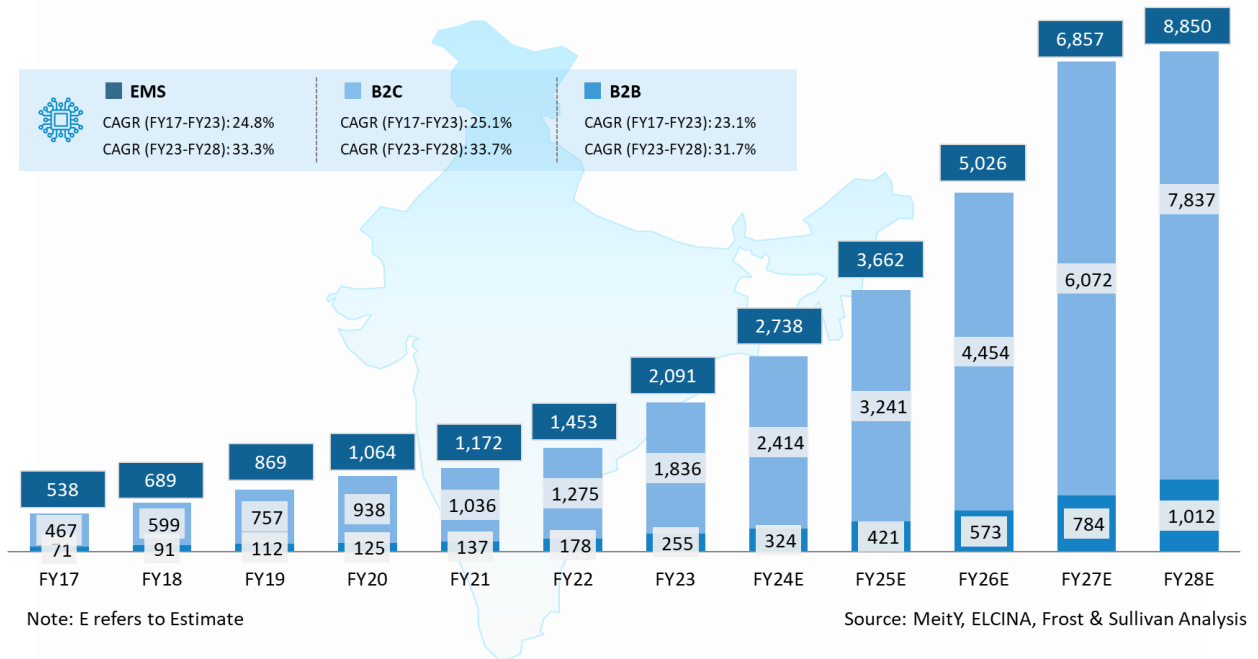
**Chart 2.3: Indian EMS market - Split by CM and ODM, value in INR billion, growth in %, FY17-FY28E**



In the total EMS market, contract manufacturing (CM) accounts for approximately 80%, while original design manufacturing (ODM) accounts for the remaining 20%. As reference designs and specifications are provided primarily by the OEMs to EMS providers, there is not much scope for product differentiation. In the Indian industry landscape, ODMs are currently being depended on primarily to manufacture the entry-level products. These products have low differentiation, and the main features for ODMs ends up being their quality, cost and delivery. EMS companies are steadily shifting towards ODM models, giving full turnkey solutions for items from design, product development to reverse logistics. Also, due to increased competition, EMS companies are striving to diversify their product offerings. EMS providers have the expertise to procure and manufacture at faster turnaround times. In the ODM industry, innovation is critical to success. While cost reduction remains the major driver of EMS outsourcing, other factors such as improved design skills have contributed to ODM capabilities. PGEL is a leading, diversified Indian Manufacturing Services provider and is among the few companies in India specialising in Original Design Manufacturing (ODM), Original Equipment Manufacturing (OEM) and Plastic Injection Moulding for the consumer durables industry, thereby providing one stop, end to end solutions to consumer durable brands.

**EMS market segmentation by B2B and B2C**

**Chart 2.4: Indian EMS market - Split by B2B vs B2C, value in INR billion, growth in %, FY17-FY28E**



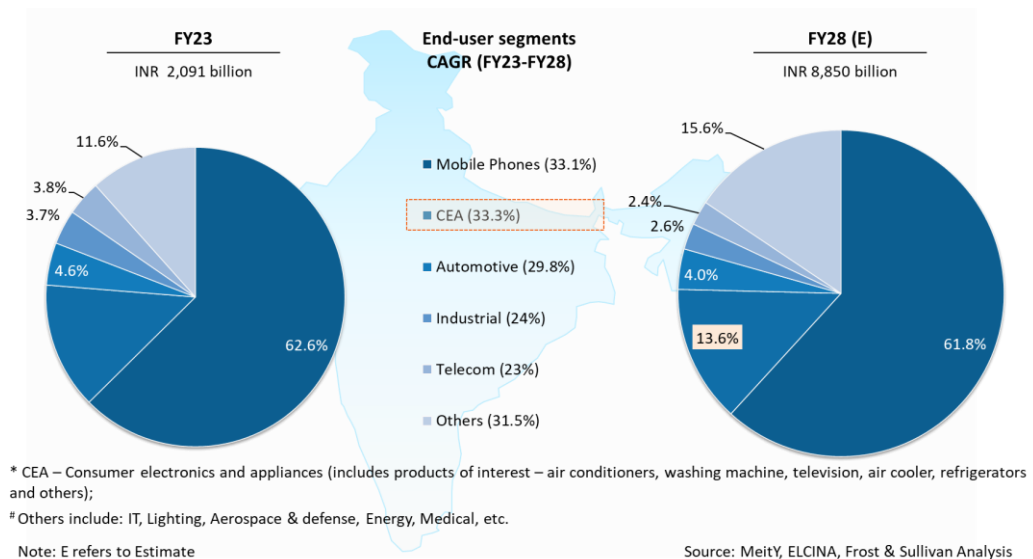
EMS market is also segmented into B2B and B2C segments. Mobile phones and Consumer Electronics and Appliances (CEA), which are high volume are entirely B2C, whereas segments such as automotive, aerospace and defence, industrial and telecom fall under the purview of the pure-play B2B segment.

In India, the B2C market was valued at INR 1,836 billion in FY23 and is expected to maintain its dominance, reaching INR 7,837 billion in FY28, while the B2B market is far behind. In FY23, the B2B market was valued at INR 255 billion, and it is expected to grow to INR 1,012 billion by FY28. PGEL is one of the fastest growing B2C focused ODM players in India, having recorded one of the highest revenue CAGR amongst listed peers (Dixon, Amber and Elin) over FY20-23.

**EMS market segmentation by key end use industries**

The expansion of India's EMS industry is being fuelled by a variety of factors. Significant reasons driving the growth are raising labour costs in other parts of the world and a trend among large OEMs to outsource manufacturing rather than invest in their own infrastructure. Due to the size, complexity, and high level of competition in the Indian market, OEMs are focusing more on marketing and aftermarket activities, leaving the production to contract manufacturers.

**Chart 2.5: Indian EMS market - Split by end-user segments, India, value in INR billion, FY17-FY28E**



**Mobile Phones:** Mobile phones manufacturing is the largest segment within EMS and is growing at a robust pace. India is the world's second-largest manufacturing hub and market, producing 11% of all mobile phones worldwide. While 3G technology enabled smartphones had limited bandwidth, succeeding technologies such as 4G, 4G+, VOLTE and soon 5G, are defining the mobility in terms of data in the country. 4G technology has largely been responsible for enhancing the Internet access and increasing the data usage in the Indian Market.

**Consumer Electronics & Appliances (CEA) (includes room air conditioners, washing machines, television, air cooler, refrigerator and others):** In India, CEA has the largest market share after mobile phones. Sales are driven by rising income levels and technological innovation, since users tend to adapt to new technologies through early replacement. Untapped markets have been brought to the attention of consumer electronics companies due to digital technology and enabling connectivity infrastructure. Small and kitchen appliances account for a significant portion of the market size. With rise in demand of components, it is very likely that EMS and Tier-1 players would take steps to build a component base within the country.

**Automotive:** Automotive electronics sales are expected to go up, driven by rising income levels, and an increasing level of in-vehicle digital experience. Rising awareness among people about advanced safety and communication services, coupled with more embedded connectivity service offerings by automakers, is also one of the drivers for this market.

**Industrial:** Industrial electronics play a vital role in improving the efficiency and productivity of industries and are anticipated to grow in industries like energy, transportation, petroleum, chemical, semiconductor, mining, agriculture, and others. Current emphasis is also placed on a branch of power conditioning dealing with power electronic switches, sensors, actuators, meters, intelligent electronic devices (IEDs), automation equipment, semiconductors, nanotechnology, etc., using power semiconductor devices in modernizing industry technology.

## **Emerging trends, Growth drivers and Market restraints of EMS industry in India**

### **Emerging trends in EMS industry in India**

**Faster replacement cycle and high demand for emerging technologies:** Electronic products have shorter life cycles as a result of rapid technological improvement and newer products with enhanced technology. Customers are also replacing their electronics with newer products with constantly changing customer views and expectations.

This growing preference for advanced technology products has driven rapid innovation in the consumer electronics business. Emerging technologies, for example, IoT, AI, 5G, and the introduction of robotics and analytics in the industrial and strategic electronics segment, have all led towards the overall development of numerous electronic products, which has boosted the local demand.

**Demand from emerging applications in electronics industry:** The EV market is gaining traction, owing to the governments various initiatives to promote EV sales in India. As the EV segment is reliant on the electronic sector for a range of components, the EMS market is projected to gain impetus in the near future. The electronics market in Telecom and Networking Products segment is increasingly adopting 5G technology for enhanced mobile broadband and ultra-reliable low latency connectivity. Wearable technology and flexible displays (TV segment) are two emerging electronic applications that are gaining wide acceptance globally.

**EMS companies offering design services:** EMS companies are moving up the value chain and Indian design companies work on end-to-end product development, right from concept design to development to prototype testing. Advanced product development focusing on miniaturisation, IoT, automation, AI, and defence applications is likely to be one of the biggest trends in electronics design. Electronic Design Automation (EDA) is a category of software tools which drives the design of Integrated Circuits and PCBs. Until recently, EDA software tools were used to cater mainly to the semiconductor business. However, the fast rise of AI, ML, deployment of 5G communication, edge and cloud computing have created the need for invention in hardware, as an outcome such software tools are in very high demand.

**Component miniaturization:** During the complete production cycle, an electronic device is being handled by a variety of manufacturing equipment. The ever-increasing complexity of electronic assemblies, as well as component miniaturization, has increased demand for advanced and dependable manufacturing equipment. The choice of PCB is dictated by three major factors from the product perspective, which is complexity of operation, form factor, and level of miniaturization.

**After sales service as part of offerings of the EMS companies:** Repair and rework are no longer seen as non-value-added services in electronic manufacturing industry. It is increasingly becoming part of OEM and EMS/ODM service offerings. Repairing and reworking equipment allows electronic manufacturers to save valuable electronic components and semiconductors instead of discarding them. It is also being accepted in the electronics industry due to the development of precise SMT (Surface Mount Technology) repair and rework equipment. Complex, high density PCBA are simply too valuable to scrap. Due to the tight production runs of Just-In-Time manufacturing, even smaller boards with fewer components would need to be repaired.

## Key growth drivers for the industry

**Strong push towards Make in India:** India is witnessing a major drive by the government of India to push for the domestic manufacturing of Electronics especially in segments such as Mobile Phones, Televisions, and Medical & Strategic Electronics. The Government of India's "Aatmanirbhar Bharat Abhiyaan" or Self-Reliant India campaign provides an increasing range of incentives to attract and localize manufacturing and production in India. These incentives promote manufacturing and exporting products in various industries.

New regulations like BS VI for Auto, Digital India program, Digital payments and Smart Cities program is going to drive more usage of electronics in India and therefore will lead to a far greater thrust on Make in India than it was seen before.

**Influx of new electronic applications going forward:** New emerging opportunities like Electric Vehicles, IoT, and Electronic Security system (Cameras or Storage) are opening up new electronic market for India and these industries will also be driven by the Make in India thrust.

**Increased electrification through various initiatives:** Electricity consumption is one of the most important indices that determines the development level of a particular nation. The Indian government is committed to enhancing the quality of life of its citizens by increasing electricity consumption. The objective of the government is to provide each household with access to round-the-clock electricity. The "Power for All" program is a significant step in this direction, which is a joint initiative of the Government of India and state governments with the primary goal of making 24x7 power available to all households, industries, commercial businesses, public needs, and any other entity that consumes electricity.

**Importance of the Digital India initiative:** "Digital India" is a government initiative aimed at preparing India for a knowledge-based future. The primary objective of the launch of the "Digital India Mission" is to transform India into a digitally empowered society and knowledge-based economy. The Digital India Mission has the vision to provide each resident of the country with a digital identity card. In the case of electronics manufacturing, the Digital India initiative is offering tax incentives in focus areas like FABS, fabless design, set-top boxes, VSATs, mobiles, consumer and medical electronics, smart energy meters, smart cards, and micro-ATMs.

**Changing geopolitical situation post COVID:** Post Covid, alignments in the global markets has shown that there is a far greater resistance to rely on China as their key manufacturing source. There are discussions in numerous forums to diversify their manufacturing operations to counties other than China. India is seen as one of the possible diversification areas along with Vietnam and other South East Asian nations.

**Increasing financing options and no-cost EMI schemes:** The growth of Indian electronics market is driven by technological advancements and rising disposable income. The Indian consumer market has been cautious, with a mix in purchase of small and large consumer appliances. In recent years, due to the availability of no-cost EMI as a payment method, the purchase behaviour of Indian consumers has shifted significantly. In addition, trends such as digitalization and new business models have enabled India's financial institutions to reach consumers in rural and semi-urban areas and meet their growing demand. Various brands are also partnering with consumer finance firms, which not only benefits consumers but also increases brand visibility in smaller markets.

## Key market restraints for the industry

**Inefficient supply chain for the required electronics:** India has a limited component supplier base; most of the high-value and critical components including include ICs, PCBs, etc. are imported. As supply-chain resilience and localization are becoming more significant, India must take the necessary steps to improve the domestic value chain capability for long-term benefits. The introduction of the PLI scheme to promote component sourcing; FDI policies relaxing companies' ability to set up bases in India; and the establishment of dedicated freight corridors that help in the advancement of transportation technology and increase in productivity are some of these steps.

**Lack of manufacturing ecosystem:** In India, there is lack of a stable component ecosystem. Moreover, FTAs (Free Trade Agreements) with ASEAN countries makes imports less expensive than domestic production, thereby intensifying the situation. Tax disputes, a scarcity of skilled engineers, and a sparse network of local component manufacturers are all significant factors impeding the growth of India's mobile component manufacturing industry.

**Skilled labour shortage:** There is substantial competition for R&D personnel, qualified technical experts, sales and marketing professionals and post-sales services providers.

## ASSESSMENT OF ROOM AIR CONDITIONERS MARKET IN INDIA

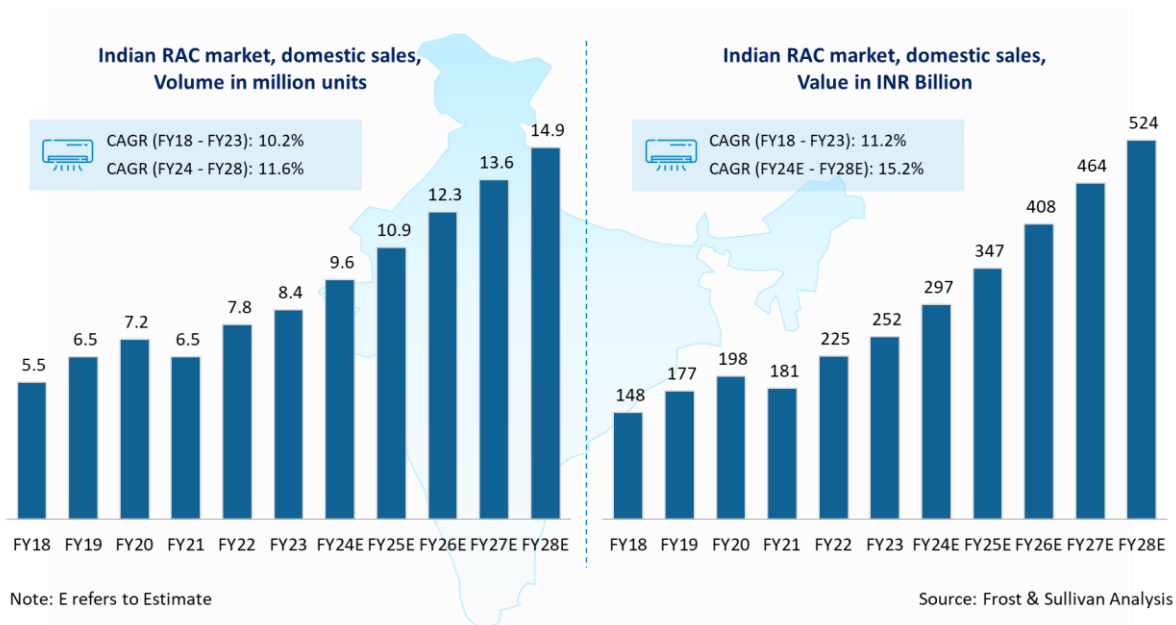
### Market overview

Indian Room Air Conditioners (RAC) market is driven by the increase in disposable income, urbanization, electrification, and easy consumer financing. Tightening of energy efficiency norms has led to the introduction of inverter technology, resulting in reduction of operating costs. This has resulted in more consumers opting for RACs. Penetration of RACs in Indian households



is slightly higher than 5%, implying that there is considerable scope for growth. The constant change in consumer preferences leads manufacturers to bring in new innovative and value-added products. New product features and technological advancements have added to the increase in replacement demand. The overall market size for domestic sales for RAC in FY23 is 8.4 million units and it is expected to grow at a CAGR of 11.6% till FY28. Future demand for RACs in urban areas will be driven by cost competitiveness, better features, and energy efficiency.

**Chart 3.1: Indian RAC market, volume in million units, value in INR Bn, growth in %, FY18 – FY28E**



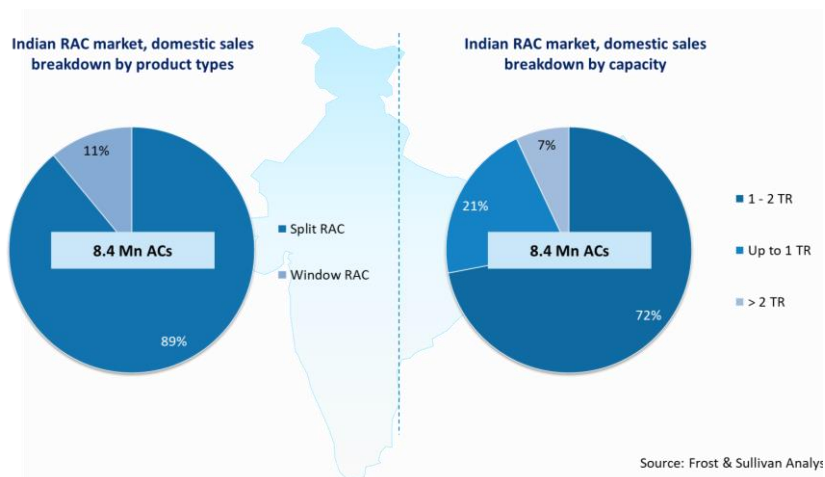
In value terms, the domestic sales of RACs are estimated to be INR 252 billion in FY23. The average prices of RAC have been declining owing to product innovations and stringent competition in the market. The revenue market is forecast to grow at a CAGR of 15.2% to reach INR 524 billion crores in FY28.

**Market segmentation by product types**

Key factors determining the selection between Split and Window RAC are the capacities, design, cost, aesthetics, and operational efficiency. Split RAC dominate the Indian market with a share of 89% of the total market in FY23. These systems have gained popularity owing to advantages such as easy installation anywhere, aesthetics, low-noise operations, innovations such as inverter technology, and ability to cool larger rooms more efficiently.

RAC manufacturers have also been offering a strong product portfolio in terms of split RAC and these products are available on easy monthly EMIs. Window RAC accounts for 11% of the total market in FY23 and have specific conditions for installation and have lower servicing costs but are very noisy. Households living in rental houses prefer Window RAC as the disassembling and installation costs are lower and the window RAC can be easily relocated compared to Split RAC. The demand for Window RAC is expected to remain stagnant at around 10-11% of the total market in the forecast period.

**Chart 3.2: Indian RAC market, domestic sales percent breakdown by product types and capacity, volume in millions, FY23**



### Market segmentation by capacity

The main factors for determining the right capacity of RAC are the size of the room and whether the room is situated on the ground floor or at a higher level, as the cooling level depends on how much sun exposure a room has. The average room size in an Indian household is about 150 - 250 square feet and this requires about 1.0 to 2.0 TR RAC. This is the most sold RAC, with a market share of 72.0% of the total market. This is followed by the less than 1.0 TR segment with a market share of 21.0%. This is mainly used for rooms upto 150 square feet. More than 2 TR RACs are used for room size from 250 -450 square feet and this segment accounts for the remaining 7% of the market.

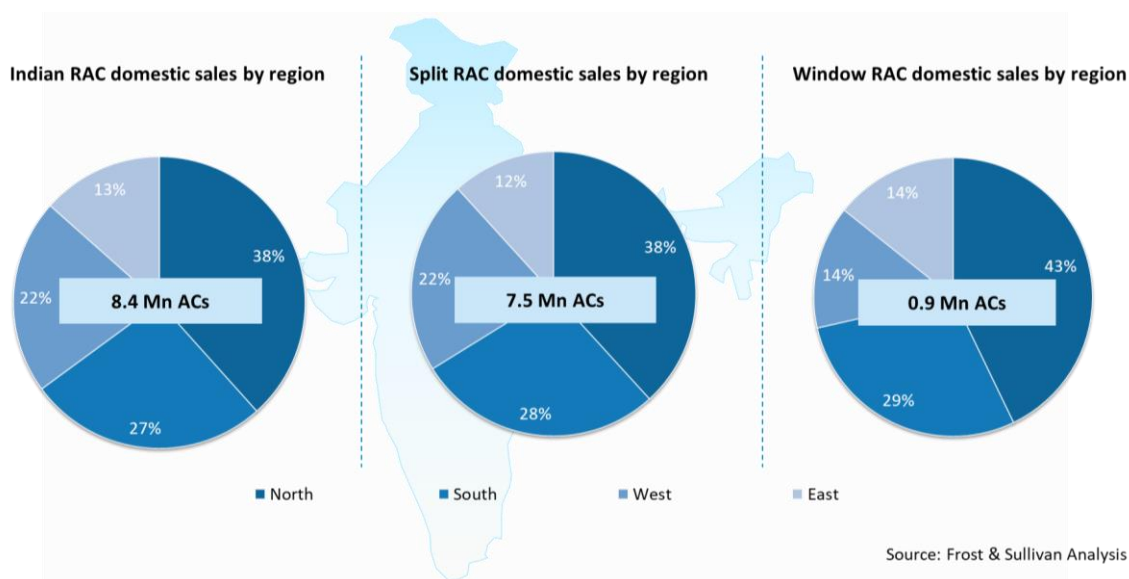
### Market segmentation by star rating

Star ratings given by the Bureau of Energy Efficiency (BEE), denotes the energy efficiency of the RAC. 3-star rated RAC is the most popular model and accounts for 68.0% of the total market in FY23, followed by 4&5 star with 25% and 1&2 star contributes to 7%. The major driver for the demand for 3-star rated products is the consumption hours and the price; in India, majority of the household uses RAC only for a few hours in a day. The BEE revised the star ratings mid of last year and with new star-rating system, the 4-star and 5-star rated RAC are expected to cost more compared to older star-rated models. Some of the industry experts opined that the demand for 4-star and 5-star rated RAC may see a slight decline in sales in short-term due to the increase in costs. Efficient compressors and bigger components to meet the BEE requirements would be the key reasons for the increase in prices. An average of 10-12% additional power savings is expected from the products complying to the new star rating system.

### Market segmentation by region

North region is the major market for RAC and accounts for 38% of the total market, followed by South region with a share of 27%. West and East region together account for the remaining 35% of the market. Weather patterns and urbanization determine the demand trends by regions. In terms for regional demand by product types, North region again dominates demand for both Split RAC and Window RAC.

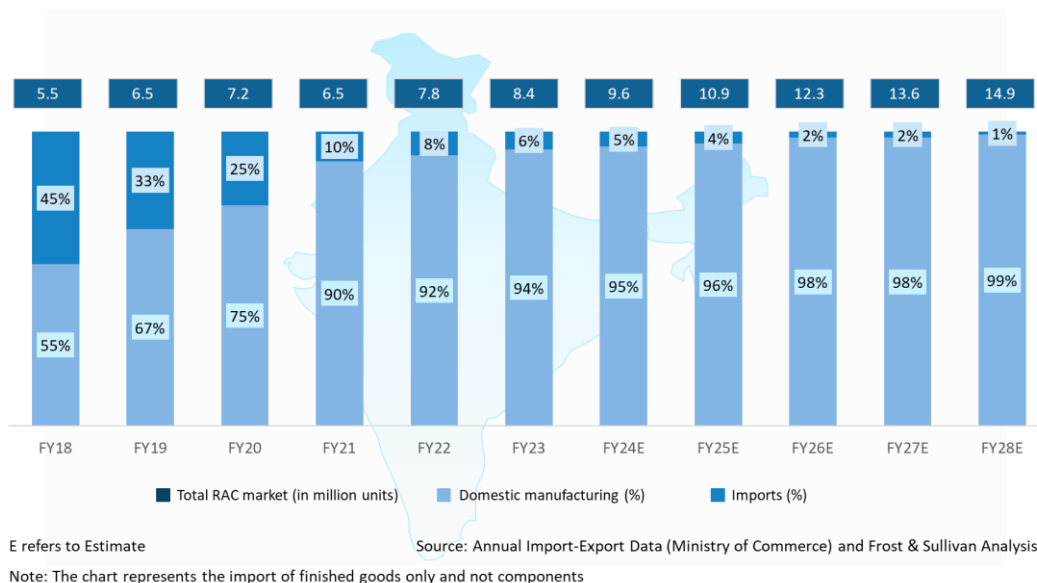
**Chart 3.3: Indian RAC market, domestic sales percent breakdown by region, volume in millions, FY23**



### Market segmentation by origin

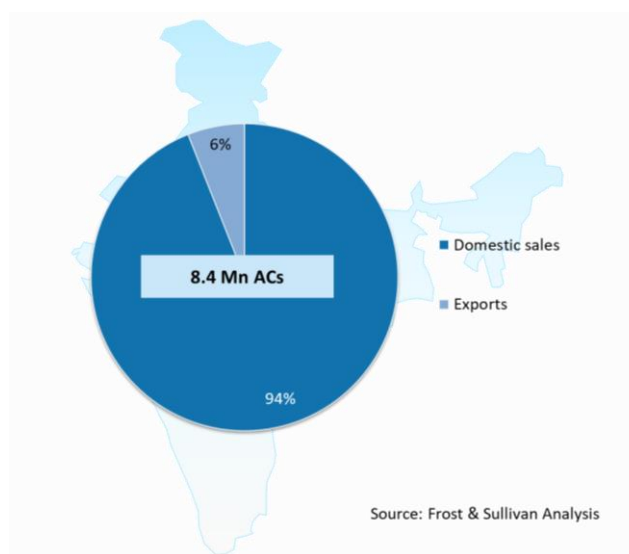
Domestic manufacturing accounts for 94% of the total market, while imports account for 6% of the total market in FY23. The share of imports has been declining over the past years with the push from the government to promote local manufacturing in India. Make in India and PLI schemes are some of the initiatives to promote local manufacturing. Government has banned imports of completely built units of RAC and moved RAC with refrigerants, both window and split RAC to the ‘restricted’ category from ‘free’ category. Importers need license from the government to import RACs today. The share of imports is expected to continue to decline in the forecast period.

**Chart 3.4: Indian RAC market, breakdown by domestic manufacturing and imports, volume in millions, split by %, FY18-FY28E**



The domestic manufacturing of RAC has witnessed strong growth in the recent years, supported by government policies. Components such as compressors, motors and refrigerants are imported while IDUs and ODU are manufactured in India. The total domestic manufacturing of RAC stood at 8.4 million units in FY23 and of that 94% is sold in India and the balance 6% is exported.

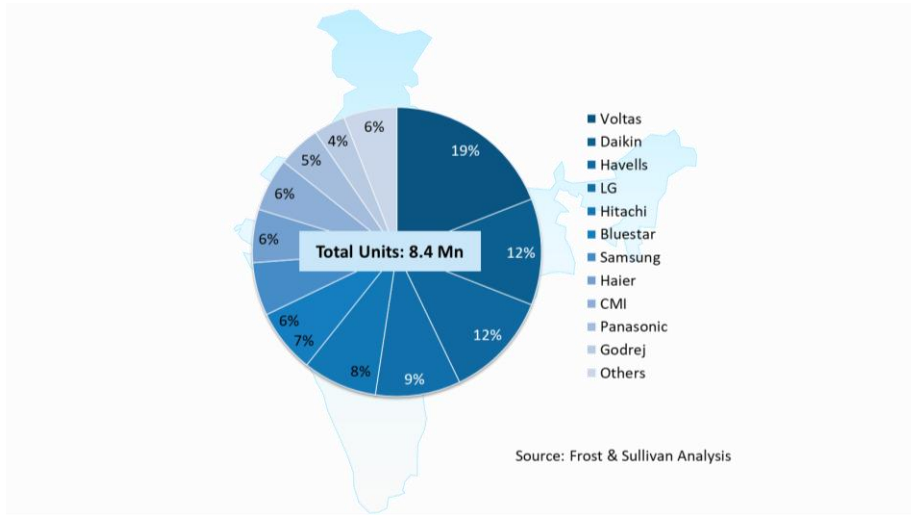
**Chart 3.5: Indian RAC market, split by domestic sales and exports, volume in millions, share in %, FY23**



**Competition and market share analysis**

Indian RAC market is highly fragmented with varied set of players – global, indigenous and importers – selling a wide range of products in the market. Voltas and LG are front runners and have a long-standing presence in India. As the Indian RAC market is growing, retail giants such as Reliance, Croma, Flipkart, etc. and other small brands like Onida, Cruise, etc. are creating their own labels and trying to capture a pie of this growing business. Indian customers are highly brand conscious, and word-of-mouth plays a major role in purchase decisions. RAC brands spend substantially on advertising and brand building to exploit the potential from the underpenetrated Indian market. High demand for RACs is expected to come from Tier 2 and 3 cities, which make distribution and service network an important factor for availability and product support.

**Chart 3.6: Indian RAC market share by competition, volume in Million, share in %, FY23**

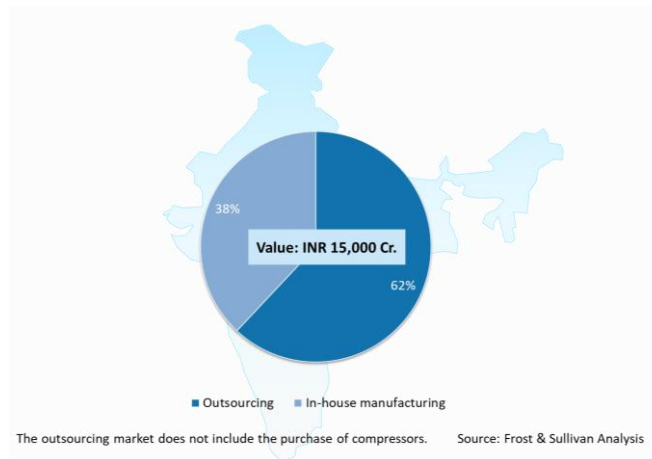


**Domestic manufacturing market: In-housing versus outsourcing**

In the expansive manufacturing landscape, the Original Equipment Manufacturer (OEM) sector constitutes a significant market worth INR. 15,000 Crores. Original Design Manufacturers (ODMs) and Components from Contract Manufacturers (CMs), together amount to INR. 5,200 Crores and Rs. 4,100 Crores respectively. This clearly shows a substantial total outsourcing market, encompassing a total of INR. 9,300 Crores.

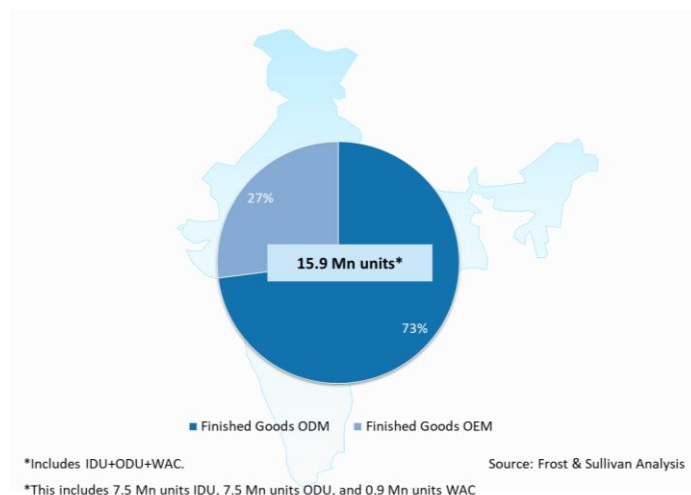
Government’s focus on “Atmanirbhar Bharat” has led to special focus on the RAC business. While all import business may not immediately shift to local players, the move is well thought out. Some RAC manufacturers have enhanced in-house manufacturing capacity, but many marginal players do not have local manufacturing facilities till now. Under PMP, the government plans to limit imports of components/equipment in the 1st phase by increasing duties and introducing import restrictions on motors, PCBs, compressors etc. to 20 to 30% over a 5- year time period. Under Phase 2, raw materials like copper and aluminium will be indigenised. The government seeks to create wide-scale production infrastructure for RAC components in India, which would help curb imports and provide export opportunities.

**Chart 3.7(a): Indian RAC market, in-house manufacturing vs. outsourcing, value in INR Cr, FY23**



In FY23, the finished goods part of the Original Design Manufacturer (ODM) market has about 4.3 million units in total.

**Chart 3.7(b): Indian RAC market, in-house manufacturing vs. outsourcing, volume in million, FY23**



This comes from putting together 3.7 million units of Indoor and Outdoor units, and an extra 0.6 million units for Windows. If we look at the bigger picture, the whole market has a big total of 15.9 million units. This includes 15 million units of Indoor and Outdoor units, and another 0.9 million units of Windows. At a component level, there are about 9 to 10 levels of components (sheet metal, copper tubing, heat exchanger, plastic moulding, cross flow fan, motor etc) that varies between companies drastically, hence it will not be possible to assign volume to components.

Leading EMS player operating in Indian RAC market includes Amber Enterprises, PG Electroplast, MIRC Electronics, EPack Durables among others. PG Electroplast's facility in Ahmednagar, Maharashtra is one of the largest and most backward integrated AC manufacturing plants at a single location in India.

**Domestic manufacturing outsourcing: CM versus ODM**

Indian ODM players have also invested in expanding and building newer capabilities to serve the overall white goods market. R&D, design and engineering were substantially negligible revenue generating activities in the overall portfolio of services offered to RAC brands five years back. With increasing dependence of RAC brands on ODM companies, priority has been given to strengthen R&D, design and engineering capabilities that are high-value activities among all services. Different Model Different Channel (DMDC) sales strategy have opened more doors for ODM players. Also, ODM projects have higher margins compared to pure play contract manufacturing. **PG Electroplast is the second largest player in terms of RAC finished goods sales to the OEMs/brands basis FY23 data. Finished goods include fully built IDUs, ODUs, and WACs and do not include ODU Kits as some of the key components such as compressor, gas, or heat exchanger are not fitted in the ODU Kits.**

**RAC market: Trends, drivers, and challenges**

**Market trends**

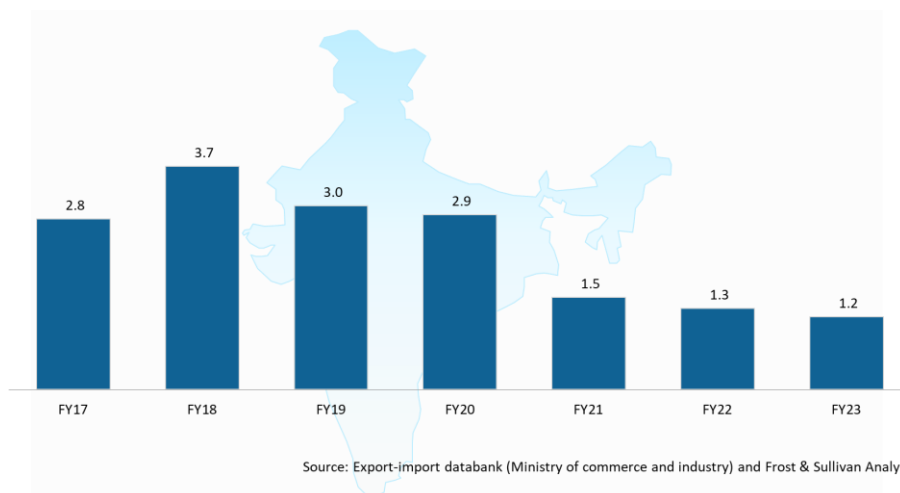
**Government support including PLI schemes:** PLI scheme was launched to create a component ecosystem in India and make India an integral part of the global supply chains. It is expected to attract global investments, generate employment opportunities, and enhance exports substantially. A total of 42 white goods companies have committed investments of INR 4,614 crore<sup>1</sup>. They include 26 air conditioner manufacturers with committed investments of INR 3,898 crore. Target segments under air conditioners include high value intermediates of RAC such as compressors, copper tubes (plain and grooved), and aluminium stock for foils or fins for heat exchangers and low value intermediates such control assemblies for IDU or ODU, display panel, motors, valves and brass components, heat exchangers etc. A few of the major companies that have committed to invest under PLI scheme are Hindalco Industries (INR 539 crores), Daikin (INR 538.70 crores), Amber (INR 460.18 crores), PG Technoplast (INR 321 Cr) EPAC Durables (INR 300 crores) and Mettube (INR 300.21 crores).<sup>2</sup>

**Decline in imports of RAC components indicate an evolving domestic manufacturing ecosystem:** Post the ban of importing RAC with refrigerants and fully assembled RAC, the volume of imports into the country have been steadily declining. This has curbed fringe manufacturers from simply importing RAC and reselling it. Policy changes along with incentives have enabled the development of the domestic manufacturing set-up in India.

<sup>1</sup> <https://www.investindia.gov.in/pli-scheme-for-white-goods>

<sup>2</sup> <https://static.pib.gov.in/WriteReadData/specificdocs/documents/2021/nov/doc202111321.pdf>

**Chart 3.8: Indian RAC market, imports trends, volume in millions, FY17 - FY23**



### Market drivers

**Growth in residential sector:** Investments in residential real estate sector create demand for RAC, as all new units have the potential for single or multiple RAC to be procured. Residential segments witnessed a surge in demand with 379,000 units<sup>3</sup> sold in 2023 across top seven cities such as Mumbai, Delhi NCR, Bengaluru, Hyderabad, Chennai, Kolkata and Pune. This is the highest sales in the past 10 years. New project launches in 2022 stood at 247,000 units, which is 81% higher than 2021. Strong residential supply pipeline is expected to create demand for RAC in the short-to-medium term.

**Growth in Tier 2 and Tier 3 cities:** Improved economic growth, infrastructure development, enhanced connectivity, lower cost of living, and attractive real estate prices have transformed Tier 2 and Tier 3 cities into robust real estate destinations for homebuyers and investors. Key destinations include Lucknow, Chandigarh, Ludhiana, Bhopal, Indore, Kochi, Amritsar, Goa, Guwahati, and Jaipur. Tier 2 and Tier 3 cities are preferred destinations for new businesses, especially start-ups. Approximately 50%<sup>4</sup> of the recognised start-ups in India are based out of Tier 2 and Tier 3 cities. The ongoing technology revolution witnessed in Tier 2 and Tier 3 cities are fuelling the country's economic growth and driving socioeconomic transformation on a global scale. This is expected to create demand for RAC systems in the long-term. The market is anticipated to expand further as a result of a rise in the middle-class population and a change in the perception of RAC from luxury to essential.

**Climate change and rising temperature:** Climate change has resulted in longer, more intense heat waves during the summer, forcing India to balance its cooling requirements. Access to cooling can be an effective method for preventing fatalities resulting from extreme heat. As temperatures have gone up, there has been a sharp rise in the demand for cooling products, especially air conditioners and air coolers. As a result, the industry has set a cumulative sales record. Rising incomes make air conditioning more accessible, while increasing temperatures make it essential. The penetration of air conditioning is still low, between 6 and 7 percent, but it is growing rapidly.

**Growth in small and medium enterprises (SME):** SME sector is a critical contributor to India's GDP; the sector accounts for 36% of India's manufacturing output. SME sector is expected to contribute about USD 2 trillion and create around 50 million jobs by 2024. There were 75 million SME units in CY22 in India and this is expected to grow to 95 million units in CY27. This growth in SME sector would drive the demand for RACs in the long-term.

**Growing purchasing power:** India's per capita PPP is steadily growing, which is an important enabling factor for buying RAC systems. India's GDP per capita PPP was at USD 4,216 in CY10 and reached USD 7,242<sup>5</sup> in CY21. This growth in per capita income would support the growth of the RAC market in the long-term.

### Challenges

**Import dependency on components:** There is a lack domestic manufacturing capacity/ capability for critical components such as compressors and motors.

**Price volatility:** The price rise of the key raw material has been impacted by sharp commodity price inflation over the past few years. It is affected by the price volatility of certain commodities. Commodity prices, including steel, copper and ABS plastics, and ocean freight are on the rise and, therefore, companies have hiked prices between 4-6 percent with effect from January 1, 2021.

<sup>3</sup> Times of India

<sup>4</sup> <https://www.livemint.com/news/india/why-tier-2-3-cities-are-rising-as-india-s-most-rapidly-growing-startup-hub-11673415892047.html>

<sup>5</sup> World Bank

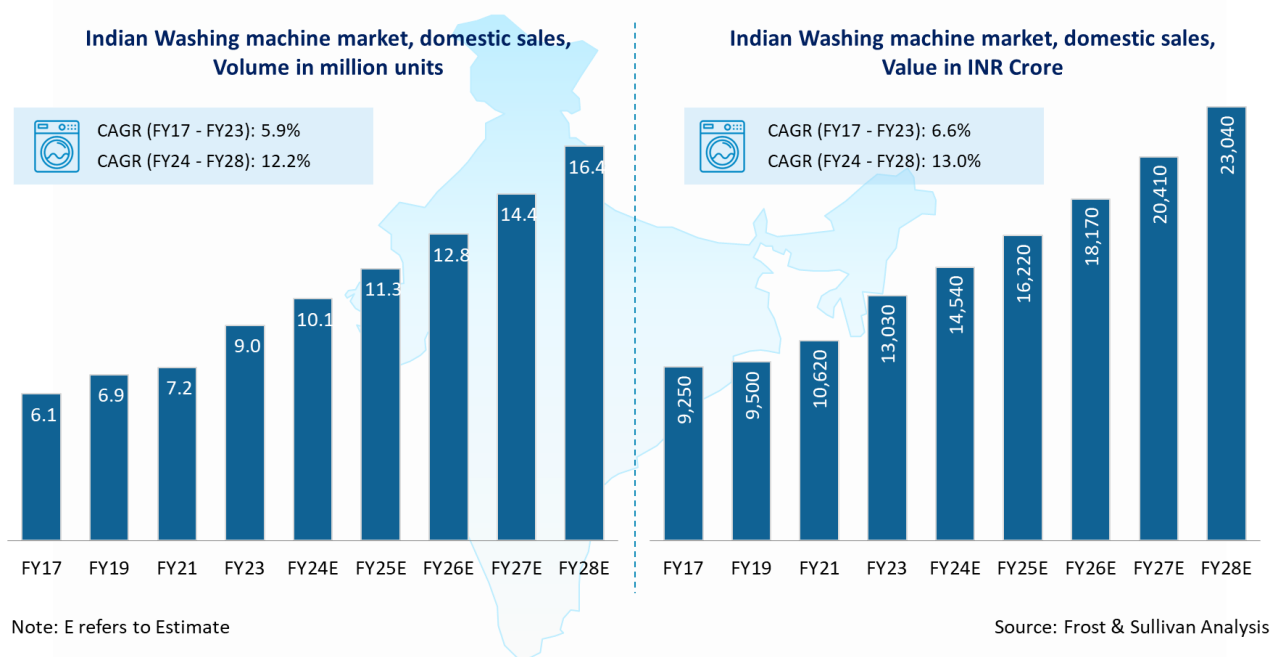
**Seasonality in demand:** RAC demand increases in summer months and reduces during monsoon and winter months. Sales from February to June contributes to roughly about 60% of the yearly sales for RAC companies.

## ASSESSMENT OF WASHING MACHINES MARKET IN INDIA

### Market overview

Indian washing machines industry has been witnessing sustained and stable growth. Dual income families, growing disposable incomes, and paucity of time have been instrumental in driving the demand for washing machines. Penetration of washing machines in India is currently 13 - 14% implying high scope for growth. Increasing appreciation for the value that the product delivers, affordable pricing, and innovative products has aided the strong growth of washing machines in India. The volume market size for domestic sales of washing machines is 9 million units for FY23 and it is expected to grow at a CAGR of 12.2% till FY28.

**Chart 4.1: Indian washing machines market, volumes in million, value in INR crore, growth in %, FY17 – FY28E**

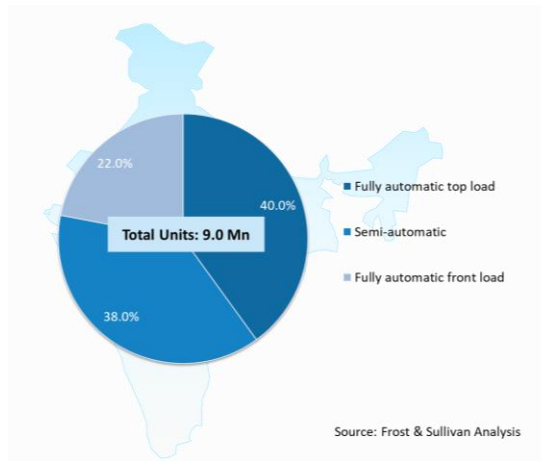


In terms of value, the washing machine market is estimated at INR 13,030 crores in FY23 and is projected to grow at a CAGR of 13.0% from FY24 to FY28 to reach INR 23,040 crores.

### Market segmentation by product types

The fully automatic systems of washing machines dominate the market with a volume share of 62% of the total market and the remaining 38% is with semi-automatic systems. The highest growth is expected in the fully automatic washing machines during the forecast period. Fully automatic systems are efficient because of its tumble motion, higher revolution per minute and in-built water heater which facilitates better stain removal without harming the fabric. Fully automatic washing machines also use less water and consume lesser power when compared with semi-automatic washing machines. Within the fully automatic washing machines, top-loading machines dominate the market over front-loading machines as the price differential between the two is very high.

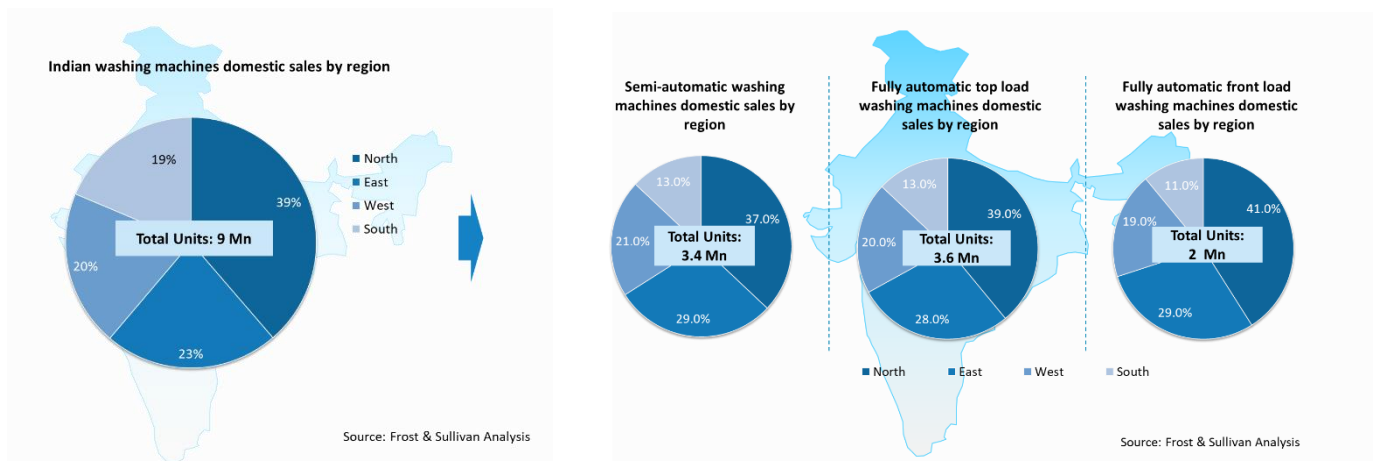
**Chart 4.2: Indian washing machines market, by product types, volume in millions, share in %, FY23**



**Market segmentation by region**

North and East region are the major markets for washing machines with a combined share of 62% of the total market in FY23. Sem-automatic machines are sold predominantly in north region, along with fully automatic washing machines which are also sold predominantly in the north and southern regions.

**Chart 4.3: Indian washing machines market, by region, volume in millions, share in %, FY23**

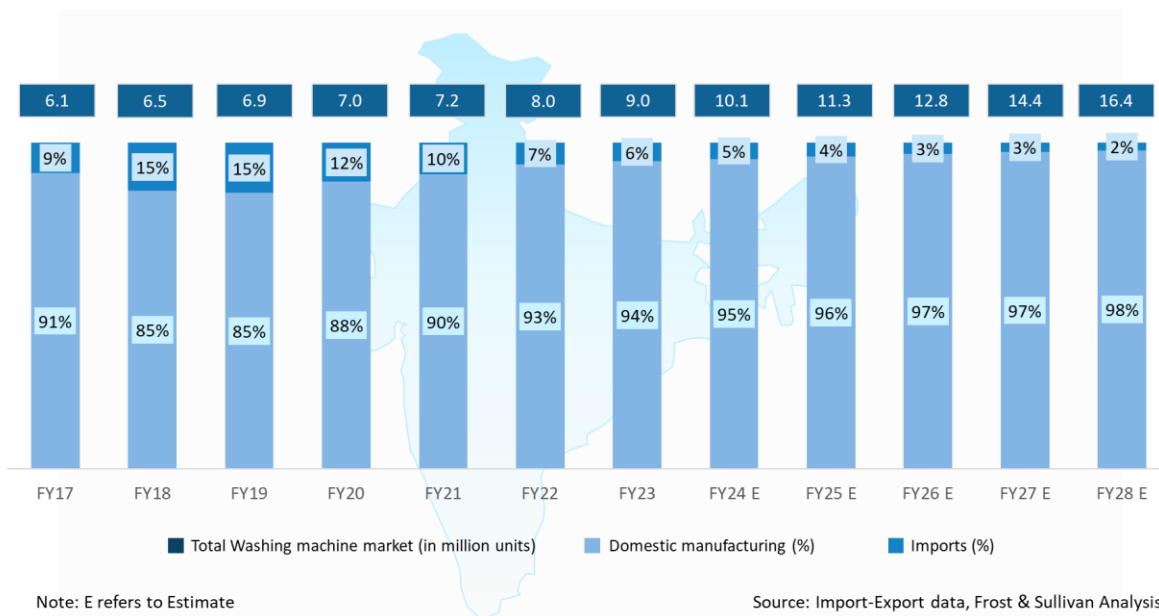


**Market segmentation by origin**

The industry has strong manufacturing capabilities with a low dependence on imports. Semi-automatic washing machines are majorly manufactured in India with very minimal component dependence on imports. Since the electronic content in semi-automatic washing machines are low, the local value addition in this segment is very high.

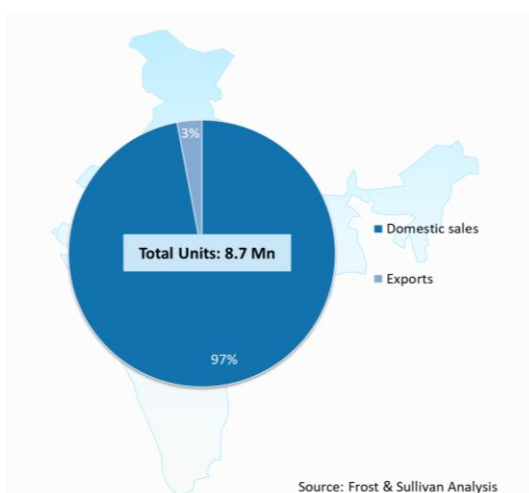


**Chart 4.4: Indian washing machines market, domestic sales percent breakdown by domestic manufacturing and imports, volume in millions, split by %, FY17-28E**



Domestic manufacturing of washing machines stood at 8.7 million units in FY23. Exports was very low at 3% and the key export destinations are Middle East, SAARC and Southeast Asia.

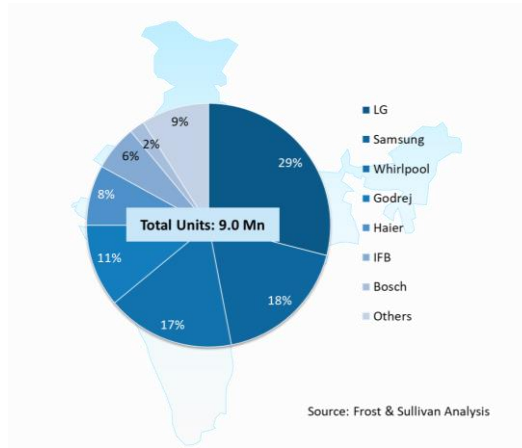
**Chart 4.5: Indian washing machines market, split by domestic sales and exports, volume in millions, share in %, FY23**



### Competition and market share analysis

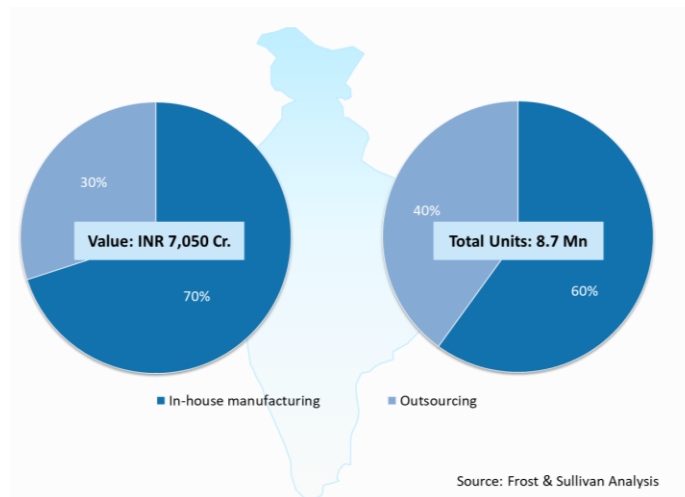
Indian washing machines market is a highly competitive with different brands leading in each type of the Washing Machine. LG, Samsung, Godrej and Whirlpool hold a combined market share of 75.0% while other prominent players are IFB, Panasonic, Videocon, Haier, Lloyd, Hitachi, Intex and other brands which holds the remaining 25.0% of the market. Energy labels and energy-efficiency policies have made manufacturers to focus on the development of energy-efficient products. Manufacturers are now focusing on new product development, advancement in technologies, and increasing their manufacturing capacity. Domestic players have turned their focus towards rural areas as urban markets are dominated by international companies.

**Chart 4.6: Indian washing machines market, split by competition, volume in millions, share in %, FY23**



**Domestic manufacturing market: In-housing versus outsourcing**

The Indian washing machine industry comprises of in-house brand manufacturing (with 60% by volume) and outsourced (40% by volume). While underlying washing machine volumes are posting a strong growth, the outsourced portion is not likely to grow that fast as the share of outsourcing continues to remain steady and companies rely more on in-house manufacturing in this space. **Chart 4.7: Indian Washing Machine market, in-house manufacturing vs. outsourcing, volume in millions, share in %, FY23**



The principal raw materials and components used in the production of washing machines are mechanical and electrical items like gears, timers and motors which are being imported primarily from China. In FY18, companies in EMS space faced headwinds from component cost increase (largely motors) and commodity price increase (largely polymer) that were passed on to the customers with a time lag which had also affected margins of those companies. Leading EMS players operating in Indian washing machine market include Dixon, PG Electroplast, MIRC Electronics, GEM, Vimal among others.

**Domestic manufacturing outsourcing: CM versus ODM**

The total domestic manufacturing outsourcing market for washing machines is estimated at 3.5 million units in FY23, which is further split into two categories CM & ODM. Contract manufacturing has the highest market share and contributes nearly 73% of the total outsourced market. ODM percentage is relatively less in the current market and contributes 27%.

Dixon Technologies is currently the market leader and has an edge in this category as many global MNCs may not be having a semi-automatic product in their global portfolio and hence need to rely on ODM solution offered by Dixon. PG Electroplast, which provides end-to-end assembly solutions for final products, is the second largest ODM player for washing machines in India in terms of volume of units sold as of March 31, 2023. Apart from semi-automatic models, PGEL forayed into manufacturing fully automatic top-loading washing machines in FY21 and began commercial production for anchor customers. PGEL is working towards increasing capabilities, capacities, and acquiring more customers to increase its presence in the washing machine segment.

## Washing machines market: Trends, drivers, and challenges

### Market trends:

**Building brand loyalty:** To distinguish their products from their peers, marketing teams of giant players are concentrating on building their brand and increasing customer loyalty. These companies are trying to connect emotionally with the consumers and emphasize their fancy design elements of the washing machines. By building the brand loyalty, manufacturers are eyeing to gain market share.

**Design dominates functionality:** Nowadays, consumers treat appliances as a part of furniture. The functionality of the washing machines can be nearly similar. The consumers are trying to blend the washing machines into their living spaces. When the functionality is similar, the design that impacts the consumer sentiments is the best-selling one in the market. These design features act as a growth driver to the washing machine industry.

**Increasing innovations:** Washing machine manufacturers are integrating innovations into their products to advance development technically. In the Indian washing machine market, LG and Samsung have launched first digitally enabled washing machines with AI and Wi-Fi connectivity. The new LG ThinQ front-load washing machine comprises an Artificial Intelligence Direct Drive motor, which takes it beyond the boundaries of conventional washing machines. Samsung has launched a bilingual washing machine with an English and Hindi user interface powered by AI. This new generation of fully automatic front load washing machines is claimed to be made for India.

### Market drivers:

**Increasing purchasing power will fuel the market growth:** The collective purchasing power of the Indian middle-class families would develop into one of the world's most vital markets; this budding segment of the population and its improved spending capacity might fuel creativity and create jobs, enhancing economic growth. The growth of people's purchasing power in India is the essential driver of the Indian washing machine market.

**Urbanization:** The demand for the washing machines is normally in urban areas, which account for a major percentage of total sales. In India, the use of washing machines is fast increasing. Increasing family incomes, improved technologies, an upsurge in the number of nuclear families, rising personnel expenditures, a growing tendency of working women, and the convenience of consumer credit in urban areas are all factors adding to this growth. Consumers are anticipated to be drawn to smart washing machines by lifestyle changes and rapid urbanization. The rising urban population in the country, which is characterised by high-income individuals, will fuel washing machine demand over the projection period.

**Women participation in workforce:** India is witnessing a steady growth in women participation in workforce. The labour force participation rate for female reached 25.1% in FY21 from 18.6% in FY19.<sup>6</sup> This consistent growth in female workforce is also creating demand for washing machines in India.

**Dual income families:** Increasing female labour participation is leading to the growth in dual income households in India. This leads to growth in disposable incomes, which in turn improves purchasing power and creates demand for washing machines.

**Increased access to tap water:** The Demand for basic infrastructure and services in Indian cities and rural households has increased exponentially. As of 2022, the government has claimed that over 50 percent of rural households now have access to tap water supplies. The Government of India, in collaboration with the states, is implementing the Jal Jeevan Mission (JJM) to provide tap water to every rural household by 2024.

### Challenges:

**Online laundry services:** Emerging business models such as the online laundry services provide complete laundry services including washing, drying, and ironing. This could dampen the market growth for residential washing machines, as households might prefer to outsource the laundry.

**Increasing cost of electricity:** Washing machines consume a large amount of electricity and with the rising prices of electricity in India, washing machines will cause additional financial stress on daily usage for the people who have to pay for the electricity bill.

## ASSESSMENT OF LED TELEVISIONS MARKET IN INDIA

### Market overview

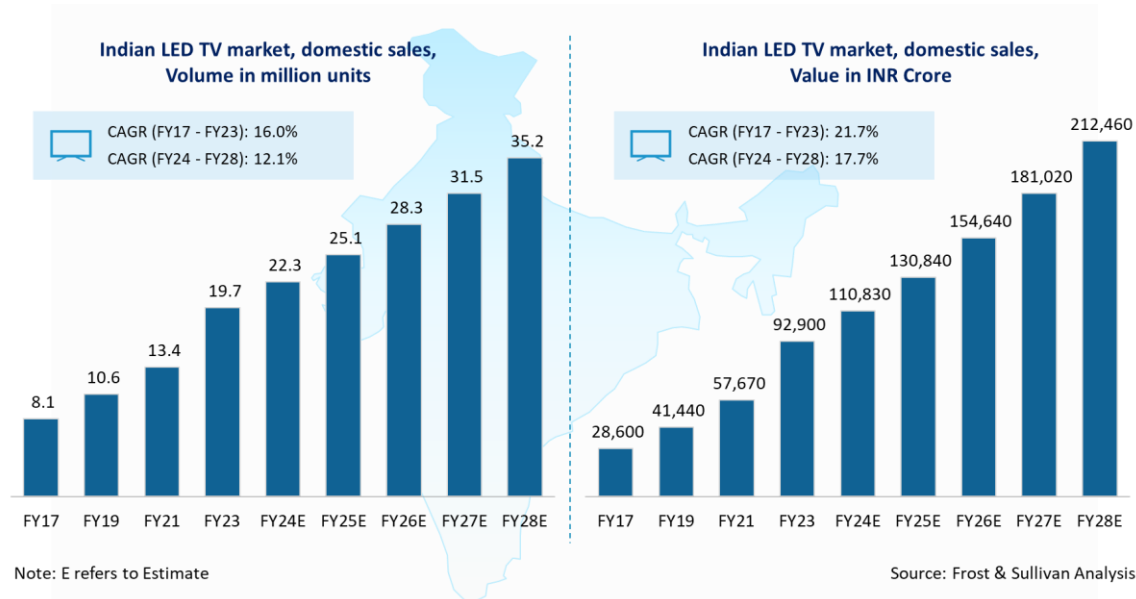
The televisions (TV) industry has seen dramatic technological advancements over the last decade, with the introduction of panel televisions resulting in the phase-out of cathode ray tube (CRT) televisions. TV penetration in India is approximately 69%, which is the highest among the consumer electronics. Television is one of India's fastest growing consumer electronics products.

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<sup>6</sup> <https://pib.gov.in/>

This is demonstrated by the fact that while the total number of houses in the country increased by just 3% in FY20 while the TV market expanded by 8% during the same period.

**Chart 5.1: Indian LED TV market, volumes in million, value in INR crore, growth in %, FY17 – FY28**



In FY23, the Indian overall TV market was estimated to be 22.6 million units by sales volume. The Indian TV market is composed of sets equipped with light-emitting diode (LED), liquid crystal display (LCD), high definition (HD), and ultra-high definition (UHD) technologies. Consumers are preferring Smart TV currently and are being driven by the rapid growth of OTT, the availability of high-definition content, high speed broadband, and declining price points. LED TV domestic sales in FY23 is estimated at 19.7 million units, at a penetration rate of 87% of the total TV sales in India. Additionally, government initiatives in Tier 2 and Tier 3 cities are expected to bolster the growth of the LED TV market during the forecast period.

Television's increasing penetration in Indian households can be due to lower manufacturing costs and increased customer affordability. Households in India are on the verge of a transformation, with a shift in choice away from conventional TV sets toward smart TV sets. The middle-class population's lifestyle is changing because of rising income levels, increased awareness, acceptance of new technology, and increased internet coverage. Increasing penetration of LED TVs and increase in average prices are expected to drive the value market, which is currently estimated to be INR 92,900 crores in FY23.

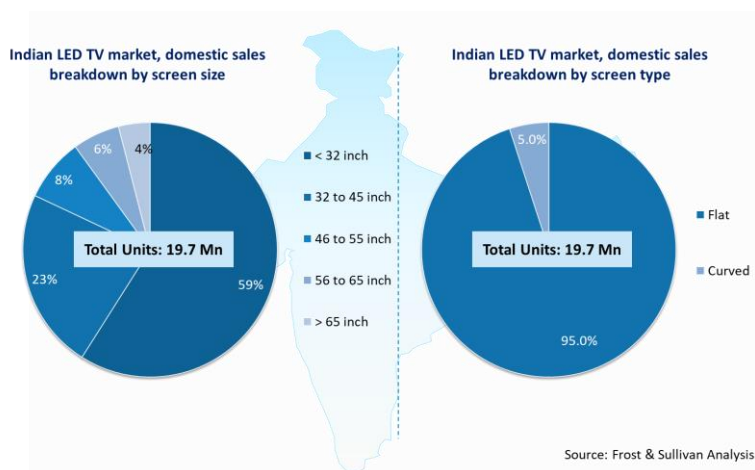
**Market segmentation by operating system**

Android TV is the major operating system (OS) with a share of 34% of the Smart TV market. Growth in subscriptions to streaming apps such as Netflix, Amazon Prime, Disney Hotstar etc. are driving the demand for Android OS. Android OS along with Google Assistant provided various types of voice inputs for instructions and universal searches across numerous service providers. This enables the penetration of Android OS in LED TV market. Android OS service providers are regularly enhancing the product features and user experiences.

Other popular OS in India is Roku and is one of the fastest-growing OS due to the rising popularity of Roku TVs in India. Key enablers for this IS are easier interface that provides access to a number of free and paid streaming channels and technology advancements such as fast search across top channels coupled with voice compatibility for Siri, Alexa, and Google Assistant.

### Market segmentation by screen size

**Chart 5.2: Indian LED TV market, split by screen size and screen type, volume in millions, share in %, FY23**



Consumers across India are seeking enhanced specifications in LED TVs to get enhanced viewing experiences, such as larger screen sizes and sound system improvements. This has encouraged LED TV manufacturers to develop products with superior specifications.

The 32 to 45 inches screen size segment is the major contributor with a share of 59% of the total LED TV market in FY23. Competitive prices offered by companies in this segment to attract middle- and lower-income households are a major growth driver. Within this segment, 32 inches are the most popular while 40 and 43 inches are gaining popularity due to affordability and attractive product features. Above 65 inches segment is expected to see strong demand in the long-term due to shifting preferences for large-screen televisions coupled with the rising spending capacity and favourable financial payment methods such as EMIs.

### Market segmentation by screen type

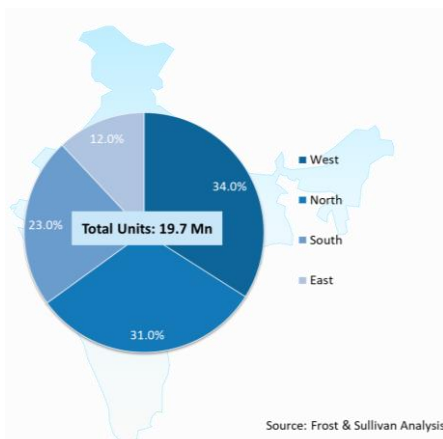
The flat screen LED TVs dominated the market in FY23 with a share of 95% of the total market. Major factors driving the demand for flat screen LED TVs are customer preferences driven by lower prices, easy installation and introduction of small entry-size LED TV models.

Curved LED TVs account for 5% of the total market in FY23 and cater to luxury and top-end customers with big screen sizes; they offer added depth experience to the viewer and remove the deprivation of pictures that occur when watching the images or videos from the off-centre axis. Key factors driving the demand are more comfortable and immersive viewing customer experience.

### Market segmentation by region

West region is the major contributor to the sales with a share of 34.0% of the total market followed by North region with 31% share. South and West regions account for the remaining 35% of the market.

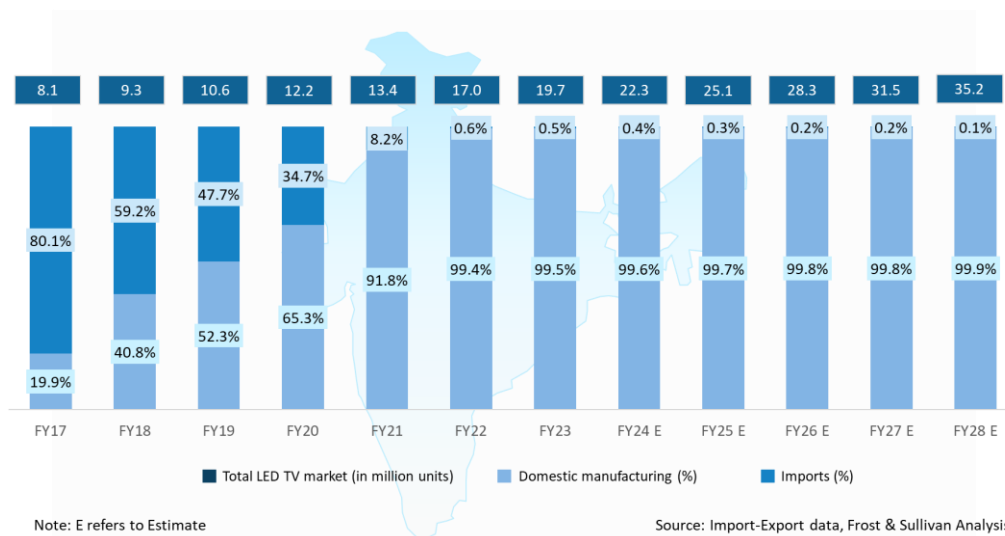
**Chart 5.3: Indian LED TV market, split by region, volume in millions, share in %, FY23**



### Market segmentation by origin

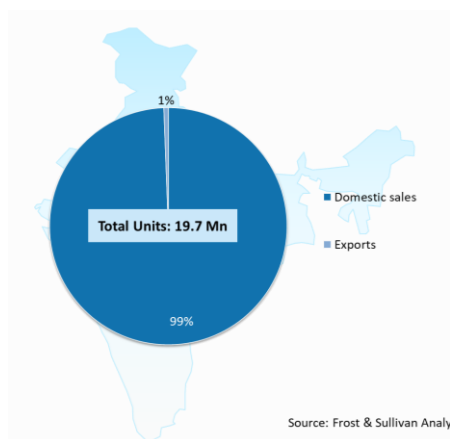
Domestic manufacturing is a low value-added activity in India as TV panels are imported, and the final assembly is performed locally. Lack of a supporting ecosystem, high panel manufacturing costs, and the technology-intensive nature of panel manufacturing have contributed to an assembly-intensive industry. Almost all the LED TVs sold in the domestic market are assembled in India, with a share of 99.5% of the total market. The remaining 0.5% of the sales is through imports.

**Chart 5.4: Indian LED TV market, split by domestic manufacturing and imports, volume in millions, split in %, FY22-FY28**



Exports is very limited and accounts for just 0.6% of the total market. Most of the domestically manufactured LED TVs are sold in the local market only.

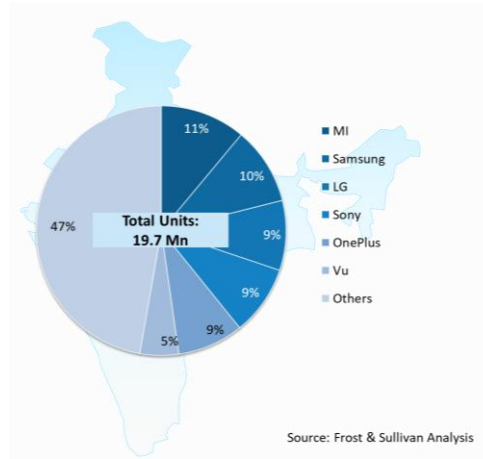
**Chart 5.5: Indian LED TV market, split by domestic sales and exports, volume in millions, share in %, FY23**



### Competition and market share analysis

The Indian LED TV market is highly competitive and is dominated by significant number of players. MI, Samsung, Sony, and LG are the top four companies with a combined share of 39% of the total market. OnePlus, Panasonic, Videocon, Haier, Micromax, Intex, and Lloyd are also significant players in the market. In the “Others” category, there were many brands such as Nokia, TCL, BPL, Kodak and Blaupunkt, which were able to make a mark through portfolio expansion.

**Chart 5.6: Indian LED TV market, split by competition, volume in millions, share in %, FY23**



The well-known players offer multiple options under each TV technology while smaller players tend to have a limited range and mainly focus on the LED TV and UHD TV types. The last five years has witnessed the entry of new brands making the industry highly competitive. Several brands are targeting the value conscious Indian consumer at prices that are 30 to 35% lower. While innovation and technology remain the focus of all players, industry is also moving from being only a hardware product to providing content (such as Netflix, Hotstar, Eros, etc.) with the product to gain an edge.

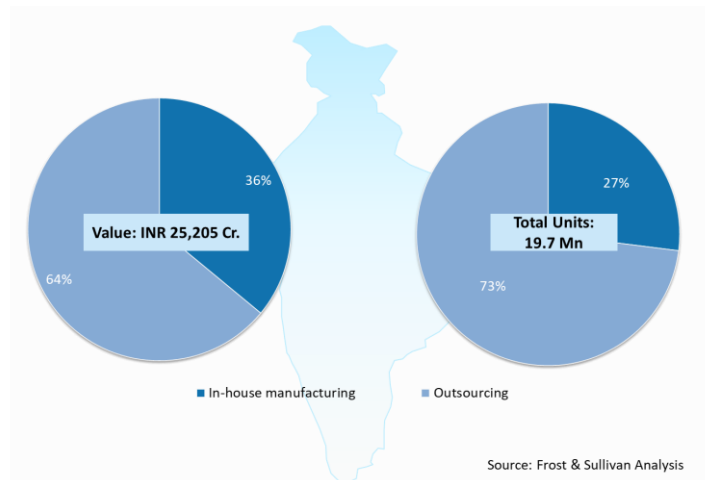
**Domestic manufacturing market: In-housing versus outsourcing**

Television manufacturing is currently a more lucrative business than it has ever been. Domestic and global manufacturers have started to focus more on this segment because of the "Make-in-India" initiative. The industry's most popular manufacturing method is open-cell production, which involves manufacturing directly from the panel stage. Some of the value-added items in TV manufacturing include packing boxes, cabinets, and bezels. Domestic OEMs and EMS providers are focusing on both domestic demand and exports to neighbouring countries.

Leading OEMs such as LG, Samsung, Haier, and Sony have their own production facilities in India. However, OEMs are increasingly seeking EMS providers to outsource manufacturing. Dixon, Videotex, Bhagwati, Radiant, are among the leading EMS players in the Indian TV market. Bharat FIH partnered with Vu to produce televisions, which is one of the key players in the premium television and 4K televisions in India; similarly, Sony partnered with Foxconn to manufacture televisions locally, while Panasonic partnered with Dixon. These trends point to a shift toward outsourced manufacturing as a result of increased trust and confidence in EMS players.

Domestic manufacturing was further divided into Inhouse manufacturing and outsourcing, and the respective shares were 27% and 73% by volume.

**Chart 5.7: Indian LED TV market, in-house manufacturing vs. outsourcing, volume in millions, FY23**



**Domestic manufacturing outsourcing: CM versus ODM**

The overall domestic outsourcing manufacturing of LED TV in India is around 13 million units by volume in FY23. Contract manufacturing has the highest market share contributing to 80% of the total outsourced market. ODM percentage is relatively less in current market and contributes to 20% of the total domestic manufacturing.

Videotex International, one of the biggest Television ODM and OEM players in India, is the first company in India to become webOS Hub ODM in the year 2021, with the launch of webOS Hub 2.0; Videotex has now become the strategic ODM partner of webOS Hub. Videotex has by now onboarded over 15 top smart TV brands which includes Lloyd, BPL, Akai, Hyundai, Vise, Compaq, Daiwa and others for manufacturing TVs operated with webOS Hub. PGEL has recently added the LED TV to its product portfolio. PG Electroplast Ltd, has formed a joint venture with Jaina Group which will undertake ODM manufacturing of Google certified LED televisions. 50% of the JV is owned by PG Electroplast and the other 50% by Jaina Group. PG Electroplast now becomes only the third company in India after Dixon and Super Plastronics to have Google ODM license. Although the segment is highly competitive, it is a high growth and a promising segment for PGEL going forward.

## **Television market: Trends, drivers, and challenges**

### **Market trends:**

**Increasing adoption of smart and connected devices:** Smart TVs have evolved into a one-stop destination for all entertainment needs. It assists consumers by suggesting them to watch next on online to avoid repeated contents. The sharing of content between televisions and mobile devices via Wi-Fi, Bluetooth, and NFC is accelerating. Apart from powering on and off and adjusting the volume, Smart TVs enable voice commands to search for and change channels.

**Adoption of advanced technologies:** The increasing internet penetration in India can also be viewed as a contributing factor to the widespread adoption of Smart TVs. Additionally, the development of advanced technologies such as augmented reality, virtual reality, and artificial intelligence (AI) is boosting the significance of 3D features in smart TVs. OLED and 4K technologies are two of the most recent developments in TV industry. In addition to providing a high-quality video experience, OLED panels combined with 4K technology have lower power consumption and greater durability when compared to LCD and QLED screens.

**Increase in R&D expenses:** Growing technological advancements in television market has resulted in increased R&D spending among major market players, which are coming up with new technologies such as curved panel display, OLEDs & 3D televisions in the market. Samsung has earmarked 100 plus early & growth-stage ventures in the country. The investment is going to be strategic in nature, and the company will make a minimum of 100 such investments, of a ticket size in between USD 1 to 5 million.

### **Market drivers:**

**Advanced Smart TV models in varied price ranges:** Sale of smart TV is sparked by the availability of advanced smart TV models at varied range of pricing points. The rising resolution of televisions (from HD to 4K and beyond) increases average sales prices (ASPs) of TV. A 32-inch smart TV costs on average between INR 10,000 and INR 35,000, depending on the available features. Customers have also shown interest in UHD models which has also boosted the TV unit sales.

**Penetration in rural market:** Due to the sheer rising penetration of television across the country, having a television set at home is no longer restricted to urban households. By 2023, more than 119 million homes in rural India will have a Television set, according to industry estimates.

**Growth in television broadcast content:** Smart television market is predicted to rise across segments because of the increasing broadcasting material from over-the-top (OTT) platforms such as Netflix, Amazon Prime and others.

**Rise in disposable income and easy financing schemes:** Increased discretionary income and easy financing have resulted in shorter product replacement cycles and evolving lifestyles in which consumer electronics, such as televisions, are viewed as utility items rather than luxury items. In comparison to metro cities, non-metro markets, have grown rapidly in terms of consumption, establishing themselves as key target markets and posing a massive opportunity to transform themselves into new business hubs.

**Digitization of DTH:** The Indian government's digital transformation initiatives, such as the digitization of cable television and Direct-to-Home (DTH) services, are promoting the adoption of Smart TV in the country. The IPTV landscape in India is changing because of the advent of the network services provider, which offers its customers free IPTV live subscriptions.

### **Challenges:**

**Availability of alternative devices:** Entertainment content is available of several devices such as mobile phones, laptops and tablets. These devices provide the option of viewing the content anywhere and anytime. This growth may impact the demand for televisions, especially among the younger generation.

**Import and regulatory challenges:** Dependency on imports for critical parts is the major risk to business. Regulatory restrictions were there earlier but currently it has been eased out to a certain extent in order to promote this business.



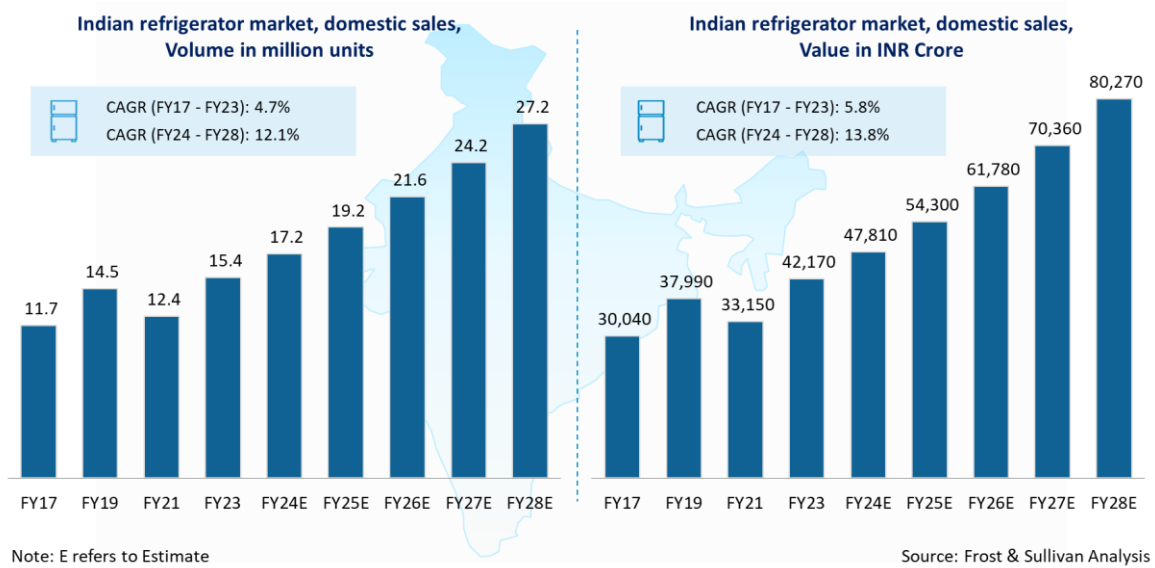
## ASSESSMENT OF REFRIGERATORS MARKET IN INDIA

### Market overview

Rise in number of nuclear families, easy availability of credit, evolving lifestyle, introduction of new models, uninterrupted electricity availability, technology advancement and increasing consumer awareness are driving the growth of refrigerators in India. Penetration of refrigerators in Indian household is currently around 33%, implying sufficient head room for growth.

The overall market size of refrigerators in India for FY23 is 15.4 million units and it is expected to grow at a CAGR of 12.1% till FY28 to reach 27.2 million units. Low household penetration of refrigerator in India will provide ample opportunities for companies to expand their reach. Expansion of modern retail and exclusive company outlets across regions is expected to spur the volume growth. In terms of revenues, the market size is valued at INR 42,170 crores in FY23 and is forecast to reach INR 80,270 crores in FY28, recording a CAGR of 13.8%.

**Chart 6.1: Indian refrigerator market, domestic sales, growth in %, FY17 – FY28**

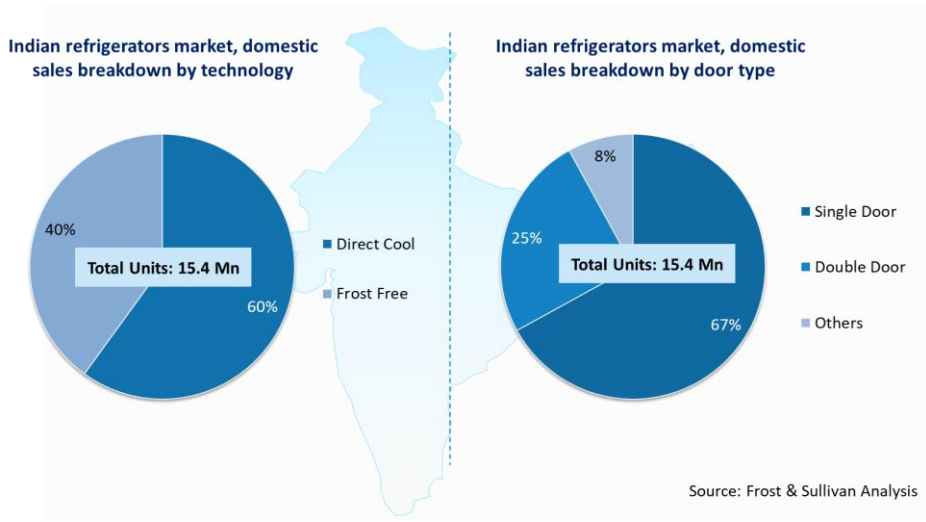


### Market segmentation by product types

**Technology types:** There are two predominant technologies in use – direct cool and frost-free refrigerators. Direct-cool refrigerators produce the cooling effect through a natural convection process. It aids in the cooling of the air and the uneven distribution of cool air within the refrigerator, where the temperature cannot be controlled. While frost-free refrigerators evenly distribute cool air throughout all compartments using the convection process and electric fans, these refrigerators aid in monitoring and controlling the temperature. Hence, direct cool refrigerators dominate the market with a share of 60% of the total market in FY23 due to their low cost and ease of maintenance. Frost free refrigerators account for 40% of the total market and is expected to witness high growth over the next five years due to its energy saving capabilities and improved cooling efficiency.

**Door types:** Single door refrigerators dominate the market with a share of 67% of the total sales in FY23. Simplicity and affordability are the key factors driving the demand for single door refrigerators. Demand for larger storage space and priority given to aesthetics are driving the preference for double door refrigerators, which currently accounts for 25% of the total market in FY23. The remaining 8% of the market is with multi-door refrigerators.

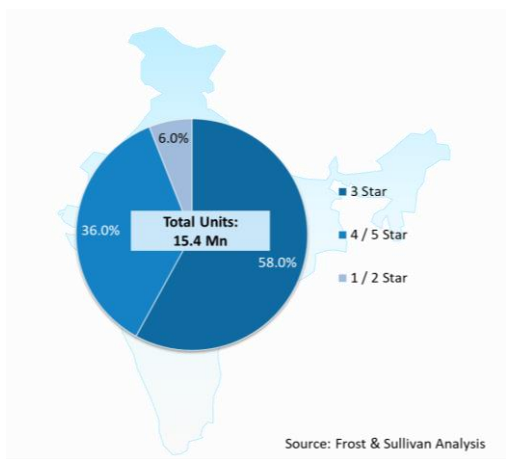
**Chart 6.2: Indian refrigerators market, split by product types (by technology and door types), volume in millions, split in %, FY23**



**Market segmentation by star ratings**

Refrigerators fall under the mandatory Standards and Labelling Program, introduced by the Bureau of Energy Efficiency (BEE) under the Ministry of Power. The focus on energy efficiency has a growing influence on the refrigeration applications. 3-star rated refrigerators dominate the market with a share of 58% of the total market in FY23, followed by 4 & 5-star rated refrigerators with 36% and the remaining 6% with 1 & 2-star rated products.

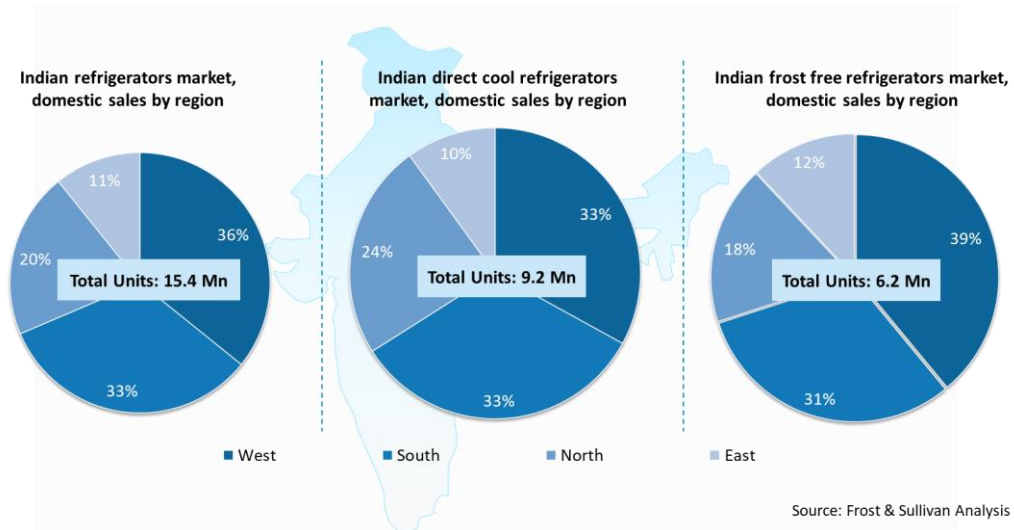
**Chart 6.3: Indian refrigerators market, split by star rating, volume in millions, share in %, FY23**



**Market segmentation by region**

West and south regions are the major demand centres for refrigerators. South region is a crucial market, which is driven by the higher rate of urbanization and summer weather conditions for most part of the year. These factors expected to drive the market growth through the forecast period.

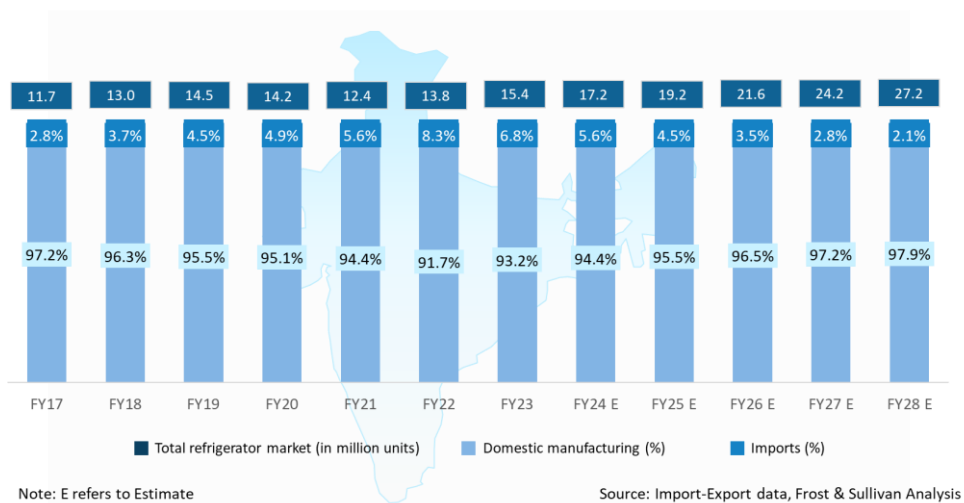
**Chart 6.4: Indian refrigerators market, split by region, volume in millions, share in %, FY23**



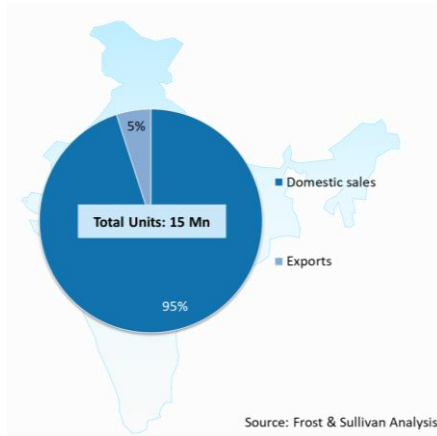
**Market segmentation by origin**

Of the total domestic sales, domestic manufacturing accounts for 93.2% of the sales and the balance 6.8% is imports in FY23. Large and high-end refrigerators are imported currently and the demand for these products are growing rapidly. In order to boost local manufacturing of refrigerators, the government is contemplating ban on imports of refrigerators with refrigerant already added. Currently refrigerators are imported through free import regime from Bangladesh, Thailand, Indonesia, and South Korea.

**Chart 6.5: Indian refrigerators market, split by domestic manufacturing and imports, volume in millions, split by %, FY17-FY28**



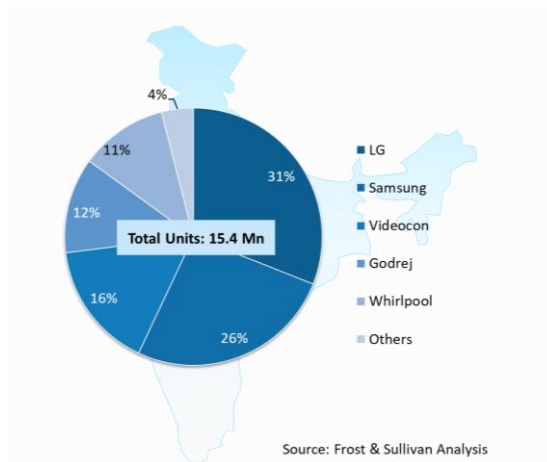
Local value addition activities are likely to go further up in the medium and long-term, owing to the government initiatives such as Make-in-India and PLI Schemes for domestic manufacturing. Import duties on compressors for refrigerators were hiked from 7.5% to 10.0% in September 2018. This has resulted in increase in cost for domestic manufacturers as majorly the compressors for refrigerators are imported currently. However, this also serves to attract investments in compressor manufacturing



### Competition and market share analysis

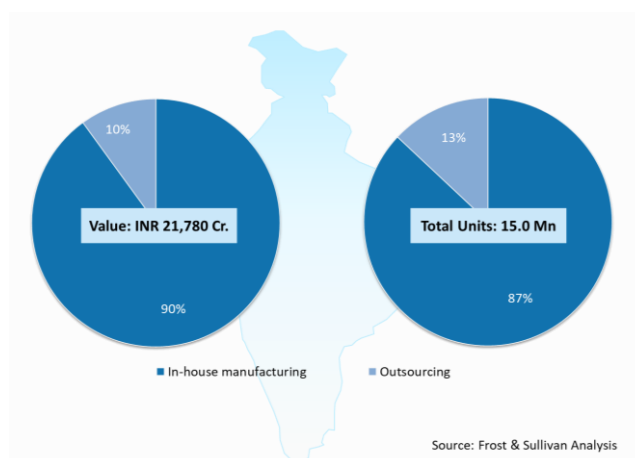
The refrigerator market is less fragmented; LG, Samsung and Whirlpool are the leading refrigerator brands. LG and Samsung have a combined market share of 57% of the total domestic sales in FY23. Most front-runners provide latest technology refrigerators with different capacities, colour and designs, and energy ratings. Strong brand equity and a wide product range separates the leading brands from the others. To gain a competitive advantage, brands are focusing on introducing new designs, developing advanced product features such as water dispensers, automatic ice makers, and temperature control system.

**Chart 6.7: Indian refrigerators market, split by competition, volume in millions, share in %, FY23**



### Domestic manufacturing market: In-housing versus outsourcing

**Chart 6.8: Indian refrigerator market, in-house manufacturing vs. outsourcing, volume in millions, % FY23**



Manufacturers in India have gone on a localization drive as a result of the recent surge caused by the pandemic and the trade war. Over the last five years, approximately INR 75 billion in investments have been made for capacity expansion, and new capacity utilisation. The government's improved duty structure has also encouraged the backward integration of the production component among manufacturers, with a stronger push towards domestic manufacturing.

Large OEMs are currently manufacturing refrigerators in-house; however, some premium refrigerators, such as side-by-side and frost-free models, are imported. Outsourcing manufacturers such as GEM appliances, MIRC electronics, and others have a very limited presence in India. In-house domestic manufacturing accounts for 87% of the total refrigerator market in India, with outsourcing accounting for the remaining 13% by volume. Large OEMs such as Panasonic and Haier are not only into in-house manufacturing but also do contract manufacturing for other large OEMs.

### **Domestic manufacturing outsourcing: CM versus ODM**

Domestic manufacturing is further classified into two types: CM and ODM. Contract manufacturing commands the largest market share, accounting for 80% of the total outsourced market, while the ODM accounts for only 20%.

Contract manufacturing will increase their market footprint by adding frost free option in their portfolio, supplying to white label and small brands. Refrigerators (direct cool & frost free till capacity of 300ltrs) are all indigenized. Even compressors, fabrication, and other key products all are made in India. Only few components like glass door are currently imported. Refrigerators also have huge exports potential in the upcoming 2 to 3 years. Considering the various government initiatives, EMS players are planning to establish their presence in the market. Dixon is creating a capacity of 1.2 million units/ annum of direct-cool refrigerators and is expected to go on stream soon.

### **Refrigerators market: Trends, drivers, and challenges**

#### **Market trends:**

**Smart refrigerators:** Market is witnessing a growing preference for smart refrigerators due to the growing popularity of IoT. There is also an increasing demand for multi-door refrigerators, driven by the larger storage space and efficient cooling. Value-add features such as reminders to users of food kept in the refrigerators periodically and predictive maintenance by analysing the data related to refrigerator operations are also expected to boost the demand for smart refrigerators in the long-term.

**Growing Urbanization is Driving the Market for Refrigerators:** The demand for the refrigerators in India is mainly from the urban areas which account for the bulk of the sales volume. Individuals who live in urban areas have very diverse consumption patterns than inhabitants in the rural areas. The penetration of the refrigerators is gradually growing in the country. This growth can be largely attributed to the rising household incomes, rapid urbanization, improved technologies, and environmental changes. Rapid growth in the urbanization and change in the lifestyle is expected to attract consumers to buy a smart refrigerator.

#### **Market drivers:**

**Improving standard of living and rising disposable incomes:** Growth in passive income (disposable income) among Indian households are a key factor driving the demand for refrigerators. Passive income leads to improving living standards and the requirement for comfort is a key growth enabler for refrigerator sales. Increase in passive income is also leading to families upgrading their current refrigerators to higher capacity appliance or advanced versions.

**Increasing electrification of rural areas:** Backed by the government investments in rural electrification programs, the demand for refrigerators in rural areas is expected to increase in the long-term.

#### **Challenges:**

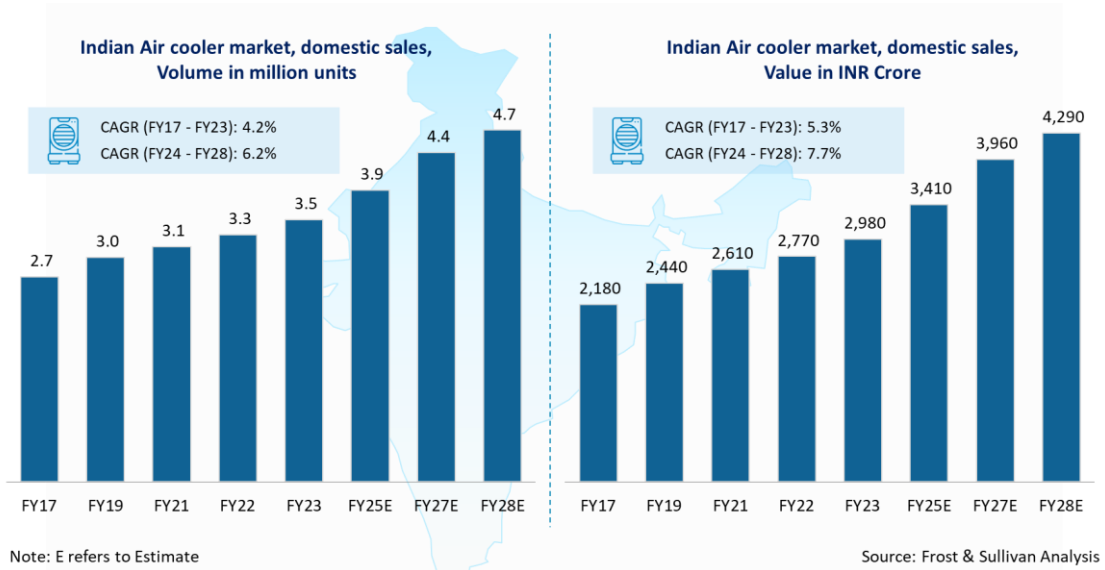
**Impact on environment:** Freon, the most common refrigerant gas contains halocarbons that has chlorine, which is also known as ozone-depleting substances (ODS). The chlorine in halocarbons reacts with the ozone layer, which negatively impacts ozone concentrations. Increasing refrigeration use causes a vicious cycle, which affects the ozone layer. Therefore, environmental consciousness is a key challenge that needs to be addressed by refrigerator manufacturers.

## **ASSESSMENT OF AIR COOLERS MARKET IN INDIA**

### **Market overview**

Air coolers market in India is driven by increasing disposable incomes, rise in middle-class households and rural electrification programs across the country. Hot weather conditions and long summer months from April through to October end, create the demand for air coolers. The cost of ownership and the electricity consumed by the air coolers are much less than the RAC, making them affordable for consumers. Initiatives to take electricity to remote locations of the country and the development of the rural areas are expected to fuel the demand for air coolers in the long-term. Growth in retail formats such as the online sales and technology innovations are expected to create growth opportunities for companies in this market. Market share expansion of e-commerce and modern retail players, who are completely dependent on outsourcing has enhanced the market growth. The organized market is valued at 3.5 million units in FY23. The organized market is forecast to reach 4.7 million units by FY28, growing at a CAGR of 6.2%. In terms of revenues, the market is estimated at INR 2,980 crores in FY23 and is forecast to grow at a CAGR of 7.7% to reach INR 4,290 crores.

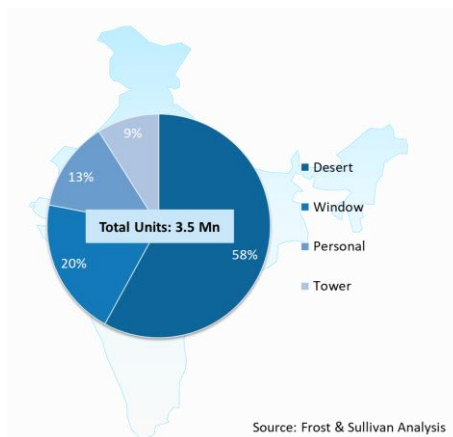
**Chart 7.1: Indian air coolers (organized) market, domestic sales, growth in %, FY17 – FY28**



**Market segmentation by product types**

Desert air coolers dominate the market currently and account for 58% of the total sales in FY23. These products are expected to dominate the market in the forecast period. Second largest is the window air coolers with a share of 20% of the total market. Tower air coolers are space saving and aesthetically good, therefore witnessing growing customer preference. The remaining 22% of the market is with tower and personal air coolers.

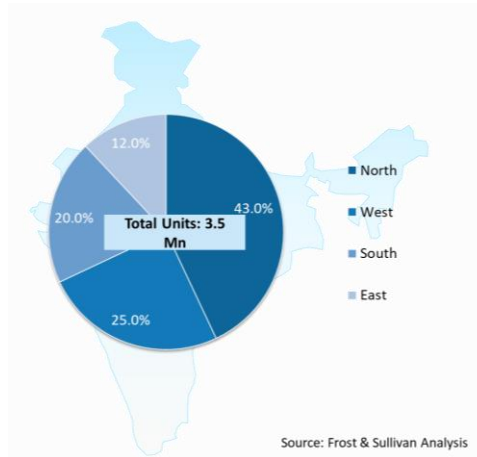
**Chart 7.2: Indian air coolers market, split by product types, volume in millions, share in %, FY23**



**Market segmentation by region**

North and west region are the major demand centres for air coolers in India with a combined share of 68% of the total market in FY23. Extreme climate conditions in these regions are the key enablers for air coolers demand and is expected to dominate the market in the forecast period.

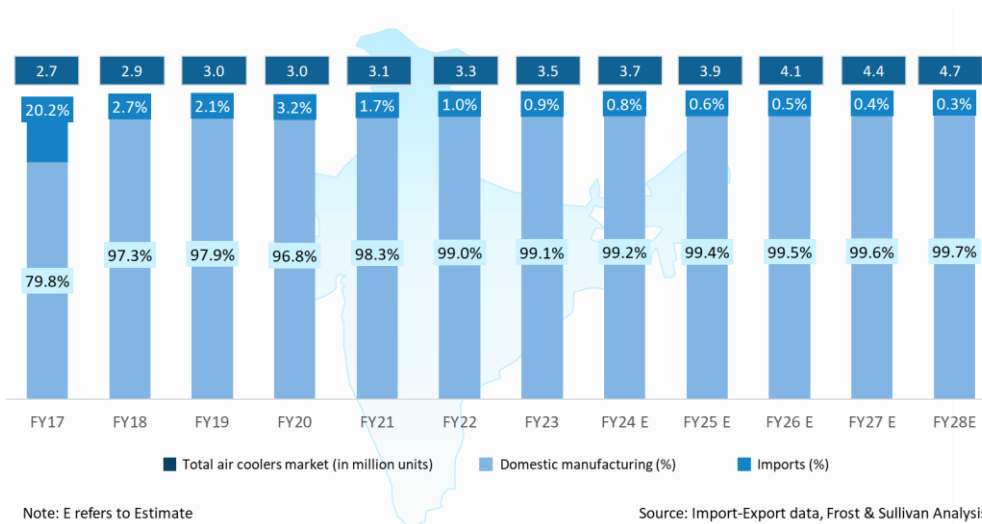
**Chart 7.3: Indian air coolers market, split by region, volume in millions, share in %, FY23**



**Market segmentation by origin**

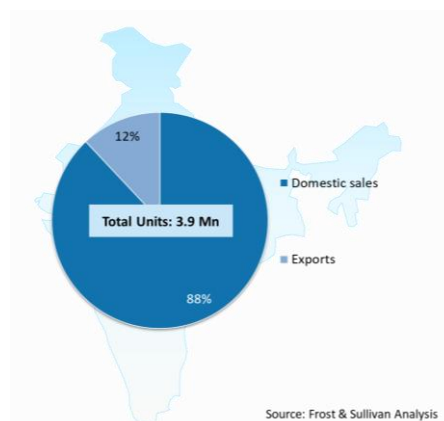
Almost all of the air coolers sold in India are manufactured locally. Imports are very limited and account for 1% of the total market in FY23 and is forecast to reduce further and reach 0.3% of the total sales in FY28.

**Chart 7.4: Indian air coolers market, split by domestic manufacturing and imports, volume in millions, split by %, FY17-FY28**



Of the total domestic manufacturing, 88% is sold in the Indian market and the balance 12% are exported. With all major companies eyeing export markets, the share of exports in local manufacturing is expected to increase in the long-term.

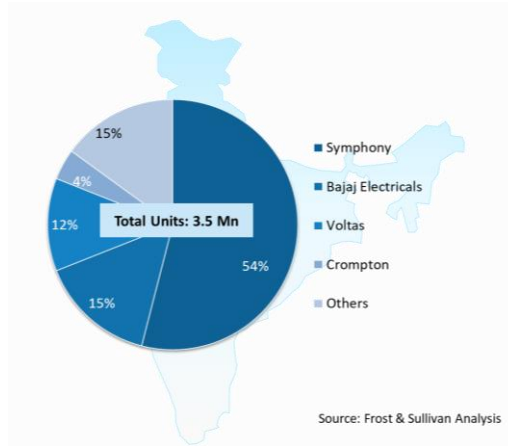
**Chart 7.5: Indian air coolers market, split by domestic sales and exports, volume in millions, share in %, FY23**



### Competition and market share analysis

The major companies in this market are Symphony, Voltas, Bajaj Electricals, and Crompton. Symphony is the market leader with a share of 54% of the total market in FY23 followed by Bajaj Electricals with a share of 15%. Product innovation and a wide range of product portfolio to meet diverse customer needs are the key differentiators in this fragmented market.

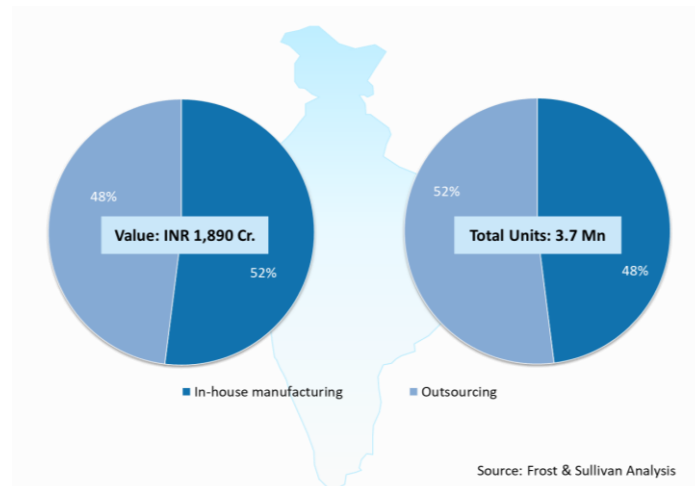
**Chart 7.6: Indian air coolers market, split by competition, volume in millions, share in %, FY23**



### Domestic manufacturing market: In-housing versus outsourcing

High temperatures are increasing the need for cooling solutions. With rising incomes, cooling solutions are becoming more important. While more than half of Indian households live in hot and dry climates and only 4 to 5% live in moderate climates, less than 10% own Air Coolers, creating a massive opportunity for growth. Furthermore, around 70% of the air cooler industry is unorganized, which makes the market potential for organized players even bigger. Although air conditioners are preferred for their better cooling, its higher prices and power consumption is a restraint for the low-mid income level population in India, forcing them to opt for air coolers.

**Chart 7.7: Indian air cooler market, in-house manufacturing vs. outsourcing, volume in millions, value in INR Cr, share in %, FY23**



In-house manufacturing of air-coolers accounts for 48% of the Indian air cooler industry, while outsourced manufacturing accounts for 52% by volume. While underlying Air Cooler volumes are posting strong year-over-year growth, the outsourced portion is likely to grow faster.

Genus, Starion, Vierra, Vimal Moulds, PG Electroplast, and others are among the leading EMS players in the Indian air cooler market. Symphony, Bajaj, Kenstar, Havells, and Usha are among the leading brands that have their own manufacturing facilities. Symphony has a 50 percent market share by value in the organised sector of Indian households, and there is enormous room for growth in the future.

### Domestic manufacturing outsourcing: CM versus ODM

Domestic manufacturing is further divided into two categories CM and ODM. Contract manufacturing has got the highest market share and contributes 79% of the total outsourced market. ODM percentage is relatively less in current market and



contributes 21%. PG Electroplast is an established player in the Air Cooler manufacturing services, from product designing and tooling to mass production. The Company delivers both ODM and OEM solutions to their clients and offers the complete range of air coolers ranging between 30 litres to 100 litres in both mechanical and electronic platforms.

### **Air coolers market: Trends, drivers, and challenges**

#### **Market trends:**

**Shift towards organized segment:** Air coolers market in India is dominated by unorganized players, accounting for nearly 65 - 70% of the volume market in FY23. But this share is expected to reduce during the forecast period and would be driven by product innovation and consumer preference for branded products.

#### **Market drivers:**

**Affordability of air coolers:** India witnesses long summer months in most places, and this creates demand for cooling solutions. Air coolers are an affordable alternative to RAC, and this is a key enabler for the growth of air coolers in India. Air coolers consume 90% less electricity and less expensive than RAC. Air coolers can be used in open spaces, are environment friendly, and act as humidifiers in dry weather; such product features make them an attractive alternative to RAC and drive growth.

**Emergence of Wall Mounted Air Coolers to Fuel the Market Growth:** As air coolers take up good amount of space and impact the decor of a room, consumers are hesitant to choose them. This is a problem that numerous manufacturers have recognized and are working to address by producing air coolers which are more compact, streamlined, and trendy. In general, air coolers take up a lot of floor area. In terms of appearance, split ACs and wall-mounted air coolers are very comparable. For instance, the first Cloud Wall-Mounted Personal Room Air Coolers were introduced in India by Symphony. The smart remote system's capacity to remotely restore allows for the control of these air coolers. Thus, advent of wall mounted air coolers having smart features will fuel the market growth.

#### **Challenges:**

**Seasonality in demand:** Air cooler sales are seasonal and almost 85% of the sales happen from January to June in a year. This cyclic demand impacts market growth.

**High competition from unorganized segment:** More than 70% of the volumes market is unorganized in India. Unbranded products are 30-35% less expensive than the branded products. This impedes business opportunities for organized companies.

## **PLASTIC MOULDING FOR B2C FOCUSED ELECTRONICS**

### **Overview of plastic moulding market in India**

In India, the plastics industry had a promising start in the early 1950s, and since then it has grown and diversified rapidly. Nearly 30,000 processing units are located in India, with more than 80% of them being small and medium-sized businesses. In FY22, the overall plastic industry in India is estimated to be worth around INR 2 lakh crore. Consumer durables account for approximately 9% of the total market in India.

The plastic moulding industry for consumer durables contributes significantly to economic development and growth. Due to the "Make in India" initiative, electronic manufacturers in India are increasing their production capacity and sourcing domestic components. In the consumer durables sector, where aesthetics, consistency, and quality are of the utmost importance, manufacturers place a strong emphasis on precision. Injection moulding is a well-established and widespread manufacturing technique, especially for the mass production of high-quality plastic components. Modern innovations aimed at lowering the production defect rate have increased the significance of plastic moulding in the mass production of intricate plastic models. A significant shift in the consumer durables industry's preference for high-quality plastics over metals is anticipated to increase future demand for plastic moulding components. The Indian plastic moulding component industry is extremely promising in terms of capacity, infrastructure, and skilled labour force.

### **In-house manufacturing vs EMS**

Historically, OEMs have outsourced plastic moulding to EMS or other third-party service providers. In line with the objective of electronic manufacturing services (EMS) companies to provide end-to-end product solutions, companies are focusing on backward integration in manufacturing processes by developing plastic moulding capabilities in-house. This improves the EMS company's cost-effectiveness, reduces its reliance on third-party suppliers, and grants greater control over the production time and quality of critical components.

Some of the key EMS players having injection moulding for consumer durable segment includes Dixon Technologies, PG Electroplast, Amber Enterprises, Elin Electronics, Kaynes Technologies and others. PGEL is the largest manufacturer of plastic moulding for consumer durables and consumer electronics industry, in terms of revenue in India, as on March 31, 2023.

## Plastic moulding for B2C focused electronics: Trends, drivers, and challenges

### Market trends

**Eco-consciousness and sustainability:** The adoption of alternative resins may emerge as a future trend in the plastic injection moulding industry. Bioplastics derived from resources such as sugar, starches, and soy are gaining ground in injection moulding. The characteristics of these resin-based alternatives are similar to those of traditional injection moulding materials.

**Improved efficiency with 3D printing and technology:** Automation and 3D printing techniques are examples of cutting-edge technologies that can help increase productivity and reduce manufacturing costs. In addition, the implementation of robotic technology reduces carbon footprints, increases speed, simplifies the production process, and can promote viable solutions for relinking global supply chains.

### Market drivers

**Growing consumer electronics market:** Plastic injection moulds are critical in the consumer electronics market due to their durability, temperature resistance, and low cost. Taking into consideration, factors such as brand penetration, growing demand, government policies and license rules associated with the manufacturing sector, India will witness increased consumer spending and thereby growth in the electronics and home appliances segment.

### Challenges

**Environmental Concern and High Investment Costs:** The production, disposal and non - biodegradability aspect of plastics may hinder the market growth of injection moulded plastics. Further, the high initial investment required for the equipment used in the injection moulded plastics may restrain the market growth.

## CHAPTER 9 - COMPETITIVE LANDSCAPE IN B2C EMS AND RELEVANT APPLICATIONS

### Profiling of B2C focused EMS and OEMs

Chart 9.1: Background of B2C focused EMS and OEMs, India, FY23

Name of the Company	EMS/ OEM	Head Office	Company Background
PG Electroplast Ltd	EMS	Noida	• PGEL, a flagship company of PG group started its journey in 1977, is a leading diversified EMS provider. The company specializes in ODM, OEM and plastic injection moulding providing a one stop solution.
Dixon Technologies India Ltd	EMS	Noida	• Dixon Technologies, founded in 1993, is a leading EMS provider, offers design-focused solutions in consumer durables, home appliances, lights, mobile phones, and security systems.
Amber Enterprises India Ltd	EMS	Gurugram	• Amber Enterprises, established in 1990, is a prominent solution provider for Air conditioner OEM/ODM Industry in India. It has a leading presence in complete RAC units and also deals in major RAC components.
Bharat FIH Ltd	EMS	Chennai	• Bharat FIH, the subsidiary of the FIH Mobile Ltd (a Foxconn Technology Group Company), is currently India's leader in manufacturing and services of handset and the wireless communications
Elin Electronics Ltd	EMS	Kolkata	• Elin Electronics, founded in 1969, is the flagship company of the Elin Group. Initially focused on switches and relays, later forayed into backward integration, producing motors and small appliances.
Voltas Ltd	OEM	Mumbai	• Incorporated in 1954, Voltas Ltd is a part of the Indian MNC, the TATA group. The company is India's largest air conditioning brand with a strong presence offering engineering solutions in B2C segments.
Blue Star Ltd	OEM	Mumbai	• Blue Star is a leading HVAC&R company fulfilling the heating, cooling and ventilation requirements of a large corporate, commercial and process applications, as well as the comfort needs of residential customers.
Crompton Greaves Consumer Electricals Ltd	OEM	Mumbai	• Crompton Greaves is a leading consumer company in India with a 90+ years old brand legacy. The company is having presence in lighting and consumer durables including fans and air coolers.
Whirlpool of India Ltd	OEM	Kolkata	• Established in 1949, Whirlpool of India is a part of the world's renowned Whirlpool Group of Companies and is one of the leading manufacturers and marketers of major home appliances in the country.

Source: Company websites; Frost & Sullivan Analysis

**Chart 9.2: Comparison of presence of B2C focused EMS and OEMs across product segments, India, FY23**

Name of the EMS / OEM	Room AC	Washing machine	LED TV	Refrigerator	Air cooler	Moulded plastics	Others
PG Electroplast Ltd	✓	✓	✓		✓	✓	
Dixon Technologies India Ltd		✓	✓			✓	✓
Amber Enterprises India Ltd	✓					✓	✓
Bharat FIH Ltd			✓			✓	✓
Elin Electronics Ltd						✓	✓
Voltas Ltd	✓			✓	✓		✓
Blue Star Ltd	✓				✓		✓
Crompton Greaves Consumer Elec. Ltd					✓		✓
Whirlpool of India Ltd	✓	✓		✓			✓

Source: Company websites; Frost & Sullivan Analysis

**Chart 9.3: PG Electroplast's share across product segments, India, FY23**

Product segment	Overall market Volume in million units	% share of PGEL (FY23)	EMS market, Volume in million units	% share of PGEL (FY23)
Room air conditioner (RAC)	15.9 (IDU+ODU+WAC)	8.2%	4.3 (IDU+ODU+WAC)	30.0%
Washing machine	9.0	5.1%	3.5	13.1%
LED Television	19.7	0.5%	13.0	0.8%
Air coolers	3.5	2.2%	2.0	3.9%
Refrigerator	-	-	-	-

Source: Frost & Sullivan Analysis

### Financial benchmarking of PGEL with B2C focused EMS and OEMs

**Chart 9.4: Operating Revenue and Gross Profit comparison of peers, India, Value in INR Million, Growth in %, FY20 – FY23**

Name of the Company	Revenue from operations <sup>1</sup> (INR million)					Gross Profit <sup>2</sup> (INR million)				
	FY20	FY21	FY22	FY23	CAGR*	FY20	FY21	FY22	FY23	CAGR*
PG Electroplast Ltd	6,394.2	7,032.1	11,116.4	21,599.5	50.0%	1,356.9	1,466.9	2,276.0	3,954.4	42.8%
Dixon Technologies India Ltd	44,001.2	64,481.7	106,970.8	121,920.1	40.5%	5,399.1	6,784.5	9,178.4	11,712.7	29.5%
Amber Enterprises India Ltd	39,627.9	30,305.2	42,064.0	69,271.0	20.5%	6,610.7	4,863.4	6,767.3	10,593.3	17.0%
Bharat FIH Ltd	266,355.6	158,548.6	181,492.0	NA	-	17,374.6	11,618.0	12,887.6	NA	-
Elin Electronics Ltd	7,855.8	8,623.8	10,937.5	10,754.3	11.0%	2,317.8	2,376.9	2,780.8	2,787.0	6.3%
Voltas Ltd	76,580.8	75,557.8	79,344.5	94,987.0	7.4%	21,031.4	19,773.2	20,377.9	21,205.2	0.3%
Blue Star Ltd	53,601.9	42,635.9	60,455.8	79,773.2	14.2%	13,420.8	9,922.4	13,309.0	17,956.9	10.2%
Crompton Greaves Consumer Elec. Ltd	45,202.6	48,035.1	53,941.1	68,696.0	15.0%	14,499.3	15,362.7	16,923.3	21,892.7	14.7%
Whirlpool of India Ltd	59,925.2	58,998.9	61,965.7	66,676.0	3.6%	23,426.2	21,559.4	20,047.3	20,840.0	-3.8%

NA - Data not available

\* CAGR represent FY20 to FY23

Source: Annual Reports of Companies published in RoC, MCA; Frost & Sullivan Analysis

<sup>1</sup> Revenue from operations = As stated in profit and loss statement (excluding other income)

<sup>2</sup> Gross Profit = Revenue from operations – Cost of goods sold (COGS)

• COGS = Sum of purchases, changes in inventory and cost of materials consumed

The company's (PG Electroplast Ltd) revenue from operations grew at a CAGR of 50% from Fiscal 2020 to Fiscal 2023, which is the highest amongst the listed peers.

**Chart 9.5: EBITDA and PAT comparison of peers, India, Value in INR Million, Growth in %, FY20 – FY23**

Name of the Company	EBITDA <sup>3</sup> (INR million)					PAT <sup>4</sup> (INR million)				
	FY20	FY21	FY22	FY23	CAGR*	FY20	FY21	FY22	FY23	CAGR*
PG Electroplast Ltd	399.2	497.6	890.3	1,760.4	64.0%	26.1	116.1	374.2	774.7	209.4%
Dixon Technologies India Ltd	2,230.6	2,865.9	3,790.5	5,143.7	32.1%	1,205.0	1,598.0	1,903.3	2,550.8	28.4%
Amber Enterprises India Ltd	3,092.7	2,202.9	2,753.8	4,179.3	10.6%	1,641.4	832.8	1,113.2	1,637.8	-0.1%
Bharat FIH Ltd	6,932.8	3,869.3	4,927.8	NA	-	3,897.1	1,619.2	1,950.6	NA	-
Elin Electronics Ltd	554.6	664.8	790.2	651.1	5.5%	274.9	348.6	391.5	268.0	-0.8%
Voltas Ltd	6,179.6	5,803.9	5,712.4	4,517.2	-9.9%	5,210.5	5,287.9	5,060.0	1,362.2	-36.1%
Blue Star Ltd	2,827.8	2,424.1	3,475.6	4,930.5	20.4%	1,432.5	1,006.6	1,680.0	4,006.0	40.9%
Crompton Greaves Consumer Elec. Ltd	5,991.0	7,204.8	7,694.5	7,703.9	8.7%	4,963.9	6,166.5	5,783.8	4,764.0	-1.4%
Whirlpool of India Ltd	6,733.5	5,189.8	4,156.6	3,703.4	-18.1%	4,762.9	3,518.3	5,673.7	2,240.1	-22.2%

NA - Data not available

Source: Annual Reports of Companies published in RoC, MCA; Frost & Sullivan Analysis

\* CAGR represent FY20 to FY23

<sup>3</sup> EBITDA (Earnings before interest, tax, depreciation & amortization) = Profit before tax and exceptional items + Finance cost + Depreciation and amortization - Other income;

<sup>4</sup> PAT (Profit after tax) = Total profit for the period

**Chart 9.6: Gross margin, EBITDA margin and PAT margin of peers, India, Ratio in %, FY20 – FY23**

Name of the Company	Gross margin <sup>5</sup> (%)				EBITDA margin <sup>6</sup> (%)				PAT margin <sup>7</sup> (%)			
	FY20	FY21	FY22	FY23	FY20	FY21	FY22	FY23	FY20	FY21	FY22	FY23
PG Electroplast Ltd	21.2%	20.9%	14.2%	18.3%	6.2%	7.1%	6.8%	8.2%	0.4%	1.6%	3.4%	3.6%
Dixon Technologies India Ltd	12.3%	10.5%	8.6%	9.6%	5.1%	4.4%	3.5%	4.2%	2.7%	2.5%	1.8%	2.1%
Amber Enterprises India Ltd	16.7%	16.0%	16.1%	15.3%	7.8%	7.3%	6.5%	6.0%	4.1%	2.7%	2.6%	2.3%
Bharat FIH Ltd	6.5%	7.3%	7.1%	NA	2.6%	2.4%	2.7%	NA	1.5%	1.0%	1.1%	NA
Elin Electronics Ltd	29.5%	27.6%	25.4%	25.9%	7.1%	7.7%	7.2%	6.1%	3.5%	4.0%	3.6%	2.5%
Voltas Ltd	27.5%	26.2%	25.7%	22.3%	8.1%	7.7%	7.2%	4.8%	6.6%	6.8%	6.2%	1.4%
Blue Star Ltd	25.0%	23.3%	22.0%	22.5%	5.3%	5.7%	5.7%	6.2%	2.7%	2.3%	2.8%	5.0%
Crompton Greaves Consumer Elec. Ltd	32.1%	32.0%	31.4%	31.9%	13.3%	15.0%	14.3%	11.2%	10.8%	12.6%	10.6%	6.9%
Whirlpool of India Ltd	39.1%	36.5%	32.4%	31.3%	11.2%	8.8%	6.7%	5.6%	7.8%	5.9%	9.1%	3.3%

NA - Data not available

Source: Annual Reports of Companies published in RoC, MCA; Frost & Sullivan Analysis

<sup>5</sup>Gross margin = Gross profit / Revenue from operations;

<sup>6</sup>EBITDA margin = EBITDA / Revenue from operations;

<sup>7</sup>PAT margin = PAT / Total income

**Chart 9.7: RoE, RoCE, Gross Fixed Asset Turnover Ratio and Cash conversion Cycle of peers, India, Ratio in %, FY21 - FY23**

Name of the Company	RoE <sup>8</sup> (%)			RoCE <sup>9</sup> (%)			Gross Fixed Asset Turnover Ratio <sup>10</sup>			Cash Conversion Cycle <sup>11</sup>		
	FY21	FY22	FY23	FY21	FY22	FY23	FY21	FY22	FY23	FY21	FY22	FY23
PG Electroplast Ltd	6.0%	12.0%	19.6%	11.7%	13.6%	20.9%	2.1	2.1	3.1	36.6	77.5	66.4
Dixon Technologies India Ltd	21.7%	19.1%	19.9%	25.1%	19.4%	23.3%	12.4	11.4	NA	0.5	3.1	1.9
Amber Enterprises India Ltd	5.1%	6.3%	8.4%	8.4%	8.8%	11.9%	2.8	3.0	3.3	42.6	25.0	17.5
Bharat FIH Ltd	5.7%	6.4%	NA	7.6%	9.0%	NA	12.2	13.1	NA	14.3	25.5	NA
Elin Electronics Ltd	13.3%	12.9%	5.4%	18.5%	18.9%	9.0%	3.0	3.4	NA	83.4	68.4	65.4
Voltas Ltd	10.5%	9.1%	2.5%	14.3%	12.7%	10.3%	15.3	16.3	14.9	9.5	17.8	13.9
Blue Star Ltd	11.3%	16.5%	30.0%	16.5%	22.1%	27.2%	8.8	10.8	8.1	-11.2	2.4	7.2
Crompton Greaves Consumer Elec. Ltd	31.9%	17.9%	15.3%	32.4%	23.3%	21.2%	30.2	11.3	13.5	1.3	12.4	-4.3
Whirlpool of India Ltd	12.3%	16.2%	6.1%	14.8%	8.4%	7.7%	4.9	4.6	4.1	145.3	136.2	13.2

Note: NA for peers refers to the data not being publicly available

Source: Annual Reports of Companies published in RoC, MCA; Frost & Sullivan Analysis

<sup>8</sup>RoE (Return on equity) = PAT / Closing Total Share Equity;

<sup>9</sup>RoCE (Return on capital employed) = EBIT / Closing capital Employed

- EBIT = Profit before tax and exceptional items + Finance cost
- Closing capital employed = Total Assets – Current Liabilities

<sup>10</sup>Gross fixed asset turnover ratio = Revenue from operations / Gross property, plant and equipment (as included in notes to financial statements)

<sup>11</sup>Cash Conversion Cycle = Days Receivable + Inventory Days – Days Payable

- Days Receivable – (Trade Receivables / Revenue from Operations) \*365
- Inventory Days – (Inventory / COGS) \*365
- Days Payable – (Trade Payables / COGS) \*365

## OUR BUSINESS

*This Placement Document contains forward-looking statements that involve risk and uncertainties. Some of the information contained in the following discussion, including information with respect to our plans and strategies, contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below in “Forward-Looking Statements” on page 14, and elsewhere in this Placement Document. You should read “Forward-Looking Statements” beginning on page 14 for a discussion of the risks and uncertainties related to those statements and also “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 43 and 100, respectively, for a discussion and analysis of factors that may affect our business, financial condition, results of operations or cash flows.*

*Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. In this section, unless the context otherwise requires, a reference to “our Company” is a reference to PG Electroplast Limited on a standalone basis, while any reference to “we”, “us”, “our” or “our Group” is a reference to the Company on a consolidated basis.*

*Industry and market data used in this section are derived from the F&S Report, which was exclusively prepared for the purpose of the Issue. Our Company commissioned and paid for the F&S Report pursuant to the engagement letter dated February 20, 2023. Frost & Sullivan is not related in any manner to our Company, its Subsidiaries, Directors, Key Managerial Personnel, members of Senior Management or the Promoters. For more details, see “Industry and Market Data” on page 13. For risks in relation to F&S Report, see “Risk Factors - This Placement Document contains information from industry sources including the industry report commissioned by the Company from Frost & Sullivan.” on page 69.*

### Overview

We are an established original design manufacturer (“ODM”) and contract manufacturer (“CM”), for the consumer durables industry in India, with primary focus on manufacture of room air conditioners (“RACs”), washing machines and plastic moulding. We provide end – to – end solutions across the entire value chain of the products we supply to our customers, which include more than 50 leading domestic and international brands. This includes product conceptualisation, designing and prototyping, tool design and manufacturing, supply chain development and final assemblies for products like RACs, washing machines, LED TVs and air coolers. We consider our ability to evolve and address the needs of our marquee customer base as a key factor in the growth of our revenue from operations which grew at a CAGR of 75.26% from Fiscal 2021 to Fiscal 2023. We are the fastest growing B2C focused ODM players in India, having recorded the highest revenue CAGR amongst listed peers (Dixon Technologies (India) Limited, Amber Enterprises Limited and Elin Electronics Limited) over Fiscal 2020 – 2023 (Source: F&S Report).

We operate under four primary business verticals as set out below:

**Products:** We manufacture and assemble a wide array of products under two business models namely, CM and ODM. Under CM model, we manufacture and supply products basis designs developed by our customers, who then further distribute these products under their own brands. Under the ODM model, in addition to manufacturing, we conceptualize and design the products which are then supplied to our customers, who then further distribute these products under their own brands. We are the second largest player in terms of RAC finished goods sales to the OEMs / brands, basis Fiscal 2023 data. (Source: F&S Report). We act as ODM for RACs, washing machines and air coolers. Due to our constant efforts to strive for cost leadership and to be a reliable supply chain partner to our customers, in less than three years of manufacturing RAC complete built – up units (“CBUs”), we have manufactured RACs for 14 brands.

Additionally, in November 2021 and March 2022, our Subsidiary, PG Technoplast, received approval under the PLI Scheme for certain identified eligible white good products such as control assemblies for IDU or ODU or remotes, plastic moulding components, sheet metal components, heat exchangers, cross flow fan, motor and display panels (LCD / LED). Contingent on us achieving the defined revenue targets, meeting investment conditions, and complying with other conditions stipulated thereunder, the PLI Scheme gives us a total potential cumulative benefit of ₹ 1,987.50 million over the five financial years starting from Fiscal 2023 – 2024, which we believe will allow us to provide a better value proposition to our customers. For further details in this respect, see “Risk Factors – Our Subsidiary, PG Technoplast may not continue to enjoy the existing benefits under the PLI Scheme, which could have a materially adverse impact on our profitability” on page 67.

For further details, refer to ‘Business Operations – Products’ on page 183.

**Plastic Moulding (“PM”):** We are the largest manufacturer of plastic moulding for consumer durables and consumer electronics industry, in terms of revenue in India, as on March 31, 2023 (Source: F&S Report). We manufacture small, medium and large sized, high – precision and surface critical injection moulded components for our customers, which are used further to manufacture a wide variety of automotive, electronic equipment and sanitaryware products such as in-wall tank assemblies and toilet seats and for fan parts painting. We offer a variety of post moulding operations such as ultrasonic welding, heat staking, hot stamping, pad printing and screen printing.

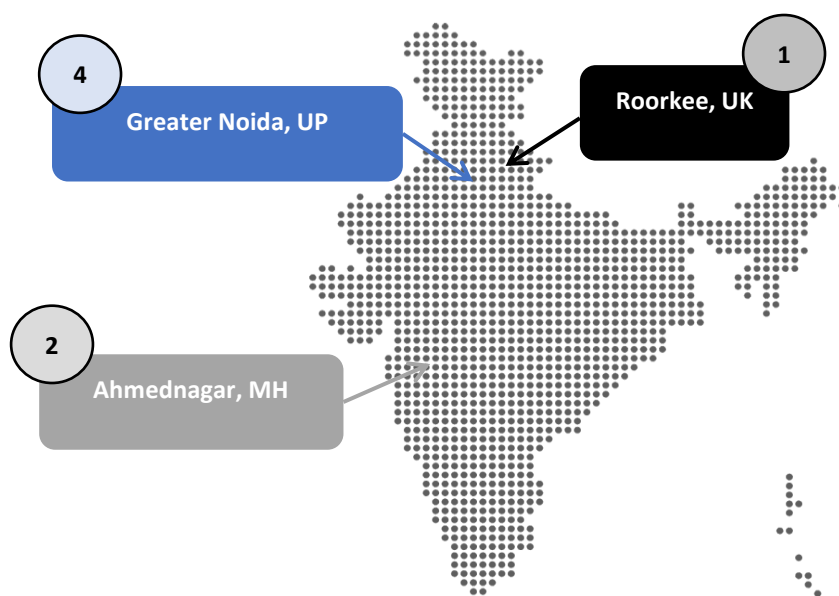
**Electronics:** Under this category, we contract manufacture LED TVs of various sizes. Further, we develop and manufacture printed circuit board assemblies for a range of applications on a turnkey basis (including procurement, surface mount technology (“SMT”), artificial intelligence (“AI”), metal illumination (“MI”), testing, packing and shipping).

**Tool Manufacturing:** We develop moulds for various applications, including automotive applications, white goods (such as refrigerators), home and kitchen appliances, lighting and electrical equipment. The complete range of services from tool design to tool manufacturing and injection moulding under one roof makes us a turnkey tooling solutions provider.

Since inception, we have continuously evolved our product portfolio to meet the needs of our customers and cater to the prevailing industry technologies. Post incorporation of our Company in 2003, we started manufacturing plastic moulded components. Thereafter, in 2014, we started focussing on the products business and commenced manufacturing of air coolers. We set up an in – house tool room for our tool manufacturing business vertical in 2016 and thereafter started manufacturing semi – automatic washing machines (“SAWM”) in 2017. In 2018, we started manufacturing RAC indoor units (“IDUs”) and subsequently RACs outdoor units (“ODUs”) in 2021. Additionally, in 2021, we commenced manufacturing fully automatic top load washing machines (“FATL”) and subsequently LED TVs in 2022. Presently, our product portfolio includes complete RAC sets, washing machines, and electronics, all of which today contribute significantly to our revenue. Our Company has entered into the JV Agreement, with Jaina Marketing & Associates, Jaina India Private Limited (collectively referred to as the “**Jaina Group**”) and Goodworth Electronics Private Limited pursuant to which Goodworth Electronics Private Limited (“**JV**”), has become a joint venture of the Company. Subject to, among others, receipt of relevant approvals and development of necessary infrastructure, the JV intends to manufacture LED televisions, and has been formed to leverage the expertise and resources of our Company and the Jaina Group, towards this purpose.

We have constantly sought to adapt to the changing industry landscapes, business environments and customer requirements. As a result, we have built long – standing relationships with a number of our key customers. We have catered to over 50 major domestic and international brands, with some our key customers being Carrier Midea India Private Limited, DAIKIN Airconditioning India Private Limited, Flipkart India Private Limited, MIRC Electronics Limited (ONIDA), Crompton Greaves Consumer Electricals Limited, Blue Star Limited, OVOT Private Limited, Infiniti Retail Limited, LAVA International Limited, Jaina India Private Limited, AIWA India Sales & Services Private Limited and Golden Arch Consumer Electronics Private Limited.

Presently, we operate seven manufacturing units located in Greater Noida, Uttar Pradesh; Roorkee, Uttarakhand; and Ahmednagar, Maharashtra. We also operate a unit at Ahmednagar, Maharashtra, where we operate incoming and outgoing quality control of products, storage of raw materials and finished goods and dispatch operations for our other manufacturing units in the location. Additionally, recently our Subsidiary, PG Technoplast, has leased premises at Alwar, Rajasthan to set up a manufacturing unit for air conditioners (Unit 3 – Subsidiary). As on the date of this Placement Document, our Subsidiary is in the process of setting up the unit and is therefore, yet to commence operations at this unit. For further details, see “ – **Property**” on page 191.



Our manufacturing units are equipped with high quality machinery, assembly lines and full power backup that enable us to meet the quality requirements of our customers in a timely manner.

We have obtained third party certifications for quality management systems, environmental management systems and occupational health and safety management systems at our manufacturing units. These include ISO 9001:2015, 14001:2015, ISO 45001:2018, UL E520496 and IATF 16949:2016 certifications. In line with our focus to develop better control on our supply chain and improve our margins, we consistently strive to strategically backward integrate our manufacturing processes.

In this regard, we have backward integrated our RAC manufacturing processes by adding plastic moulding, sheet metal, powder coating paint – shops, heat exchangers, copper tubing, crossflow fans, printed circuit board assemblies, an NABL – accredited psychometric lab, and complete product assembly lines for RAC IDUs and ODUs. We are also seeking to reduce our environmental footprint by focussing on solar energy. In this respect, we have installed a 1.4 MW rooftop grid system solar panel at our Unit 2 – Subsidiary in Maharashtra, and a 0.65 MW solar plant at our Unit – 4 in Maharashtra. In addition, in 2022, we have also entered into a power purchase agreement with a company to obtain at least 3.1 MW of solar energy for our manufacturing unit at Uttar Pradesh for a period of 25 years.

We remain focussed on R&D and invest in product development. This enables us to offer end – to – end product development services across the lifecycle of product. We have an R&D team for our RAC, washing machine and LED TV product lines. As on June 30, 2023, our R&D team consisted of 32 employees.

Our Promoters, Vishal Gupta, Vikas Gupta and Anurag Gupta have significant experience in the manufacturing sector and our Senior Management include experts from the industry with wide experience. For further information, see “**Board of Directors and Senior Management**” on page 193. In 2021, our Company received private equity funding from Baring Private Equity India AIF, Ananta Capital and Mr. Ashokkumar Sobhamal Patni and Mr. Rajanikanta Gajendrakumar Patni. For details, refer to “**Capital Structure**” on page 95.

Set forth below are our key performance indicators for the periods indicated:

(₹ in million, unless otherwise stated)

Particulars	Fiscal 2021	Fiscal 2022**	Fiscal 2023	Three months ended June 30, 2023*#
Revenue from operations	7,032.06	11,116.35	21,599.48	6,776.16
EBITDA <sup>(1)</sup>	515.65	942.82	1804.26	671.02
EBITDA margin (%) <sup>(2)</sup>	7.33%	8.48%	8.35%	9.90%
Profit for the year (“PAT”)	116.12	374.16	774.69	338.06
PAT margin (%) <sup>(3)</sup>	1.65%	3.37%	3.59%	4.99%
Return on Equity (“ROE”) (%) <sup>(4)</sup>	6.30%	14.82%	21.88%	24.92%
Return on Capital Employed (“ROCE”) (%) <sup>(5)</sup>	9.08%	13.87%	19.07%	21.72%
Net fixed asset turnover <sup>(6)</sup>	2.67	3.12	4.25	4.51
Asset turnover ratio <sup>(7)</sup>	1.30	1.35	1.68	1.94

\* Not annualised.

\*\* Government incentives from State Government (which includes PSI Incentive 2007 from Maharashtra Government) aggregating to ₹ 139.17 million was classified as other non operating income until Fiscal 2022 which was re-classified as other operating income from Fiscal 2023. Accordingly, the financial information for Fiscal 2022 has been disclosed after considering the above as "Other Operating Income" and has been extracted from the comparative financial information for Fiscal 2022 included in the audited financial statements of Fiscal 2023.

# Ratios are calculated for trailing twelve months by taking average of balance sheet data of June 30, 2022, and June 30 2023.

- (1) EBITDA is calculated as profit for the period / year, plus tax expenses (consisting of current tax, deferred tax and current taxes relating to earlier years), finance costs and depreciation and amortisation expenses,
- (2) EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations.
- (3) PAT Margin is calculated as profit for the period / year as a percentage of revenue from operations.
- (4) ROE (Return on Equity) is calculated as profit after tax for the period/year divided by average total equity.
- (5) ROCE (Return on Capital Employed) is calculated as profit before tax plus finance costs divided by average net worth and average total debt.
- (6) Net fixed asset turnover is calculated as revenue from operations divided by average net fixed assets for the respective financial year.
- (7) Asset turnover ratio is calculated as revenue from operations divided by average of the total assets of the period / year.

## Our Competitive Strengths

Our key competitive strengths are set out below:

**Established ODM player and contract manufacturer with leading market position in our focus verticals such as RACs, washing machines and plastic moulding**

Since inception, we have continuously evolved our product portfolio to meet the needs of our customers and cater to the prevailing industry technologies. Post incorporation of our Company in 2003, we started manufacturing plastic moulded components. Thereafter, in 2014, we started focussing on the products business and commenced manufacturing of air coolers. We set up an in – house tool room for our tool manufacturing business vertical in 2016 and thereafter started manufacturing semi – automatic washing machines in 2017. In 2018, we started manufacturing RAC IDUs and subsequently RACs ODUs in 2021. Additionally, in 2021, we commenced manufacturing FATL and subsequently LED TVs in 2022. Presently, our product portfolio includes complete RAC sets, washing machines, and televisions, all of which today contribute significantly to our revenue.



We have been manufacturing RAC IDUs since 2018 and RAC ODU's since 2021. We offer RACs CBU in the capacity ranging from 1.0T to 2.0T in both fixed speed and inverter categories for various star ratings. We are the second largest player in terms of RAC finished goods sales to the OEMs / brands, basis Fiscal 2023 data (*Source: F&S Report*).

We are the largest manufacturer of plastic moulding for consumer durables and consumer electronics industry, in terms of revenue in India, as on March 31, 2023 (*Source: F&S Report*). Through our plastic moulding business, we offer a wide range of products including small, medium and large sized, high – precision, surface critical injection moulded components for consumer durables and the consumer electronics industry.

We are the second largest ODM player for washing machines in India in terms of volume of units sold as of March 31, 2023, which provides end – to – end assembly solutions for final products (*Source: F&S Report*). We commenced manufacturing semi – automatic washing machines in 2017 and presently offer semi – automatic and fully automatic washing machines in capacities ranging from 6 – 14 kg and 6.5 – 7.5 kg, respectively.

We are an end – to – end solutions provider across the entire value chain of the products we supply to our customers. We serve across varied industries such as air conditioners, washing machines, LED TVs, air coolers, automotive components, bathroom fittings and consumer electronics. We believe we owe our leadership position to our experience in the development and manufacturing of RACs and components and our ability to deliver cost leadership, meet stringent customer quality standards, deliver consistently, and evolve our technology to meet customer needs. Additionally, in November 2021 and March 2022, our Subsidiary, PG Technoplast, received approval under the PLI Scheme for certain identified eligible white good products such as control assemblies for IDU or ODU or remotes, plastic moulding components, sheet metal components, heat exchangers, cross flow fan and motor and display panels (LCD / LED). Contingent on us achieving the defined revenue targets, meeting investment conditions, and complying with other conditions stipulated thereunder, the PLI Scheme gives us a total potential cumulative benefit of ₹ 1,987.50 million over the five financial years starting from Fiscal 2023 – 2024, which we believe will allow us to provide a better value proposition to our customers. For further details in this respect, see “**Risk Factors – Our Subsidiary, PG Technoplast may not continue to enjoy the existing benefits under the PLI Scheme, which could have a materially adverse impact on our profitability**” on page 63.

The domestic manufacturing of RAC has witnessed strong growth in the recent years, supported by government policies. Components such as compressors, motors and refrigerants are imported while IDUs and ODU's are manufactured in India. The overall market size for domestic sales for RAC in FY23 is 8.4 million units and it is expected to grow at a CAGR of 11.6% till FY28. Government's focus on “*Atma Nirbhar Bharat*” has led to special focus on the RAC business. While all import business may not immediately shift to local players, the move is well thought out. Some RAC manufacturers have enhanced in-house manufacturing capacity, but many marginal players do not have local manufacturing facilities till now. Under Phased Plan Manufacturing Programme, the Government plans to limit imports of components/equipment in the 1st phase by increasing duties and introducing import restrictions on motors, PCBs, compressors etc. from 20% to 30% over a 5-year time period. Under phase 2, raw materials like copper and aluminium will be indigenised. The Government seeks to create wide-scale production infrastructure for RAC components in India, which would help curb imports and provide export opportunities (*Source: F&S Report*).

***Ability to provide end – to – end product development capabilities leading to strong relationships with marquee customer base***

We are a leading, diversified Indian manufacturing services provider and among the few companies in India specialising in original design manufacturing, original equipment manufacturing and plastic injection moulding for the consumer durables industry, thereby providing one stop and end to end solutions to consumer durable brands (*Source: F&S Report*).

We are involved in the life cycle of the product from conceptualisation, designing and prototyping, till the final assemblies of products under ODM model. We believe that our in – house manufacturing capabilities of development of various components required for the products, process knowledge and our network of suppliers enables us to provide end – to – end solutions for all products manufactured by us. Further, we believe that having the benefit of providing such end-to-end solutions under one roof enables us to provide value added offerings such as specialised RAC components, PCB assemblies and sheet metal components.

In the Indian industry landscape, ODMs are currently being depended on primarily to manufacture the entry – level products. These products have low differentiation, and the main features for ODMs ends up being their quality, cost and delivery (*Source: F&S Report*). We believe our reliability, delivery and our service are the main differentiating factors that have helped us develop strong customer relationships.

As on June 30, 2023, we have a qualified and experienced R&D team with 32 employees. We have launched 795 SKUs since April 1, 2020 until June 30, 2023. For Fiscals 2021, 2022, 2023 and for three months ended June 30, 2023, our revenue from products vertical was ₹ 2,441.07 million, ₹ 4,749.98 million, ₹ 13,383.72 million and ₹ 4,415.71 million, which represented 34.71%, 42.73%, 61.96% and 65.17%, of our revenue from operations, respectively.

Set forth below is our revenue from product business under the ODM and CM business models, for the respective periods:

Particulars	Fiscal 2021		Fiscal 2022		Fiscal 2023		Three months ended June 30, 2023*	
	In ₹ million	% contribution to products business	In ₹ million	% contribution to products business	In ₹ million	% contribution to products business	In ₹ million	% contribution to products business
ODM	762.29	31.23%	2,654.15	55.88%	10,441.39	78.02%	3,792.63	85.89%
CM	1,678.78	68.77%	2,095.83	44.12%	2,942.33	21.98%	623.08	14.11%
<b>Total</b>	<b>2,441.07</b>	<b>100.00%</b>	<b>4,749.98</b>	<b>100.00%</b>	<b>13,383.72</b>	<b>100.00%</b>	<b>4,415.71</b>	<b>100.00%</b>

\* Not annualised

Given the spectrum of our portfolio, we have established and will continue to focus on strengthening our longstanding relationships with our key domestic and multi-national customers across our product verticals. Our key customers include Carrier Midea India Private Limited, DAIKIN Airconditioning India Private Limited, Flipkart India Private Limited, MIRC Electronics Limited (ONIDA), Crompton Greaves Consumer Electricals Limited, Blue Star Limited, OVOT Private Limited, Infiniti Retail Limited, LAVA International Limited, Jaina India Private Limited, AIWA India Sales & Services Private Limited, and Golden Arch Consumer Electronics Private Limited. Set forth below is the aggregate number of customers served by us as of the respective dates indicated below:

Particulars	As of March 31, 2021	As of March 31, 2022	As of March 31, 2023	As of June 30, 2023
Number of customers served	51	72	93	97

We believe we have been able to maintain long-term relationships with such customers by maintaining expected standards of manufacturing quality of products in a timely manner as well as our efforts to become a one-stop solution for their manufacturing requirements. This is substantiated by way of the following case studies below:

<b>Case Studies</b>
<p><i>Case Study A</i></p> <p><i>An example of our capabilities includes an instance where a customer had approached us to manufacture air coolers for them in 2016. We manufactured the product, which was approved by the customer. Subsequently, we commenced manufacturing RAC IDUs in 2018, RAC ODUs in 2022 and are manufacturing semi – automatic washing machines in 2023 for such customer.</i></p>
<p><i>Case Study B</i></p> <p><i>An example of our capabilities includes an instance where a customer had approached us to manufacture plastic injection moulded components in 2017. We manufactured the components, which was approved by the customer. Subsequently, we commenced manufacturing RAC CBUs and blow moulded plastic components in 2022, and semi – automatic washing machines in 2023 for such customer over a period of time.</i></p>

We believe our strong relationships with our customers have not only been instrumental in our success to date, but will also be a strong driver of our future growth and help expand our market share.

#### ***Well – established, de – risked business model***

We derive our revenue by supplying products for usage in multiple industries. Further, as of June 30, 2023, our portfolio under the products vertical included 795 SKUs. In addition, we served 97 customers, as of June 30, 2023. We believe, our varied product offerings and continuous product development efforts have enabled us to cater to multiple industries and customers, and to enhance our ability to attract new customers. We have also been able to develop designs which are customised to customer specific requirements through our ODM capabilities, which positions us as a strategic supplier. As of March 31, 2021 we had 51 customers, and in Fiscals 2022 and 2023 and for three months ended June 30, 2023, we onboarded 21, 21 and 4 new customers, respectively.

Set out below is the revenue from operations from our business verticals during Fiscals 2021, 2022 and 2023 and for three months ended June 30, 2023:

Business Verticals	Fiscal 2021		Fiscal 2022**		Fiscal 2023		Three months ended June 30, 2023*	
	In ₹ million	% of contribution	In ₹ million	% of contribution	In ₹ million	% of contribution	In ₹ million	% of contribution
RAC	1,534.93	21.83%	2,936.75	26.42%	10,412.73	48.21%	3,832.61	56.56%
Washing machine	762.29	10.84%	1,664.33	14.97%	2,588.50	11.98%	533.48	7.87%
Air cooler	143.85	2.05%	148.9	1.34%	382.49	1.77%	49.63	0.73%
<b>Sub - total</b>	<b>2,441.07</b>	<b>34.72%</b>	<b>4,749.98</b>	<b>42.73%</b>	<b>13,383.72</b>	<b>61.96%</b>	<b>4,415.71</b>	<b>65.17%</b>
<b>Electronics</b>	358.92	5.10%	694.54	6.25%	1,571.84	7.28%	491.20	7.25%
<b>Plastic moulding</b>	4,218.31	59.99%	5,611.84	50.48%	6,541.08	30.28%	1,851.25	27.32%
<b>Tool Manufacturing</b>	13.76	0.20%	59.99	0.54%	102.84	0.48%	18.00	0.27%
<b>Total</b>	<b>7,032.06</b>	<b>100.00%</b>	<b>11, 116.35</b>	<b>100.00%</b>	<b>21,599.47</b>	<b>100.00%</b>	<b>6,776.16</b>	<b>100.00%</b>

\* Not annualised

\*\* Government Incentives from State Government (which includes PSI Incentive 2007 from Maharashtra Government) aggregating to ₹ 139.17 million was classified as other non operating income until Fiscal 2022 which was re-classified as other operating income from Fiscal 2023. Accordingly, the financial information for Fiscal 2022 has been disclosed after considering the above as "Other Operating Income" and has been extracted from the comparative financial information for Fiscal 2022 included in the audited financial statements of Fiscal 2023.

Our diverse product portfolio enables us to balance out any impact or risk incurred with respect to any single product, product vertical or customer. The contribution from the plastic moulding business has decreased from 59.99% in Fiscal 2021, to 30.28% in Fiscal 2023, and to 27.32% in the three months ended June 30, 2023.

Similarly, our diversified customer base enables us to balance out any risk associated with the customer concentration. We have over time been able to successfully reduce concentration from our top customers. Set forth below is the revenue contribution of our top customer, top five customers and top 10 customers for the respective periods:

Top Customers*	Fiscal 2021		Fiscal 2022		Fiscal 2023		Three months ended June 30, 2023	
	In ₹ million	% of revenue from operations	In ₹ million	% of revenue from operations	In ₹ million	% of revenue from operations	In ₹ million	% of revenue from operations
Top customer	1,701.69	24.20%	1,866.98	16.79%	2,426.38	11.23%	968.84	14.30%
Top 5 customers	4,229.71	60.15%	5,339.37	48.03%	10,019.53	46.39%	3,395.72	50.11%
Top 10 customers	5,517.65	78.46%	7,519.40	67.64%	15,146.52	70.12%	4,824.18	71.19%

\* The top customers have been identified for each specific year / period based on the revenue contribution of each such customer in the relevant year / period.

### Backward integrated manufacturing infrastructure

We have manufacturing units equipped with high quality machinery, assembly lines and full power backup which are strategically located in the states of Uttar Pradesh, Uttarakhand and Maharashtra giving us close proximity to our key customers. Our unit in Ahmednagar, Maharashtra is one of the largest and most backward integrated AC manufacturing plants at a single location in India (Source: F&S Report).

Our manufacturing units are subject to periodic audits by our customers, which ensures that our customers are able to confirm the continuance of quality of our facility and processes. In addition to such audits by our customers from time to time, we also conduct our in-house quality testing of our products to ensure that the quality and standard of products remains in compliance with our customer's expectations. Our quality control process has resulted in certifications and approval such as ISO 9001:2015, 14001:2015, ISO 45001: 2018 UL E520496 and IATF 16949:2016. For Fiscals 2021, 2022 and 2023 and for three months ended June 30, 2023, our sales return accounted for only 0.57%, 0.74%, 0.27% and 0.07%, respectively.

In line with the objective of electronic manufacturing services ("EMS") companies to provide end – to – end product solutions, companies are focusing on backward integration in manufacturing processes by developing plastic moulding capabilities in – house. This improves the EMS company's cost-effectiveness, reduces its reliance on third-party suppliers, and grants greater control over the production time and quality of critical components (Source: F&S Report). Our manufacturing units are backward integrated. We have backward integrated our RAC manufacturing processes by adding plastic moulding, sheet metal, powder coating paint-shops, heat exchangers, copper tubing, crossflow fans, printed circuit board assemblies, and complete

product assembly lines for RAC IDUs and ODUs. We have built capacity to manufacture 200,000 IDUs per month and 100,000 ODUs per month as on June 30, 2023. We have developed four platforms for RACs IDUs and ODUs so far and have in-house NABL-accredited psychometric lab, safety and reliability labs and performance testing labs. Further, we have six platforms and two platforms, comprising tooling abilities and offering different kinds of products with specifications catering to customers, for manufacturing SAWM and FATL, respectively with a capacity to manufacture 100,000 SAWM and 15,000 FATL machines every month. Furthermore, we have increased our capacity from 25,000 units per month to 100,000 units per month for our SAWM platforms, as on June 30, 2023. We have the capacity to offer product development and manufacturing solutions from designing, tooling to final assembling and testing. Most of our operations are backward-integrated and the processes are carried out in-house. Backward integration gives us the flexibility to control our manufacturing processes and reduces dependence on external suppliers, which we believe helps to make us a consistent and reliable ODM supplier and contract manufacturer.

Unit 1



Unit 2



Unit 5



### Unit 2 - Subsidiary



The Government of India has been proactively building a base for electronics manufacturing in India and it has launched numerous incentive schemes, which have allowed manufacturing growth, reduced dependence on the imports, and promoted the exports. The increased demand for electronic goods such as mobile phones and consumer electronics (which includes room air conditioners, washing machine, refrigerators, television, air coolers and others) has resulted in the segment attracting the greatest amount of foreign direct investment (“**FDI**”) in recent years. The significant increase in FDI was primarily due to the establishment of manufacturing and development centres by electronic companies, as well as the government's approval of 100% FDI (*Source: F&S Report*). We believe that our reputation, coupled with future plans for our companies with a focus on integrated manufacturing, will enable us to be well – positioned to capture the growing demand.

#### ***Skilled, experienced and qualified workforce and senior management***

Our Company has an experienced management team with experience across sectors such as industrial, mechanical engineering and manufacturing sectors. We also have a leadership team of experienced professionals, having relevant functional expertise across different industries and who are instrumental in implementing our business strategies. The leadership team is assisted by a strong Senior Management team of nine executives, heading various functions and units of our business. These include the following:

Sr. No.	Name	Designation
1.	Pranav Gupta	Business Manager
2.	Vinod Siwach	Manufacturing Head
3.	Ashwani Kumar Tyagi	Head, Business Development, Northern India
4.	Vikas Koul	Head, Business Development, Western India

Sr. No.	Name	Designation
5.	Mahabir Prasad Shivhare	Factory Head
6.	Nirbhay Kant Rai	Factory Head
7.	Bharat Bhushan Batra	Factory Head
8.	Bishwanath Mukherjee	Factory Head
9.	Sachin Saxena	Factory Head

For details, refer to ‘*Board of Directors and Senior Management*’ on page 193.

Our management team has been able to create value through organic growth, including new business opportunities through existing channels, as well as our strong customer relationships. The operational and management experience of our management team has enabled us to cater to the customized requirements of customers and proactively plan and execute our projects. We have a robust corporate governance system in place to monitor, guide and support our operations, with oversight by an experienced Board of Directors.

We believe our highly experienced and professional management team provides us with a key competitive advantage. Most members of our senior management have extensive experience in the precision components manufacturing industry, including in operations, business development, quality assurance, customer relationships. For further details, please see the section titled, “*Board of Directors and Senior Management*” on page 193. This results in effective operational coordination and continuity of business strategies. Our management team has led our organisation through a multi-pronged diversification of the business and development of new systems and products over the last several years.

### *Consistent and strong financial performance*

As a result of our focus on business expansion and capital efficiency, we have been able to achieve sustained growth with respect to various financial indicators. We consider our ability to evolve and address the needs of our marquee customer base as a key factor in the growth of our revenue from operations, which grew at a CAGR of 75.26% from Fiscal 2021 to Fiscal 2023. We are the fastest growing B2C focused ODM players in India, having recorded the highest revenue CAGR amongst listed peers (Dixon Technologies (India) Limited, Amber Enterprises Limited and Elin Electronics Limited) over Fiscal 2020 – 2023 (Source: F&S Report).

The table below sets forth some of the key financial indicators for the Fiscals 2021, 2022 and 2023 and three months ended June 30, 2023:

Particulars	Fiscal 2021	Fiscal 2022**	Fiscal 2023	(₹ in million)
				Three months ended June 30, 2023**
Revenue from operations	7,032.06	11,116.35	21,599.48	6,776.16
EBITDA <sup>(1)</sup>	515.65	942.82	1804.26	671.02
EBITDA margin (%) <sup>(2)</sup>	7.33%	8.48%	8.35%	9.90%
Profit for the year (“PAT”)	116.12	374.16	774.69	338.06
PAT margin (%) <sup>(3)</sup>	1.65%	3.37%	3.59%	4.99%
Return on Equity (“ROE”) (%) <sup>(4)</sup>	6.30%	14.82%	21.88%	24.92%
Return on Capital Employed (“ROCE”) (%) <sup>(5)</sup>	9.08%	13.87%	19.07%	21.72%
Net fixed asset turnover <sup>(6)</sup>	2.67	3.12	4.25	4.51
Asset turnover ratio <sup>(7)</sup>	1.30	1.35	1.68	1.94

\* Not annualised

\*\* Government incentives from State Government (which includes PSI Incentive 2007 from Maharashtra Government) aggregating to ₹ 139.17 million was classified as other non operating income until Fiscal 2022 which was re-classified as other operating income from Fiscal 2023. Accordingly, the financial information for Fiscal 2022 has been disclosed after considering the above as “Other Operating Income” and has been extracted from the comparative financial information for Fiscal 2022 included in the audited financial statements of Fiscal 2023.

# Ratios are calculated for trailing twelve months by taking average of balance sheet data of June 30, 2022, and June 30 2023.

(1) EBITDA is calculated as profit for the period / year, plus tax expenses (consisting of current tax, deferred tax and current taxes relating to earlier years), finance costs and depreciation and amortisation expenses,

(2) EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations.

(3) PAT Margin is calculated as profit for the period / year as a percentage of revenue from operations.

(4) ROE (Return on Equity) is calculated as profit after tax for the period/year divided by average total equity.

(5) ROCE (Return on Capital Employed) is calculated as profit before tax plus finance costs divided by average net worth and average total debt.

(6) Net fixed asset turnover is calculated as revenue from operations divided by average net fixed assets for the respective financial year.

(7) Asset turnover ratio is calculated as revenue from operations divided by average of the total assets of the period / year.

We strive to maintain a robust financial position with emphasis on having a strong balance sheet and increased profitability. With increasing focus on and contribution from our products business, we have been able to improve our ROCE from 9.08 % in Fiscal 2021, to 19.07% in Fiscal 2023. Further, our net fixed asset turnover has improved from 2.67x in Fiscal 2021 to 4.25x in Fiscal 2023. Our strong balance sheet enables us to pursue opportunities for growth and better manage unanticipated cash flow variations. For further details on a comparative analysis of our financial position and revenue from operations, see the “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on page 100.

## **Competitive Strategies**

We believe that the following are our principal strategies:

### ***Expand capacities and offering in existing product vertical***

The manufacturing scenario in India has changed a lot in the last few years. According to the World Bank, India ranked 63rd out of 190 countries in ‘*Ease of Doing Business*’ in 2021, an improvement of 79 positions between 2014 and 2021. With the recognition of electronics sector as one of the key growth drivers for the Indian economy, the sector has received significant attention from the government in the last 6 – 7 years through various policies, schemes, and incentives. The National Policy on Electronics emphasised local value addition and created an enabling environment. As the cost structure of Chinese electronics contract manufacturing keeps going up, especially with the changing geopolitical situation, tariff issues and the supply chain disruptions, there is an urgency by the OEMs to investigate realistic alternatives to manufacturing in China. Due to the above factors, OEMs are considering adding another country for increased production rather than replacing China entirely, and are looking into production locations like India, Vietnam, and Indonesia. India is well positioned to benefit from global OEM’s strategy towards “China plus one” for supply chain diversification. The Government of India has been proactively building a base for electronics manufacturing in India and it has launched numerous incentive schemes, which have allowed manufacturing growth, reduced dependence on the imports, and promoted the exports. The increased demand for electronic goods such as mobile phones and consumer electronics (which includes room air conditioners, washing machine, refrigerators, television, air coolers and others) has resulted in the segment attracting the greatest amount of foreign direct investment (“**FDI**”) in recent years. The significant increase in FDI was primarily due to the establishment of manufacturing and development centres by electronic companies, as well as the government’s approval of 100% FDI (*Source: F&S Report*).

To cater to such projected increase in demand, we propose to expand our manufacturing capacities by increasing the capacity of our units. For details, refer to ‘*Use of Proceeds – Investment in our Subsidiary, PG Technoplast – Funding the capital expenditure requirements of our Subsidiary, PG Technoplast for expansion of its manufacturing unit and warehousing/storage by constructing a new building*’ on page 80. In this regard, we, through our Subsidiary PG Technoplast, have entered into memorandum of understanding with the Government of Uttar Pradesh and Government of Maharashtra. In terms of the memorandum of understanding dated February 7, 2023 with Government of Uttar Pradesh, PG Technoplast is required to undertake expansion of manufacturing of RAC components and CBUs with effect from March 2024. Pursuant to the memorandum of understanding dated May 23, 2022 entered into with the Government of Maharashtra, the state government had agreed to facilitate PG Technoplast to obtain such approvals/ incentives, as may be necessary, for its proposed project having 2022 as the year of commencement. Additionally, our Company has entered into the JV Agreement with Jaina Group and Goodworth Electronics Private Limited pursuant to which Goodworth Electronics Private Limited, has become a joint venture of our Company. Subject to, among others, receipt of relevant approvals and development of necessary infrastructure, the JV intends to manufacture LED televisions, and has been formed to leverage the expertise and resources of our Company and the Jaina Group, towards this purpose. For details in relation to the capacity utilization, refer to ‘– *Manufacturing Units*’ on page 188.

We are an innovation led company with a dedicated focus on developing products, customized to the specific needs of our customers. Some of our key R&D undertakings in the past have included manufacturing of air coolers, semi – automatic washing machines, RACs, and LED TVs. We will continue to periodically review the functioning of our in-house product development strategy, identify scope for expansion and undertake projects to increase our production capabilities.

### ***Expansion of addressable market through development of new products***

We will continue to leverage our ability to launch new products in order to increase our revenues and market share in our target markets. With the ever-evolving consumer needs and preferences, we intend to continuously work towards launching new products and categories at various price points with an aim to increase our market share and our share of the wallets of our consumers. In this regard, we intend to further improve our product offerings and are looking at opportunities in similar product categories.

We cater to our customers across multiple industries. We believe that the repeated business we have received from our customers is an indicator of our position as a preferred supplier. We intend to tap into the market share of existing customers for other products as well as the corresponding market and supply chain for other products. As of June 30, 2023, we had a portfolio of 795 SKUs, which enabled us to cater to existing and new customers and markets. We believe that our continuing R&D endeavours for quality will help increase our overall market share for product groups. We have built long – standing relationships with our customers by capitalizing on our diversified product portfolio and services we offer.

Going forward, we intend to continue to leverage our diversified product portfolio and our industry standing to establish relationships with new export and local customers and expand our customer base.

### ***Continue to explore adjacent applications for our robust capabilities in plastic moulding***

We are the largest manufacturer of plastic moulding for consumer durables and consumer electronics industry, in terms of revenue in India, as on March 31, 2023 (*Source: F&S Report*). Our Company has over 300 moulding machines, ranging from 90T to 1,850T, across five manufacturing units in Greater Noida, Roorkee and Ahmednagar. Our Company specialises in developing small, medium and large sized, high-precision, surface critical plastic moulded components which are used to manufacture a wide variety of automotive and electronic equipment. We have capacities for various specialised moulding operations such as vertical injection moulding, plastic blow moulding and thermoset moulding and also offer a number of specialised post-moulding operations to meet customer needs.

While our product portfolio includes RACs, washing machines, and electronics, we have also diversified into engineered plastics for sanitaryware, automotive and other specialized applications. We intend to explore further applications for our plastic moulding capabilities, sheet metal capacities and PCB assembly lines, to further grow our component business.

### ***Take advantage of a growing industry with strong tailwinds***

In terms of the F&S Report, the Government of India is encouraging domestic manufacturing through supporting policies and initiatives that are likely to lead to overall development in the ecosystem and will open up gates of opportunities for companies, vendors, and distributors in the market. Incentives for local manufacturing, demand side support through Government procurement, import barriers via duties and favourable steps like GST that reduced complexity of operations, are pull factors for both multi – national companies as well as domestic manufacturers to invest in India. Some of the key initiatives/ schemes/ programs introduced by the Government in boosting the electronics industry in India include:

- *Atmanirbhar Bharat (Make in India initiative)* wherein the Government of India announced this initiative to make India a global manufacturing hub, by facilitating both domestic as well as international companies to set - up manufacturing bases in India and it has released special funds to boost the local manufacturing of mobile phones and electronic components.
- *Phased Manufacturing Plan Programme (PMP)* to promote indigenous manufacturing of electronic products. Initially introduced for mobile phones, the program is gradually extended to other electronic products. According to the PMP, the government offers various incentives, including differential duty exemptions such as countervailing duty (CVD) on imports and excise duty without input tax credit.
- *Production Linked Incentive (PLI) Scheme* - the scheme was initially announced in the year 2019 by the Government of India considering the incremental investment and sales of manufactured goods specifically to mobile phones and components market in India. It is expected to promote exports in the next few years.

Our Company, through its wholly owned subsidiary PG Technoplast, has one of the largest allocations of the PLI Scheme for white goods (air conditioners), being the fifth largest investment commitment and since the PLI Scheme is fund limited, it has one of the highest benefit eligibilities. PGEL will be eligible for the PLI disbursement starting in FY24 due to shorter project gestation, as compared to most of its peers who have committed investments with longer gestation periods, who can expect the disbursement a year later in FY25 (*Source: F&S Report*).

In November 2021 and March 2022, our Subsidiary, PG Technoplast, received approval under PLI Scheme for certain identified eligible white good products such as control assemblies for IDU or ODU or remotes, plastic moulding components, sheet metal components, heat exchangers, cross flow fan, motor and display panels (LCD / LED). Contingent on us achieving the defined revenue targets, meeting investment conditions, and complying with other conditions stipulated thereunder, the PLI Scheme gives us a total potential cumulative benefit of ₹ 1,987.50 million over the five financial years starting from Fiscal 2023 – 2024, which we believe will allow us to provide a better value proposition to our customers. For further details in this respect, see ***“Risk Factors – Our Subsidiary, PG Technoplast may not continue to enjoy the existing benefits under the PLI Scheme, which could have a materially adverse impact on our profitability”*** on page 63.

### ***Continue improving financial performance through focus on operational and functional efficiencies***

Optimisation and reduction of costs remains our key focus area and we continue to work towards attaining cost efficiencies, whether it be in the supply chain management or during the production process.

Further, we are also seeking to reduce our environmental footprint by focussing on solar energy. In this respect, we have installed a 1.4 MW rooftop grid system solar panel at our Unit 2 – Subsidiary in Maharashtra, and a 0.65 MW solar plant at our Unit – 4 in Maharashtra. In addition, in 2022, we have also entered into a power purchase agreement with a company to obtain at least 3.1 MW of solar energy for our manufacturing unit at Uttar Pradesh for a period of 25 years. Going forward, we will continue to evaluate and undertake such initiatives which would improve our functional efficiencies. We will also seek to ensure that our future manufacturing units are strategically located to demand zones, as identified at the relevant time.



## Business Operations

### *Our Business Verticals*

We categorise our business in four verticals, being (i) products; (ii) plastic moulding; (iii) electronics; and (iv) tool manufacturing.

### Products

Under this business vertical, we manufacture RACs, washing machines and air coolers.

#### *RACs*

We offer RACs IDU, ODU and CBU in the capacity ranging from 1.0T to 2T in both fixed speed and inverter categories for various star ratings. The capacities currently stand at 200,000 IDUs and 100,000 ODUs per annum. Our ODM and contract manufacturing offering in this vertical is capable of meeting customer related needs and requirements.



#### *Washing Machines*

We started manufacturing complete SAWM in 2017 and offer SAWM in capacities ranging from 6 kg to 14 kg. We also offer FATL in capacities ranging from 6.5 kg to 7.5 kg. Thereafter, we launched our own SAWM platforms, offering a range of models and customisation options for our clients.



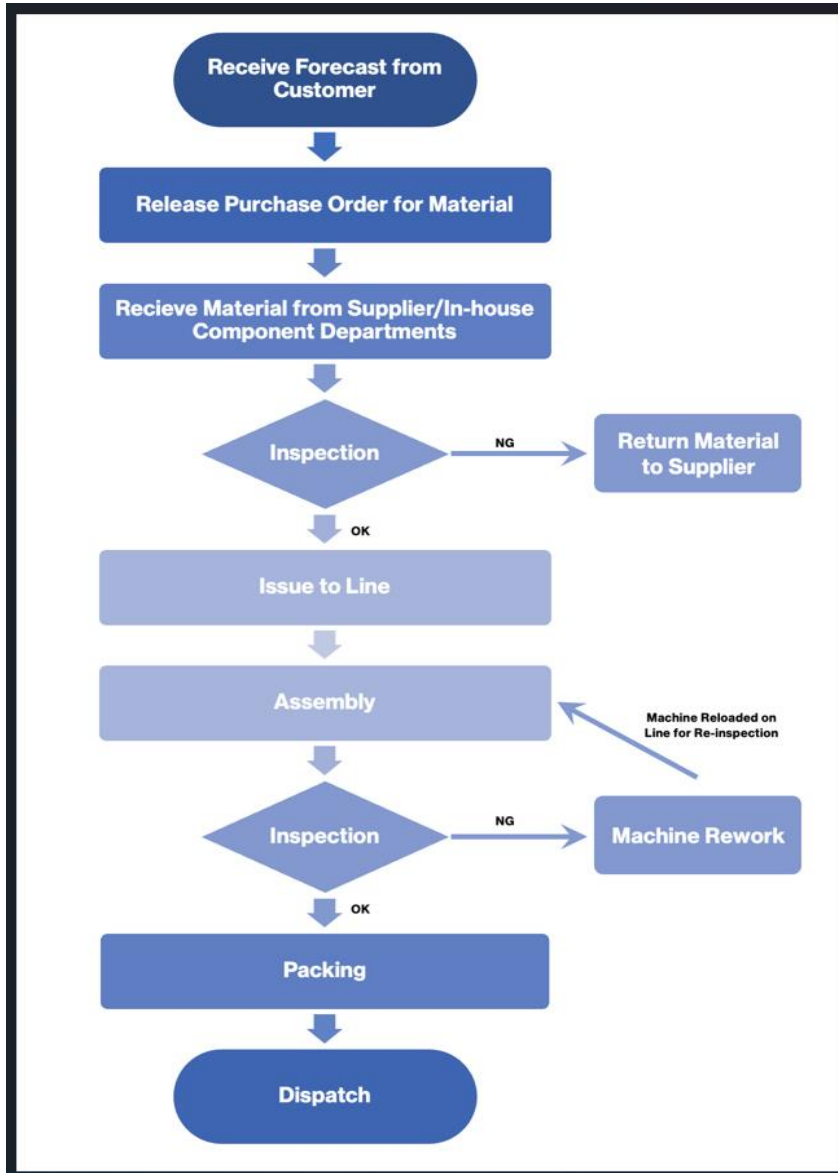


### *Air coolers*

We started manufacturing air coolers in 2014. We offer a complete range of air coolers ranging from 60 litres to 107 litres in both mechanical and electronic platforms, offering features such as inverter-compatibility, turbo air flow, humidity controllers, eco-mode and remote control. Our dedicated air cooler manufacturing unit can produce up to 100,000 air coolers annually.

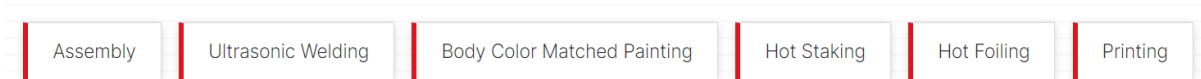


Set forth below is the process followed for manufacturing of our products:



Plastic Moulding

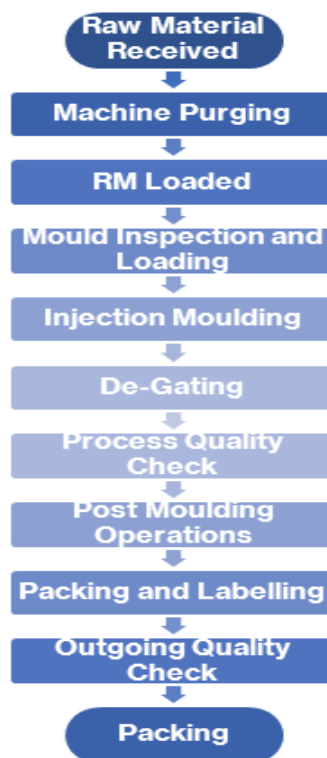
We have over 300 moulding machines ranging from 90 T to 1,850 T, across our manufacturing units. We work using customers’ moulds and designs and manufacture small, medium and large sized, high-precision and surface critical injection moulded components which are used to manufacture a wide variety of automotive, electronic equipment and sanitaryware products such as in-wall tank assemblies and toilet seats and for fan parts painting. Our post-moulding process comprises the following:



We have capacity to manufacture specialised moulding operations such as vertical injection moulding, plastic blow moulding and thermoset moulding as well as post-moulding operations.

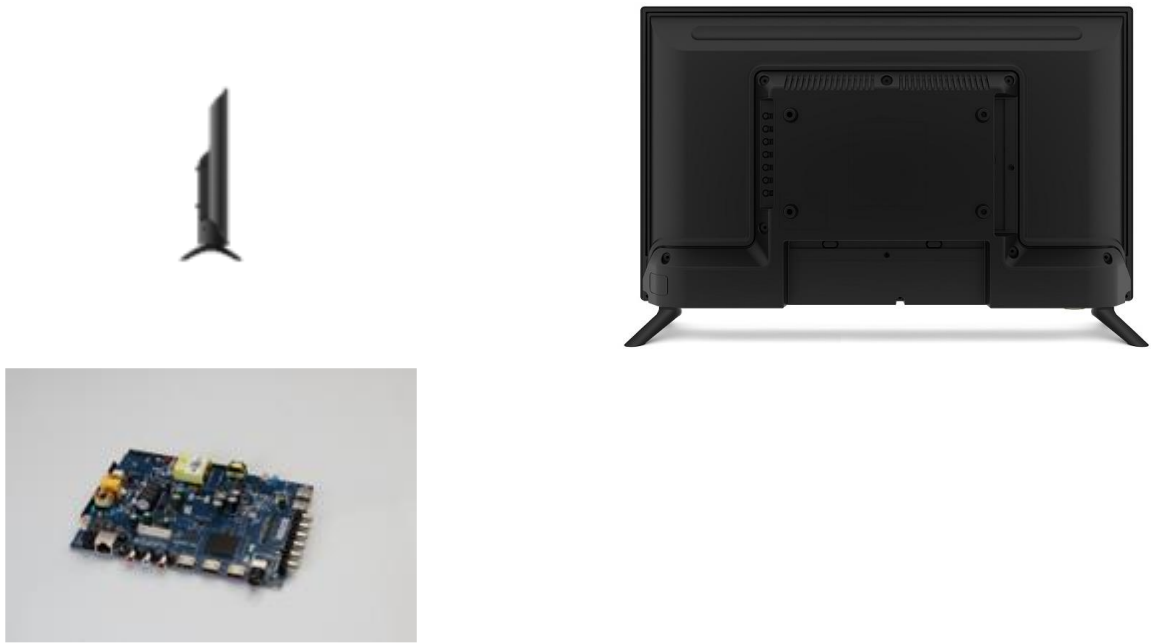


Set forth below is the process followed for manufacturing of plastic moulding components:

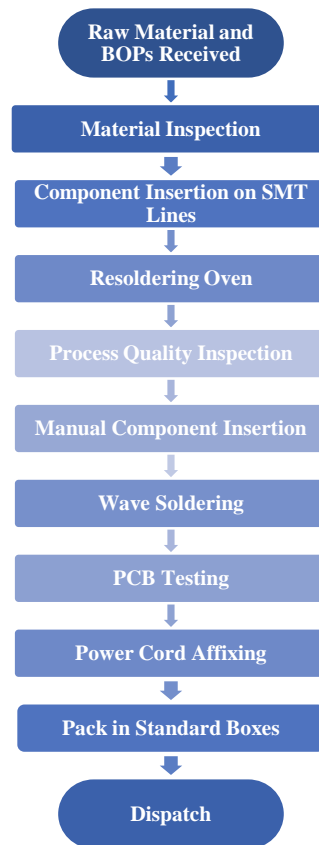


### Electronics

We manufacture LED TVs in screen sizes ranging from 24 inches to 70 inches. We have installed SMT process, PCB assembly, open-cell panel assembly, final product assembly and testing processes. Further, we develop and manufacture printed circuit board assemblies for a range of applications on a turnkey basis (including procurement, SMT, AI, MI, testing, packing and shipping).



Set forth below is the process followed for manufacturing of electronic equipment:

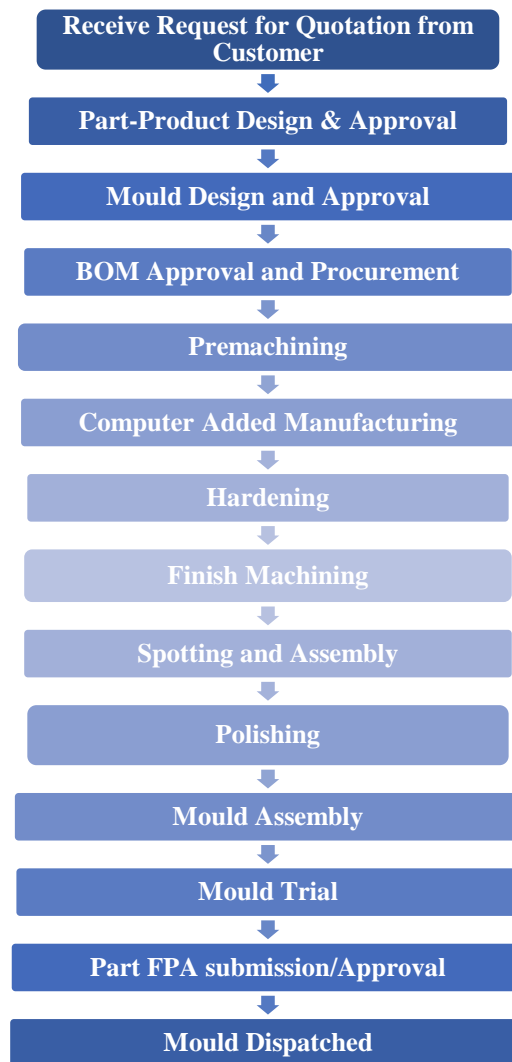


### Tool Manufacturing

We develop moulds for various applications, including automotive applications, white goods (such as refrigerators), home and kitchen appliances, lighting and electrical equipment. The complete range of services from tool design to tool manufacturing and injection moulding under one roof makes the Company a turnkey tooling solutions provider.



Set forth below is the process followed for manufacturing of tool manufacturing:



### ***Manufacturing Units***

Presently, we operate seven manufacturing units located in Greater Noida, Uttar Pradesh; Roorkee, Uttarakhand; and Ahmednagar, Maharashtra. We also operate a unit at Ahmednagar, Maharashtra, where we operate incoming and outgoing quality control of products, storage of raw materials and finished goods and dispatch operations for our other manufacturing units in the location. Additionally, recently our Subsidiary, PG Technoplast, has leased premises at Alwar, Rajasthan to set up a manufacturing unit for air conditioners (Unit 3 – Subsidiary). As on the date of this Placement Document, our Subsidiary is in the process of setting up the unit and is therefore, yet to commence operations at this unit.

Set out below is the consolidated product-wise capacity utilisation details for the manufacturing facilities, as certified by Shrey Engineering Services, Chartered Engineers, by way of their certificate dated September 1, 2023:

Products	UO M	As of, and for year ended March 31, 2021				As of, and for year ended March 31, 2022				As of, and for year ended March 31, 2023				As of, and for the three months ended June 30, 2023*#			
		Authoriz ed Capacity	Installe d Capacity	Actual Producti on	Capacit y Utilizati on (%)	Authoriz ed Capacity	Installe d Capacity	Actual Producti on	Capacit y Utilizati on (%)	Authoriz ed Capacity	Installed Capacity	Actual Producti on	Capacit y Utilizati on (%)	Authoriz ed Capacity	Installe d Capacity	Actual Producti on	Capacit y Utilizati on (%)
<b>Electronics</b>																	
PCB Assembly for LED TV	Nos	500,000	500,000	237,716	48.20%	500,000	500,000	98,480	19.70%	5,00,000	5,00,000	1,87,771	37.55%	5,00,000	1,25,000	56,075	44.86%
Set-Top Box	Nos			-				-									
Camera Assembly	Nos			-				-									
PCB Assembly for Electric Sound Amplifier Parts	Nos			3,276				-									
LED TV	Nos	-	-	-	0.00%	1,00,000	120,000	47,358	39.47%	10,00,000	1,20,000	1,08,839	90.70%	10,00,000	50,000	41,374	82.75%
<b>Plastic Moulding</b>																	
Fan Parts Painting	Nos	1,00,000	750,000	290,538	38.74%	1,00,000	750,000	307,217	40.96%	10,00,000	10,00,000	6,16,186	61.62%	10,00,000	2,50,000	2,49,284	99.71%
Plastic Molded Parts	Nos	400,000	400,000	190,499	47.62%	10,400,000	5,550,000	3,011,337	54.26%	1,04,00,000	1,04,00,000	98,48,067	94.69%	1,04,00,000	26,00,000	24,54,188	94.39%
<b>Products</b>																	
Washing Machine	Nos	1,50,000	275,000	160,523	58.37%	1,50,000	360,000	306,833	85.23%	15,00,000	5,41,667	4,56,817	84.34%	15,00,000	2,50,000	1,08,788	43.52%
Indoor Unit of AC / Outdoor Unit of AC/Air Cooler	Nos	1,00,000	450,000	256,835	57.07%	9,50,000	1,666,667	495,654	29.74%	95,00,000	76,00,000	23,30,542	30.67%	95,00,000	19,00,000	8,94,647	47.09%
<b>Tool Manufacturing</b>																	
Moulds	Nos	150	150	69	46.00%	150	150	115	76.67%	200	200	178	89.00%	200	50	24	48.00%
<b>Total Capacity in Nos</b>	<b>Nos</b>	<b>4,400,150</b>	<b>2,375,150</b>	<b>1,139,456</b>	<b>47.97%</b>	<b>23,900,150</b>	<b>8,946,817</b>	<b>4,266,994</b>	<b>47.69%</b>	<b>2,39,00,200</b>	<b>2,01,61,867</b>	<b>1,35,48,400</b>	<b>67.20%</b>	<b>2,39,00,200</b>	<b>51,75,050</b>	<b>38,04,380</b>	<b>73.51%</b>
<b>Plastic Moulding</b>																	
Plastic Molded Parts	Tons	42,000	25,600	17,246	67.37%	57,000	31,000	17,932	57.84%	57,000	31,000	19,528	62.99%	57,000	7,750	5,123	66.11%
<b>Total Capacity in Tons</b>	<b>Tons</b>	<b>42,000</b>	<b>25,600</b>	<b>17,246</b>	<b>67.37%</b>	<b>57,000</b>	<b>31,000</b>	<b>17,932</b>	<b>57.84%</b>	<b>57,000</b>	<b>31,000</b>	<b>19,528</b>	<b>62.99%</b>	<b>57,000</b>	<b>7,750</b>	<b>5,123</b>	<b>66.11%</b>

\*Not annualized

#Installed capacity as on June 30, 2023 has been computed as installed capacity available for the year / period divided by 12 x 3.

## **Inventory Management and Procurement of Raw Materials**

The primary raw materials used in the manufacture of our products include, aluminium, copper, sheet metal (steel), refrigerant, compressor, plastic resins and motors. We procure raw materials from multiple domestic suppliers and import from China, Vietnam and Malaysia. For Fiscals 2021, 2022 and 2023 and for the three months ended June 30, 2023, cost of materials consumed represented 73.71%, 65.80%, 74.29% and 72.35%, respectively, of our revenue from operations.

The raw materials are primarily transported by the road and sea. We typically purchase raw materials based on the actual sales orders in hand and the anticipated production requirements taking into consideration any expected fluctuation in raw material prices and delivery delay. Raw materials sourced from the domestic market are directly purchased from manufacturers and traders and supplied to the respective manufacturing locations. We enjoy a long-standing relationship with our key raw material suppliers, which enables a timely manufacturing and delivery of components. We keep an array of suppliers with us, to ensure that there is no delay in manufacturing and delivery of the component to the customer due to the delay or failure to supply a critical raw material by any supplier. Our dependence on the raw material suppliers for the materials differs on a case-to-case basis based depending on the assignment and the specific process requirements.

Our finished products are stored on-site at our manufacturing units. The inventory days are approximately 47.81 days for raw materials and the finished goods as of June 30, 2023. We plan our inventory based on monthly forecasts which is based on current trends in sales along with feedback from our sales and marketing teams and regular interaction with our teams at the manufacturing units.

## **Logistics**

Once the products are finished, we package our products to the customers as per their specifications and branding requirements.

## **Brand Building and Marketing**

We have a dedicated marketing team. Our team approaches potential customers to showcase our capabilities to bring in new business, and also communicates with existing customers on a regular basis to get additional / new products or product category manufactured.

## **Information Technology**

The key functions of our IT team include establishing and maintaining enterprise resource planning systems and infrastructure services to support our business requirements, maintaining secure enterprise operations through, among others, risk assessment and identifying emerging technologies which may be beneficial to our operations. We are currently using a third-party enterprise resource planning solution, which assists us with various functions including production administration control, sales, maintaining the chart of accounts records for finance and IT departments and maintaining vendor master records, among others.

## **Competition**

Indian RAC market is highly fragmented with varied set of players – global, indigenous and importers – selling a wide range of products in the market. In the total EMS market, contract manufacturing (CM) accounts for approximately 80%, while original design manufacturing (ODM) accounts for the remaining 20%. Also, due to increased competition, EMS companies are striving to diversify their product offerings. There are nearly 700 electronic manufacturing services (“EMS”) companies in the market, ranging from large, medium-sized, to small players. Major global companies are Bharat FIH, Flex, Wistron, Pegatron, Jabil; large Indian companies include Dixon, Amber, SFO Technologies, Syrma, Elin, Avalon Technologies etc (*Source: F&S Report*).

We believe that our ability to offer end-to-end solutions to our customers, to meet our customers’ varying requirements, differentiate us from our competition.

## **Quality Control and Assurance**

We believe that maintaining a high standard of quality of our products is critical for our business, adhering to client specifications and continued growth. We have implemented quality control systems that cover all areas of our business processes, which include manufacturing, supply chain to product delivery, in order to ensure consistent quality, efficacy and safety of the products.

As part of our quality control process, we monitor stages of product manufacturing. We have implemented checks and testing systems in place, from the procurement of raw materials to the manufactured product, to ensure the quality of our products and to ensure that the products that we manufacture do not deviate from our customers’ specifications. Various in-process quality checks are undertaken to monitor product quality. Finished products are tested against the pre-determined quality specifications prior to delivery and with respect to their application. In addition to our in-house quality testing of our products, certain customers conduct periodic quality audits of our manufacturing units to verify and ascertain effective implementation of quality



management systems. Our quality control process has resulted in certifications and approvals such as ISO 9001:2015, 14001:2015, ISO 45001: 2018, UL E520496 and IATF 16949:2016.

### Health and Safety

Our activities are subject to various environmental laws and regulations which govern, among other matters, air emissions, waste water discharges, the handling, storage and disposal of hazardous substances and wastes, the remediation of contaminated sites, natural resource damages, and employee health and employee safety. We have obtained, or are in the process of obtaining or renewing, all material environmental consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business. For further details, please see **“Risk Factors – We are required to obtain, renew or maintain statutory and regulatory permits, licenses and approvals to operate our business and our manufacturing units, and any delay or inability in obtaining, renewing or maintaining such permits, licenses and approvals could result in an adverse effect on our results of operations. We are also required to be in compliance with various laws that are applicable to us and any non-compliance may have a material adverse effect on our business, financial condition or results of operation”** on page 65.

In addition to various laws and regulations, we also have a health and safety policy that we have established internally. We also have an emergency evacuation plans in place for our units. We also conduct training programs and mock drills, to educate and prepare our employees for emergency and evacuation situation.

### Insurance

In order to manage the risk of losses from potentially harmful events, we have purchased insurance policies covering fire, damage to buildings, plant and machinery, stocks (raw materials and finished goods), vehicles; (ii) burglary and theft; (iii) workmen compensation policy; and (iv) personal accident and medi-claim policy of employees. These insurance policies are renewed periodically to ensure that the coverage is adequate. For further details, please see **“Risk Factors – Our insurance cover may be inadequate to protect us from losses that may occur in the course of our business, which could have an adverse impact of on our business and financial performance”** on page 61.

### Employees

Our work force is a critical factor in maintaining quality and safety standards and that good relations with our workforce are critical in strengthening our competitive position.

As of June 30, 2023, we had 3,438 employees working in our manufacturing units of which 32 are employed in the R&D staff representing 0.93% of our total employees. In addition, from time to time, we engage contract labour for certain services at our manufacturing and other facilities, including for loading/unloading of goods and/or shifting of materials at our premises. The number of contract labourers varies from time to time based on the nature and extent of work.

### Intellectual Property



We have registered our logo under classes 9 and 11 of the Trademarks Act, as on the date of this Placement Document. For further details, please see **“Risk Factors – Our intellectual property rights may not be adequately protected against third party infringement. This could have a material adverse effect on our business which in turn adversely affect results of operations.”** on page 58.

### Property

Our Registered Office is located at DTJ-209, 2nd Floor, DLF Tower B-Jasola, Plot 11 Non – Hierarchical Commercial Centre, Jasola New Delhi, South Delhi-110 025 Delhi, India and our Corporate Office is located at P-4/2 to 4/6, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida, Dist. Gautam Budh Nagar-201 306, Uttar Pradesh, India, both of which are leased to us. Recently, in addition, as on the date of this Placement Document, our manufacturing units and warehouses have been set up on premises leased by us. For further details, please see **“Risk Factors - Our Registered Office, manufacturing units and warehouses, from where we operate, are not owned by us. The land and premises of our manufacturing units are held by us under lease agreements. Further, some of our manufacturing units are located on industrial lands allocated by Maharashtra Industrial Development Corporation (“MIDC”) and Uttar Pradesh State Industrial Development Corporation (“UPSIDC”). Failure to comply with the conditions of use of such land could result in an adverse impact on our business and financial condition”**.

The table below provides leased details of our manufacturing units:

Unit No.	Address of the manufacturing units	Owned / Leased	Term	Balance Term of Lease Period
<i>Company</i>				

Unit No.	Address of the manufacturing units	Owned / Leased	Term	Balance Term of Lease Period
Unit 1	Plot 4/2 to Plot 4/4, UPSIDC Industrial Area, Surajpur, Site-B, Greater Noida, Uttar Pradesh	Leased	90 years	70 years
	Plot 4/5 and Plot 4/6, UPSIDC Industrial Area, Surajpur, Site – B, Greater Noida, Uttar Pradesh	Leased	90 years	70 years
	Plot 4/6, UPSIDC Industrial Area, Surajpur, Site-B, Greater Noida, Uttar Pradesh	Leased	90 years	70 years
Unit 2	Khasra No 268, 15 <sup>th</sup> Milestore, Village Raipur, Bhagwanpur, Roorkee, Uttarakhand	Leased	30 years	16 years
	Khasra No 275, 15 <sup>th</sup> Milestore, Village Raipur, Bhagwanpur, Roorkee, Uttarakhand	Leased	30 years	16 years
Unit 3	Plot No E-14, E-15, Surajpur, Site-B UPSIDC Industrial Area, Greater Noida, Uttar Pradesh	Leased	83 years	70 years
	Plot No. F – 20, Site – B, UPSIDC Industrial Area, Greater Noida, Uttar Pradesh	Leased	90 years	53 years
Unit 4	Plot A – 20 / 2 Supa Parner, MIDC Industrial Area, Taluka Parner, District Ahmednagar, Maharashtra	Leased	95 years	79 years
	C-11, Supa Parner, MIDC Industrial Area, Taluka Parner, District Ahmednagar, Maharashtra	Leased	95 years	70 years
Unit 5	I 26 and I 27 Site – C, UPSIDC Industrial Area, Surajpur, Greater Noida, Uttar Pradesh	Leased	90 years	57 years
	I 15 and I 16 Site – C, UPSIDC Industrial Area, Surajpur, Greater Noida, Uttar Pradesh	Leased	36 months	1 year
<b>Subsidiary (PG Technoplast)</b>				
Unit 1	Plot No. 76, Sector – Echotech – 12, Greater Noida, Gautam Budh Nagar, Uttar Pradesh, covering 61,545 sq. ft	Leased	120 months	7 years, 11 months
	Plot No. 76, Sector – Echotech – 12, Greater Noida, Gautam Budh Nagar, Uttar Pradesh, covering 80,700 sq. ft	Leased	120 months	9 years, 3 months
Unit 2	Plot A – 18 Supa Parner MIDC Industrial Area, Taluka Parner, Ahmednagar, Maharashtra	Leased	95 years	72 years

Additionally, one of our Subsidiaries, PG Technoplast has entered into a leave and license agreement for our unit at Ahmednagar, Maharashtra, where we operate incoming and outgoing quality control of products, storage of raw materials and finished goods and dispatch operations for our other manufacturing units in the location. The agreement is for a period of five years commencing from August 1, 2022. Additionally, our Subsidiary, PG Technoplast, has acquired land on lease at plot no A 100 – 103 and 118 – 121, Rajasthan State Industrial Development and Corporation Limited Industrial Area, Bhiwadi, Alwar, Rajasthan, where it proposes to set up a manufacturing unit (Unit 3 – Subsidiary). The lease is for a period of nine years commencing from July 13, 2023.

The table below provides leased details of our warehouses:

Sr. No.	Address of the warehouses	Owned / Leased	Term	Balance Term of Lease Period
<b>Company</b>				
1.	Plot No. E-31, Site B Surajpur, UPSIDC Industrial Area, Greater Noida - 201306, covering approximately 20,000 sq. ft. area.	Leased	11 months	7 months
2.	Khasra No. 238 & 239, Raipur Industrial Area, Village Raipur, Pargana Bhagwanpur, 247661 (Roorkee), Haridwar, Uttarakhand.	Leased	11 months	2 months
3.	Khasra No. 175-176, Raipur Industrial Area, Village Raipur, Pargana Bhagwanpur, 247661 (Roorkee), Haridwar, Uttarakhand.	Leased	11 months	7.5 months
4.	Khasra No-178, Raipur Industrial Area, Bhagwanpur, Roorkee – 247 657.	Leased	11 months	9.5 months
5.	Khasra No. 819, Village Gulistanpur, Dist. Gautam Budh Nagar, (U.P), 201306, covering approximately 9000 sq. ft.	Leased	11 months	2.5 months
6.	Khasra No. 819, Village Gulistanpur, Dist. Gautam Budh Nagar, (U.P), 201306, covering approximately 5000 sq. ft.	Leased	11 months	3 months
7.	No. 66, Udyog Vihar, Old Kasna Road, Greater Noida, Uttar Pradesh – 201306.	Leased	9 years	9 years
<b>Subsidiary (PG Technoplast)</b>				
8.	Plot No. C – 129/1, MIDC Supa, Parner, Ahmednagar, Maharashtra – 414301, covering approx. 20,000 sq. ft. area.	Leased	11 months	8 months

## BOARD OF DIRECTORS AND SENIOR MANAGEMENT

### Board of Directors

The composition of the Board is governed by the provisions of the Companies Act, 2013, the rules prescribed thereunder, the SEBI Listing Regulations and the Articles. In accordance with the Articles, our Company shall not have less than three Directors and more than 12 Directors. As of the date of this Placement Document, our Company has eight Directors, of which three are Executive Directors, one is a Non-Executive Non-Independent Director and four are Independent Directors.

Pursuant to the provisions of the Companies Act, 2013, at least two-thirds of the total number of Directors, excluding the Independent Directors, are liable to retire by rotation, with one-third of such number retiring at each annual general meeting. A retiring Director is eligible for re-election. Further, pursuant to the Companies Act, 2013, the Independent Directors may be appointed for a maximum of two consecutive terms of up to five consecutive years each and thereafter have a cooling off period of three years prior to re-appointment. Any re-appointment of Independent Directors shall be on the basis of, *inter alia*, the performance evaluation report and approval by the shareholders of our Company, by way of a special resolution.

The following table sets forth details regarding our Board as of the date of this Placement Document:

Name, Address, Occupation, Nationality Term and DIN	Age	Designation
<p><b>Anurag Gupta</b></p> <p><i>Date of Birth:</i> May 27, 1969</p> <p><i>Address:</i> B-15, Kalindi Colony, Opp. Maharani Bagh, New Delhi – 110065, India</p> <p><i>Occupation:</i> Business</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Three years with effect from July 15, 2022, liable to retire by rotation.</p> <p><i>DIN:</i> 00184361</p>	54 years	Executive Chairman and Whole-time Director
<p><b>Vishal Gupta</b></p> <p><i>Date of Birth:</i> September 25, 1972</p> <p><i>Address:</i> B-15, Kalindi Colony, Opp. Maharani Bagh, New Delhi – 110065, India</p> <p><i>Occupation:</i> Business</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Three years with effect from April 1, 2021, liable to retire by rotation.</p> <p><i>DIN:</i> 00184809</p>	50 years	Managing Director, Finance
<p><b>Vikas Gupta</b></p> <p><i>Date of Birth:</i> September 25, 1972</p> <p><i>Address:</i> B-15, Kalindi Colony, Opp. Maharani Bagh, New Delhi – 110065, India</p> <p><i>Occupation:</i> Business</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Three years with effect from April 1, 2021, liable to retire by rotation.</p>	50 years	Managing Director, Operations

Name, Address, Occupation, Nationality Term and DIN	Age	Designation
<i>DIN:</i> 00182241		
<p><b>Sharad Jain</b></p> <p><i>Date of Birth:</i> July 1, 1962</p> <p><i>Address:</i> C-211, Ashiana, The Heritage Appartments, Sector-4, Vaishali, Ghaziabad – 201010, Uttar Pradesh, India</p> <p><i>Occupation:</i> Professional</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Five years with effect from August 11, 2019</p> <p><i>DIN:</i> 06423452</p>	61 years	Non-Executive Independent Director
<p><b>Ram Dayal Modi</b></p> <p><i>Date of Birth:</i> June 30, 1951</p> <p><i>Address:</i> House No. 18, Gokul Nagar, Ayad (Rural), Shastri Circle, Udaipur – 313001, Rajasthan, India</p> <p><i>Occupation:</i> Professional</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Five years with effect from May 26, 2021</p> <p><i>DIN:</i> 03047117</p>	72 years	Non-Executive Independent Director
<p><b>Mitali Chitre*</b></p> <p><i>Date of Birth:</i> February 19, 1983</p> <p><i>Address:</i> 403, Dwarkamai, Pannalal Ghosh Road, Malad West, Mumbai – 400064, Maharashtra, India</p> <p><i>Occupation:</i> Service</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Three years with effect from July 2, 2021</p> <p><i>DIN:</i> 09040978</p>	40 years	Non-Executive Non-Independent Director
<p><b>Ruchika Bansal</b></p> <p><i>Date of Birth:</i> July 26, 1980</p> <p><i>Address:</i> H-1001, Prateek Stylome, Plot No. GH-04/B, Sector-45 Noida, Gautam Buddha Nagar – 201301, Uttar Pradesh, India</p> <p><i>Occupation:</i> Professional</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Five years with effect from August 14, 2021</p> <p><i>DIN:</i> 06505221</p>	43 years	Non-Executive Independent Director
<b>Raman Uberoi</b>	55 years	Non-Executive Independent Director

Name, Address, Occupation, Nationality Term and DIN	Age	Designation
<p><b>Date of Birth:</b> September 7, 1967</p> <p><b>Address:</b> C-32, Kalindi Colony, Delhi - 110065</p> <p><b>Occupation:</b> Professional</p> <p><b>Nationality:</b> Indian</p> <p><b>Term:</b> Five years with effect from March 22, 2023</p> <p><b>DIN:</b> 03407353</p>		

\* Appointed as a non-executive nominee director on behalf of Baring Private Equity India AIF pursuant to the Investment Agreement dated May 25, 2021.

### Biographies of our Directors

**Anurag Gupta** is the Executive Chairman and Whole-time Director of our Company. He holds a bachelor's degree of Electronics in Computer Engineering and Science from M.S. Ramaiah Institute of Technology, Bangalore University. He has over two decades of experience in the field of electronic manufacturing services. He is responsible for development and implementation of technical policies, quality assurance, technological advancement, plant and machinery monitoring and research and development.

**Vishal Gupta** is the Managing Director, Finance of our Company. He holds a master's degree in Business Administration from University of Pune and bachelor's degree in Commerce (Honours) from University of Delhi. He has over two decades of experience in the field of electronic manufacturing services. His core responsibilities include finance and administration, budgeting and planning process, government and customer relationships and overseeing monthly and quarterly assessments and forecasts of our Company's financial performance.

**Vikas Gupta** is the Managing Director, Operations of our Company. He holds a master's degree in Business Administration from University of Pune and bachelor's degree in Commerce (Honours) from University of Delhi. He has over two decades of experience in the field of electronic manufacturing services. He is responsible for business operations, strategy, industry relations and organization governance. He ensures to create and develop business opportunities and increasing the operational efficiencies with right product mix to achieve organizational growth and objectives.

**Sharad Jain** is a Non-Executive Independent Director of our Company. He is a Chartered Accountant and a Fellow Member of the Institute of Chartered Accountants of India. He holds a bachelor's degree in Science from Rohilkhand University, Bareilly. He is presently engaged in the profession of chartered accountancy, with a post-qualification experience of over two decades. He has experience in the field of financial and strategic planning, taxation, accounting, budgeting and auditing.

**Ram Dayal Modi** is a Non-Executive Independent Director of our Company. He holds a masters' degree in Arts, Political Science from University of Udaipur, Rajasthan and has completed Part I of the Associate Examination of the Indian Institute of Bankers. He has over 38 years of experience in banking and financial services of the State Bank of India Group.

**Mitali Chitre** is a Non-Executive Non-Independent Director of our Company. She holds a bachelor's degree in Electronics Engineering from University of Mumbai and master's degree in Business Administration from Cardiff University, U.K. She is a Partner at Baring Private Equity Partners India. She has over 16 years of investment experience and leads deals across consumer durables, capital goods, building materials, logistics and energy sectors. She serves as the Chief Economist for Baring and heads the Deal Origination practice.

**Ruchika Bansal** is a Non-Executive Independent Director of our Company. She holds a bachelor's degree in Commerce from Sri Ram College of Commerce, Delhi University and Postgraduate Diploma in Management from Management Development Institute, Gurgaon. She has experience in financial services and advisory sector.

**Raman Uberoi** is a Non-Executive Independent Director of our Company. He is an Associate Member of the Institute of Chartered Accountants of India. He holds a bachelor's degree in Commerce (Honours) from Hans Raj College, Delhi University. He has experience in the field of credit ratings operations. He has previously worked as Director at Receivables Exchange of India Limited and Poonawalla Housing Finance Limited (formerly known as Magma Housing Finance Limited). He is currently a member of the Market Data Advisory Committee of SEBI and has previously served as a member of the Expert Committee set up by the Tamil Nadu government on improving access of loans to entrepreneurs.

### Relationship with other Directors

Except for Anurag Gupta, Vishal Gupta and Vikas Gupta, who are brothers, none of our Directors are related to each other.

## Borrowing powers of our Board

In accordance with the Articles of Association of our Company, our Board of Directors has been empowered to borrow funds in accordance with applicable law. Pursuant to the resolution dated September 29, 2020, passed by our Shareholders, our Board of Directors is authorized to borrow, for the purpose of the business of the Company, monies in excess of the aggregate of the paid up share capital, free reserves and securities premium to the extent that the maximum amount of monies so borrowed and outstanding shall not exceed ₹5000.00 million, at any time. Our borrowing limits may be changed from time to time, subject to approval of the Board and our Shareholders.

## Interests of the Directors

All the Directors may be deemed to be interested to the extent of their shareholding, remuneration and fees payable to them for attending meetings of our Board or committees thereof, as well as to the extent of reimbursement of expenses, and the Executive Directors of our Company may be deemed to be interested to the extent of remuneration paid to them for services rendered.

Except for Anurag Gupta, Vishal Gupta and Vikas Gupta who are Promoters of our Company, none of our Directors have any interest in the promotion of our Company.

All of the Directors may also be regarded as interested in any Equity Shares held by them and to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them. All Directors may also be regarded as interested in the Equity Shares held by, or subscribed by and allotted to, the companies, firms, HUFs, and trusts, in which they are interested as directors, members, partners, karta, trustees, etc.

Except as disclosed below, none of our Directors have any interest in any property acquired or proposed to be acquired of our Company or by our Company:

- (a) Our Director, Vishal Gupta has rented our Registered Office to our Company from February 1, 2023, for a period of 11 months, till December 31, 2023, pursuant to rent agreement dated February 4, 2023. Our Company is required to pay a monthly rent of ₹4,250.
- (b) Our Director, Vishal Gupta has leased Unit 2 to our Company from November 6, 2009, for a period of 30 years, till November 5, 2039, pursuant to lease deed dated November 6, 2009. Our Company is required to pay an annual rent of ₹15,000 inclusive of applicable stamp duty for the same.

No loans have been availed by our Directors from our Company.

Except as stated above and as provided in “*Related Party Transactions*” on page 47, our Company has not entered into any contract, agreement or arrangement during the three Fiscals immediately preceding the date of this Placement Document, in which any of the Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them.

Other than as disclosed in this Placement Document, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which the Directors are interested.

## Shareholding of Directors

As per our Articles, our Directors are not required to hold any qualification shares.

Except as disclosed below, none of our Directors hold Equity Shares in our Company as of the date of this Placement Document.

Sr. No.	Name of the Director	Designation	Number of Equity Shares	Percentage (%) shareholding
1.	Anurag Gupta	Executive Chairman and Whole-time Director	2,991,201	13.11
2.	Vishal Gupta	Managing Director, Finance	5,110,827	22.40
3.	Vikas Gupta	Managing Director, Operations	5,073,531	22.23
4.	Mitali Chitre	Non-Executive Non-Independent Director	600	Negligible
5.	Sharad Jain	Non-Executive Independent Director	1,604	Negligible

## Terms of Appointment of Executive Directors

Pursuant to the board resolutions dated August 12, 2022, and shareholders’ resolution dated September 29, 2022, each of the Executive Directors our Company are entitled to the following remuneration and perquisites:

Sr. No.	Particulars	Amount
i.	Salary	₹558,884 per month, with increments, as per the Company policy, from time to time, subject to ceiling of ₹1,100,000 per month.
ii.	Perquisites, allowances and bonus*	The value of all kinds of perquisites and allowances shall be ₹558,904 per month, with increments, as per the Company policy, from time to time, subject to ceiling of ₹1,200,000 per month.
iii.	Annual increment**	There shall be a provision of annual increment with the authority of our Board and/or the Company policy to fix/alter/enhance the salary terms, from time to time, within ceiling approved by our Shareholders through special resolution. The due date for the annual increment shall be governed by the Company policy or approval of our Board.
iv.	Provident fund, superannuation, annuity fund, gratuity and encashment of leave	The Company's contribution to provident fund, superannuation, annuity fund, gratuity payable and encashment of leave shall be as per the rules of the Company, in addition to remuneration specified in (i), (ii) and (iii).
v.	Performance-linked incentive	Any increment in salary, perquisites, allowances and remuneration by way of incentive / bonus / performance-linked incentive, shall be within the maximum limits of remuneration specified in (i), (ii) and (iii).
vi.	ESOPs	Any employee stock options granted, from time to time, if permitted under applicable law, shall not be considered a part of perquisites specified in (i), (ii) and (iii) and the perquisite value of employee stock options, shall be in addition to the remuneration specified in (i), (ii) and (iii).
vii.	Reimbursement of expenses	Any expenses incurred for travelling, boarding, lodging and attendant(s) during business trips, provision of car(s) for use on Company's business and communication expenses at the residence shall be reimbursed as actuals and shall not be considered as perquisites.
viii.	Minimum remuneration	Where in any financial year during the currency of the tenure of the Executive Directors, our Company has no profits, or its profits are inadequate, our Company will pay remuneration by way of salary, benefits, perquisites and allowances and commission / performance bonus as specified above considering the limit prescribed in Schedule V of the Companies Act 2013 and approval of our Shareholders by way of special resolution.

\* It 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.

\*\* Pursuant to the Investment Agreement dated May 25, 2021, on and from April 1, 2022, the remuneration of the Executive Directors, may be increased annually up to a maximum of 20% of the annual cumulative remuneration, receivable by the Executive Directors, and such of their relatives ("Relevant Group") who are in the employment of our Company as per the current terms of employment, which was receivable by the Relevant Group in the immediately preceding financial year, subject to our Company having achieved a year-on-year EBITDA growth of at least 40% and ROE of at least 16% in the financial year prior to the financial year in which the annual increment is being determined.

### Remuneration of the Executive Directors

The following tables set forth the details of remuneration paid by our Company to the Executive Directors of our Company for Fiscal 2021, Fiscal 2022, Fiscal 2023 and for current Fiscal:

(in ₹ million)

Sr. No.	Name of the Director	Remuneration for Fiscal 2021	Remuneration for Fiscal 2022	Remuneration for Fiscal 2023	Remuneration for three-months ended June 30, 2023	Remuneration from July 1, 2023, to August 31, 2023
1.	Anurag Gupta	8.51	10.61 <sup>(1)</sup>	10.23 <sup>(2)</sup>	2.25	0.77
2.	Vishal Gupta	11.19	13.75 <sup>(3)</sup>	15.40 <sup>(4)</sup>	3.99	1.36
3.	Vikas Gupta	11.52	13.87 <sup>(5)</sup>	15.38 <sup>(6)</sup>	3.99	1.36

(1) Inclusive of leave encashment of ₹ 1.12 million.

(2) Inclusive of leave encashment of ₹ 0.33 million.

(3) Inclusive of leave encashment of ₹ 1.46 million.

(4) Inclusive of leave encashment of ₹ 0.52 million.

(5) Inclusive of leave encashment of ₹ 1.44 million.

(6) Inclusive of leave encashment of ₹ 0.49 million.

## Remuneration of the Non-Executive Directors

Our Non-Executive Independent Directors are entitled to receive sitting fees for attending meetings of our Board of Directors or any of its committee and reimbursements of expenses. Pursuant to the resolution passed by our Board of Directors dated February 13, 2017, our Independent Directors are entitled to sitting fees of ₹ 20,000 for attending each Board of Directors meeting and ₹ 10,000 for attending each meeting of committees of the Board.

The following tables set forth the details of remuneration paid by our Company to the Non-Executive Directors of our Company for Fiscal 2021, Fiscal 2022, Fiscal 2023 and for current Fiscal:

(in ₹ million)

Sr. No.	Name of the Director	Remuneration for Fiscal 2021	Remuneration for Fiscal 2022	Remuneration for Fiscal 2023	Remuneration for three-months ended June 30, 2023	Remuneration from July 1, 2023, to August 31, 2023
1.	Sharad Jain	0.21	0.28	0.26	0.07	Nil
2.	Ram Dayal Modi*	Nil	0.19	0.24	0.07	Nil
3.	Mitali Chitre**	Nil	Nil	Nil	Nil	Nil
4.	Ruchika Bansal***	Nil	0.12	0.18	0.02	Nil
5.	Raman Uberoi****	Nil	Nil	0.03	0.05	Nil

\* Ram Dayal Modi was appointed as a Non-Executive Independent Director on May 26, 2021. Hence, he was not paid any remuneration for Fiscal 2021.

\*\* The Investment Agreement dated May 25, 2021, pursuant to which Mitali Chitre was appointed as a Non-Executive Non-Independent Director, does not provide for any remuneration.

\*\*\* Ruchika Bansal was appointed as a Non-Executive Independent Director on August 14, 2021. Hence, she was not paid any remuneration for Fiscal 2021.

\*\*\*\* Raman Uberoi was appointed as a Non-Executive Independent Director on March 22, 2023. Hence, he has not been paid any remuneration for Fiscals 2021 and 2022.

## Prohibition by SEBI or Other Governmental Authorities

Neither our Company, nor our Directors or Promoters are debarred from accessing capital markets under any order or direction made by SEBI or any other governmental authority.

None of the Directors of the companies with which they are or were associated as promoters, directors or persons in control have been debarred from accessing the capital market under any order or direction passed by SEBI or any other governmental authority.

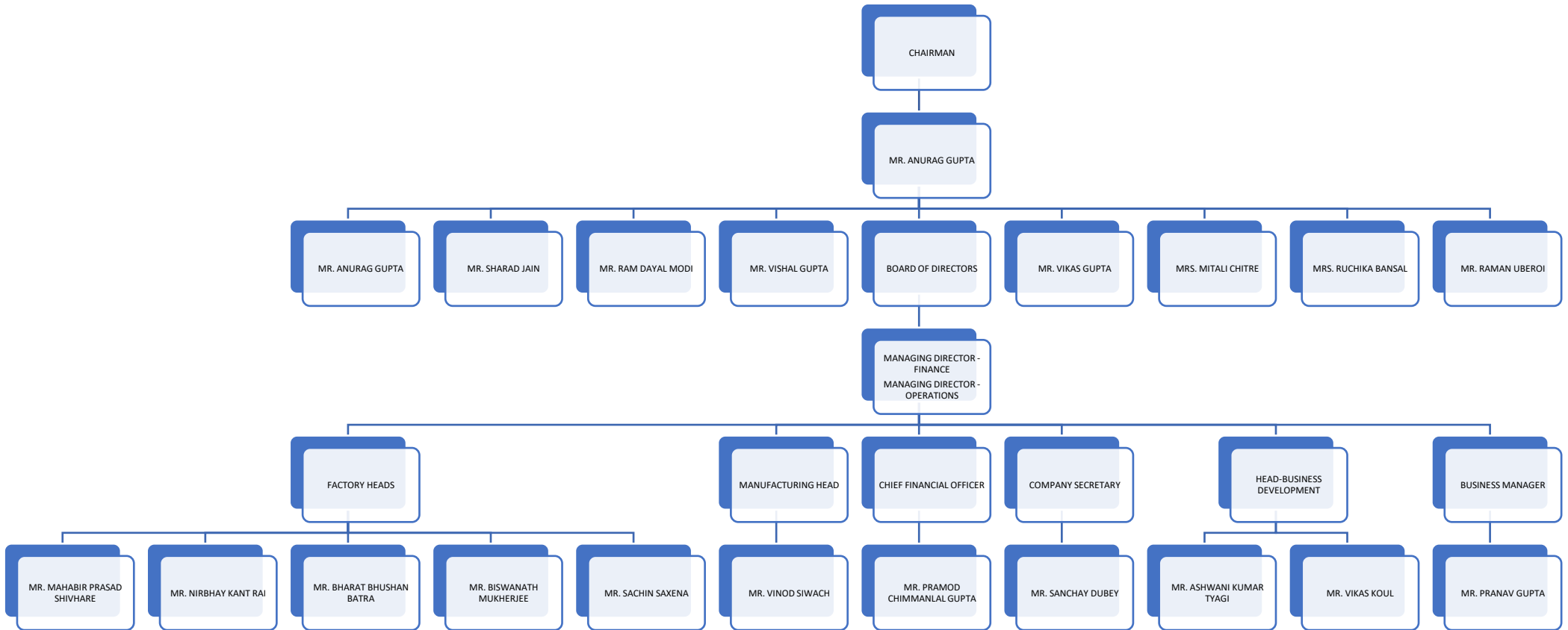
## Key Managerial Personnel

The Key Managerial Personnel are permanent employees of our Company. In addition to the Executive Directors, the details of our other Key Managerial Personnel in terms of the Companies Act and the SEBI ICDR Regulations as on the date of this Placement Document are set forth below:

Sr. No.	Name	Age	Designation
1.	Pramod Chimmanlal Gupta	50 years	Chief Financial Officer
2.	Sanchay Dubey	29 years	Company Secretary and Compliance Officer



## Organisation Chart of our Company



## Brief biographies of the Key Managerial Personnel

**Pramod Chimmanlal Gupta** is the Chief Financial Officer of our Company. He holds a postgraduate diploma in Management from Indian Institute of Management, Lucknow and bachelor's degree in Technology (Honours) in Electronics and Electrical Communication Engineering from Indian Institute of Technology, Kharagpur. He has experience in the Indian equity markets across brokerage firms, mutual funds and insurance companies. He is a Chartered Financial Analyst from the Association for Investment Management and Research, USA.

**Sanchay Dubey** is the Company Secretary and Compliance Officer of our Company. He is an associate member of Institute of Company Secretaries of India. He holds a bachelor's degree in commerce from Devi Ahilya Vishwavidyalaya, Indore. He has an experience of in the field of secretarial and legal affairs. He leads the secretarial, regulatory and corporate governance compliances of the Company.

## Members of Senior Management

The members of Senior Management are permanent employees of our Company. In addition to Pramod Chimmanlal Gupta, the Chief Financial Officer of our Company and Sanchay Dubey, the Company Secretary and Compliance Officer of our Company, the details of our members of Senior Management, as on the date of this Placement Document are set forth below:

Sr. No.	Name	Age	Designation
1.	Pranav Gupta	30	Business Manager
2.	Vinod Siwach	41	Head, Manufacturing
3.	Ashwani Kumar Tyagi	49	Head, Business Development, Northern India
4.	Vikas Koul	44	Head, Business Development, Western India
5.	Mahabir Prasad Shivhare	41	Factory Head
6.	Nirbhay Kant Rai	43	Factory Head
7.	Bharat Bhushan Batra	50	Factory Head
8.	Bishwanath Mukherjee	43	Factory Head
9.	Sachin Saxena	40	Factory Head

## Biographies of members of Senior Management

**Pranav Gupta** is a Business Manager of our Company. He holds a master's degree in business administration in Marketing and Sales and a bachelor's degree in business administration from Amity University, Uttar Pradesh. He has an experience in the field of Electronic Manufacturing Services. He is responsible for overall administration, business development, planning process, customer relationships and day-to-day operations of our Company's Units situated at Greater Noida, Uttar Pradesh.

**Vinod Siwach** is the Head, Manufacturing of our Company. He holds a post-graduate diploma in business administration in Operations Management from Symbiosis Centre for Distance Learning, Pune and completed his bachelor's degree in Technology, Mechanical Engineering from Maharshi Dayanand University, Rohtak. He specializes in manufacturing and material procurement for consumer durables products and has experience in the field of manufacturing sector for consumer durables and electronics.

**Ashwani Kumar Tyagi** is the Head, Business Development, Northern India of our Company. He holds a master's degree in Science in Mathematics and bachelor's degree in Science from Bundelkhand University, Jhansi. He also holds a post graduate diploma in business administration in Operation Management from Symbiosis Centre for Distance Learning, Pune. He has experience in the field of business development and marketing in the B2B segment and new product development for different industries. He has vast experience in development of business and manufacturing in the fields of home and kitchen appliances, consumer electronics, lighting, automobile industry, two and four-wheeler automotive parts, electrical insulators, electrical goods, plastic components, and others.

**Vikas Koul** is the Head, Business Development, Western India of our Company. He holds a diploma in Plastics Mould Design and Plastics Mould Technology from the Central Institute of Plastics Engineering and Technology, Chennai. He also holds a diploma in Production Management from the All-India Institute of Management Studies. He has experience in the field of Electronic Manufacturing Services. Having vast knowledge and experience in the field of plastics, he is responsible for operations, business development, sales and marketing, and vendor development at our company.

**Mahabir Prasad Shivhare** is one of the Factory Heads of our Company, leading manufacturing operations. He holds a master's degree in business administration from Uttar Pradesh Technical University, Lucknow. He has experience in the field of manufacturing, business development and marketing in consumer durables.

**Nirbhay Kant Rai** is the one of the Factory Heads of our Company. He has experience in manufacturing sector for consumer durables.

**Bharat Bhushan Batra** is one of the Factory Heads of our Company. He holds a diploma in Mechanical Engineering from Govind Ballabh Pant Polytechnic, Delhi. He leads manufacturing operations and has experience in the field of manufacturing services.

**Bishwanath Mukherjee** is one of the Factory Heads of our Company, leading manufacturing operations. He holds a post graduate diploma in Plastics Processing and Testing from Central Institute of Plastics Engineering & Technology, Chennai and bachelor's degree in Science (Chemistry) from Jai Prakash University, Chapra. He has previously worked with Legrand India Private Limited as Officer, Mould Shop and with Acros Private Limited on various aspects of thermoforming process on different machines.

**Sachin Saxena** is one of the Factory Heads of our Company, leading manufacturing operations. He attended a Diploma in Mechanical Engineering in Production from Technical Education Department, Lucknow. He has an experience of in the field of manufacturing services.

### **Shareholding of Key Managerial Personnel and members of Senior Management**

Except for Anurag Gupta, Vikas Gupta, Vishal Gupta, Pramod Chimanlal Gupta, Sanchay Dubey, Ashwani Kumar Tyagi, Bharat Bhushan Batra, Mahabir Prasad Shivhare, Nirbhay Kant Rai, Sachin Saxena and Vikas Koul none of our Key Managerial Personnel and members of Senior Management hold any Equity Shares in our Company as of the date of this Placement Document.

### **Relationship with other Key Managerial Personnel, Directors and members of Senior Management**

Except for Anurag Gupta, Vikas Gupta and Vishal Gupta who are brothers, and Pranav Gupta and Anurag Gupta who are son and father, respectively, none of our Key Managerial Personnel or members of Senior Management are related to any of our Directors, Key Managerial Personnel or members of Senior Management or inter-se.

### **Interests of Key Managerial Personnel and members of Senior Management**

None of our Key Managerial Personnel and members of Senior Management have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them in the ordinary course of business and to the extent of the Equity Shares held by them directly or indirectly in our Company or stock options granted to them, if any, and any dividend payable to them and other distributions in respect of such Equity Shares.

Except for the Registered Office and Unit-2, which our Company has rented and leased, respectively from Vishal Gupta, our Managing Director, Finance, none of our Key Managerial Personnel and members of Senior Management have any interest in any property acquired or proposed to be acquired of our Company or by our Company. For details of interest of Vishal Gupta, please see, “ – *Interests of the Directors*” on page 196.

Except as provided in “*Financial Information*” on page 252, and except as disclosed in this Placement Document, our Company has not entered into any contract, agreement or arrangement during the three Fiscals immediately preceding the date of this Placement Document in which any of the Key Managerial Personnel and members of Senior Management other than the Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them.

### **Corporate Governance**

Our Company is in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act, 2013 and the SEBI ICDR Regulations, in respect of corporate governance, including constitution of our Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of our Board's supervisory role from the executive management team and constitution of our Board committees, as required under law.

Our Board has been constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations. Our Board functions either as a full board or through various committees constituted to oversee specific functions. Our Company's executive management provides our Board detailed reports on its performance periodically.

### **Committees of our Board of Directors**

Our Board has constituted statutory committees, which function in accordance with the relevant provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

The statutory committees of our Board are: (i) Audit Committee; (ii) Nomination and Remuneration Committee; (iii) Stakeholders' Relationship Committee; (iv) Risk Management Committee; and (v) Corporate Social Responsibility Committee.

The following table sets forth details of members of the aforesaid committees, as on the date of this Placement Document:

Sr. No.	Committee	Name and Designation of Members
1.	Audit Committee	i. Sharad Jain, Chairman ii. Vishal Gupta, Member iii. Ram Dayal Modi, Member iv. Mitali Chitre, Member v. Ruchika Bansal, Member vi. Raman Uberoi, Member
2.	Nomination and Remuneration Committee	i. Sharad Jain, Chairman ii. Ram Dayal Modi, Member iii. Mitali Chitre, Member
3.	Stakeholders Relationship Committee	i. Sharad Jain, Chairman ii. Anurag Gupta, Member iii. Vishal Gupta, Member
4.	Risk Management Committee	i. Vishal Gupta, Chairman ii. Sharad Jain, Member iii. Mitali Chitre, Member
5.	Corporate Social Responsibility Committee	i. Ram Dayal Modi, Chairman ii. Vishal Gupta, Member iii. Anurag Gupta, Member

### Other Confirmations

None of our Directors, Promoters or Key Managerial Personnel or members of Senior Management have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

Except as disclosed below, neither our Company, nor the Directors or Promoters have ever been identified as wilful defaulters or fraudulent borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters and fraudulent borrowers issued by the RBI.

Sr. No.	Particulars	Details*
1.	Name of the person declared as a wilful defaulter.	Sharad Jain
2.	Name of the company declared as a wilful defaulter in which the person was an independent director.	Allied Strips Limited (“ASL”)
3.	Name of the bank declaring the person as a wilful defaulter.	Bank of Baroda and Canara Bank (“Lenders”)
4.	Year in which the person was declared as a wilful defaulter.	As per the last reported information, the period of default by ASL was from quarter ended June 30, 2021, till quarter ended December 31, 2022
5.	Outstanding amount when the person was declared as a wilful defaulter.	The amount outstanding to Canara Bank as on June 30, 2021** was ₹ 3,562.29 million and to Bank of Baroda as on March 31, 2022** was ₹ 690.70 million.
6.	Steps taken, if any, by the person for removal of the person’s name from the list of wilful defaulters.	The name of Sharad Jain, our Non-Executive Independent Director, appears on the CIBIL list of suit filed accounts – defaulters ₹1 crore and above as on the date of this Placement Document (“CIBIL List”). He
7.	Other disclosures, as deemed fit by the issuer, in order to enable investors to take an informed decision.	was appointed as a non-executive independent director on the board of directors of ASL on October 20, 2014, and resigned on January 1, 2016. After his resignation from the board of director, ASL was unable to service certain of its debt obligations, because of which insolvency

Sr. No.	Particulars	Details*
		<p>proceedings were initiated against it. As a result, the Lenders of ASL reported such defaults for publication in the CIBIL List.</p> <p>As of the date of this Placement Document, Sharad Jain, has not received any notice or correspondence in relation to him being categorised as a wilful defaulter in connection with ASL or any other company, nor has he been a party to any actions or proceedings undertaken in this regard. Except as stated above, he has not been declared a wilful defaulter by any bank or financial institution, and there are no outstanding defaults by him or by any other entity that he is associated with in the capacity of a director or promoter.</p> <p>Based on the aforesaid, Sharad Jain has also written to TransUnion CIBIL Limited and the Lenders for removal of his name from the CIBIL List. As per the response received from CIBIL, the information provided in the CIBIL List pertaining to Sharad Jain is correct. Sharad Jain is yet to receive a response from the Lenders in this regard.</p>
8.	Any other disclosure as specified by the Board.	N.A.

\* Includes details obtained from publicly available information at [www.suit.cibil.com](http://www.suit.cibil.com).

\*\* Being the first reported data available at [www.suit.cibil.com](http://www.suit.cibil.com).

Sr. No.	Particulars	Details
1.	Name of the person declared as a wilful defaulter.	Ram Dayal Modi
2.	Name of the company declared as a wilful defaulter in which the person was an independent director.	MBL Infrastructures Limited (“ <b>MBL</b> ”)
3.	Name of the bank declaring the person as a wilful defaulter.	Allahabad Bank ( <i>merged with Indian Bank</i> ), Bank of Maharashtra and Vijaya Bank ( <i>merged with Bank of Baroda</i> ) (“ <b>Lenders</b> ”)
4.	Year in which the person was declared as a wilful defaulter.	As per the last reported information, the period of default by MBL was from quarter ended December 31, 2019, till quarter ended December 31, 2022.
5.	Outstanding amount when the person was declared as a wilful defaulter.	The amount outstanding to Vijaya Bank as on March 31, 2019* was ₹ 384.17 million, to Allahabad Bank ( <i>merged with Indian Bank</i> ) as on December 31, 2019* was ₹ 844.15 million and to Bank of Maharashtra as on December 31, 2019* was ₹ 727.77 million.
6.	Steps taken, if any, by the person for removal of the person’s name from the list of wilful defaulters.	The name of Ram Dayal Modi, our Non-Executive Independent Director, appears on the CIBIL list of suit filed accounts – defaulters ₹ 1 crore and above as on the date of this Placement Document (“ <b>CIBIL List</b> ”).
7.	Other disclosures, as deemed fit by the issuer, in order to enable investors to take an informed decision.	<p>On May 13, 2021, he was appointed as a non-executive independent director on the board of directors of MBL and continues to hold the designation, as of the date of this Placement Document. Prior to his appointment on the board of directors, MBL was unable to service certain of its debt obligations, because of which insolvency proceedings were initiated against it. As a result, certain lenders of MBL reported such defaults for publication in the CIBIL List.</p> <p>A resolution plan in respect of MBL was approved by the Kolkata bench of the National Company Law Tribunal (“<b>NCLT</b>”), by way of its order dated April 18, 2018. The resolution plan was subsequently approved by the Delhi bench of the National Company Law Appellate Tribunal vide its order dated August 16, 2019, and by the Supreme Court of India, vide its order dated January 18, 2022. The NCLT vide its order dated March 11, 2022, directed the implementation of the resolution plan.</p> <p>As of the date of this Placement Document, other than as disclosed below, Ram Dayal Modi, has not received any notice or correspondence in relation to him being categorised as a wilful defaulter in connection with MBL or any other company, nor has he been a party to any actions or proceedings undertaken in this regard. Except as stated above, he has not been declared a wilful defaulter by any bank or financial institution,</p>

Sr. No.	Particulars	Details
		<p>and there are no outstanding defaults by him or by any other entity that he is associated with in the capacity of a director or promoter.</p> <p>Based on the aforesaid, Ram Dayal Modi has also written to TransUnion CIBIL Limited and the Lenders for removal of his name from the CIBIL List. Such request has been acknowledged by CIBIL and is presently under process. As per the response received from CIBIL, it has checked its reporting of Ram Dayal Modi with Indian Bank (<i>with whom the notifying lender being Allahabad Bank has merged</i>), which has confirmed that it is correct. Ram Dayal Modi is yet to receive a response from Allahabad Bank (<i>merged with Indian Bank</i>) and Bank of Maharashtra. Further, CIBIL, in its response to Ram Dayal Modi, has stated Union Bank of India and IDBI Bank Limited as notifying banks as well, which do not currently appear in the CIBIL List.</p> <p>Vijaya Bank (merged with Bank of Baroda) has by way its letter dated May 6, 2023, informed Ram Dayal Modi that it has communicated to TransUnion CIBIL Limited (formerly Credit Information Bureau (India) Limited) for the removal of his name from the CIBIL List.</p>
8.	Any other disclosure as specified by the Board.	N.A.

\* Being the first reported data available at [www.suit.cibil.com](http://www.suit.cibil.com).

For details on previous actions in this regard, please see the section titled, “**Risk Factors – The names of two of our Independent Directors, Sharad Jain and Ram Dayal Modi, appear in the suit filed accounts list issued by TransUnion CIBIL Limited (formerly Credit Information Bureau (India) Limited) (“CIBIL”). In the event their names continue to appear in the list of wilful defaulters, it may have an adverse impact on the Issue, our reputation and operations**” on page 43.

None of our Promoters or Directors have been declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of the Directors, Promoters, Key Managerial Personnel or members of Senior Management of our Company intend to subscribe to the Issue.

No change in control in our Company will occur consequent to the Issue.

#### **Policy on disclosures and internal procedure for prevention of insider trading**

SEBI Insider Trading Regulations applies to our Company and our employees and requires our Company to implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and conduct for the prevention of insider trading. Our Company has implemented a code of practices and procedures for fair disclosure of unpublished price sensitive information in accordance with the SEBI Insider Trading Regulations.

#### **Related Party Transactions**

For details in relation to the related party transactions entered into by our Company during Fiscals 2021, 2022 and 2023, see “**Financial Information**” and “**Related Party Transactions**” beginning on pages 252 and 42, respectively.

## ORGANISATIONAL STRUCTURE OF OUR COMPANY

### Corporate History

Our Company was incorporated as '*PG Electroplast Private Limited*' on March 17, 2003, as a private limited company under the Companies Act, 1956, as amended pursuant to a certificate of incorporation granted by the RoC. Subsequently, pursuant to a special resolution passed at the meeting of the shareholders of our Company at an extraordinary general meeting held on July 15, 2010, our Company became a public limited company and the name of our Company was changed to "PG Electroplast Limited" and consequently, a fresh certificate of incorporation, dated August 6, 2010, was issued by the RoC.

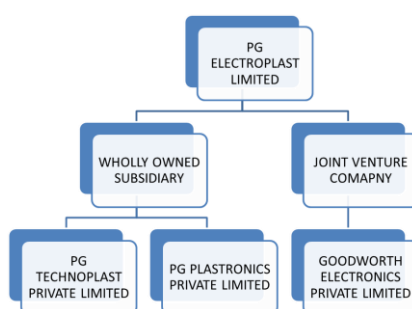
Our Company's CIN is L32109DL2003PLC119416.

The registered office of our Company is located at DTJ-209, 2nd Floor, DLF Tower B-Jasola, Plot 11 Non-Hierarchical Commercial Centre, Jasola New Delhi, – 110 025 Delhi, India.

The corporate office of our Company is located at P-4/2 to 4/6, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida, Dist. Gautam Budh Nagar – 201 306, Uttar Pradesh, India.

Our Equity Shares are listed on BSE and NSE since September 26, 2011.

### Organizational Structure



### Associate Companies:

As of the date of this Placement Document, our Company does not have any associate companies.

### Subsidiaries:

As of the date of this Placement Document, our Company has two Subsidiaries:

#### *PG Technoplast Private Limited*

PG Technoplast Private Limited was incorporated on October 8, 2020, under the Companies Act, 2013, pursuant to a certificate of incorporation issued by the Central Registration Centre, for and on behalf of the Jurisdictional Registrar of Companies. Its registered office is located at Plot No. A-20/2, MIDC Supa, Taluka Parner Ahmednagar – 414302, Maharashtra, India. Its CIN is U29308PN2020PTC194777. Our Company, currently holds 520,000 equity shares of face value ₹10 each, comprising 100% of the total issued and paid-up capital.

#### *PG Plastronics Private Limited*

PG Plastronics Private Limited was incorporated on June 22, 2021, under the Companies Act, 2013, pursuant to a certificate of incorporation issued by the Central Registration Centre, for and on behalf of the Jurisdictional Registrar of Companies. Its registered office is located at E-14, E-15 and F-20, Site-B UPSIDC Industrial Area Surajpur, Greater Noida, Gautam Buddha Nagar - 201306, Uttar Pradesh, India. Its CIN is U29308UP2021PTC147578. Our Company, currently holds 20,000 equity shares of face value ₹10 each, comprising 100% of the total issued and paid-up capital.

### Joint Ventures:

As of the date of this Placement Document, our Company has one joint venture:

#### *Goodworth Electronics Private Limited*

Goodworth Electronics Private Limited was incorporated on March 16, 2022, under the Companies Act, 2013, pursuant to a certificate of incorporation issued by the Central Registration Centre, for and on behalf of the Jurisdictional Registrar of Companies. Its registered office is located at DTJ-209, 2<sup>nd</sup> Floor, DLF Tower, B-Jasola, Plot. No. 11, Non-Hierarchical Commercial Centre, New Delhi – 110 025 Delhi, India. Its CIN is U32100DL2022PTC395143. Our Company on July 31, 2023, acquired and currently holds 5,000 equity shares of face value ₹10 each, comprising 50% of the total issued and paid-up capital.

## SHAREHOLDING PATTERN OF OUR COMPANY

### Shareholding pattern of our Company as on June 30, 2023

The following table sets forth the details regarding the equity shareholding pattern of our Company as on June 30, 2023:

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held = (IV)+(V)+(VI) (VII)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)	
								Number of Voting Rights			Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)		
								Class e.g.: Equity Shares	Class e.g.: Others	Total									
(A)	Promoters and Promoter Group	6	13,947,534	0	0	13,947,534	61.20	13,947,534	0	13,947,534	61.20	0	0	300,000	2.15	0	0	13,947,534	
(B)	Public	13,929	8,794,483	0	0	8,794,483	38.59	8,794,483	0	8,794,483	38.59	0	0	387,647	4.41	0	0	8,794,483	
(C)	Non-Promoter-Non Public	1	48,800	0	0	48,800	0	48,800	0	48,800	0.21	0	0	0	0	0	0	0	48,800
(C1)	Shares underlying depository receipts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C2)	Shares held by employee trusts	1	48,800	0	0	48,800	0.21	48,800	0	48,800	0.21	0	0	0	0	0	0	0	48,800
	<b>Total</b>	<b>13,936</b>	<b>22,790,817</b>	<b>0</b>	<b>0</b>	<b>22,790,817</b>	<b>100.00</b>	<b>22,790,817</b>	<b>0</b>	<b>22,790,817</b>	<b>100.00</b>	<b>0</b>	<b>0</b>	<b>687,647</b>	<b>3.02</b>	<b>0</b>	<b>0</b>	<b>22,790,817</b>	



**Statement showing shareholding pattern of our Promoters and Promoter Group**

The following table sets forth the details regarding the equity shareholding pattern of our Promoters and Promoter Group as on June 30, 2023:

Category	Category & Name of shareholder (I)	Entity type (II)	Number of Shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held = (IV)+(V)+(VI)	Shareholding as a % of total number of shares (calculate as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
									Number of Voting Rights			Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
									Class e.g.: Equity Shares	Classes e.g.: Others	Total								
<b>(1)</b>	<b>Indian</b>																		
(a)	Individuals		6	13,947,534	0	0	13,947,534	61.20	13,947,534	0	13,947,534	61.20	0	0	300,000	2.15	0	0	13,947,534
(i)	Neelu Gupta	Promoter Group	1	511,000	0	0	511,000	2.24	511,000	0	511,000	2.24	0	0	0	0	0	0	511,000
(ii)	Vishal Gupta	Promoter	1	5,110,827	0	0	5,110,827	22.42	5,110,827	0	5,110,827	22.42	0	0	100,000	1.96	0	0	5,110,827
(iii)	Vikas Gupta	Promoter	1	5,073,531	0	0	5,073,531	22.26	5,073,531	0	5,073,531	22.26	0	0	100,000	1.97	0	0	5,073,531
(iv)	Anurag Gupta	Promoter	1	2,991,201	0	0	2,991,201	13.12	2,991,201	0	2,991,201	13.12	0	0	100,000	3.34	0	0	2,991,201
(v)	Sarika Gupta	Promoter Group	1	112,016	0	0	112,016	0.49	112,016	0	112,016	0.49	0	0	0	0	0	0	112,016
(vi)	Nitasha Gupta	Promoter Group	1	148,959	0	0	148,959	0.65	148,959	0	148,959	0.65	0	0	0	0	0	0	148,959
(vii)	Sudesh Gupta	Promoter Group	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(b)	Central Government / State		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Category	Category & Name of shareholder (I)	Entity type (II)	Number of Shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total number of shares (calculate as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percent age of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)	
									Number of Voting Rights			Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)		
									Class e.g.: Equity Shares	Classes e.g.: Others	Total									
	Government (s)																			
(c)	Financial Institutions / Bank		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d)	Any Other (specify)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	<b>Sub Total (A)(I)</b>		<b>6</b>	<b>1,394,7,534</b>	<b>0</b>	<b>0</b>	<b>1,394,7,534</b>	<b>61.20</b>	<b>1,394,7,534</b>	<b>0</b>	<b>1,394,7,534</b>	<b>61.20</b>	<b>0</b>	<b>0</b>	<b>300,000</b>	<b>2.15</b>	<b>0</b>	<b>0</b>	<b>1,394,7,534</b>	
<b>(2)</b>	<b>Foreign</b>		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(b)	Government		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(c)	Institutions		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d)	Foreign Portfolio Investor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(e)	Any Other (Specify)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Category	Category & Name of shareholder (I)	Entity type (II)	Number of Shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held = (IV)+(V)+(VI)	Shareholding as a % of total number of shares (calculate as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)	
									Number of Voting Rights					Total as a % of (A+B+C)	Number (a)	As a % of total Shares held (b)	Number (a)		As a % of total Shares held (b)
									Class e.g.: Equity Shares	Classes e.g.: Others	Total								
	Sub Total (A)(2)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)		6	1,394,7,534	0	0	1,394,7,534	61.20	1,394,7,534	0	1,394,7,534	61.20	0	0	300,000	2.15	0	0	1,394,7,534

**Statement showing shareholding pattern of the Public Shareholders**

The following table sets forth the details regarding the equity shareholding pattern of the Public Shareholders as on June 30, 2023:

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)	
								Number of Voting Rights			Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)		
								Class e.g.: Equity Shares	Classes e.g.: Others	Total									
<b>1</b>	<b>Institutions (Domestic)</b>																		
(a)	Mutual Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(b)	Venture Capital Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(c)	Alternative Investments Funds	9	1,625,730	0	0	1,625,730	7.13	1,625,730	0	1,625,730	7.13	0	7.13	213,454	13.13	0	0	0	1,625,730
(i)	Barring Private Equity India AIF	1	1,005,741	0	0	1,005,741	4.41	1,005,741	0	1,005,741	4.41	0	4.41	213,454	21.22	0	0	0	1,005,741
(d)	Banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(e)	Insurance Companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(f)	Provident Funds / Pension Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(g)	Asset Reconstruction Companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)	
								Number of Voting Rights					Total as a % of (A+B+C)	Number (a)	As a % of total Shares held (b)	Number (a)		As a % of total Shares held (b)
								Class e.g.: Equity Shares	Classes e.g.: Others	Total								
(h)	Sovereign Wealth Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
(i)	NBFCs registered with RBI	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
(j)	Other Financial Institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
(k)	Any Other (Specify)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	<b>Sub-Total (B1)</b>	<b>9</b>	<b>1,625,730</b>	<b>0</b>	<b>0</b>	<b>1,625,730</b>	<b>7.13</b>	<b>1,625,730</b>	<b>0</b>	<b>1,625,730</b>	<b>7.13</b>	<b>0</b>	<b>7.13</b>	<b>213,454</b>	<b>13.13</b>	<b>0</b>	<b>0</b>	<b>1,625,730</b>
<b>2</b>	<b>Institutions (Foreign)</b>																	
(a)	Foreign Direct Investment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(b)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(c)	Sovereign Wealth Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d)	Foreign Portfolio Investors Category-I	10	693,807	0	0	693,807	3.04	693,807	0	693,807	3.04	0	3.04	0	0	0	0	693,807

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								Number of Voting Rights			Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class e.g.: Equity Shares	Classes e.g.: Others	Total								
(e)	Foreign Portfolio Investors Category-II	1	21,500	0	0	21,500	0.09	21,500	0	21,500	0.09	0	0	0	0	21,500		
(f)	Overseas Depositories (holding DRs)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
(g)	Any Other (Specify)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
	<b>Sub-Total (B2)</b>	<b>8</b>	<b>448,202</b>	<b>0</b>	<b>0</b>	<b>448,202</b>	<b>1.97</b>	<b>448,202</b>	<b>0</b>	<b>448,202</b>	<b>1.97</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>448,202</b>		
<b>3</b>	<b>Central Government / State Government (s)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		
	<b>Sub-total (B3)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		
<b>4</b>	<b>Non-Institutions</b>																	
(a)	Subsidiaries	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
(b)	Directors and their relatives (excluding independent directors and nominee directors)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								Number of Voting Rights			Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class e.g.: Equity Shares	Classes e.g.: Others	Total								
(c)	Key Managerial Personnel	2	36,245	0	0	36,245	0.16	36,245	0	36,245	0.16	0	0	0	0	0	0	36,245
(d)	Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(e)	Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee', 'beneficiary', or 'author of the trust'	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(f)	Investor Education and	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)	
								Number of Voting Rights		Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)		
								Class e.g.: Equity Shares	Classes e.g.: Others									Total
	Protection Fund																	
(g)	Resident Individuals holding nominal share capital up to ₹2 lakhs	13,025	2,769,135	0	0	2,769,135	12.15	2,769,135	0	2,769,135	12.15	0	0	0	0	0	0	2,769,135
(h)	Resident Individuals holding nominal share capital in excess of ₹ 2 lakhs	37	2,355,481	0	0	2,355,481	10.34	2,355,481	0	2,355,481	10.34	0	0	122,382	5.20	0	0	2,355,481
(i)	Mahesh Dinkar Vaze	1	246,700	0	0	246,700	1.08	246,700	0	246,700	1.08	0	0	0	0	0	0	246,700
(i)	Non-Resident Indians	367	143,760	0	0	143,760	0.63	143,760	0	143,760	0.63	0	0	0	0	0	0	143,760
(j)	Foreign Nationals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(k)	Foreign Companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(l)	Bodies Corporate	183	908,922	0	0	908,922	3.99	908,922	0	908,922	3.99	0	0	51,811	5.70	0	0	908,922
(i)	Famy Care Private Limited	1	244,121	0	0	244,121	1.07	244,121	0	244,121	1.07	0	0	51,811	21.22	0	0	244,121



Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)	
								Number of Voting Rights		Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)		
								Class e.g.: Equity Shares	Classes e.g.: Others									Total
(m)	Any Other (Specify)	295	239,903	0	0	239,903	1.05	239,903	0	239,903	1.05	0	0	0	0	0	239,903	
(i)	Hindu Undivided Family	291	239,723	0	0	239,723	1.05	239,723	0	239,723	1.05	0	0	0	0	0	239,723	
(ii)	Clearing Members	3	125	0	0	125	0	125	0	125	0	0	0	0	0	0	125	
	<b>Sub-Total (B4)</b>	<b>13,909</b>	<b>6,453,446</b>	<b>0</b>	<b>0</b>	<b>6,453,446</b>	<b>28.32</b>	<b>6,453,446</b>	<b>0</b>	<b>6,453,446</b>	<b>28.32</b>	<b>0</b>	<b>0</b>	<b>174,193</b>	<b>2.70</b>	<b>0</b>	<b>0</b>	<b>6,453,446</b>
	<b>Total Public Shareholding (B=B1+B2+B3+B4)</b>	<b>13,929</b>	<b>8,794,483</b>	<b>0</b>	<b>0</b>	<b>8,794,483</b>	<b>38.59</b>	<b>8,794,483</b>	<b>0</b>	<b>8,794,483</b>	<b>38.59</b>	<b>0</b>	<b>0</b>	<b>387,647</b>	<b>4.41</b>	<b>0</b>	<b>0</b>	<b>8,794,483</b>

**Statement showing shareholding pattern of Non-Promoter-Non-Public Shareholders**

The following table sets forth the details regarding the equity shareholding pattern of Non-Promoter-Non-Public Shareholders as on June 30, 2023:

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)	
								Number of Voting Rights			Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)		
								Class e.g.: Equity Shares	Class e.g.: Others	Total									
1	Custodian / DR Holder	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2	Employee Benefit Trust	1	48,800	0	0	48,800	0.21	48,800	0	48,800	0.21	0	0	0	0	0	0	0	48,800
	<b>Total Non-Promoter-Non Public Shareholding (C) = (C)(1) + (C)(2)</b>	<b>1</b>	<b>48,800</b>	<b>0</b>	<b>0</b>	<b>48,800</b>	<b>0.21</b>	<b>48,800</b>	<b>0</b>	<b>48,800</b>	<b>0.21</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>48,800</b>

## ISSUE PROCEDURE

*The following is a summary intended to present a general outline of the procedure relating to the application, payment of Application Amount, Allocation and Allotment of the Equity Shares pursuant to the Issue. The procedure followed in the Issue may differ from the one mentioned below, and Bidders are assumed to have apprised themselves of the same from our Company or the BRLMs.*

*Our Company, the BRLMs and their respective directors, officers, agents, advisors, shareholders, employees, counsels, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Bidders are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Bidders are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations and other applicable laws.*

*Bidders are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. Bidders that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the BRLMs and their respective directors, officers, agents, advisors, shareholders, employees, counsels, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the BRLMs and their respective directors, officers, agents, advisors, shareholders, employees, counsels, affiliates, and representatives accept no responsibility or liability for advising any Bidder on whether such Bidder is eligible to acquire the Equity Shares. For further details, please see the sections titled “**Selling Restrictions**” and “**Transfer Restrictions and Purchaser Representations**” on pages 231 and 237 respectively.*

### **Qualified Institutions Placement**

#### **THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBS ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.**

The Preliminary Placement Document has not been, and this Placement Document will not be, registered as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in accordance with Chapter VI of the SEBI ICDR Regulations, Section 42 and Section 62 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules thereunder, to the extent applicable, through the mechanism of a qualified institutions placement. Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, to the extent applicable, our Company, being a listed company in India may issue Equity Shares to Eligible QIBs, provided, inter alia that:

- a special resolution approving the qualified institutions placement has been passed by its shareholders. Such special resolution must specify (i) that the allotment of the securities is proposed to be made pursuant to the qualified institutions placement; and (ii) the relevant date for the qualified institutions placement;
- the explanatory statement to the notice to the shareholders for convening the general meeting must disclose, amongst others, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered, amount which the company intends to raise by way of such securities and the material terms of raising such securities, proposed issue schedule, the purpose or objects of offer, the contribution made by the promoters or directors either as part of the offer or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;
- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the equity shares of the same class of such issuer, which are proposed to be allotted through the qualified institutions placement or pursuant to conversion or exchange of eligible securities, are listed on a recognized stock exchange in India that has nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to pass the above-mentioned special resolution, except for Equity Shares allotted during the preceding one year from the date of this Placement Document. For details, please see the section titled “**Capital Structure**” on page 95;
- issuance and allotment of Equity Shares shall be done in dematerialised form only;
- invitation to apply in the Issue must be made through a private placement offer-cum-application (i.e., the Preliminary Placement Document) and an application form serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law;

- our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue;
- our Company shall have completed allotments with respect to any offer or invitation made by our Company or has withdrawn or abandoned any such invitation or offer, however, our Company may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed;
- our Promoters and Directors are not fugitive economic offenders;
- an offer to Eligible QIBs was subject to a limit of 200 persons. Prior to circulating the private placement offer-cum-application (i.e., the Preliminary Placement Document), our Company has prepared and recorded a list of Eligible QIBs to whom the offer was made. The offer was made only to such Eligible QIBs whose names were recorded by our Company prior to the invitation to subscribe;
- our Company acknowledges that the offering of securities by issue of public advertisements or utilization of any media, marketing or distribution channels or agents to inform the public about the Issue is prohibited; and
- At least 10% of the Equity Shares offered to Eligible QIBs was available for Allocation to Mutual Funds, provided that, if this portion or any part thereof allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders were not allowed to withdraw or revise their Bids downwards after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares offered under this Issue was not less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on the stock exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. The “Relevant Date” referred to above means the date of the meeting in which the Board decides to open the Issue and “stock exchange” means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. Further, in accordance with Regulation 176(1) of the SEBI ICDR Regulations and the resolution of our Board on May 28, 2022, read with resolution dated August 12, 2022, and the shareholders of our Company on September 29, 2022, our Company has offered a discount of ₹ 81.09 per Equity Share, equivalent to 4.94% on the Floor Price.

In accordance with Regulation 172(1)(a) of the SEBI ICDR Regulations, the Equity Shares will be Allotted within 365 days from the date of the shareholders’ resolution approving the Issue, being September 29, 2022, and within 60 days from the date of receipt of Bid Amount from the Successful Bidders.

The subscription to the Equity Shares offered pursuant to the Issue was made by Eligible QIBs on the basis of the Preliminary Placement Document and this Placement Document shall contain all material information required under applicable law including the information specified in Schedule VII of SEBI ICDR Regulations and the requirements prescribed under Form PAS-4. The Preliminary Placement Document and this Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an offer to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of this Placement Document addressed to you, you may not rely on this Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue. Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

This Issue was authorized and approved by our Board of Directors by way of resolution dated May 28, 2022, read with resolution dated August 12, 2022, and by our Shareholders through special resolution on September 29, 2022.

The minimum number of Allottees for each qualified institutions placement shall not be less than:

- two, where the Issue size is less than or equal to ₹ 2,500 million; and
- five, where the Issue size is greater than ₹ 2,500 million.

No single Allottee shall be Allotted more than 50% of the Issue Size. Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes “same group” or “common control”, see “**Bid Process —Application Form**” on page 223.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange. In addition, purchasers of the Equity Shares Allotted pursuant to the Issue shall

comply with the resale restrictions set forth in the sections titled, “*Selling Restrictions*” and “*Transfer Restrictions and Purchaser Representations*” on pages 231 and 237, respectively.

We had applied for, and received, the in-principle approvals of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares on the Stock Exchanges on August 28, 2023 and August 28, 2023, respectively. We have filed a copy of the Preliminary Placement Document and will file a copy of this Placement Document with the Stock Exchanges.

We shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act and the PAS Rules, to the extent applicable.

**Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.**

The Equity Shares offered hereby have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares offered in this Issue are being offered and sold outside the United States in “offshore transactions” as defined in, and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers, and sales are made.

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

#### **Issue Procedure**

1. On the Issue Opening Date, our Company and the BRLMs circulated the serially numbered copies of the Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to identified Eligible QIBs and the Application Form were specifically addressed to each such Eligible QIB. In terms of Section 42(3) of the Companies Act, 2013, our Company has maintained complete records of the Eligible QIBs in the form and manner as prescribed under the PAS Rules, to the extent applicable, to whom the Preliminary Placement Document and the serially numbered Application Form were dispatched. Our Company will make the requisite filings with the RoC within the stipulated time periods as required under the Companies Act, 2013 and the PAS Rules, if and to the extent applicable. The list of Eligible QIBs to whom the Preliminary Placement Document and Application Form were delivered was determined by our Company in consultation with the BRLMs, at their sole discretion.
2. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Bid Amount was to be deposited, was addressed to a particular Eligible QIB, no invitation to make an offer to subscribe was deemed to have been made to such Eligible QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer was deemed to have been made to such person and any application that does not comply with this requirement has been treated as invalid.
3. Eligible QIBs were required to submit the Application Form, including any revisions thereof along with the Bid Amount transferred to the Escrow Account specified in the Application form and a copy of the PAN card or PAN allotment letter (as applicable) and/or any other documents mentioned in the Application Form, during the Issue Period to the BRLMs. The Application Form was required to be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB was allowed to submit an unsigned copy of the Application Form, as long as the Bid Amount is paid along with submission of the Application Form within the Issue Period. Once a duly filled Application Form was submitted by an Eligible QIB, whether signed or not, and the Bid Amount was transferred to the Escrow Account, such Application Form constituted an irrevocable offer and could not have been withdrawn or revised downwards after the Issue Closing Date. In case Bids were made on behalf of the Eligible QIB and the Application Form was unsigned, it was assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB was authorised to do so.
4. Bidders were required to indicate the following in the Application Form:
  - full official name of the Eligible QIB to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN details (if applicable), contact number and bank account details;
  - number of Equity Shares Bid for;

- price at which they are agreeable to subscribe for the Equity Shares and the aggregate Bid Amount for the number of Equity Shares Bid for;
- details of the depository / beneficiary account maintained by the Depository Participant to which the Equity Shares should be credited;
- Equity Shares held by the Eligible QIBs in our Company prior to the Issue; and
- a representation that it is outside the United States and agreed to certain other representations set forth in the “*Representations by Investors*” on page 3 and “*Transfer Restrictions and Purchaser Representations*” on page 237 and certain other representations made in the Application Form.

*Note: Eligible FPIs were required to indicate the SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodians of Mutual Funds were required to specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid was allowed to be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund were not treated as multiple Bids provided that the Bids clearly indicated the scheme for which the Bid was made. Application by various schemes or funds of a Mutual Fund were treated as one application from the Mutual Fund. Bidders were advised to ensure that any single Bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.*

5. Eligible QIBs were required to make the entire payment of the Bid Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of “PG Electroplast Limited QIP Escrow Account 2023” with the Escrow Agent, within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Bid Amount for the Equity Shares was required to be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. Bid Amount payable on Equity Shares to be held by joint holders was required to be paid from the bank account of the person whose name appears first in the Application Form. Pending Allotment, and the filing of return of Allotment by our Company with the RoC, or receipt of final listing and trading approvals from the Stock Exchanges, whichever is later, Application Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013. Notwithstanding the above, in the event (a) any Bidder is not Allocated Equity Shares in the Issue, (b) the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, (c) the Application Amount was in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to the Bidder and the Issue Price, or the Application Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but prior to the Issue Closing Date, the excess Application Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in “*Issue Procedure – Refunds*” on page 227.
6. Once a duly completed Application Form was submitted by a Bidder and the Bid Amount was transferred to the Escrow Account, such Application Form constituted an irrevocable offer and the Bid could not have been withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount was required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. The Issue Closing Date was notified to the Stock Exchanges and the Eligible QIBs were deemed to have been given notice of such date after receipt of the Application Form.
7. Upon receipt of the duly completed Application Form and the Bid Amount in the Escrow Account, after the Issue Closing Date, our Company, in consultation with the BRLMs determined the final terms, including the Issue Price of the Equity Shares offered pursuant to the Issue and Allocation. Upon such determination, the BRLMs will send the serially numbered CAN to the Eligible QIBs who have been Allocated the Equity Shares. The dispatch of a CAN, and this Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. **Please note that the Allocation will be at the absolute discretion of our Company and will be in consultation with the BRLMs.**
8. The Bidder acknowledges that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose the names of proposed allottees and the percentage of their post-Issue shareholding in this Placement Document and consents to such disclosure, if any Equity Shares are allocated to it.
9. Upon determination of the Issue Price and the issuance of CAN and before Allotment of Equity Shares to the Successful Bidders, the BRLMs, shall, on our behalf, send a serially numbered Placement Document either in

electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

10. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. We will inform the Stock Exchanges of the details of the Allotment.
11. After passing the resolution for Allotment, and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the depository participant, as indicated in their respective Application Form, our Company shall submit relevant documents to the Stock Exchanges in respect of the Equity Shares Allotted pursuant to the Issue.
12. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.
13. Our Company shall then apply for the final listing and trading permissions from the Stock Exchanges.
14. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant accounts of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final listing and trading approvals from the Stock Exchanges.
15. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Successful Bidders to whom the Equity Shares have been Allotted. Our Company, and the BRLMs shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.
16. A representation that it is outside the United States and is acquiring the Equity Shares in an “*offshore transaction*” as defined in, and in reliance on, Regulation S, is not an affiliate of the Company or the BRLMs or a person acting on behalf of such an affiliate and it has agreed to certain other representations set forth in the Application Form.

#### **Eligible Qualified Institutional Buyers**

Only Eligible QIBs were eligible to invest in the Equity Shares pursuant to the Issue, provided that with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law, were considered as Eligible QIBs. FVCIs were not permitted to participate in the Issue. Currently, QIBs, who were eligible to participate in the Issue and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- mutual funds, venture capital fund and alternate investment funds registered with SEBI;
- a foreign portfolio investor other than individuals, corporate bodies and family offices, registered with SEBI;
- insurance companies registered with the Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions (which are resident in India);
- pension funds with minimum corpus of ₹ 250 million;
- provident funds with minimum corpus of ₹ 250 million;
- public financial institutions as defined under Section 2(72) of the Companies Act;
- scheduled commercial banks;
- state industrial development corporations;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005, of the Government published in the Gazette of India; and
- systemically important non-banking financial companies.

**Eligible FPIs were permitted to participate under Schedule II of FEMA Rules in this Issue. Eligible FPIs were permitted to participate in the Issue subject to compliance with all applicable laws and such that the shareholding of the FPIs did not exceed specified limits as prescribed under applicable laws in this regard. FVCIs were not permitted to participate in this Issue.**

In terms of the SEBI FPI Regulations, the offer of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) were not permitted to exceed 10% of our post-Issue Equity Share capital of our Company. Further, in terms of the FEMA Rules, the total holding by each FPI or investor group shall be below 10% of the total paid-up Equity Share capital of our Company. Hence, Eligible FPIs were allowed to invest in such number of Equity Shares in the Issue such that (i) the individual investment of the FPI in our Company did not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis, and (ii) the aggregate investment by FPIs in our Company did not exceed the sectoral cap applicable to our Company on a fully diluted basis. In case the holding of an FPI or investor group increases to 10% or more of the total paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done within the aforementioned prescribed time, the total investment made by such FPI together with its investor group will be re-classified as FDI as per the procedure specified by SEBI, and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (i) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable.

Two or more subscribers of ODIs having a common beneficial owner shall be considered together as a single subscriber of the ODI. In the event an investor has investments as a FPI and as a subscriber of ODIs, these investment restrictions shall apply on the aggregate of the FPI and ODI investments held in the underlying company. Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed NSDL as the designated depository to monitor the level of FPI/NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit a red flag shall be activated. SEBI however, pursuant to its Circular dated May 17, 2018 (Circular No: SEBI/HO/IMD/FPIC/CIR/P/2018/81), directed that this system of monitoring foreign investment limits in Indian listed companies be made operational with effect from June 1, 2018. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The Stock Exchanges are then required to issue the necessary circulars/public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

As per the circular issued by SEBI on November 5, 2019, these investment restrictions shall also apply to subscribers of P-Notes. Two or more subscribers of P-Notes having a common beneficial owner shall be considered together as a single subscriber of the P-Note. In the event an investor has investments as a FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments held in the underlying company.

Eligible FPIs were permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs was included.

### **Restriction on Allotment**

Pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being, or any person related to, the Promoters. QIBs which have all or any of the following rights shall be deemed to be persons related to the Promoters:

- rights under a shareholders' agreement or voting agreement entered into with our Promoters or members of the Promoter Group;
- veto rights; or
- a right to appoint any nominee director on our Board.

Provided, however, that an Eligible QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoters.

**Our Company and the BRLMs and any of its respective shareholders, employees, counsels, officers, directors, representatives, agents, advisors or affiliates are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure**



that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations.

A minimum of 10% of the Equity Shares offered in the Issue was Allotted to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

*Note: Affiliates or associates of the BRLMs who are QIBs were allowed to participate in the Issue in compliance with applicable laws.*

## **Bid Process**

### ***Application Form***

Eligible QIBs were permitted to only use the serially numbered Application Forms (which were specifically addressed to them) supplied by our Company and/or the BRLMs in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of the Preliminary Placement Document. The Application Form was to be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB could submit an unsigned copy of the Application Form, as long as the Application Amount was paid along with the submission of the Application Form within the Issue Period, and in such case, it was assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB was authorised to do so.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of the Preliminary Placement Document, the Eligible QIB has been deemed to have made the following representations, warranties, acknowledgements and undertakings given or made under “*Notice to Investors*”, “*Representations by Investors*”, “*Selling Restrictions*” and “*Transfer Restrictions and Purchaser Representations*” on pages 1, 3, 231 and 237, respectively:

1. The Bidder confirmed that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and was eligible to participate in this Issue;
2. The Bidder confirmed that it is not a Promoter and is not a person related to the Promoters, either directly or indirectly and its Application Form did not directly or indirectly represent the Promoters or Promoter Group or persons related to the Promoters;
3. The Bidder confirmed that it has no rights under a shareholders’ agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender not holding any Equity Shares, which shall not be deemed to be a person related to the Promoters;
4. The Bidder acknowledged that it has no right to withdraw or revise its Bid downwards after the Issue Closing Date;
5. The Bidder confirms that if the Equity Shares are Allotted through the Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the floor of the Stock Exchanges;
6. The Bidder confirmed that the QIB is eligible to Bid for and hold the Equity Shares so Allotted and together with any Equity Shares held by the QIB prior to the Issue. The Bidder further confirmed that the holding of the QIB, does not and shall not, exceed the level permissible as per any regulations applicable to the QIB;
7. The Bidder confirmed that the Application would not result in triggering a tender offer under the SEBI Takeover Regulations;
8. The Bidder confirmed that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;
9. The Bidder agreed that it made payment of its Bid Amount, along with submission of the Application Form within the Issue Period. The Bidder agreed that once a duly filled Application Form was submitted by itself, whether signed or not, and the Bid Amount had been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date;
10. The Bidder agreed that although the Bid Amount was required to be paid by it, along with the Application Form within the Issue Period in terms of provisions of the Companies Act and rules made thereunder, our Company reserves the

right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the BRLMs. The Bidder further acknowledged and agreed that the payment of Bid Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

11. The Bidder acknowledged that in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose their names as “proposed Allottees” and percentage of post-Issue shareholding of the proposed Allottees in this Placement Document and consents of such disclosure, if any Equity Shares are Allocated to it. However, the Bidder further acknowledges and agrees, disclosure of such details in relation to the proposed Allottees in this Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the discretion of the Company, in consultation with the BRLMs;
12. The Bidder confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue size. For the purposes of this representation:
  - a. The expression “belonging to the same group” shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other QIB ; and
  - b. ‘Control’ shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;
13. The Eligible QIB confirmed that:
  - a. It is outside the United States and subscribing to the Equity Shares in an “offshore transaction” in reliance upon Regulation S, and is not our affiliate or a person acting on behalf of such an affiliate; and
  - b. It has agreed to the other representations set forth in the sections titled, “*Selling Restrictions*” and “*Transfer Restrictions and Purchaser Representations*” on pages 231 and 237 respectively, and the other representations made in the Application Form.
14. The Bidder acknowledged that no Allotment shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price;
15. The Bidder confirmed that it shall not undertake any trade in the Equity Shares credited into the beneficiary account maintained with the Depository Participant by the QIBs until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;
16. The Bidder acknowledged, represented and agreed that in the event its total interest in the paid-up share capital of our Company or voting rights in our Company, whether direct or indirect, beneficial or otherwise (any such interest, your “**Holding**”), when aggregated together with any existing Holding and/or Holding of any of the persons acting in concert, results in Holding of 5% or more of the total paid-up share capital of, or voting rights in, our Company a disclosure of the aggregate shareholding and voting rights will have to be made under the SEBI Takeover Regulations. In case such Eligible QIB is an existing shareholder who, together with persons acting in concert, holds 5% or more of the underlying paid up share capital of, or voting rights in our Company a disclosure will have to be made under the SEBI Takeover Regulations in the event of a change of 2% or more in the existing Holding of the Eligible QIB and persons acting in concert;
17. The Eligible FPI, confirmed that it will participate in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledged that Eligible FPIs could invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) in our Company did not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis. The Bidder confirmed that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations; and
18. The Bidder has read and understood, and by making a Bid for the Equity Shares through the Application Forms and pursuant to the terms of this Placement Document, will be deemed to have made the representations, warranties and agreements made under “*Notice to Investors*”, “*Representations by Investors*”, “*Selling Restrictions*” and “*Transfer Restrictions and Purchaser Representations*” on page 1, 3, 231 and 237, respectively.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India and the FDI Policy, investments where the beneficial owner of the Equity

Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route.

**ELIGIBLE QIBS WERE REQUIRED TO PROVIDE THEIR NAME, COMPLETE ADDRESS, EMAIL ID, PHONE NUMBER, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN / PAN ALLOTMENT LETTER (IF APPLICABLE), DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBS WERE REQUIRED TO ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM WAS EXACTLY THE SAME AS THE NAME IN WHICH THEIR DEPOSITORY / BENEFICIARY ACCOUNT WAS HELD.**

**IF SO, REQUIRED BY THE BRLMs, THE ELIGIBLE QIBS SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WERE ALSO REQUIRED TO SUBMIT REQUISITE DOCUMENT(S) TO THE BRLMs TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.**

**IF SO, REQUIRED BY THE BRLMs, THE ESCROW AGENT OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSING DATE, THE ELIGIBLE QIBS SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WERE ALSO REQUIRED TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.**

Demographic details such as address and bank account were obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Bid Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Bid Amount pursuant to the Application Form by a Bidder was deemed a valid, binding and irrevocable offer for such Bidder to pay the entire Issue Price for the Equity Shares and becomes a binding contract on a Successful Bidder upon issuance of the CAN and this Placement Document (when dispatched) by our Company or by the BRLMs in favour of the Successful Bidder.

#### ***Submission of Application Form***

All Application Forms were required to be duly completed with information including the name of the Bidder, the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter (if applicable). The Bid Amount was required to be deposited in the Escrow Account as is specified in the Application Form and the Application Form was required to be submitted to the BRLMs either through electronic form or through physical delivery at either of the following addresses:

<b>Name of the BRLM</b>	<b>Address</b>	<b>Contact Person</b>	<b>Email</b>	<b>Contact Number</b>
JM Financial Limited	7 <sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025 Maharashtra, India	Prachee Dhuri	pg.qip@jmfl.com	+91 22 6630 3030
PhillipCapital (India) Private Limited	No. 1, 18th Floor, Urmi Estate, 95 Ganpatrao Kadam Marg, Lower Parel West, Mumbai 400013, Maharashtra, India	Kavit Vora	kavora@phillipcapital.in	+91 22 2483 1919

The BRLMs were not required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

Bidders Bidding in the Issue were required to pay the entire Bid Amount along with the submission of the Application Form, within the Issue Period.

#### **Payment of Bid Amount**

Our Company has opened the Escrow Account in the name of "PG Electroplast Limited QIP Escrow Account 2023" with the Escrow Agent, in terms of the arrangement among our Company, the BRLMs and the Escrow Agent. Each Bidder was required to deposit the Bid Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bidding Period. Bidders were required to make payment of the Bid Amount only through electronic transfer of funds from their own bank account.

**Note: Payments were required to be made only through electronic fund transfer. Payments made through cash or cheques were liable to be rejected. Further, if the payment was not made favouring the Escrow Account, the Application Form was liable to be cancelled and rejected.**

Pending Allotment, our Company undertakes to utilise the amount deposited in “PG Electroplast Limited QIP Escrow Account 2023” only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Bid Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or the Application Amount was in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to the Bidder and the Issue Price, or the Application Amount has been arrived at using an indicative price higher than the Issue Price, or any Bidder lowers or withdraws their Bid after submission of the Application Form but prior to the Issue Closing Date, the excess Application Amount will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in “*Issue Procedure – Refunds*” on page 227.

### **Pricing and Allocation**

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price was not less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the stock exchange during the two weeks preceding the Relevant Date. However, a discount of ₹ 81.09 per Equity Share, equivalent to 4.94% of the Floor Price was offered by our Company in accordance with the provisions of the SEBI ICDR Regulations.

Our Company, in consultation with the BRLMs, has determined the Issue Price, which was at or above the Floor Price.

The “Relevant Date” referred to above, for Allotment, is the date of the meeting in which the Board decided to open the Issue and “stock exchange” means any of the recognized stock exchanges in India on which the Equity Shares of the Company of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date.

### ***Build-up of the Book***

The Eligible QIBs were required to submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the BRLMs. Such Bids were not allowed to be withdrawn or revised downwards after the Issue Closing Date. The book shall be maintained by the BRLMs.

### ***Price Discovery, Terms and Allocation***

Our Company, in consultation with the BRLMs, has determined the Issue Price in compliance with Chapter VI of the SEBI ICDR Regulations. However, our Company offered a discount of ₹ 81.09 per Equity Share, equivalent to 4.94% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations as approved by the Board pursuant to resolution dated May 28, 2022, read with resolution dated August 12, 2022, and the resolution of our Shareholders on September 29, 2022.

Upon finalisation of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and shall file the same with the Stock Exchanges as this Placement Document.

### ***Method of Allocation***

Our Company has determined the Allocation in consultation with the BRLMs on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price were grouped together to determine the total demand. The Allocation to all such Eligible QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company, in consultation with the BRLMs, have the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

**THE DECISION OF OUR COMPANY, IN CONSULTATION WITH THE BRLMs, IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL BIDDERS. BIDDERS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY, IN CONSULTATION WITH THE BRLMs, AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE BID AMOUNT AT OR ABOVE THE ISSUE PRICE. NEITHER OUR COMPANY NOR THE BRLMs ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.**

### **Confirmation of Allocation Note (CAN)**

Based on receipt of the serially numbered Application Forms and Bid Amount, our Company, in consultation with the BRLMs, in their sole and absolute discretion, shall decide the Successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Bid Amount for the

Equity Shares Allocated to them shall be notified to such Successful Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in the Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and this Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board will approve the Allotment of the Equity Shares to the Allottees in consultation with the BRLMs.

**Successful Bidders are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.**

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in "*Notice to Investors*" on page 1 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

### ***Designated Date and Allotment of Equity Shares***

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the respective CANs.
2. In accordance with the SEBI ICDR Regulations, the Equity Shares will be offered, and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.
3. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.
4. Following the Allotment of the Equity Shares pursuant to the Issue, our Company shall submit the necessary documents with the Stock Exchanges in relation to the Issue and post that our Company shall credit the Equity Shares into the beneficiary accounts of the Eligible QIBs.
5. Following the credit of Equity Shares into the Successful Bidders' beneficiary accounts (a) the Successful Bidders will be eligible for trading on the Stock Exchanges immediately upon such credit, and (b) the monies lying to the credit of the Escrow Account shall be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and the Company files the return of Allotment in connection with the Issue with the RoC.
6. Upon finalization of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and has filed it with the Stock Exchanges as this Placement Document, including the details of names of the proposed Allottees and the percentage of their post-Issue shareholding in our Company. Pursuant to a circular dated March 5, 2010 issued by the SEBI, the Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, namely, names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with this Placement Document.
7. In the event that we are unable to issue and Allot the Equity Shares offered in the Issue or if the Issue is cancelled within the timelines prescribed under the applicable laws, our Company shall repay the application monies within the timelines prescribed under the applicable laws, failing which our Company shall repay that monies with interest at such rate and in such manner as prescribed under the Companies Act and SEBI ICDR Regulations. The application monies to be refunded by us shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form.

### **Refunds**

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or the Application Amount paid by a Bidder is in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to such Bidder and the Issue Price, or a Bidder lowers or withdraws the Bid prior to the Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid

Amount was remitted (as set out in the Application in the form and manner set out in the Refund Intimation Letter. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that Equity Shares have been Allocated to Successful Bidders and our Company is unable to issue and Allot the Equity Shares offered in the Issue or on cancellation of the Issue within the timelines prescribed under the applicable laws, our Company shall repay the Bid Amount as per the timelines prescribed under the applicable laws, failing which our Company shall repay that money with interest at such rate and in such manner as prescribed under the Companies Act and SEBI ICDR Regulations.

### **Release of Funds to our Company**

The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to the Issue are received by our Company and the Company files the return of Allotment in connection with the Issue with the RoC. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

### **Other Instructions**

#### ***Submission of Documents***

A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form were submitted as soon as practicable.

#### ***Permanent Account Number or PAN***

Each Bidder was required to mention its PAN allotted under the Income Tax Act, 1961 (“**IT Act**”) in the Application Form. A copy of PAN card was required to be submitted with the Application Form. However, this requirement did not apply to certain Bidders who were exempted from the requirement of obtaining a PAN under the IT Act. Further, the Application Forms without this information were considered incomplete and were liable to be rejected. It was to be specifically noted that applicants were not to submit the GIR number instead of the PAN as the Application Form was liable to be rejected on this ground.

#### ***Bank account details***

Each Bidder mentioned the details of the bank account from which the payment of Bid Amount was made along with confirmation that such payment has been made from such account.

#### ***Right to Reject Applications***

Our Company, in consultation with the BRLMs, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the BRLMs in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Bid Amount paid by the Bidder shall be refunded to the same bank account from which the Bid Amount was remitted by such Bidder, as set out in the Application Form. For details see “**Issue Procedure – Refund**” on page 227. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

#### ***Equity Shares in dematerialised form with the Depositories***

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode). Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, the Depositories Act and other applicable laws. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

The Bidders applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either of the Depositories prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with the Depositories. The Stock Exchanges have electronic connectivity with the Depositories. The trading of the Equity Shares would be in dematerialised form only for all Allottees in the respective demat segment of the Stock Exchanges. Our Company and the BRLMs will not be responsible or liable for the delay in the credit of the Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on part of the Bidder.

## PLACEMENT

*No assurance can be given as to the liquidity or sustainability of the trading market for the Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares*

### Placement Agreement

The BRLMs have entered into the Placement Agreement dated August 28, 2023 with our Company, pursuant to which the BRLMs has agreed, subject to certain conditions, to manage the Issue and to act as placement agents in connection with the proposed Issue and procure subscription for Equity Shares to be placed with the Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, to the extent applicable, as amended and other applicable provisions of the Companies Act and the rules made thereunder. The Placement Agreement contains customary representations, warranties and indemnities from our Company, and it is subject to satisfaction of certain conditions and subject to termination in accordance with the terms contained therein.

The Preliminary Placement Document and this Placement Document has not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares offered pursuant to the Issue, will be offered in India or overseas to the public or any members of the public or any other class of prospective investors, other than Eligible QIBs.

No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares. The Equity Shares offered hereby have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares offered in this Issue are being offered and sold outside the United States in "offshore transactions" as defined in, and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers, and sales are made. For further information, see "*Selling Restrictions*" and "*Transfer Restrictions and Purchase Representations*" on pages 231 and 237, respectively.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges.

In connection with the Issue, the BRLMs (or their affiliates) may, for its own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be offered pursuant to the Issue at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the BRLMs may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. The Affiliates of the BRLMs may purchase Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see "*Offshore Derivative Instruments*" on page 8.

From time to time, the BRLMs, and their affiliates may be engaged in or may in the future engage in transactions with and perform services, including but not limited to investment banking, advisory, banking, trading services for our Company, its Subsidiaries, its group companies, affiliates and the shareholders of our Company, as well as to their respective affiliates, pursuant to which fees and commissions have been paid or will be paid to the BRLMs and their affiliates.

### Lock-up

Our Company will not for a period of 180 days from the date of Allotment under the Issue, without the prior written consent of the Placement Agents, directly or indirectly, (a) purchase, lend, sell, offer, issue, contract to issue, issue or offer any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any Equity Shares or any securities convertible into or exercisable for Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares which may be deemed to be beneficially owned), or file any registration statement under the Securities Act, with respect to any of the foregoing; or (b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares (regardless of whether any of the transactions described in clause (a) or (b) is to be settled by the delivery of Equity Shares or such other securities, in cash or otherwise), or (c) deposit Equity Shares with any other depository in connection with a depository receipt facility, (d) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Equity Shares in any depository receipt facility, or (e) publicly announce any intention to enter into any transaction falling within (a) to (d) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depository receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (d) above. Provided that, the foregoing restriction shall not apply to an issuance of Equity Shares or options pursuant to any employee stock option scheme formulated by our Company.

Our Promoters will not for a period of 90 days from the date of Allotment of Equity Shares, without the prior written consent of the Placement Agents, directly or indirectly: (a) sell, lend, contract to sell any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; (c) sell, lend, contract to sell any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares or interest in an entity which holds any Equity Shares; or (d) publicly announce any intention to enter into any transaction whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depository receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (c) above.



## SELLING RESTRICTIONS

*The distribution of this Placement Document or any offering material and the offering, sale or delivery of Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Placement Document or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restriction. This Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.*

### General

No action has been taken or will be taken by our Company or the BRLMs that would permit a public offering of the Equity Shares to occur in any jurisdiction, or the possession, circulation or distribution of this Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required (including filing of prospectus in India with SEBI or any other authority in connection with the Issue). Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and none of this Placement Document, any offering materials and any advertisements in connection with the offering of the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable SEBI ICDR Regulations. Each purchaser of the Equity Shares in this Issue will be deemed to have made representations, warranties, acknowledgments and agreements as described in this section and under “*Notice to Investors*”, “*Representations by Investors*” and “*Transfer Restrictions and Purchase Representations*” on page 1, 231 and 237.

### Republic of India

The Issue will be made in compliance with the SEBI ICDR Regulations, Section 42 of the Companies Act, read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act and the rules made thereunder.

This Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public or any other class of investors other than Eligible QIBs. The Preliminary Placement Document and this Placement Document has not been and will not be filed as a prospectus with the RoC, or an advertisement and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction.

### Bahrain

All marketing and offering of the Equity Shares in the Issue has been made and will be made outside the Kingdom of Bahrain. This Placement Document and the Equity Shares that shall be offered pursuant to this Placement Document have not been registered, filed, approved or licensed by the Central Bank of Bahrain (“**CBB**”), the Bahrain Bourse, the Ministry of Industry, Commerce and Tourism (“**MOICT**”) or any other relevant licensing authorities in the Kingdom of Bahrain.

The CBB, the Bahrain Bourse and the MOICT of the Kingdom of Bahrain takes no responsibility for the accuracy of the statements and information contained in this Placement Document, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. This Placement Document is only intended for Accredited Investors as defined by the CBB and the Equity Shares offered by way of private placement may only be offered in minimum subscriptions of USD 100,000 (or equivalent in other currencies). No invitation to the public in the Kingdom of Bahrain to subscribe to the Equity Shares is being made and this Placement Document will not be issued to, passed to, or made available to the public generally in the Kingdom of Bahrain. The CBB has not reviewed, nor has it approved this Placement Document and any related offering documents or the marketing thereof in the Kingdom of Bahrain. The CBB is not and will not be responsible for the performance of the Equity Shares.

### Cayman Islands

No offer or invitation to subscribe for Equity Shares may be made to the public in the Cayman Islands to subscribe for any of the Equity Shares but an invitation or offer may be made to sophisticated persons (as defined in the Cayman Islands Securities Investment Business Law (the “**SIBL**”), high net worth persons (as defined in the SIBL) or otherwise in accordance with the SIBL. This Placement Document does not constitute an invitation or offer to the public in the Cayman Islands of the Equity Shares, whether by way of sale or subscription. The Equity Shares are not being offered or sold, and will not be offered or sold, directly or indirectly, to the public in the Cayman Islands.

## **Dubai International Financial Centre**

This Placement Document relates to an Exempt Offer in accordance with the Markets Rules Module of the Dubai Financial Services Authority (“**DFSA**”) Rulebook. This Placement Document is intended for distribution only to persons of a type specified in the Markets Rules Module. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Placement Document nor taken steps to verify the information set forth herein and has no responsibility for this Placement Document. The securities to which this Placement Document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this Placement Document you should consult an authorized financial advisor.

In relation to its use in the DIFC, this Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

## **European Economic Area**

In relation to each Member State of the European Economic Area (each a “**Member State**”), no Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation), except that offers of Equity Shares may be made to the public in that Member State at any time under the following exemptions under the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of Book Running Lead Manager for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall result in a requirement for the publication by the Company or the BRLMs of a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this section, the expression an “offer of Equity Shares to the public” in relation to any Equity Shares in any Relevant State means a communication to persons in any form and by any means presenting sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares.

Except for each person who is not a qualified investor and who has notified the BRLMs of such fact in writing and has received the consent of the BRLMs in writing to subscribe for or purchase Equity Shares in the Issue, each person in a Relevant State who acquires Equity Shares in the Issue or to whom any offer is made shall be deemed to have represented that it is a “qualified investor” as defined in the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary, as that term is used in Article 5 of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Equity Shares subscribed for or acquired by it in the Issue have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Relevant State to qualified investors (as so defined) or in circumstances in which the prior consent of the BRLMs has been obtained to each such proposed offer or resale.

Our Company, the BRLMs and their affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

## **Hong Kong**

The Equity Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “**C(WUMP)O**”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O.

No advertisement, invitation or document relating to the Equity Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO has been or will be issued, whether in Hong Kong or elsewhere.

### **Japan**

The Equity Shares offered hereby have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). This Placement Document is not an offer of shares for sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used in this Placement Document means any person resident in Japan, including any corporation or entity organized under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

### **Republic of Korea**

The Equity Shares have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder (the “**FSCMA**”), and the Equity Shares have been and will be offered in Korea as a private placement under the FSCMA. None of the Equity Shares may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the “**FETL**”). Furthermore, the purchaser of the Equity Shares shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the Equity Shares. By the purchase of the Equity Shares, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the Equity Shares pursuant to the applicable laws and regulations of Korea.

### **Kuwait**

This document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Equity Shares in the State of Kuwait. The Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait. No private or public offering of the Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in the State of Kuwait.

### **Malaysia**

No approval from the Securities Commission of Malaysia has been applied for or will be obtained for the offer or invitation in respect of the Issue under the Capital Markets and Services Act 2007. Neither has a prospectus been nor will be registered with the Securities Commission of Malaysia in connection with the Issue in Malaysia. Accordingly, this Placement Document or any amendment or supplement hereto or any other offering document in relation to the Issue may not be distributed in Malaysia directly or indirectly for the purpose of any offer of the Equity Shares. The Equity Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act and no person may offer for subscription or purchase any of the Equity Shares directly or indirectly to anyone in Malaysia.

### **Mauritius**

The public of the republic of Mauritius is not invited to subscribe for the interests offered hereby. This memorandum relates to a private placement and does not constitute an offer to the public in Mauritius to subscribe for the interests offered hereby. The interests are only being offered to a limited number of sophisticated investors meeting the eligibility criteria. No regulatory approval has been sought for the offer in Mauritius and it must be distinctly understood that the Mauritius financial services commission does not accept any responsibility for the financial soundness of or any representations made in connection with the issue. The memorandum is for the use only of the named addressee and should not be given or shown to any other person.

### **Qatar (excluding the Qatar Financial Centre)**

This Placement Document did not, and was not intended to, constitute an invitation or an offer of securities in the State of Qatar (including the Qatar Financial Centre) and accordingly should not be construed as such. The Equity Shares have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of securities in the State of Qatar.

By receiving this document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (a) neither this Placement Document nor the Equity Shares have been registered, considered, authorised or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other authority or agency in the State of Qatar; (b) neither the Company nor BRLMs are authorised or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority, or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (c) this Placement Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (d) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Equity Shares has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This Placement Document shall not form the basis of, or be relied on in connection with, any contract in Qatar. The persons representing BRLMs are, by distributing this document, not advising individuals resident in the State of Qatar as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in this Placement Document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

### **Qatar and Qatar Financial Centre**

Nothing in this Placement Document is intended to constitute, shall be treated as constituting or shall be deemed to constitute, any offer or sale of securities in the State of Qatar or in the Qatar Financial Centre or the inward marketing of securities or an attempt to do business, as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre other than in compliance with any laws applicable in the State of Qatar or in the Qatar Financial Centre governing the issue, offering and sale of securities under the laws of the State of Qatar and the Qatar Financial Centre.

This Placement Document and any underlying instruments or securities have not been and will not be filed with, reviewed or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Exchange or any other relevant Qatar governmental body or securities exchange. The Company has not been authorised or licenced by any Qatari governmental body or regulator to market, offer or sell the Equity Shares in the State of Qatar or in the Qatar Financial Centre.

This Placement Document is strictly private and confidential. This Placement Document is provided on an exclusive basis to the specifically intended recipient of such document, upon that person's request and initiative, and for the recipient's personal use only. It is being distributed to a limited number of qualified investors and must not be provided to any person other than the original recipient. It is not for general circulation in the State of Qatar or the Qatar Financial Centre and may not be reproduced or used for any other purpose. Any distribution of this document by the recipient to third parties in the State of Qatar or the Qatar Financial Centre is not authorised and shall be at the liability of such recipient.

Recourse against the Company and/or its affiliates may be limited or difficult and may have to be pursued in a jurisdiction outside the State of Qatar and/or the Qatar Financial Centre.

### **Saudi Arabia**

This Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority ("CMA"). The CMA does not make any representation as to the accuracy or completeness of this Placement Document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Placement Document, you should consult an authorised financial adviser.

### **Singapore**

This Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- i. a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

- ii. a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

- (a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (b) where no consideration is or will be given for the transfer;
- (c) where the transfer is by operation of law;
- (d) as specified in Section 276(7) of the SFA; or
- (e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Notification under Sections 309B(1)(a) and 309B(1)(c) of the SFA: We have determined, and hereby notify all relevant persons (as defined in Section 309A of the SFA) that the Equity Shares are: (A) prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and (B) Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment: Notice on Recommendations on Investment Products).

**Singapore SFA Product Classification:** In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), the Company has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Equity Shares are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

#### **Sultanate of Oman**

The information contained in this Placement Document does not constitute a public offer of securities in Oman as contemplated by the Oman Commercial Companies Law (Sultani Decree 18/2019, as amended) or Article 3 of the Capital Market Authority Law (Sultani Decree 80/98, as amended). This Placement Document will only be made available to investors in Oman in accordance with the provisions of Article 139 of the Executive Regulations of the Capital Markets Law (Capital Markets Law Decision No. 1/2009, as amended) (the "Executive Regulations") by an entity duly licenced by the Capital Market Authority of Oman to market non-Omani securities in Oman.

This Placement Document is strictly private and confidential. It is being provided to a limited number of sophisticated investors solely to enable them to decide whether or not to invest in the Equity Shares outside of Oman, upon the terms and subject to the restrictions set out herein and may not be reproduced or used for any other purpose or provided to any person other than the original recipient. Additionally, this Placement Document is not intended to lead to the making of any contract within the territory or under the laws of Oman.

This Placement Document has not been (and will not be) filed with the Capital Market Authority of Oman (except in accordance with Article 139 of the Executive Regulations) or any other regulatory authority in Oman and the Capital Market Authority of Oman neither assumes responsibility for the accuracy and adequacy of the statements and information contained in this Placement Document nor shall have any liability to any person for damage or loss resulting from reliance on any statements or information contained herein.

#### **Switzerland**

The Equity Shares may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("FinSA") and no application has or will be made to admit the Equity Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Placement Document nor any other offering or marketing material relating to the Equity Shares constitutes a prospectus pursuant to the FinSA, and neither this Placement Document nor any other offering or marketing material relating to the Equity Shares may be publicly distributed or otherwise made publicly available in Switzerland.

The Equity Shares may, however, be offered in Switzerland to professional clients within the meaning of the FinSA, without any public offer and only to investors who do not purchase the Equity Shares with the intention to distribute them to the public. The investors will be individually approached from time to time. This Placement Document may only be used by those investors to whom it has been handed out in connection with the Offer described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent.

## United Arab Emirates (excluding the Dubai International Financial Centre)

This Placement Document does not constitute or contain an offer of securities to the general public in the UAE. No offering, marketing, promotion, advertising or distribution (together, “Promotion”) of this document or the Equity Shares may be made to the general public in the United Arab Emirates (the “UAE”) unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the “SCA”) and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors’ Chairman Decision no. (3/R.M.) of 2017 (the “**Promotion and Introduction Regulations**”), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to “Qualified Investors” (excluding “**High Net Worth Individuals**”) (as such terms are defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE. None of the SCA, the UAE Central Bank, the UAE Ministry of Economy or any other regulatory authority in the UAE has reviewed or approved the contents of this document nor does any such entity accept any liability for the contents of this document.

## United Kingdom

No Shares have been offered or will be offered pursuant to the Offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the Shares which is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus Amendment etc (EU Exit) Regulations 2019/1234, except that it may make an offer to the public in the United Kingdom of any Shares at any time:

- (a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the BRLMs for any such offer; or
- (c) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of the Shares shall require the Company or any BRLMs to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an “offer to the public” in relation to the Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares and the expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

This Placement Document may not be distributed or circulated to any person in the United Kingdom other than to (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Financial Promotion Order”); and (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Financial Promotion Order (all such persons together being referred to as “relevant persons”). This Placement Document is directed only at relevant persons. Other persons should not act on this Placement Document or any of its contents. This Placement Document is confidential and is being supplied to you solely for your information and may not be reproduced, redistributed or passed on to any other person or published, in whole or in part, for any other purpose.

## United States of America

The Equity Shares have not been and will not be registered under the Securities Act, or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in ‘offshore transactions’ (as defined in Regulation S) in reliance on Regulations S and the applicable laws of the jurisdiction where those offers and sales are made. For further information, see “**Transfer Restrictions and Purchaser Representations**” on page 237.

## Other Jurisdictions

The distribution of this Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

## TRANSFER RESTRICTIONS AND PURCHASER REPRESENTATIONS

*Due to the following restrictions, investors are advised to consult legal counsel prior to purchasing Equity Shares or making any resale, pledge or transfer of Equity Shares.*

Purchasers are not permitted to sell the Equity Shares Allotted pursuant to the Issue, for a period of one year from the date of Allotment, except on the Stock Exchanges. Allotments made to Eligible QIBs in the Issue (including to FPIs) are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. Additional transfer restrictions applicable to the Equity Shares are listed below.

### **Transfer Restrictions and Purchaser Representations**

The Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

By accepting delivery of this Placement Document, submitting a bid to purchase Equity Shares and/or accepting delivery of any Equity Shares, you will be deemed to have represented and agreed as follows:

- It is authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations.
- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Equity Shares are being issued in reliance upon Regulation S and such Equity Shares have not been and will not be registered under the Securities Act.
- It certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, is located outside the United States (within the meaning of Regulation S), and it has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States, or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, and (ii) such customer is located outside the United States (within the meaning of Regulation S), and such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States.
- It is aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S.
- It agrees (or it is a broker-deal acting on behalf of a customer that has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, will make any “directed selling efforts” as defined in Regulation S. It acknowledges and agrees that it is not purchasing any Equity Shares as a result of any “directed selling efforts” as defined in Regulation S.
- It understands that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act, that the Equity Shares have not been and will not be registered under the Securities Act and that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares, such Equity Shares may be offered, resold, pledged or otherwise transferred only outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S or in a transaction otherwise exempt from the registration requirements of the Securities Act and other applicable U.S. state securities laws.
- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. It is experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. It and any accounts for which it is subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to the Company or any of the BRLMs for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) is seeking to subscribe to the Equity Shares in this Issue for investment purposes and not with a view to resell or distribute them and it has no reason to anticipate any change in its circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of the Equity Shares, (v) have no need for liquidity with respect to the investment in the Equity Shares, and (vi) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Equity Shares. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment.

- It has been provided access to the Preliminary Placement Document and will be provided access to this Placement Document which it has read in its entirety.
- It agrees to indemnify and hold the Company and each of the BRLMs harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. It will not hold any of the Company or the BRLMs liable with respect to its investment in the Equity Shares. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.
- Where it is subscribing to the Equity Shares for one or more managed accounts, it represents and warrants that it is authorised in writing, by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to “it” to include such accounts.
- It agrees that any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions shall not be recognised by the Company.

If such person is a dealer (as such term is defined under the Securities Act), it may not resell the Equity Shares in the United States prior to 40 days from the commencement of the offering of the Equity Shares. It acknowledges that the Company and the BRLMs and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, it will promptly notify the Company and the BRLMs. It agrees that the terms and provisions of the foregoing acknowledgements, representations and agreements shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by the Company, its successors and its permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees. It understands that these acknowledgments, representations and undertakings are required in connection with United States securities laws and irrevocably authorizes the Company to produce these acknowledgments, representations and undertakings (or any document incorporating them) to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.



## THE SECURITIES MARKET OF INDIA

*The information in this section has been extracted from documents available on the respective websites of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the BRLMs or any of its respective affiliates or advisors.*

### The Indian Securities Market

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in India in terms of the number of listed companies, market capitalisation and trading activity.

### Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. On October 9, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the “**SCR (SECC) Regulations**”), which regulate *inter alia* the recognition, ownership and governance of stock exchanges and clearing corporations in India together with providing for minimum net-worth requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Regulations along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by listed companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

### BSE

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, with effect from August 19, 2005, BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

### NSE

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000.

### Listing and delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013 the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI including the SEBI ICDR Regulations and the SEBI Listing Regulations, as well as pursuant to the listing agreements entered into by our Company with the Stock Exchanges. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company’s obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange’s governing body and withdraw recognition of a recognized stock exchange.

Delisting of equity shares from the stock exchanges, whether by way of a compulsory or a voluntary delisting, is governed by the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended (the “**Delisting Regulations**”). Following a compulsory delisting of equity shares, a company, its whole-time directors, its promoters, person(s) responsible for ensuring compliance with the securities laws and the companies promoted by any of them cannot directly or indirectly access the securities market or seek listing of any equity shares for a period of 10 years from the date of such delisting. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

## Minimum Level of Public Shareholding

All listed companies (except exempted public sector undertakings) are required to maintain a minimum public shareholding of 25%. Where the public shareholding in a listed company falls below 25% at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of such the public shareholding having fallen below the 25% threshold. Consequently, a listed company may be delisted from the Stock Exchanges for not complying with the above-mentioned requirements. Our Company is in compliance with this minimum public shareholding requirement.

## Disclosures under the Companies Act and securities regulations

Under the Companies Act, a public offering of securities in India must be made by means of a prospectus, which must contain information specified in the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the SEBI ICDR Regulations. The prospectus must be filed with the relevant registrar of companies having jurisdiction over the place where a company's registered office is situated. A company's directors and promoters shall be subject to civil and criminal liability for misrepresentation in a prospectus. The Companies Act also sets forth procedures for the acceptance of subscriptions and payment of commission rates for the sale of securities. Pursuant to the provisions of the SEBI Act, SEBI has issued detailed guidelines concerning disclosures by public companies and to further investor protection. The SEBI ICDR Regulations permit companies to price their domestic issues of securities in consultation with the lead merchant banker or through the book building process.

Public limited companies are required under the Companies Act, and other applicable guidelines to prepare, file with the RoC and circulate to their shareholders audited annual accounts which comply with the Companies Act's disclosure requirements and regulations governing their manner of presentation and which include sections pertaining to corporate governance, related party transactions and the management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations. Accordingly, companies are required to publish unaudited financial statements (subject to a limited review by the company's auditors) on a quarterly basis and are required to inform stock exchanges immediately regarding any unpublished price sensitive information.

## Insider Trading Regulations

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended (the "**Insider Trading Regulations**") have been notified by SEBI to amongst other things, prohibit and penalize insider trading in India and prohibit dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**").

The Insider Trading Regulations also impose certain restrictions on the communication of UPSI relating to a company or securities listed or proposed to be listed. In terms of the Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. It also provides disclosure obligations for promoters, employees and directors, with regard to their shareholding in the company, and the changes therein. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the Insider Trading Regulations.

The Insider Trading Regulations define the term "unpublished price sensitive information" to mean any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of its securities and ordinarily includes but not restricted to information relating to the following: (a) financial results; (b) dividends; (c) change in capital structure; (d) mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions; and (e) changes in key managerial personnel. Further, in terms of the Insider Trading Regulations, "generally available information" is defined as information that is accessible to the public on a non-discriminatory basis. An "insider" means any person who is i) a connected person; or ii) in possession of or having access to unpublished price sensitive information. The term "connected person" means any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity, including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holding any position, including a professional or business relationship between himself and the company, whether temporary or permanent, that allows such person, directly or indirectly, to have access to unpublished price sensitive information or is reasonably expected to allow such access.

The Insider Trading Regulations make it compulsory for listed companies and certain other entities (including fiduciaries and intermediaries) that are required to handle UPSI in the course of business operations to establish (i) an internal code of practices and procedures for fair disclosure of UPSI; (ii) an internal code to regulate, monitor and report trading by designated persons and immediate relatives of designated persons; and (iii) a policy for procedures to be adopted by a company in case of any leak of UPSI. There are also initial and continuing shareholding disclosure obligations under the Insider Trading Regulations.

## **Index-Based Market-Wide Circuit Breaker System**

In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a coordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of BSE or the NIFTY 50 of NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 20% movements either up or down, for all scrips in the compulsory rolling settlement. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

## **Settlement**

The stock exchanges in India operate on a trading day plus two, or T+2 rolling settlement system. At the end of the T+2 period, obligations are settled with buyers of securities paying for and receiving securities, while sellers transfer and receive payment for securities. For example, trades executed on a Monday would typically be settled on a Wednesday.

Further, in accordance with the circular dated September 7, 2021, issued by SEBI, at any time on or after January 1, 2022, a Stock Exchanges may choose to offer T+1 settlement cycle after giving an advance notice of at least one month.

## **Trading Hours**

Trading on both BSE and NSE normally occurs from Monday through Friday between 9:15 a.m. IST and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9.00 a.m. IST to 9.15 a.m. IST that has been introduced). BSE and NSE are closed on public holidays.

## **Internet-Based Securities Trading and Security Trading using Wireless Technology Services**

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. This permits clients throughout the country to trade using brokers' internet trading systems. Stock brokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated under applicable law. NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of NSE.

## **Trading Procedure**

In order to facilitate smooth transactions, BSE replaced its open outcry system with BSE online trading facility in 1995. This 100% automated screen-based trading in securities was put into practice nationwide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform BOLT Plus. NSE has a fully automated trading system called NEAT, which operates on strict time/price priority besides enabling efficient trade.

## **Depositories**

The Depositories Act, 1996 provides a legal framework for the establishment of depositories to record ownership details and effect transfers in electronic book-entry form. Further, SEBI has framed the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 in relation to, among other things, the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners.

## **Takeover Regulations**

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the specific regulations in relation to substantial acquisition of shares and takeover. After listing on the stock exchanges, the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (the "**Takeover Regulations**") will apply to our Company, which provide specific regulations in relation to substantial acquisition of shares and takeovers. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The Takeover Regulations prescribes certain thresholds or trigger points in the shareholding that a person or entity (along with persons acting in concert with such person or entity) has in the listed Indian company, which give rise to certain obligations on the part of the acquirer. Acquisition of shares or voting rights up to a certain threshold prescribed under the Takeover Regulations mandate specific disclosure

requirements, while acquisitions (direct or indirect, along with persons acting in concert with such acquirer) crossing particular thresholds may result in the acquirer having to make an open offer for the shares of the target company.

### **Buy-back**

A company may buy-back its shares subject to compliance with the requirements of Section 68 of the Companies Act, 2013, as amended and the SEBI (Buy-back of Securities) Regulations 2018, as amended. Under Section 68 of the Companies Act, 2013, as amended, a company may buy-back its shares out of its free reserves or securities premium account or the proceeds of the issue of any shares or other specified securities, other than proceeds of an earlier issue of the same kind of shares or same kind of other specified securities.

### **Derivatives (Futures and Options)**

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term “securities”, as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

## DESCRIPTION OF THE EQUITY SHARES

*The following is the information relating to the Equity Shares including a brief summary of the Memorandum of Association and Articles of Association and the Companies Act. The prospective investors are urged to read the Memorandum of Association and Articles of Association carefully, and consult with their advisers, as the Memorandum of Association and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.*

### Share Capital

The authorised share capital of the Company is ₹ 350,000,000 comprising of 35,000,000 Equity Shares (of face value of ₹10 each). As on the date of this Placement Document, the issued, subscribed and paid-up capital of the Company is ₹ 260,246,450 comprising of 26,024,645\* Equity Shares (of face value of ₹10 each). The Equity Shares are listed on BSE and NSE.

\* Subject to Allotment pursuant to the Issue.

### Main objects of our Company

1. To carry on the business of manufacturers, distributors, importers, exporters, buyers, sellers, agent and- stockiest of and to market, hirer, lease, rent out, assemble, alter, install, service, design, research and improve, develop, exchange, maintain, repair, refurbish, store and otherwise deal in any manner in all type of plastic moulded/extruded goods, all types of electrical and electronic goods, including television, video cassette display, digital video display, computer data processing applications both hardware and software, telephone exchanges, telephone instruments, fax machines, recording instruments and devices, electrical measuring and testing equipment, and any other system of telecommunication whether consisting of sounds, electrical pulses, visual images or otherwise, either alone or in combination, and whether electronic, electrical or mechanical or otherwise or any combination thereof and all systems apparatus, equipment, raw material, components, spare parts and fitting thereof and other related products and accessories thereto.
2. To carry on the business of manufacturing, distributors, importers and exporters, buyers, sellers, agents & stockists of and to market, hire, lease, rent out, assemble, alter, install, service, design, research and improve, develop, exchange, maintain, repair, refurbish, store and otherwise deal in any manner in all types of Light Emitting Diode / Compact Fluorescent Lamp photovoltaic lighting systems including solar lantern, home lights and street lights, luminaries, and other solar powered products/projects, assemblies/sub-assemblies thereof, solar power plants, grid and off grid, solar photovoltaic water pumping systems, wind power generation systems, solar water heaters and all other present and upcoming Products related to new and renewable energy sources; domestic home appliances including all types of white goods, brown goods and office appliances, stabilizers, inverters, converters, uninterrupted power supplies, medical & surgical apparatus, computers and monitors and display devices either alone or in combination and whether electronic, electrical & mechanical or otherwise or any combination thereof and all types of equipment, raw material, components, spare parts and fitting thereof and other related products and accessories thereto.
3. To deal in, purchase, sell, import, export, exchange barter, or supply and or to act as principal, dealers, traders, agents, sub-agents, representative of manufacturers either solely or in conjunction with others and either by or through agents, sub-contractors, trustees or otherwise for all kind of Indian/Foreign manufactured goods, intermediate products, commodities, raw materials, services in the foreign countries and vice-versa and to establish or maintain services, branch or branches, agent or agents, anywhere in the world in connection with the business of the company as referred to in the sub-clause 1 and 2 above.

### Dividends

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of its shareholders at the annual general meeting of its shareholders. The shareholders have the right to decrease but not increase the dividend amount recommended by the board of directors. Dividends are generally declared as a percentage of par value (on per share basis) and distributed and paid to shareholders. The Companies Act provides that shares of the same class of a company must receive equal dividend treatment.

These distributions and payments are required to be paid to or claimed by shareholders within 30 days of the date of declaration of dividend. The Companies Act states that any dividends that remain unpaid or unclaimed after that period are to be transferred to a special bank account within seven days from the date of expiry of the period of 30 days. Any dividend amount that remains unclaimed for seven years from the date of such transfer is to be transferred by our Company to a fund, called the Investor Education and Protection Fund, created by the Government of India.

The Articles authorize the Board to pay to the members such interim dividends as in their judgement the position of our Company justifies. Under the Companies Act dividends payable can be paid only in cash to the registered shareholder at a record date fixed prior to the relevant AGM, to his order or to the order of his banker. However, any dividend payable in cash may be paid by cheque or warrant or in any electronic mode to the shareholder entitled to the payment of the dividend.

No dividend shall be payable except out of the profits of the year or any other undistributed profits of the Company, or otherwise than in accordance with the provisions of the Act and no dividend shall carry interest as against the Company.

### **Bonus Shares**

In addition to permitting dividends to be paid as described above, the Companies Act permits the Board, subject to the approval of the Shareholders of our Company, to distribute to the Shareholders, in the form of fully paid-up bonus shares, an amount transferred from the company's free reserves, securities premium account or the capital redemption reserve account. These bonus equity shares must be distributed to the Shareholders in proportion to the number of equity shares owned by them.

Bonus shares can only be issued if the company has not defaulted in payments of statutory dues of the employees, such as, contribution to provident fund, gratuity and bonus or principal/interest payments on fixed deposits or debt securities issued by it. Bonus shares shall not be issued in lieu of dividend.

### **Pre-Emptive Rights and Offer of Additional Shares**

The Companies Act gives shareholders the right to subscribe for new shares in proportion to their existing shareholdings unless otherwise determined by a resolution passed members who, being entitled so to do, vote in person or by proxy or by postal ballot, are required to be not less than three times the number of the votes, if any, cast against the resolution by members so entitled and voting. Under the Companies Act and the Articles, in the event of an issuance of securities, subject to the limitations set forth above, our Company must first offer the new Equity Shares to the holders of Equity Shares at the date of offer. The offer shall be made by notice specifying the number of Equity Shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. The offer, required to be made by notice, shall include a statement that the right exercisable by the Shareholders to renounce the Equity Shares offered in favour of any other person.

Our Board is permitted to distribute Equity Shares not accepted by existing shareholders in the manner it deems beneficial for us in accordance with the Articles.

### **Issuance of Preference Shares**

Subject to Section 80 of the Companies Act, and in accordance with the Articles, any new shares may be issued as redeemable preference shares which are liable to be redeemed in any manner permissible under the Companies Act.

### **General meetings of shareholders**

There are two types of general meetings of shareholders: (i) AGM; and (ii) EGM. Our Company must hold its AGM within six months after the expiry of each Fiscal provided that not more than 15 months shall elapse between the AGM and next one, unless extended by the RoC at its request for any special reason for a period not exceeding three months. Our Board may convene an EGM when necessary or at the request of Shareholders in accordance with the Companies Act. Written notice or notice via electronic mode means setting out the business to be transacted at the meeting must be given at least 21 days prior to the date set for the general meeting to the Shareholders. Shorter notice is permitted if consent is received from 95% of the Shareholders entitled to vote at such meeting. Five Shareholders or such other number of Shareholders as required under the Companies Act or applicable law personally present shall constitute quorum for a general meeting.

### **Voting rights**

A shareholder has one vote for each equity share and voting may be on a poll or through electronic means or postal ballot.

Ordinary resolutions may be passed by simple majority if the votes cast in favour exceeds the votes cast against the resolution. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution.

A shareholder may exercise his voting rights by proxy to be given in the form required by the Companies Act read with the rules issued thereunder. The instrument appointing a proxy is required to be lodged with our Company at least 48 hours before the time of the meeting.

### **Transfer and transmission of shares**

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are subject to STT (levied on and collected by the stock exchanges on which such equity shares are sold), however, are exempt from stamp duty. Our Company has entered into an agreement for such depository services with the Depositories. SEBI requires that the shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are

not required to be reported to the stock exchange. Our Company shall keep a book in which every transfer or transmission of shares will be entered.

Pursuant to the SEBI Listing Regulations, except in case of transmission or transposition of Equity Shares, requests for effecting transfer of Equity Shares shall not be processed unless the Equity Shares are held in dematerialized form with a depository.

The Equity Shares shall be freely transferable, subject to applicable laws.

**Winding up**

Our Articles of Association provide that on winding up, the liquidator may, with the sanction of a special resolution and any other sanction required under the Companies Act, 2013, divide amongst the members, in specie or kind, the whole or any part of the assets of our Company and vest the whole or any part of the assets of the Company in trustees upon such trust for the benefit of the contributories if considered necessary.

## TAXATION

To,

**Board of Directors**  
**PG Electroplast Limited**  
DTJ-209, DLF Tower-B,  
Jasola, New Delhi – 110025  
India

**JM Financial Limited**  
7th Floor, Cnergy,  
Appasaheb Marathe Marg, Prabhadevi,  
Mumbai – 400025  
Maharashtra, India

**PhillipCapital (India) Private Limited**  
No. 1, 18th Floor, Urmi Estate,  
95 Ganpatrao Kadam Marg,  
Lower Parel West, Mumbai 400013,  
Maharashtra, India

**Subject: Qualified institutions placement of equity shares of face value ₹ 10 each (“Equity Shares”) by PG Electroplast Limited (the “Company”) under Chapter VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, and Section 42 and 62 of the Companies Act, 2013, as amended, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended (the “Issue”).**

We, S.S. Kothari Mehta & Company, statutory auditors of the Company, hereby report the possible special tax benefits available to the Company and the shareholders of the Company, under the Income Tax Act, 1961, as amended (the “IT Act”), applicable Indirect Tax Laws (as defined in the Annexure A), along with the rules, regulations, circulars and notifications issued thereon, as applicable to the assessment year 2024-25 relevant to the financial year 2023-2024, presently in force in India, in the enclosed statement at **Annexure A**.

Several of these stated tax benefits/consequences are dependent on the Company and/or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Therefore, the ability of the Company and/or its shareholders to derive the tax benefits is dependent on fulfilling such conditions.

The benefits discussed in the enclosed Annexure A cover the possible special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company and its shareholders. Further, the preparation of the enclosed Annexure A and its contents is the responsibility of the Management of the Company. We were informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed offer particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on the Statement.

The Management is responsible for ensuring that the Company complies with the requirements of the applicable laws and shall be responsible for providing us the required information/documents as may be required by us for certifying the requirement as per paragraph above.

The benefits discussed in the enclosed annexure are not exhaustive. **Annexure A** is for your information, and we consent its inclusion in the preliminary placement document and placement document, as amended or supplemented thereto (together the “**Placement Documents**”) to be filed by the Company with the stock exchanges, the Securities and Exchange Board of India (“**SEBI**”), and the Registrar of Companies, and any other authority and such other documents as may be prepared in connection with the Issue.

In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither are we suggesting nor advising the investor to invest money based on this statement.

We do not express any opinion or provide any assurance as to whether:

- i) the Company or its shareholders will continue to obtain these benefits in future; or



- ii) the conditions prescribed for availing the benefits have been/would be met with; or
- iii) the revenue authorities / courts will concur with the views expressed herein.

We consent to the inclusion of the above information in the Placement Document to be filed by the Company with the stock exchanges on which the Equity Shares of the Company are listed (the “**Stock Exchanges**”), the Securities and Exchange Board of India, and the Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi, and any other authority and such other documents as may be prepared in connection with the Issue

This statement is prepared for inclusion in the Placement Document (PD) in connection with the Issue and may accordingly be furnished by the Company and Placement Agents, as required to the Stock Exchanges or any other judicial, statutory and regulatory authorities as required. The aforesaid information contained herein and in **Annexure A** can also be shared with and relied on by the Placement Agents, legal counsel and any other advisors and intermediaries appointed in relation to the Issue. We undertake to immediately inform in writing to the Placement Agents and legal counsel in case of any changes to the above until the date when the Equity Shares issued pursuant to the Issue commence trading on the Stock Exchanges. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate.

Capitalized terms used herein, unless otherwise specifically defined, shall have the same meaning as ascribed to them in the Placement Documents.

**S.S. Kothari Mehta & Company,**  
Chartered Accountants  
Firm Registration Number: **000756N**

**AMIT GOEL**  
(Partner)  
(Membership Number: **500607**)  
New Delhi  
Date: September 1, 2023  
UDIN: 23500607BGURQN2264

## Annexure A related with statement of special tax benefits dated September 1, 2023

### STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND TO ITS SHAREHOLDERS UNDER THE DIRECT AND INDIRECT TAX LAWS IN INDIA.

#### I. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY UNDER DIRECT TAXATION

Outlined below are the special tax benefits available to PG Electroplast Limited (the “**Company**”) and its Shareholders under the Income-Tax Act, 1961 (the “**Act**”) as amended by the Finance Act, 2023 applicable for Financial Year 2023-24 relevant to the Assessment Year 2024-25.

##### *Special direct tax benefits available to the Company*

- **Lower corporate tax rate under section 115BAA**

Section 115BAA has been inserted in the Act w.e.f. FY 2019-20. It gives an option to domestic company to be governed by this section from a particular assessment year. If a company opts for section 115BAA of the Act, the company can pay corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and education cess of 4%). However once opted for reduced rate of taxation under the said section, it cannot be subsequently withdrawn.

Section 115BAA further provides that domestic companies availing the option will not be required to pay Minimum Alternate Tax (MAT) on their ‘book profits’ under section 115JB of the Act. However, such a company will no longer be eligible to avail any specified exemptions / incentives under the Act and will also need to comply with the other conditions specified in section 115BAA. Also, if a company opts for section 115BAA, the tax credit (under section 115JAA), if any, which it is entitled to on account of MAT paid in earlier years, will no longer be available.

Further, it shall not be allowed to claim set-off of any brought forward losses arising to it on account of additional depreciation and other specified incentives.

The Company has already evaluated and opted for the lower corporate tax rate of 25.168% (prescribed under section 115BAA of the Act) with effect from AY 2020-21.

##### *Special direct tax benefits available to the shareholders*

There are no special direct tax benefits available to the shareholders.

#### II. TAX BENEFITS AVAILABLE TO THE COMPANY UNDER INDIRECT TAXES

Benefits available to the Company and the Shareholders of the Company under the Central Goods and Services Tax Act, 2017 (“**CGST Act**”), Integrated Goods and Services Tax Act, 2017 (“**IGST Act**”), respective State Goods and Services Tax Act, 2017 (“**SGST Act**”), Customs Act, 1962, Customs Tariff Act, 1975 and The Foreign Trade Policy 2023, as notified by the Central Government w.e.f. April 1, 2023. (Collectively referred to as “**Indirect Tax Laws**”) are as under:

##### *Special Tax Benefits available to the Company*

There are no special tax benefits as such available to the company under the Indirect Tax Laws, except deferred payment of customs duty on import of inputs or capital goods under Manufacture and other operations in Warehouse Regulations 2019 (No 2 Regulations) at one of its plants for which the license has been granted.

##### *Special indirect tax benefits available to the Shareholders*

No special benefits are available to the Shareholders under the Indirect Tax Laws.

##### *Notes:*

1. *There are no other special direct and indirect tax benefits that are available to the Company or its shareholders presently.*
2. *The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.*
3. *For direct tax benefits, this Annexure sets out only the special tax benefits available to the Company and the shareholders under the current Income-tax Act, 1961 i.e., the Act as amended by the Finance Act, 2023 applicable for the Financial Year 2023-24 relevant to the Assessment Year 2024-25, presently in force in India.*

4. *This Annexure is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax arising out of their participation in the Offer.*
5. *Our views expressed in this statement are based on the facts and assumptions as indicated in the statement. No assurance is provided that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.*

## LEGAL PROCEEDINGS

Our Company is involved in various legal proceedings from time to time, mostly arising in the ordinary course of business. These legal proceedings are primarily in the nature of, amongst others, tax disputes and civil proceedings, which are pending before various adjudicating forums.

As on the date of this Placement Document, except as disclosed below, there is no outstanding legal proceeding which has been considered material in accordance with our Company's policy in relation to disclosure of material events framed in accordance with Regulation 30 of the SEBI Listing Regulations. and adopted by the Board.

Except as disclosed in this section, such disclosures having been made solely for the purpose of the Issue, in accordance with the resolution passed by our Board dated August 28, 2023, there are no (i) outstanding criminal proceedings involving our Company, our Subsidiaries, our Directors and our Promoters; (ii) outstanding actions by statutory or regulatory authorities against our Company and our Subsidiaries; (iii) outstanding civil proceedings involving our Company or its Subsidiaries, where the amount involved in such proceeding exceeds ₹7.75 million i.e., 1% of profit after tax, on a consolidated basis for Fiscal 2023 ("**Materiality Threshold**"); (iv) outstanding direct and indirect tax matters involving our Company or our Subsidiaries, disclosed in a consolidated manner; (v) other outstanding litigation involving our Company or our Subsidiaries wherein the amount involved cannot be determined or is below the Materiality Threshold, but an adverse outcome of which could, individually or in the aggregate, materially and adversely affect the reputation, operations or financial position of our Company or its Subsidiaries, and (vi) other outstanding litigation involving our Promoters and our Directors wherein an adverse outcome could materially and adversely affect the reputation, operations or financial position of our Company and our Subsidiaries (as a whole).

Further, as on the date of this Placement Document, other than as disclosed in this section: (i) there is no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoters during the last three years immediately preceding the year of circulation of this Placement Document and no directions have been issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (ii) there are no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the year of circulation of this Placement Document involving our Company or our Subsidiaries, nor are there any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Placement Document involving our Company or Subsidiaries; (iii) there are no defaults in repayment of (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interests thereon and (d) any loan obtained from any bank or financial institution and interest thereon by our Company, as of the date of this Placement Document; (iv) there are no material frauds committed against us in the last three years; (v) there are no defaults in annual filing of our Company under the Companies Act, 2013 and the rules made thereunder; (vi) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations.

It is clarified that for the purposes of the above, pre-litigation notices received by any of our Company, our Subsidiaries, our Directors and/or our Promoters from third parties (excluding statutory / regulatory / governmental authorities or notices threatening criminal action) shall, not be considered as litigation proceedings till such time that any of our Company, our Subsidiaries, our Directors and/or our Promoters, are impleaded as parties in any such litigation proceedings before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

Capitalised terms used herein shall, unless otherwise specified, have the meanings ascribed to such terms in this section.

### A. Tax litigation

As on the date of this Placement Document, except as disclosed below, there are no outstanding tax litigations, involving our Company and our Subsidiaries:

Nature of case	Number of cases	Amount involved (in ₹ million)*
<b>Tax litigation involving our Company</b>		
Direct tax	Nil	Nil
Indirect tax	2	150.42
<b>Total</b>	2	150.42
<b>Tax litigation involving our Subsidiaries</b>		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
<b>Total</b>	Nil	Nil

\* To the extent quantifiable, including interest and penalty thereon.

## **STATUTORY AUDITORS**

Our Company's current Statutory Auditors, M/s S.S. Kothari Mehta & Company, Chartered Accountants, are independent auditors with respect to our Company as required by the Companies Act, 2013 and in accordance with the guidelines prescribed by the ICAI and have been appointed as the statutory auditors of our Company, pursuant to the approval of the shareholders of our Company at the general meeting held on September 29, 2021.

The Fiscal 2021 Audited Consolidated Financial Statements and the report thereon issued by our previous statutory auditor, M/s. Chitresh Gupta & Associates, Chartered Accountants; and the Fiscal 2022 Audited Consolidated Financial Statements, the Fiscal 2023 Audited Consolidated Financial Statements and the Unaudited Interim Condensed Consolidated Financial Statements together with the respective reports thereon issued by our current Statutory Auditors, M/s S.S. Kothari Mehta & Company, Chartered Accountants, have been included in this Placement Document.

The peer review certificate of our current Statutory Auditor, M/s S.S. Kothari Mehta & Company, Chartered Accountants is valid till August 31, 2025.

## FINANCIAL INFORMATION

<b>Financial Statements</b>	<b>Page Nos.</b>
Unaudited Interim Condensed Consolidated Financial Statements	253
Fiscal 2023 Audited Consolidated Financial Statements	275
Fiscal 2022 Audited Consolidated Financial Statements	331
Fiscal 2021 Audited Consolidated Financial Statements	396

## **Report on Review of the Unaudited Interim Condensed Consolidated Financial Statements**

To  
The Board of Directors  
PG Electroplast Limited  
New Delhi

1. We have reviewed the accompanying Unaudited Interim Condensed Consolidated Financial Statements of **PG Electroplast Limited** (“the Company or Holding Company”) and its subsidiaries (together referred to as the “the Group”), which comprise the Unaudited Interim Condensed Consolidated Balance Sheet as at June 30, 2023 and the Unaudited Interim Condensed Consolidated Statement of Profit and Loss, including other comprehensive income, Unaudited Interim Condensed Consolidated Cash Flow Statement and the Unaudited Interim Condensed Consolidated Statement of Changes in Equity for three months period ended June 2023 and a summary of select explanatory notes (including the comparative financial information for three months period ended June 30, 2022) (together hereinafter referred to as the “Unaudited Interim Condensed Consolidated Financial Statements”). The Unaudited Interim Condensed Consolidated Financial Statements have been prepared by the Company solely in connection with the proposed offering of equity shares of the Company in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended and other applicable laws.
2. This Unaudited Interim Condensed Consolidated Financial Statements is the responsibility of the Holding Company’s Management and approved by the Holding Company’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “Interim Financial Reporting” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013 as amended (the Act), read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Unaudited Interim Condensed Consolidated Financial Statements based on our review.
3. We conducted our review of the Unaudited Interim Condensed Consolidated Financial Statements in accordance with the Standard on Review Engagements (SRE) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Institute of Chartered Accountants of India. This standard required that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted and upon considerations of report of other auditor read with para 5(a) below and management certified financial information read with para 5(b) below, nothing further has come to our attention that causes us to believe that the accompanying unaudited interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with requirements of Ind AS 34 “Interim Financial Reporting” .
5. **Other matters**
  - a. We did not review the unaudited interim condensed financial statements of two subsidiaries whose interim condensed financial statements reflects total asset of Rs. 64,864.40 lakh as at

June 30, 2023; total revenue of Rs. 39,186.76 lakhs, profit after tax of Rs. 2,129.39 lakhs, total comprehensive income of Rs. 2,127.32 lakh for three months period ended June 30, 2023, respectively, and net cash outflow of Rs. 467.34 lakhs for three months period ended June 30, 2023, as considered in this Unaudited Interim Condensed Consolidated Financial Statements. The interim financial statements of these subsidiaries are reviewed by their independent auditors whose review report have been furnished to us by the management and our conclusion on the Unaudited Interim Condensed Consolidated Financial Statements, in so far as it relates to the amounts and disclosure in respect of these subsidiaries are based solely on the report of such auditors.

- b. We did not review the unaudited interim condensed financial statements of one controlled entity, whose interim condensed financial statements reflects total asset of Rs. 169.68 lakh as at June 30, 2023; total revenue of Rs. Nil, profit after tax of Rs. Nil, total comprehensive income of Rs. Nil for three months period ended June 30, 2023, respectively, and net cash inflow of Rs. 47.14 lakhs for three months period ended June 30, 2023, Financial information of the controlled entity duly certified by the management is furnished to us. Our report, to the extent it concerns this controlled entity, on the Unaudited Interim Consolidated Financial Statements is based solely on the management certified financial statements/information. This controlled entity is not considered material to the Group.

Our conclusion on the Unaudited Interim Consolidated Financial Statements is not modified in respect of above matters.

**For S S KOTHARI MEHTA & COMPANY**  
Chartered Accountants  
Firm's Registration No. 000756N

**Amit Goel**  
Partner  
Membership No. 500607

Place: New Delhi  
Date: August 28, 2023  
UDIN: 23500607BGURQE7371



**PG ELECTROPLAST LIMITED**  
**UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEET AS AT JUNE 30,2023**  
**(All Amounts are in Rupees lakhs, unless otherwise stated)**

Particulars	Note	As at 30th June 2023	As at 31st March, 2023
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	57,972.52	57,656.99
Capital work-in-progress	3	258.04	197.50
Goodwill	4	0.34	0.34
Other intangible assets	4	122.52	122.02
<b>Financial Assets</b>			
Investments	5	231.23	217.64
Other financial assets		1,126.10	994.63
Other non-current assets		2,121.38	783.13
<b>Total Non-Current Assets</b>		<b>61,832.13</b>	<b>59,972.25</b>
<b>Current Assets</b>			
Inventories		27,523.73	35,338.12
<b>Financial assets</b>			
Trade receivables		31,681.85	43,787.36
Cash and cash equivalents		291.94	866.91
Bank balances other than cash and cash equivalents		2,659.52	3,095.76
Loans		49.50	45.83
Other financial assets		2,724.06	2,675.94
Other current assets		4,696.94	3,661.45
Income tax assets (Net)		-	527.44
<b>Total Current Assets</b>		<b>69,627.54</b>	<b>89,998.81</b>
<b>TOTAL ASSETS</b>		<b>131,459.67</b>	<b>149,971.06</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	6	2,279.08	2,274.26
Other equity		40,923.36	37,318.52
<b>Total Equity</b>		<b>43,202.44</b>	<b>39,592.78</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	7	21,382.56	22,495.96
Other financial liabilities		217.67	217.54
Lease liabilities		3,077.48	3,162.21
Deferred tax liabilities (Net)		2,893.40	2,817.61
Provisions		596.19	562.10
Other liabilities		643.33	604.73
<b>Total Non-Current Liabilities</b>		<b>28,810.63</b>	<b>29,860.15</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	7	26,432.19	31,756.50
Trade payables			
- Total outstanding dues of micro and small enterprises		1,828.91	2,967.79
- Total outstanding dues other than micro and small enterprises		24,468.91	36,027.31
Other financial liabilities		3,704.04	5,316.90
Lease liabilities		299.37	284.24
Other current liabilities		2,462.50	4,072.33
Provisions		94.40	93.06
Income tax liabilities (Net)		156.28	-
<b>Total Current Liabilities</b>		<b>59,446.60</b>	<b>80,518.13</b>
<b>Total Liabilities</b>		<b>88,257.23</b>	<b>110,378.28</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>131,459.67</b>	<b>149,971.06</b>
Corporate information	1		
Significant Accounting Policies	2		

The accompanying notes are an integral part of unaudited interim condensed consolidated financial statements.

**As Per Our Report of Even Date Attached**  
**For S.S.Kothari Mehta & Company**  
Chartered Accountants  
Firm Registration No. 000756N

**For and on behalf of Board of Directors**  
**PG Electroplast Limited**

**Amit Goel**  
Partner  
M. No. 500607

**Anurag Gupta**  
Chairman & Executive  
Director  
DIN-00184361

**Vishal Gupta**  
Managing Director -  
Finance  
DIN-00184809

Place: Greater Noida, U.P.  
Dated:

**Sanchay Dubey**  
Company Secretary  
ACS No:A51305

**Promod C Gupta**  
Chief Financial Officer

**PG ELECTROPLAST LIMITED**  
**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE QUARTER ENDED JUNE 30, 2023**  
**(All Amounts are in Rupees lakhs, unless otherwise stated)**

Particulars	Note	For the period ended June 30 2023	For the period ended June 30 2022
<b>Income</b>			
Revenue from operations	8	67,761.60	53,673.31
Other Income	9	129.62	125.54
<b>Total Income</b>		<b>67,891.22</b>	<b>53,798.85</b>
<b>Expenses</b>			
Cost of Materials Consumed		49,023.12	35,972.90
Purchase of Traded Goods		2,711.86	10,326.49
Changes in inventories of finished goods and work-in-progress		3,772.91	(1,558.63)
Employee benefits expenses		3,561.04	2,733.09
Finance costs		1,403.76	962.53
Depreciation and amortisation expenses	3A	1,070.54	773.43
Other expenses		2,112.07	2,534.71
<b>Total Expenses</b>		<b>63,655.30</b>	<b>51,744.52</b>
<b>Profit before exceptional items &amp; tax</b>		<b>4,235.92</b>	<b>2,054.33</b>
<b>Exceptional Items</b>			
<b>Profit before tax</b>		<b>4,235.92</b>	<b>2,054.33</b>
<b>Tax expenses</b>			
Current tax		777.88	75.19
Deferred tax		77.48	339.08
<b>Total tax expenses</b>		<b>855.36</b>	<b>414.27</b>
<b>Profit for the quarter</b>		<b>3,380.56</b>	<b>1,640.06</b>
<b>Other comprehensive income</b>			
<b>A. Items that will not be reclassified to profit or loss in subsequent period</b>			
Remeasurement gain on the defined benefit plans		(7.50)	(15.00)
Income tax effect		1.69	-
<b>B. Items that will be reclassified to profit or loss in subsequent period</b>			
Remeasurement gain on the defined benefit plans		-	-
Income tax effect		-	-
<b>Other comprehensive income for the quarter</b>		<b>(5.81)</b>	<b>(15.00)</b>
<b>Total comprehensive income for the quarter</b>		<b>3,374.75</b>	<b>1,625.06</b>
<b>Profit for the quarter attributable to</b>			
Equity share holders of the parent company		3,380.56	1,640.06
Non controlling interests		-	-
<b>Other comprehensive income for the quarter attributable to</b>			
Equity share holders of the parent company		(5.81)	(15.00)
Non controlling interests		-	-
<b>Total comprehensive income for the quarter attributable to</b>			
Equity share holders of the parent company		3,374.75	1,625.06
Non controlling interests		-	-
Earnings per equity share of Rupee 10 each			
Basic earnings per share		14.85	7.73
Diluted earnings per share		14.71	7.17
Corporate information	1		
Significant Accounting Policies	2		

The accompanying notes are an integral part of unaudited interim condensed consolidated financial statements.

**As Per Our Report of Even Date Attached**  
**For S.S.Kothari Mehta & Company**  
Chartered Accountants  
Firm Registration No. 000756N

**For and on behalf of Board of Directors**  
**PG Electroplast Limited**

**Amit Goel**  
Partner  
M. No. 500607

**Anurag Gupta**  
Chairman &  
Executive Director  
DIN-00184361

**Vishal Gupta**  
Managing Director -  
Finance  
DIN-00184809

**Place: Greater Noida, U.P.**  
**Dated:**

**Sanchay Dubey**  
Company Secretary  
ACS No:A51305

**Promod C Gupta**  
Chief Financial Office

**PG ELECTROPLAST LIMITED**  
**UNAUDITED INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR FOR THE QUARTER ENDED JUNE 30, 2023**  
(All Amounts are in Rupees lakhs, unless otherwise stated)

Particulars	For the quarter ended June 30, 2023	For the quarter ended June 30, 2022
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	4,235.92	2,054.33
<b>Adjustments to reconcile profit before tax to net cash flows</b>		
Depreciation/amortization (Includes depreciation of Right to Use)	1,070.54	773.43
ESOP Expenses	230.15	32.94
Employees expenses non operating	(7.50)	(15.00)
Loss on sale of fixed assets & Assets written off	-	16.48
Profit on sale of fixed assets	(5.13)	(5.21)
Misc balances written off	-	7.73
Provision for warranty expenses- post sales	-	10.00
Provision for doubtful advance to suppliers & capital advance	-	30.00
Provision for slow & non moving Inventories	25.37	(10.04)
Loss on fixed assets due to Fire	15.05	-
Liabilities written back	(0.30)	(1.87)
Interest expense on leased liabilities	51.75	28.25
Profit on Recognition of Investment through FVTPL	(7.59)	4.05
Interest expense	1,352.01	934.28
Interest income	(114.30)	(62.71)
<b>Cash flow generated from operating activity before working capital adjustments</b>	<b>6,845.96</b>	<b>3,796.66</b>
<b>Movements in working capital :</b>		
Increase/(decrease) in trade Payables	(12,696.98)	1,689.06
Increase/(decrease) in non current provisions	34.09	40.35
Increase/(decrease) in non - current liabilities	38.60	-
Increase/(decrease) in current provisions	1.34	3.67
Increase/(decrease) in Other Current Liabilities	(1,609.83)	(712.96)
Increase/(decrease) in other Financial Liabilities	(875.86)	(119.06)
Decrease/(increase) in trade receivables	12,105.53	(327.87)
Decrease/(increase) in inventories	7,789.02	5,115.08
Decrease / (increase) in Short term loans	(3.67)	218.28
Decrease/(increase) in Other Current Assets	(1,035.49)	(393.03)
Decrease/(increase) in Other current financial asset	(49.62)	(120.83)
Decrease/(increase) in Other non Current Assets	11.39	4.16
Decrease/(increase) in other non current asset	(79.01)	(89.44)
<b>Cash generated (used in)/from operations</b>	<b>10,475.48</b>	<b>9,104.09</b>
Direct taxes (paid)/refund	(94.16)	(77.16)
<b>Net cash flow generated from /(used in) operating activities (A)</b>	<b>10,381.32</b>	<b>9,026.93</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property Plant and equipment including CWIP & Intangible assets	(3,528.91)	(3,188.58)
Proceeds from sale of Property plant and equipment	(7.06)	13.18
Investments made during the quarter	(6.00)	(6.00)
Deposit (made) maturity	383.78	(27.55)
Interest received	115.81	58.70
<b>Net cash flow (used in) investing activities (B)</b>	<b>(3,042.38)</b>	<b>(3,150.25)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long-term borrowings	471.29	248.77
Repayment of long-term borrowings	(1,295.75)	(874.05)
Proceeds from equity share capital	4.75	-
Short-term borrowings (Net)	(5,629.40)	(3,629.62)
Payment of principal portion of lease liabilities	(69.61)	(58.15)
Payment of interest portion of lease liabilities	(51.75)	(28.25)
Interest paid	(1,343.44)	(1,024.06)
<b>Net cash flow used in financing activities (C)</b>	<b>(7,913.91)</b>	<b>(5,365.36)</b>
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(574.97)	511.32
Cash and cash equivalents at the beginning of the period	866.91	2,385.29
<b>Cash and cash equivalents at the end of the period</b>	<b>291.94</b>	<b>2,896.61</b>
<b>Components of cash and cash equivalents</b>		
	<b>As at June 30, 2023</b>	<b>As at June 30, 2022</b>
Cash on hand	13.12	20.06
With banks:		
-on current account	278.82	2,876.55
<b>Total cash and cash equivalents</b>	<b>291.94</b>	<b>2,896.61</b>

**PG ELECTROPLAST LIMITED**  
**UNAUDITED INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR FOR THE QUARTER ENDED JUNE 30, 2023**  
**(All Amounts are in Rupees lakhs, unless otherwise stated)**

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS 7) "Statement of Cash Flows".

**As Per Our Report of Even Date Attached**  
**For S.S.Kothari Mehta & Company**  
**Chartered Accountants**  
**Firm Registration No. 000756N**

**For and on behalf of Board of Directors**  
**PG Electroplast Limited**

**Amit Goel**  
Partner

M. No. 500607

**Place: Greater Noida, U.P.**  
**Dated:**

**Anurag Gupta**  
Chairman &  
Executive  
Director  
DIN-00184361

**Sanchay Dubey**  
Company Secretary  
  
ACS No:A51305

**Vishal Gupta**  
Managing Director  
- Finance  
  
DIN-00184809

**Promod C Gupta**  
Chief Financial  
Officer

**PG ELECTROPLAST LIMITED**  
**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30TH JUNE,2023**  
(All Amounts are in Rupees, unless otherwise stated)

**A EQUITY SHARE CAPITAL**

Equity shares of Rs.10 each issued,subscribed and fully paid up

Particulars	Note	Amount
<b>As at 1st April 2022</b>		<b>2,122.49</b>
Issue of Share Capital	6	151.77
<b>As at 31st March, 2023</b>		<b>2,274.26</b>
Issue of Share Capital	6	4.82
<b>As at 30th June,2023</b>		<b>2,279.08</b>

**B OTHER EQUITY \***

Particulars	Reserves and surplus			Equity Components of cumulative compulsory convertible debentures	Other Comprehensive Income	Employee Share Option Reserve	Money Received against Share Warrants	Total other equity
	Treasury Shares	Securities premium	Retained earnings					
<b>Balance as at April 1st,2022</b>	-	18,509.61	6,179.83	4,069.16	104.44	206.77	37.50	29,107.31
Profit for the year	-	-	7,746.86	-	-	-	-	7,746.86
Remeasurement gain on defined benefit plans	-	-	-	-	(3.04)	-	-	(3.03)
Amount received for share warrants during the year	-	-	-	-	-	-	112.50	112.50
Amount received on issue of CCCDs	-	-	-	89.39	-	-	-	89.39
Dividend on Equity Component of CCCDs	-	-	(488.88)	439.99	-	-	-	(48.89)
Converted into Equity share capital	-	-	-	(136.46)	-	-	(10.00)	(146.46)
Transferred to securities premium	-	4,729.77	-	(4,462.08)	-	-	(140.00)	127.69
Treasury Shares	(6.25)	-	-	-	-	-	-	(6.25)
Amount Transferred to retained earning on excise of ESOPs	-	-	72.10	-	-	(72.10)	-	-
Adjustment on termination of ESOP	-	-	4.05	-	-	(4.05)	-	-
Share based employee expenses	-	-	-	-	-	339.40	-	339.40
<b>Balance as at 31st March, 2023</b>	<b>(6.25)</b>	<b>23,239.38</b>	<b>13,513.97</b>	<b>-</b>	<b>101.40</b>	<b>470.02</b>	<b>-</b>	<b>37,318.52</b>
Profit for the quarter	-	-	3,380.56	-	-	-	-	3,380.56
Remeasurement gain on defined benefit plans	-	-	-	-	(5.81)	-	-	(5.81)
Shares transferred to beneficiaries	4.75	-	-	-	-	-	-	4.75
Transferred to securities premium	-	115.68	-	-	-	-	-	115.68
New allotment of treasury shares	(120.50)	-	-	-	-	-	-	(120.50)
Amount Transferred to retained earning on excise of ESOPs	-	-	42.76	-	-	(42.76)	-	-
Adjustment on termination of ESOP	-	-	1.99	-	-	(1.99)	-	-
Share based employee expenses	-	-	-	-	-	230.16	-	230.16
<b>Balance as at 30th June,2023</b>	<b>(122.00)</b>	<b>23,355.06</b>	<b>16,939.28</b>	<b>-</b>	<b>95.59</b>	<b>655.43</b>	<b>-</b>	<b>40,923.36</b>

Nature and Purpose of Reserves

(i) **Securities premium**

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

(ii) **Retained earnings**

Retained Earnings are profits that the Group has earned till date less transfer to other reserve, dividend or other distribution or transaction with shareholders.

(iii) **Employee share option reserve**

The share option outstanding account is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

**PG ELECTROPLAST LIMITED**

**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 30TH JUNE,2023**

(All Amounts are in Rupees, unless otherwise stated)

( iv ) **Other Comprehensive Income**

Other comprehensive income is the actuarial gain/(loss) on defined benefit plans (i.e Gratuity) till the date which will not be reclassified to statement of profit and loss subsequently.

(v) **Money Received against share warrants**

It pertains to the application money received on grant of share warrants, this will be transferred to equity share and securities premium on conversion into equity share capital.

(vi) **Cumulative Compulsorily Convertible Debentures (CCCDs)**

It pertains to equity component of cumulative compulsorily convertible debentures.

The accompanying notes are an integral part of unaudited interim condensed consolidated financial statements.

**For S.S.Kothari Mehta & Company**

**Chartered Accountants**

**Firm Registration No. 000756N**

**Amit Goel**

Partner

M. No. 500607

Place: Greater Noida, U.P.

Dated

**For and on behalf of Board of Directors**

**PG Electroplast Limited**

**Anurag Gupta**

Chairman & Executive

Director

DIN-00184361

**Vishal Gupta**

Managing Director -

Finance

DIN-00184809

**Sanchay Dubey**

Company Secretary

ACS No:A51305

**Promod C Gupta**

Chief Financial Officer

**PG ELECTROPLAST LIMITED**  
**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL**  
**STATEMENTS FOR THE PERIOD ENDED JUNE 30,2023**  
**(All Amounts are in Rupees lakhs, unless otherwise stated)**

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**1 CORPORATE INFORMATION**

The consolidated financial statements comprise financial statements of PG Electroplast Limited (“the Parent group”) and its subsidiaries (collectively, “the Group”) as at and for the quarter ended June 30, 2023. PG Electroplast Limited (“the Parent group”) is a public group domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its equity shares are listed with the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The registered office of the group is located at DTJ - 209, DLF Tower B, Jasola, New Delhi - 110025. The Group is an Electronic Manufacturing Services (EMS) provider for Original Equipment Manufacturers (OEMs) of consumer electronic products in India. The group manufactures and / or assemble a comprehensive range of consumer electronic components and finished products such as Kitchen Appliances, air conditioners (ACs) sub- assemblies, Air Cooler, Washing Machine, Mobile handsets, LED for third parties.

**2 Basis of preparation**

These unaudited condensed consolidated interim financial statements which comprise the condensed consolidated balance sheet as at June 30, 2023, the condensed consolidated statement of profit and loss (including other comprehensive income), the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the quarter ended June 30, 2023 and key explanatory information (together herein after referred to as "Unaudited Condensed Consolidated Interim Financial Statements") have been prepared in accordance with the principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India.

The accounting policies and critical accounting estimates & judgements followed in the preparation of the Unaudited Condensed Consolidated Interim Financial Statements are consistent with those followed in the preparation of Financial Statements for the year ended March 31, 2023.

The Unaudited Condensed Consolidated Interim Financial Statements do not include all the information and disclosures as at March 31, 2023. However, selected explanatory notes are included to explain events and transactions financial position and performance since the last Audited Financial Statements. These Unaudited Condensed Consolidated Interim Financial Statements are not the statutory accounts for the purpose of any statutory compliances or for regulatory requirements in any jurisdiction.

These Unaudited Condensed Consolidated Interim Financial Statements have been prepared only for the purpose of inclusion in the Preliminary Placement Document and the Placement Document to be filed with the Securities and Exchange Board of India, Registrar of Companies and the Stock Exchanges in connection with the proposed offering of equity shares of face value of Rs. 10 each in QIP in accordance with Provision of SEBI ICDR2018.

These Unaudited Interim Condensed Consolidated Financial Statements as at and for the quarter ended June 30, 2023 along with the comparatives as mentioned above are approved and adopted by the Committee of the Board of Directors of the Company in their meeting held on August 28, 2023.

**PG ELECTROPLAST LIMITED**  
**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2023**  
**(All Amounts are in Rupees lakhs, unless otherwise stated)**

**3 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS**

Particulars	Property, Plant and Equipment						Right-to-Use		Total	Capital Work in Progress
	Buildings, Lease hold Improvement	Plant and Equipments	Electric installation	Furniture and Fixtures	Vehicles	Office equipment	Leasehold Land	Buildings, Lease hold Improvement		
<b>At 1st April, 2022</b>	<b>13,357.78</b>	<b>32,732.80</b>	<b>1,290.19</b>	<b>627.88</b>	<b>977.29</b>	<b>387.36</b>	<b>1,521.50</b>	<b>1,727.14</b>	<b>52,621.94</b>	<b>488.98</b>
Additions	1,366.48	12,414.72	416.87	173.62	345.85	273.47	-	2,185.57	17,176.58	10,290.09
Disposals/adjustments	9.76	(132.58)	-	-	(38.10)	-	-	(227.60)	(388.52)	(10,581.57)
<b>At 31st March, 2023</b>	<b>14,734.02</b>	<b>45,014.94</b>	<b>1,707.06</b>	<b>801.50</b>	<b>1,285.04</b>	<b>660.83</b>	<b>1,521.50</b>	<b>3,685.11</b>	<b>69,410.00</b>	<b>197.50</b>
Additions	-	1,262.61	70.18	4.33	29.42	14.80	-	-	1,381.34	1,356.40
Disposals/adjustments	-	(2.06)	-	-	(14.20)	-	-	-	(16.26)	(1,295.86)
<b>At 30th June, 2023</b>	<b>14,734.01</b>	<b>46,275.49</b>	<b>1,777.25</b>	<b>805.83</b>	<b>1,300.26</b>	<b>675.63</b>	<b>1,521.50</b>	<b>3,685.11</b>	<b>70,775.08</b>	<b>258.04</b>
<b>Accumulated Depreciation</b>										
<b>At 1st April, 2022</b>	<b>1,507.85</b>	<b>5,668.66</b>	<b>352.23</b>	<b>187.44</b>	<b>378.93</b>	<b>144.13</b>	<b>48.53</b>	<b>305.39</b>	<b>8,593.17</b>	<b>-</b>
Charge for the year	469.10	2,235.95	108.93	58.16	120.89	111.87	20.82	344.91	3,470.63	-
Disposals/adjustments	-	(65.96)	-	-	(33.17)	-	-	(211.64)	(310.77)	-
<b>At 31st March, 2023</b>	<b>1,976.96</b>	<b>7,838.65</b>	<b>461.16</b>	<b>245.60</b>	<b>466.65</b>	<b>256.00</b>	<b>69.35</b>	<b>438.66</b>	<b>11,753.01</b>	<b>-</b>
Charge for the quarter	126.84	684.80	36.61	18.30	37.43	36.65	5.22	117.10	1,062.95	-
Disposals/adjustments	-	(0.11)	-	-	(13.29)	-	-	-	(13.39)	-
<b>At 30th June, 2023</b>	<b>2,103.81</b>	<b>8,523.35</b>	<b>497.78</b>	<b>263.91</b>	<b>490.80</b>	<b>292.64</b>	<b>74.56</b>	<b>555.76</b>	<b>12,802.56</b>	<b>-</b>
<b>Net carrying amount</b>										
<b>At 31st March, 2023</b>	<b>12,757.06</b>	<b>37,176.29</b>	<b>1,245.90</b>	<b>555.90</b>	<b>818.38</b>	<b>404.83</b>	<b>1,452.15</b>	<b>3,246.46</b>	<b>57,656.99</b>	<b>197.50</b>
<b>At 30th June, 2023</b>	<b>12,630.21</b>	<b>37,752.14</b>	<b>1,279.47</b>	<b>541.92</b>	<b>809.45</b>	<b>382.98</b>	<b>1,446.94</b>	<b>3,129.34</b>	<b>57,972.52</b>	<b>258.04</b>

3A Depreciation & amortisation	For the quarter ended	For the quarter ended
	June 30, 2023	June 30, 2022
Depreciation on PPE	940.64	702.83
Depreciation on right to use asset	122.32	65.85
Amortisation	7.59	4.75
	<b>1070.54</b>	<b>773.43</b>



PG ELECTROPLAST LIMITED

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2023

(All Amounts are in Rupees lakhs, unless otherwise stated)

**4 GOODWILL AND OTHER INTANGIBLE ASSETS**

Particulars	Goodwill	Computer Softwares	Total
Carrying amount (at cost)			
At 1st April, 2022	0.34	126.04	126.38
Additions	-	79.68	79.68
At 31st March, 2023	0.34	205.73	206.06
Additions	-	8.09	8.09
At 30th June, 2023	0.34	213.81	214.15
<b>Accumulated Depreciation</b>			
At 1st April, 2022	-	59.26	59.26
Charge for the year	-	24.44	24.44
Disposals/adjustments	-	-	-
At 31st March, 2023	-	83.70	83.70
Charge for the quarter	-	7.59	7.59
At 30th June, 2023	-	91.29	91.29
<b>Net carrying amount</b>			
At 31st March, 2023	0.34	122.02	122.36
At 30th June, 2023	0.34	122.52	122.86

Goodwill is acquired on acquisition of PG Technoplast Private Limited on 17th December 2020 having indefinite useful life. The company does impairment testing annually.

**5 INVESTMENTS**

Particulars	As at 30th June 2023	As at 31st March, 2023
<b>Non-Current</b>		
<b>Unquoted</b>		
<b>Equity instruments in Others at fair value through profit and loss</b>		
14,80,000 (31st March 2023: 14,80,000) equity shares in Solarstream Renewable Services Private Limited	148.80	148.80
	<b>148.80</b>	<b>148.80</b>
<b>Quoted</b>		
<b>Investment in Mutual Funds at fair value through profit and loss</b>		
3480.93 units (31st March 2023: 3212.29 units ) in HDFC index Funds- Sensex plan	20.50	17.16
11417.13 units (31st March 2023: 10533.53 units ) in HDFC Index Funds-Nifty 50 plan	20.42	16.99
28266.42 units (31st March 2023: 26144.59 units ) in ICICI Prudential Bluechip Funds	21.14	17.66
34829.79 units (31st March 2023: 32138.68 units ) in Kotak Flexicap Funds-Growth	20.37	17.04
	<b>82.43</b>	<b>68.84</b>
<b>Total Non-Current Investments</b>	<b>231.23</b>	<b>217.64</b>
Aggregate book value of quoted investments	82.43	68.84
Aggregate market value of quoted investments	82.43	68.84
Aggregate book value of unquoted investments	148.80	148.80
Aggregate market value of unquoted investments	148.80	148.80

**6 SHARE CAPITAL**

Particulars	As at 30th June 2023	As at 31st March, 2023
<b>(a) Authorised share capital</b>		
3,50,00,000 (31st March, 2023: 3,50,00,000) equity shares (Par value of Rs. 10 per share)	3,500.00	3,500.00
	<b>3,500.00</b>	<b>3,500.00</b>
<b>(b) Issued, Subscribed And Fully Paid Up Share Capital</b>		
2,27,90,817 (31st March, 2023:2,27,42,617 ) equity shares (Par value of Rs. 10 per share)	2,279.08	2,274.26
	<b>2,279.08</b>	<b>2,274.26</b>
<b>(c) Movements in equity share capital</b>		
<b>Particulars</b>	<b>No. of shares</b>	<b>Amount in Rs.</b>
As at 1st April 2022	21,224,866	2,122.49
Increase during the year *	1,517,751	151.77
As at 31st March 2023	22,742,617	2,274.26
Increase during the quarter **	48,200	4.82
As at 30th June 2023	22,790,817	2,279.08

\* During the year 2022-23, the company on September 27, 2022 allotted 1,00,000 equity shares of face value of Rs. 10/- each pursuant to conversion of 1,00,000 share warrants issued on 31st March, 2021 at an issue price of Rs. 150/- each, by way of preferential allotment to Mr. Nikhil Vishnuprasad Bagla and Mrs. Urmila Nikhil Bagla (Public Category)

2. During the year 2022-23, the company on August 12, 2022 allotted 53,200 Equity Shares of face value of Rs. 10/- each to the 'PG Electroplast Limited Employees Welfare Trust' under PG Electroplast Limited Employees Stock Option Scheme - 2020 in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

3. During the year 2022-23, the Company on December 31, 2022 allotted 13,64,551 Equity Shares of face value of Rs. 10/- each pursuant to conversion of 10,76,904, 17.96% Compulsorily Convertible Debentures ("CCDs") allotted on preferential basis on July 01, 2021 and unpaid coupon amount accrued thereon, at the conversion price of Rs. 337/-, determined as per the SEBI ICDR Regulations

\*\* During the quarter ended June 2023, the company on May 26, 2023 allotted 48,200 Equity Shares of face value of Rs. 10/- each to the 'PG Electroplast Limited Employees Welfare Trust' under PG Electroplast Limited Employees Stock Option Scheme - 2020 in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

PG ELECTROPLAST LIMITED

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2023

(All Amounts are in Rupees lakhs, unless otherwise stated)

(d) There were no buy back of shares or issue of shares pursuant to contract without payment being received in cash during the previous 5 years.

(e) Terms and rights attached to equity shares

The group has only one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the group, the equity shareholders are eligible to receive the remaining assets of the group after distribution of all preferential amounts, in proportion to their shareholding.

(f) Particulars of shareholders holding more than 5% shares of fully paid up equity shares

Name of Shareholder	June 30, 2023		March 31, 2023	
	No. of shares	% holding	No. of shares	% holding
Mr Anurag Gupta	2,991,201	13.12%	2,991,201	13.15%
Mr Vishal Gupta	5,110,827	22.42%	5,051,474	21.21%
Mr Vikas Gupta	5,073,531	22.26%	5,073,531	21.31%

(g) Details of share held by promoters & promoter group

Promoter Name	30th June 2023			31st March 2023		
	No. of shares	% holding	% Change during the year	No. of shares	% holding	% Change during the year
<b>Promoter Name</b>						
Mr Anurag Gupta	2,991,201	13.12%	-0.03%	2,991,201	13.15%	-0.94%
Mr Vishal Gupta	5,110,827	22.42%	0.21%	5,051,474	22.21%	-1.59%
Mr Vikas Gupta	5,073,531	22.26%	-0.05%	5,073,531	22.31%	1.60%
<b>Promoter Group Name</b>						
Mrs Neelu Gupta	511,000	2.24%	-0.01%	511,000	2.25%	-0.16%
Mrs Sarika Gupta	112,016	0.49%	-0.26%	171,016	0.75%	-0.05%
Mrs Nitasha Gupta	148,959	0.65%	0.00%	148,959	0.65%	-0.05%

(h) Shares reserved for issue under options

Information relating to Employee Stock Option Plan, including details of option issued, exercised and lapsed during the financial year and options outstanding as at end of the reporting period.

7 BORROWINGS

Particulars	As at	
	30th June 2023	31st March, 2023
<b>Non-Current (at amortised cost)</b>		
<b>Secured</b>		
<b>Term loans</b>		
- From banks		
- Rupees Loans	24,651.87	25,008.18
- From Others *	767.49	774.55
<b>Vehicle loans</b>		
- From banks	341.33	348.70
- From Others	83.15	90.90
<b>Unsecured</b>		
-Deferred Payment against Plant and Machinery	1630.06	2,059.89
	<b>27,473.90</b>	<b>28,282.22</b>
Less: Current maturity of long term borrowings	(6,091.34)	(5,786.26)
<b>Total non-current borrowings</b>	<b>21,382.56</b>	<b>22,495.96</b>

\* Includes interest free term loan from Uttar Pradesh Financial Corporation Rs 610.05 lakhs ( Previous year: Rs 595.84 lakhs)

**Current (at amortised cost)**

**Secured**

**Repayable on demand**

- From banks

14,657.68

14,161.60

Term & Vehicle loan from banks- Current maturity of borrowings

4,674.43

4,193.40

Term & Vehicle loan from others- Current maturity of borrowings

123.70

120.66

**Unsecured**

Deferred Payment against Plant and Machinery- Current maturity of borrowings

1,293.21

1,472.20

**Bill discounting**

- From banks

5,683.17

11,165.10

- From Others

-

643.54

**Total current borrowings**

**26,432.19**

**31,756.50**

PG ELECTROPLAST LIMITED

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30,2023

(All Amounts are in Rupees lakhs, unless otherwise stated)

**8 REVENUE FROM OPERATIONS**

Particulars	For the period three months ended	
	June 30, 2023	June 30, 2022
<b>Revenue from contract with customers</b>		
Sale of products		
Manufactured goods	66,336.30	50,947.24
Trading goods	963.26	2,057.61
Sale of services	52.53	180.99
	<b>67,352.09</b>	<b>53,185.84</b>
<b>Other Operating Income</b>		
Sale of scrap	249.39	332.90
Government Incentives from States Governments	160.12	154.57
	<b>409.51</b>	<b>487.47</b>
<b>Total revenue from operations</b>	<b>67,761.60</b>	<b>53,673.31</b>
<b>i) Timing of revenue recognition</b>		
Goods transferred at a point in time	67,548.95	53,337.76
Service transferred over a period of time	52.53	180.99
Government Incentives from States Governments	160.12	154.57
<b>Total revenue from contracts with customers</b>	<b>67,761.60</b>	<b>53,673.32</b>
<b>ii) Revenue by location of customers</b>		
India	67,674.31	53,673.32
Outside India	87.29	-
<b>Total revenue from contracts with customers</b>	<b>67,761.60</b>	<b>53,673.32</b>
<b>iii) Reconciliation of revenue recognised in Statement of profit and loss with contracted price</b>		
Revenue as per contracted price	67,754.60	53,536.58
Less: Discount	7.01	136.74
<b>Total revenue from contracts with customers</b>	<b>67,761.60</b>	<b>53,673.32</b>

**iv) Performance Obligation**

**Sale of products:** Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on dispatch of the goods and payment is generally due as per the terms of contract with customers.

**Sales of services:** The performance obligation in respect of services is satisfied over a point of time and acceptance of the customer. Payment is generally due upon completion of service and acceptance of the customer.

**# Incentive under Electronic Policy 2016**

The Company unit located at Supa, Taluka-Parner, MIDC district Ahemdnagar in Maharashtra is eligible for incentives under the Electronic Policy-2016 of Maharashtra Government and have been availing incentives in the form of Gross SGST refund for the period of January 2020 to October 2028. The Company recognises income for such government grants based on Gross SGST payable, having maximum ceiling of Rs. 618.31 lakhs p.a. in accordance with the relevant notifications issued by the State of Maharashtra.

During the earlier year, the Company had already received an in principal approval for eligibility from the Government of Maharashtra in response to the application filed by the Company for incentive under Electronic Policy-2016 on its investment for expansion for the period from March 2017 to February 2021. Accordingly, the Company has recognised grant income amounting to Rs. 154.57 lakhs for the quarter ended on 30th June 2023 ( Rs. 154.57 lakhs for the quarter ended on 30th June, 2022). The cumulative amount receivable in respect of the same is Rs 1866.64 lakhs for the period ended on 30th June 2023 ( Rs. 1546.28 lakhs as at 30th June 2022).

Contract balances	As at	As at
	30th June,2023	30th June,2022
Trade receivables	31,681.85	21,622.88
Contract Liabilities	437.79	438.41

Trade receivable are non-interest bearing and are generally on terms of 30-90 days.

Contract liabilities include advances received from the customers to deliver the finished goods.

**9 OTHER INCOME**

Particulars	For the three months ended	
	June 30, 2023	June 30, 2022
<b>i) Interest income</b>		
Interest income from bank deposits	45.06	29.26
Interest income from others	69.25	33.45
	<b>114.30</b>	<b>62.71</b>
<b>ii) Others</b>		
Profit on sale of PPE	5.13	5.21
Liability no longer required written back	0.30	1.87
Gain on lease termination	-	0.48
Fair value gain on Investment recognised through FVTPL	7.59	(4.05)
Others	2.29	59.32
	<b>15.32</b>	<b>62.83</b>
<b>Total Other Income</b>	<b>129.62</b>	<b>125.54</b>

**10 FAIR VALUE MEASUREMENT**

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

Particulars	As at 30th June, 2023		As at 31st March, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets at amortised cost</b>				
Fixed deposits with banks (Non Current)	510.98	510.98	458.51	458.51
Cash and bank balances	2,951.45	2,951.45	3,962.67	3,962.67
Trade receivables	31,681.85	31,681.85	43,787.36	43,787.36
Loans (current)	49.50	49.50	45.83	45.83
Other financial assets (Non Current)	615.12	615.12	536.12	536.12
Other financial assets (Current)	2,724.06	2,724.06	2,675.94	2,675.94
<b>Financial Assets at FVTPL</b>				
Investment in mutual funds	82.43	82.43	68.84	68.84
Investment in equity shares	148.80	148.80	148.80	148.80
<b>Financial liabilities at amortised cost</b>				
Borrowings (Non Current )	21,382.56	21,382.56	22,495.96	22,495.96
Borrowings (Current )	26,432.19	26,432.19	31,756.50	31,756.50
Trade Payable	26,297.82	26,297.82	38,995.10	38,995.10
Other financial liabilities (Non-Current)	217.67	217.67	217.54	217.54
Other financial liabilities (Current)	3,704.04	3,704.04	5,316.90	5,316.90

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current financial assets and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments

**10.1 FAIR VALUE HIERARCHY**

i) The Group uses the following hierarchy for fair value measurement of the group's financials assets and liabilities:

**Level 1:** Quoted prices/NAV (unadjusted) in active markets for identical assets and liabilities at the measurement date.

**Level 2:** Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or

**Level 3:** Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

	Carrying Value 30th June, 2023	Fair Value		
		Level 1	Level 2	Level 3
<b>Assets at fair Value</b>				
<b>Fair Value through Profit &amp; Loss</b>				
Investment in mutual funds	82.43	82.43	-	-
Investment in equity shares	148.80	-	-	148.80
<b>Fair Value through amortised cost</b>				
Loan	49.50	-	-	49.50
Trade Receivables	31,681.85	-	-	31,681.85
Other Financial Assets (Non Current)	615.12	-	-	615.12
Other Financial Assets (Current)	2,724.06	-	-	2,724.06
<b>Liability at fair Value</b>				
<b>Fair Value through amortised cost</b>				
Borrowings (Non Current)	21,382.56	-	-	21,382.56
Borrowings (Current)	26,432.19	-	-	26,432.19
Trade Payables	26,297.82	-	-	26,297.82
Other Financial Liabilites (Non Current)	217.67	-	-	217.67
Other Financial Liabilites (Current)	3,704.04	-	-	3,704.04

**PG ELECTROPLAST LIMITED**

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2023**

**(All Amounts are in Rupees lakhs, unless otherwise stated)**

	Carrying Value 31st March, 2023	Fair Value		
		Level 1	Level 2	Level 3
<b>Assets at fair Value</b>				
<b>Fair Value through Profit &amp; Loss</b>				
Investment in mutual funds	68.84	68.84	-	-
Investment in equity shares	148.80	-	-	148.80
<b>Fair Value through amortised cost</b>				
Loan	45.83	-	-	45.83
Trade Receivables	43,787.36	-	-	43,787.36
Other Financial Assets (Non Current)	994.63	-	-	994.63
Other Financial Assets (Current)	2,675.94	-	-	2,675.94
<b>Liability at fair Value</b>				
<b>Fair Value through amortised cost</b>				
Borrowings (Non Current)	22,495.96	-	-	22,495.96
Borrowings (Current)	31,756.50	-	-	31,756.50
Trade Payables	38,995.10	-	-	38,995.10
Other Financial Liabilities (Non Current)	217.54	-	-	217.54
Other Financial Liabilities (Current)	5,316.90	-	-	5,316.90

**ii) Fair valuation techniques**

The Group maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values:

- 1) Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.
- 2) Borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values.

**PG ELECTROPLAST LIMITED**  
**UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEET AS AT JUNE 30,2023**  
**(All Amounts are in Rupees lakhs, unless otherwise stated)**

**11 FINANCIAL RISK MANAGEMENT**

The Group's principal financial liabilities comprise borrowings, trade other payables. The main purpose of these financial liabilities is to manage finances for the Group's operations. The Group's principal financial assets comprise trade and other receivables and cash and cash equivalent that arise directly from its operations.

The Group's activities expose it mainly to market risk, liquidity risk and credit risk. The monitoring and management of such risks is undertaken by the senior management of the group and there are appropriate policies and procedures in place through which such financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. It is the Group policy not to carry out any trading in derivative for speculative purposes.

**A) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk.

**(i) Interest rate risk**

Most of the borrowings availed by the Group are subject to interest on floating rate of basis linked to the base rate or MCLR (marginal cost of funds based lending rate). In view of the fact that the total borrowings of the Group are quite substantial, the Group is exposed to interest rate risk.

The above strategy of the Group to opt for floating interest rates is helpful in declining interest scenario. Further, most of the loans and borrowings have a prepayment clause through which the loans could be prepaid with pre payment premium. The said clause helps the Group to arrange debt substitution to bring down the interest costs or to prepay the loans out of the surplus funds held. While adverse interest rate fluctuations could increase the finance cost, the total impact, in

**Interest rate sensitivity of borrowings**

With all other variable held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on floating rate portion of loans and borrowings as on date.

Currency	30th June, 2023		30th June, 2022	
	Increase/decrease in base points	Impact on profit before tax an equity	Increase/decrease in base points	before tax an equity
Term Loan	+0.50	(126.17)	0.50	(93.67)
	-0.50	126.17	-0.50	93.67

**(ii) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in foreign currency). The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

The Group's exposure to foreign currency risk at the end of the reporting period expressed in Rs. are as follows:

Currency	30th June, 2023		30th June, 2022	
	Foreign Currency	Indian Rupee	Foreign Currency	Indian Rupee
Financial liabilities				
Trade payables				
USD	66.60	5,508.38	114.73	9,138.45
CNY	13.10	150.54	-	-
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>79.70</b>	<b>5,658.92</b>	<b>114.73</b>	<b>9,138.45</b>

**Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arise mainly from foreign currency denominated financial instruments.

Particulars	Impact on Profit and Loss for the year ended 30th June, 2023		Impact on Profit and Loss for the year ended 30th June, 2022	
	Gain/(Loss) on appreciation	Gain/(Loss) on depreciation	Gain/(Loss) on appreciation	Gain/(Loss) on depreciation
1% appreciation / depreciation in Indian Rupees against following foreign currencies				
Trade payables				
USD	(55.08)	55.08	(91.38)	91.38
CNY	(1.51)	1.51	-	-
	<b>(56.59)</b>	<b>56.59</b>	<b>(91.39)</b>	<b>91.39</b>

**(iii) Commodity price risk**

Commodity price risk is the risk that future cash flow of the Group will fluctuate on account of changes in market price of key raw materials. The Group is exposed to the movement in the price of key raw materials in domestic and international markets. the group has in place policies to manage exposure to fluctuation in the prices of the key raw materials used in operations.

**B) Liquidity Risk**

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price.

The Group uses liquidity forecast tools to manage its liquidity. The Group is able to organise liquidity through own funds and through working capital loans. The Group has good relationship with its lenders, as a result of which it does not experience any difficulty in arranging funds from its lenders. Table here under provides

Particulars	As at	
	30th June, 2023	31st March, 2023
Total current assets	69,627.54	89,998.81
Total current liabilities	59,446.60	80,518.13
<b>Current ratio</b>	<b>1.17</b>	<b>1.12</b>

Maturities analysis of financial liabilities:

The table below provides details regarding the contractual maturity of financial liabilities :

Particulars	on demand	< 1 year	1-3 year	3-5 year	More than-5 years	Total
<b>As at 30th June 2023</b>						
Borrowings	14,657.68	11,774.51	9713.85	6725.22	4943.49	47,814.75
Trade payable		26,297.82				26,297.82
Other financial liabilities		3,704.04		217.67		3,921.70
Lease liabilities (	-	554.95	1,177.49	1,048.44	1,827.36	4,608.23
	<b>14,657.68</b>	<b>42,331.32</b>	<b>10,891.34</b>	<b>7,991.32</b>	<b>6,770.85</b>	<b>82,642.50</b>

**PG ELECTROPLAST LIMITED**  
**UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEET AS AT JUNE 30,2023**  
**(All Amounts are in Rupees lakhs, unless otherwise stated)**

Particulars	on demand	< 1 year	1-3 year	3-5 year	More than-5 years	Total
<b>As at 31st March 2023</b>						
Borrowings	14,161.60	17,594.91	9,996.41	7,041.98	5,457.57	54,252.46
Trade payable	-	38,995.10	-	-	-	38,995.10
Other financial liabilities	-	5,316.90	-	217.54	-	5,534.44
Lease liabilities (undiscounted)	-	550.57	1,156.85	1,097.60	1,934.76	4,739.77
	<b>14,161.60</b>	<b>62,457.47</b>	<b>11,153.26</b>	<b>8,357.11</b>	<b>7,392.33</b>	<b>103,521.77</b>

**(C) Credit Risk**

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Group. The Group is exposed to credit risk from its operating activities, primarily trade receivables. The credit risks in respect of deposits with the banks, foreign exchange transactions and other financial instruments are only nominal.

The customer credit risk is managed subject to the Group's established policy, procedure and controls relating to customer credit risk management. In order to contain the business risk, prior to acceptance of an order from a customer, the creditworthiness of the customer is ensured through scrutiny of its financials, if required, market reports and reference checks. The Group remains vigilant and regularly assesses the financial position of customers during execution of contracts with a view to limit risks of delays and default. Further, in most of the cases, the Group normally allow credit period of 30-90 days to all customers which vary from customer to customer except mould & dies business. In case of mould & dies business, advance payment is taken before start of execution of the order. In view of the industry practice and being in a position to prescribe the desired commercial terms, credit risks from receivables are well contained on an overall basis.

The impairment analysis is performed on each reporting period on individual basis for major customers. Some trade receivables are grouped and assessed for impairment collectively. The calculation is based on historical data of losses, current conditions and forecasts and future economic conditions. The Group's maximum exposure to credit risk at the reporting date is the carrying amount of each financial asset.

The trade receivables position is provided here below:

Particulars	As at 30th June, 2023	As at 31st March, 2023
Total receivables	31,681.85	43,787.36
Receivables individually in excess of 10% of the total receivables	10,157.30	23,637.22
<b>Percentage of above receivables to the total receivables of the Group</b>	<b>32.06%</b>	<b>53.98%</b>

**12 SEGMENT INFORMATION**

Operating segment are defined as components of the group about which separate financial information is available that is evaluated regularly by the chief operating decision-maker, or decision- making group, in deciding how to allocate resources and in assessing performance. The Group primarily operates in one business segment- Consumer Electronic Goods and Components.

**13 CAPITAL MANAGEMENT**

For the purpose of Capital Management, Capital includes net debt and total equity of the Group. The Group manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Group is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The Group may take appropriate steps in order to maintain, or

Particulars	As at 30th June, 2023	As at 31st March, 2023
Non-current borrowings (note 7)	21,382.56	22,495.96
Current borrowings (note 7)	20,340.85	25,970.24
Current maturities of long term borrowings (note 7)	6,091.34	5,786.26
Total debts	<b>47,814.75</b>	<b>54,252.46</b>
Less: Cash and cash equivalent	(291.94)	(866.91)
Net Debt (A)	<b>47,522.81</b>	<b>53,385.54</b>
*Total equity ( Note-6)	43,202.44	39,592.78
Gearing ratio (A/B)	<b>110.00%</b>	<b>134.84%</b>

No changes were made in the objectives, policies or processes for managing capital during the year ended 30th June 2023 and 31st March, 2023

**14 CONTINGENCIES AND COMMITMENTS**

i) Contingent Liabilities (to the extend not provided for)

Particulars	As at 30th June, 2023	As at 31st March, 2023
Claims against the group not acknowledged as debts ( excluding interest & penalty )		
-Central Excise (FY 2008-09 to 2011-12)	765.73	765.73
-Anti-Dumping duty on Import	738.54	738.54
-Claims by third party	45.75	45.75
	<b>1,550.02</b>	<b>1,550.02</b>

(a) Excise department has issued show cause notice dated 22nd December, 2011 for Rs 765.73 in respect of CTV sold to ELCOT, Tamil Nadu ( a Govt. of Tamil Nadu undertaking) during the period February 2009 to October 2011 for free distribution by the state Govt. to poor section of the people by paying excise duty on the basis of value determined under section 4A instead of determining the value under section 4 of the Central Excise Act,1944. The department has the contention that sale is institutional sale & valuation based on MRP under Section 4A is not applicable to the sale to ELCOT. The appeal made by the Group was allowed by the CESTAT, New Delhi vide order dated 12th March,2014. However, the excise department has filed the appeal with Supreme Court, which has been admitted by the Supreme Court on 5th January, 2015 by condoning the delay in filing the appeal. This matter was last time listed on 2nd January, 2017. However, the Excise department filed an Interlocutory Application seeking early hearing of the appeal on July 11, 2022. The Hon'ble Chief Justice found no merit in the Interlocutory Application and accordingly, rejected the application filed by the Excise Department. The matter is pending for Final Hearing.

**PG ELECTROPLAST LIMITED**  
**UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEET AS AT JUNE 30,2023**  
**(All Amounts are in Rupees lakhs, unless otherwise stated)**

(b) Directorate of Revenue Intelligence (DRI) had conducted a search on the factory premises of the parent company and the residence of the Promoters on 8th March 2011. The group has deposited Rs 145 lakhs as anti-dumping duty on import of CPT during the period from May 2010 to Dec 2010, which is refunded later on. A show cause notice dated 29th May 2015 has been issued on the group and raised the demand of Anti-Dumping Duty worth Rs. 738.54 lakhs along with interest and penalty. The Principal Commissioner of custom has passed an order dated 28th February 2017, confirming the demand of Rs. 738.54 lakhs along with interest & penalty. The group has filed an appeal before CESTAT, Allahabad Bench on 1st June 2017. The CESTAT vide its order dated 18th June 2019 has allowed the appeal in favour of the group and refunded the deposited amount and set aside the order passed by Principal Commissioner of customs, Noida. However, the Department has filed a Civil Appeal (No. 6544/2020) against the aforesaid Final order of CESTAT, Allahabad dated 18th June 2019. But till date no hearing was held at Hon'ble Supreme Court and no stay has been granted to the Department.

(c) **Notice For Recovery :** The Company have received a Notice under the jurisdiction of West District, Tis Hazari Court, Delhi from M/s Polyblends (India) Pvt. Ltd for recovery of outstanding amount of Rs. 43.71 lakhs with respect to purchase of plastic raw material and plastic filled compounds. The authorised representative appeared on behalf of the Company on May 20, 2022 before the Hon'ble Court. The Hon'ble Court directed the Company to file written statements. The Company filed the written statements. The pleadings in this case are complete and issues are framed. Evidence by way of affidavit were filed on behalf of plaintiff. Preliminary Enquiry stood closed. The case was listed on Aug 2,2023 where certain clarifications were sought from the party. The Hon'ble court vide order dated August 5, 2023 announced the judgement in favour of the company ordering to pay Rs 2.11 lacs only which was admitted by the company as per books of the company.

(d) **Notice For Recovery :** The Company have received a Notice under the jurisdiction of West District, Tis Hazari Court, Delhi from M/s Niyati Industries through Mr. Vijay Jain for recovery of outstanding amount of Rs. 2.05 lakhs with respect to job work of re-enforced (Polystyrene) of plastic raw materials. The authorised representative appeared on behalf of the Company on May 12, 2022 before the Hon'ble Court and filed the written statements. Replication has been filed on behalf of the plaintiff on July 23, 2022. The pleadings in this case are complete and issues are framed. The case was listed on July 18, 2023 for examination of documents filed by the company. The next date of hearing for cross examination is August 29, 2023.

ii) **Commitments**

<b>Particulars</b>	<b>As at</b>	<b>As at</b>
	<b>30th June, 2023</b>	<b>31st March, 2023</b>
Estimated amount of contracts remaining to be executed on Capital	<b>4,105.56</b>	<b>530.99</b>
Other Commitments*	-	-
	<b>4,105.56</b>	<b>530.99</b>

During the last year, Company has entered into an agreement with Solar Stream Renewable Services Private Limited to invest Rs.148.80 lakhs in tranches in the equity shares of the Company & the same has been invested during the year.



**PG ELECTROPLAST LIMITED**  
**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2023**  
**(All Amounts are in Rupees lakhs, unless otherwise stated)**

**15 RELATED PARTY DISCLOSURE**

Pursuant to compliance of Indian Accounting Standard (IND AS) 24 "Related Party Disclosures", the relevent information is provided here below:

**Related Parties where control exists**

**i) Other related parties with whom transactions have taken place diuring the year**

**Key Management Personnel**

Mr. Vishal Gupta (Executive Director)  
 Mr. Vikas Gupta (Executive Director)  
 Mr. Anurag Gupta (Executive Director)  
 Mr. Ram Dayal Modi (Non Executive Director) w.e.f. 26.05.2021  
 Mr. Sharad Jain (Non Executive Director)  
 Mrs. Ruchika Bansal (Non Executive Director) w.e.f. 14.08.2021  
 Mr. Kishore Kumar Kaul (Non Executive Director) till 23.12.2022  
 Mrs. Mitali Chitre (Non Executive Director) w.e.f. 02.07.2021  
 Mr. Sanchay Dubey (Company Secretary)  
 Mr. Pramod Chimmanlal Gupta (Chief Financial Officer) w.e.f. 01.02.2021  
 Mr. Raman Uberoi (Non Executive Director) w.e.f. 22.03.2023

**Relatives of Key Management Personnel**

Mrs. Sarika Gupta (Wife of Mr. Vishal Gupta)  
 Mrs. Nitasha Gupta (Wife of Mr. Vikas Gupta)  
 Mrs. Neelu Gupta (Wife of Mr. Anurag Gupta)  
 Mrs. Sudesh Gupta (Mother of Executive Directors)  
 Mr. Pranav Gupta (Son of Mr. Anurag Gupta)  
 Mr. Aditya Gupta (Son of Mr. Anurag Gupta)  
 Mrs. Kanika Gupta (Daughter in law of Mr. Anurag Gupta)  
 Mr. Vatsal Gupta (Son of Mr. Vishal Gupta)  
 Mr. Raghav Gupta (Son of Mr. Vikas Gupta)

**Enterprises in which the Key Management Personnel or relatives of them of the group are interested**

PG International (Parent Company's Directors are partner)  
 J. B. Electronics (Parent Company's Directors are partner)  
 PG Electronics (Parent Company's Directors are partner)

**ii) Key Management Personnel Compensation**

Particulars	For the quarter Ended	
	30th June, 2023	30th June, 2022
Short-term employee benefits	119.45	108.29
Share based payments	23.42	14.15
Other Expenses, Sitting Fee and reimbursement of expenses	9.92	9.16
	<b>152.79</b>	<b>131.59</b>

PG ELECTROPLAST LIMITED

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2023

(All Amounts are in Rupees lakhs, unless otherwise stated)

iii) Related Party transaction

Description	For the quarter ended 30th June,2023			For the quarter ended 30th June,2022		
	Key Management Personnel	Relative of Key Management Personnel	Others	Key Management Personnel	Relative of Key Management Personnel	Others
<b>Other Expenses (rent paid)</b>						
Mr. Vishal Gupta	0.17	-	-	0.17	-	-
PG Electronics	-	-	0.15	-	-	0.15
<b>Remuneration</b>						
Mr. Vishal Gupta	39.87	-	-	33.52	-	-
Mr. Vikas Gupta	39.88	-	-	33.52	-	-
Mr. Anurag Gupta	22.50	-	-	25.88	-	-
Mr. Sanchay Dubey	1.80	-	-	1.47	-	-
Mr. Pramod Chimmanlal Gupta	15.39	-	-	13.91	-	-
Mrs. Sarika Gupta	-	7.72	-	-	7.72	-
Mrs. Nitasha Gupta	-	7.72	-	-	7.72	-
Mrs. Neelu Gupta	-	7.72	-	-	7.72	-
Mrs. Sudesh Gupta	-	7.72	-	-	7.72	-
Mr. Pranav Gupta	-	11.89	-	-	5.90	-
Mr. Aditya Gupta	-	9.65	-	-	2.89	-
Mrs. Kanika Gupta	-	-	-	-	2.34	-
Mr. Vatsal Gupta	-	6.04	-	-	2.53	-
Mr. Raghav Gupta	-	5.99	-	-	2.51	-
<b>Reimbursement of Expenses</b>						
Mr. Anurag Gupta	3.00	-	-	3.00	-	-
Mr. Vishal Gupta	2.38	-	-	2.44	-	-
Mr. Vikas Gupta	2.27	-	-	2.35	-	-
Mr. Pranav Gupta	-	1.86	-	-	1.05	-
Mr. Aditya Gupta	-	0.30	-	-	0.30	-
Mrs. Kanika Gupta	-	-	-	-	0.81	-
Mr. Vatsal Gupta	-	0.30	-	-	-	-
Mr. Raghav Gupta	-	0.30	-	-	-	-
<b>Shares Based Expenses</b>						
Mr. Pramod Chimmanlal Gupta	22.05	-	-	13.87	-	-
Mr. Sanchay Dubey	1.37	-	-	0.28	-	-
<b>Director Sitting Fee</b>						
Mr. Sharad Jain	0.70	-	-	0.30	-	-
Mr. Kishore Kumar Kaul	-	-	-	0.30	-	-
Mr. Ram Dayal Modi	0.70	-	-	0.30	-	-
Mrs. Ruchika Bansal	0.20	-	-	0.30	-	-
Mr. Raman Uberoi	0.50	-	-	-	-	-

**PG ELECTROPLAST LIMITED**  
**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2023**  
**(All Amounts are in Rupees lakhs, unless otherwise stated)**

**iv) Outstanding Balances**

Description	As at 30th June, 2023			As at 31st March 2023		
	Key Managerial Personnel	Relative of Key Managerial Personnel	Others	Key Managerial Personnel	Relative of Key Managerial Personnel	Others
<b>Remuneration Payable</b>						
Mr. Vishal Gupta	0.53	-	-	5.09	-	-
Mr. Vikas Gupta	7.54	-	-	7.41	-	-
Mr. Anurag Gupta	4.40	-	-	3.50	-	-
Mr. Sanchay Dubey	0.52	-	-	0.52	-	-
Mr. Pramod Chimmanlal Gupta	3.56	-	-	0.96	-	-
Mrs. Sarika Gupta	-	1.73	-	-	1.35	-
Mr. Vatsal Gupta	-	1.43	-	-	1.31	-
Mrs. Nitasha Gupta	-	1.73	-	-	1.70	-
Mrs. Neelu Gupta	-	1.73	-	-	1.35	-
Mrs. Sudesh Gupta	-	1.73	-	-	1.70	-
Mr. Pranav Gupta	-	2.57	-	-	2.02	-
Mr. Aditya Gupta	-	2.14	-	-	2.07	-
Mr. Raghav Gupta	-	1.40	-	-	1.35	-
Mrs Kanika Gupta	-	-	-	-	-	-

**v) Terms & Conditions**

- (a) Remuneration does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for the Group as a whole. Based on the recommendation of the Nomination and remuneration committee, all decisions relating to the remuneration of the KMPs are taken by the Board of Directors of the Group, in accordance with shareholders approval, wherever necessary.
- (b) All Transactions entered with related parties defined under the Companies Act, 2013 during the year based on the terms that would be available to third parties. All other transactions were made in the ordinary course of business and at arm's length price.
- (c) All outstanding balances are unsecured and are repayable in cash.

**16 Subsequent Event transaction:**

No material developments have occurred since the date of the last Unaudited Interim Condensed Consolidated Financial Statements i.e., June 30, 2023.

- 17 Previous period figures have been re-grouped / re-classified wherever necessary, to conform to current period reclassification, in order to comply with the requirements of the amended Schedule III to the Companies Act.

**For S.S.Kothari Mehta & Company**  
**Chartered Accountants**  
**Firm Registration No. 000756N**

**For and on behalf of Board of Directors**  
**PG Electroplast Limited**

**Amit Goel**  
Partner  
M. No. 500607

**Anurag Gupta**  
Chairman & Executive Director  
DIN-00184361

**Vishal Gupta**  
Managing Director - Finance  
DIN-00184809

**Place: Greater Noida, U.P.**  
**Date :**

**Sanchay Dubey**  
Company Secretary  
ACS No:A51305

**Promod C Gupta**  
Chief Financial Officer

## **To the Members of**

### **PG Electroplast Limited**

#### **Report on the Audit of the Consolidated Financial Statements**

##### **Opinion**

We have audited the consolidated financial statements of PG Electroplast Limited (hereinafter referred to as “the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) and controlled entity, comprising the consolidated balance sheet as at March 31, 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries and controlled entity, as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and controlled entity as at March 31, 2023, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

##### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and controlled entity in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in ‘Other Matters’ paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

##### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in Auditor’s responsibilities for the audit of consolidated financial statements section of our report, including in relation to these matters.

<b>Key Audit Matters</b>	<b>How are audit addressed the key audit matters</b>
<p><b>Revenue Recognition</b></p> <p>Revenue from the sale of goods (hereinafter referred to as “Revenue”) is recognized when the Company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer.</p> <p>The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred.</p>	<p><b>Our procedures included;</b></p> <ul style="list-style-type: none"> <li>▪ Evaluating the integrity of the general information and technology control environment and testing the operating effectiveness of key IT application controls.</li> <li>▪ Evaluating the design and implementation of Company’s controls in respect of revenue recognition.</li> <li>▪ Testing the effectiveness of such controls over revenue cut off at year-end.</li> <li>▪ Testing the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end, including examination of credit notes issued after the year end to determine whether revenue was recognized in the correct period.</li> <li>▪ Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing.</li> <li>▪ Assessing the appropriateness of the Company’s revenue recognition accounting policies in line with IND AS 115 (“Revenue from Contracts with Customers”) and testing thereof.</li> </ul>
<b>Accounting for Government Grants</b>	
<p>The Company has various grants and subsidies receivable from the State Governments of respective plant locations.</p>	<p>Our audit procedures included, amongst others:</p> <p>a) We examine that the recognition of grants / subsidies is in accordance with IND AS 20 by making a reference to the conditions for such grants in the scheme documents of the respective state Governments and checking the due evidence of fulfillment of such conditions by the Company.</p>

Key Audit Matters	How are audit addressed the key audit matters
	b) We verified the correspondence between the Company and relevant Government authorities to assess the recoverability of grants / subsidies already recognized

The following key audit matters was included in the audit report dated May 18, 2023, containing and unmodified audit opinion on the financial statement of PG Technolplast Private Limited, a wholly owned subsidiary of the Holding Company issue by an independent firm of Chartered Accountants reproduce by us as under :

<b>Capitalization and useful life of Property, Plant &amp; Equipment</b>	
<p>During the year ended March 31, 2023, the subsidiary Company has incurred capital expenditure on project included in capital work in progress. Items of property, plant and equipment (PPE) that are ready for its intended use as determined by the management have been capitalized in the current year.</p> <p>Judgement is involved to determine that the aforesaid capitalization meet the recognition requirement under Ind AS. specifically in relation to determination of whether the criteria for intended use has been met. Further, the Company has assessed the useful life of its PPE. Assessment of useful life of plant and machinery involves management judgement, technical assessment, anticipated technological changes etc.</p>	<p>The audit procedures applied by the component auditor of the component included and were not limited to the following:</p> <ul style="list-style-type: none"> <li>• Examined the management assessment of the assumptions considered in estimation of useful life.</li> <li>• Examined the technical evaluation by third party specialist appointed by management.</li> <li>• Assessed the nature of the additions made to PPE, intangible assets, capital work-in-progress and intangible asset under development on a test check basis to test whether they meet the recognition criteria of Ind AS 16- Property, Plant and Equipment, including intended use of management.</li> </ul>

Key Audit Matters	How are audit addressed the key audit matters
<p><b>Revenue Recognition</b></p> <p>a) Revenue from the sale of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. This normally means when a product has been delivered to the customer in accordance with agreed delivery terms. Revenue from the sale of services is recognised when the service is rendered to the customer.</p> <p>b) The risk for revenue being recognised in an incorrect period presents a key audit matter due to the financial significance and nature of net sales in the financial statements</p>	<p>The audit procedures applied by the component auditor of the component included and were not limited to the following:</p> <p>Evaluation of internal control activities over revenue recognition and testing of key controls.</p> <p>Testing of accounts receivables by requesting confirmations from the company's customers and by reconciling cash payments received after the year end against the accounts receivable balances at the year end.</p> <p>The risk for revenue being recognised in an incorrect period presents a key audit matter due to the financial significance and nature of net sales in the financial statements.</p> <p>We assessed that the disclosure of revenue in accordance with IND AS 115 'Revenue from contracts with customers' are appropriately presented and disclosed.</p>

### Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditor as furnished to us, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



### **Management's and Board of Directors' Responsibility for the Consolidated Financial Statements**

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including controlled entity in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

The respective Management and Board of Directors of the companies included in the Group and controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and controlled entity are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and controlled entity responsible for overseeing the financial reporting process of each company.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company, its subsidiaries and its controlled entity has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and controlled entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and controlled entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

- a) We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of 87600.68 lakhs as at March 31, 2023, total revenues of 103258.66 lakhs and net cash outflows of 490.75 lakhs for the year ended on that date, as considered in the consolidated financial statements.
- b) We did not audit the financial statements of one controlled entity whose financial statements reflect total assets of 12.39 lakhs as at March 31, 2023, total revenues of Nil lakhs and net cash inflows of 0.05 lakhs for the year ended on that date, as considered in the consolidated financial statements.

These financial statements has been audited by other auditors whose reports has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and controlled entity and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and controlled entity are based solely on the audit report of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2020 (the 'Order' or 'CARO'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiaries and its controlled entity, incorporated in

India, we give in the “Annexure A” a statement on the matters specified in paragraphs 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of such subsidiaries and controlled entity as was audited by other auditor, as noted in the ‘Other Matters’ paragraph, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor;
  - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries and controlled entity incorporated in India, none of the directors of the Group companies and controlled entity incorporated in India are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company, subsidiaries and controlled entity and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”;
  - g) In our opinion and based on the consolidation of reports of the other statutory auditors of the subsidiaries and controlled entity incorporated in India, the managerial remuneration for the year ended March 31, 2023 has been paid/provided by the Holding Company, its subsidiaries

and controlled entity incorporated in India to their directors in accordance with the provision of section 197 read with schedule V of the Act;

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements of the subsidiaries and controlled entity as noted in the 'Other Matters' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and controlled entity in its consolidated financial statements - Refer Note 40 to the consolidated financial statements.
  - ii. The Group and controlled entity did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and controlled entity incorporated in India during the year ended March 31, 2023.
  - iv. a) The respective managements of the Holding Company, its subsidiaries and controlled entity incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and controlled entity respectively that, to the best of their knowledge and belief, as disclosed in Note 46 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiaries or its controlled entity to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary companies or controlled entity or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
  - b) The respective managements of the Holding Company, its subsidiaries and controlled entity incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the Note 46 to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies or its controlled entity from any person(s) or entity(ies),

including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary companies or controlled entity shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries (including step down subsidiary) and controlled entity, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company, its subsidiaries and its controlled entity.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

**For S.S. Kothari Mehta & Company**  
Chartered Accountants  
Firm Registration No. 000756N

**AMIT GOEL**  
Partner  
Membership No: 500607

Place: New Delhi  
Date : May 26, 2023  
UDIN: 23500607BGURLD2788

**Annexure A to the Independent Auditors' Report to the members of PG Electroplast Limited dated May 26, 2023 on its Consolidated Financial Statements**

In our opinion and according to the information and explanations given to us, following company incorporated in India and included in the Consolidated Financial Statements, have unfavourable remarks, qualifications or adverse remarks given by the respective auditors in their reports under the companies (Auditor's Report) Order,2020 (CARO):

<b>Sr. No.</b>	<b>Name of the entities</b>	<b>CIN</b>	<b>Holding/ Subsidiary/ JV/ Associate</b>	<b>Clause No. of CARO report which is unfavourable or qualified or adverse</b>
1	<b>PG Electroplast Limited</b>	L32109DL2003PLC119416	Holding Company	3ii(b)

**For S.S. Kothari Mehta & Company**  
Chartered Accountants  
Firm Registration No. 000756N

**AMIT GOEL**  
Partner  
Membership No: 500607

Place: New Delhi  
Date : May 26, 2023  
UDIN: 23500607BGURLD2788

**Annexure B to the Independent Auditors' Report to the members of PG Electroplast Limited dated May 26, 2023 on its Consolidated Financial Statements**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section.**

**Our reporting on the internal financial control with reference to consolidated financial statement is not applicable in respect of one controlled entity.**

In conjunction with our audit of the consolidated financial statements of **PG Electroplast Limited** ('the Holding Company') as of and for the year ended March 31, 2023, we have audited the Internal Financial Controls over Financial Reporting of **PG Electroplast Limited** (hereinafter referred to as "the Company" or "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") incorporated in India, for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding company, its subsidiary companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the consolidated financial statements. Those Standards and



the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditor of the relevant subsidiaries in terms of their report referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

#### **Meaning of Internal Financial controls with Reference to Consolidated Financial Statements**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

#### **Inherent Limitations of Internal Financial controls with Reference to Financial Statements**

Because of the inherent limitations of internal financial Controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to

the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Holding Company and its relevant subsidiaries, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2023, based on the internal financial controls with reference to consolidated financial statements criteria established by the such companies considering the essential components of such internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

### **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statement in so far as it relates to two subsidiaries incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India. Our opinion is not modified in respect of this matter.

**For S.S. Kothari Mehta & Company**

Chartered Accountants  
Firm Registration No. 000756N

**AMIT GOEL**

Partner  
Membership No: 500607

UDIN : 23500607BGURLD2788

Place: New Delhi

Date : May 26, 2023

**PG ELECTROPLAST LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH,2023**  
(All Amounts are in Rupees lakhs, unless otherwise stated)

Particulars	Note	As at	
		31st March, 2023	31st March, 2022
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	57,656.99	44,028.77
Capital work-in-progress	3	197.50	488.98
Goodwill	4	0.34	0.34
Other intangible assets	4	122.02	66.78
Financial Assets			
Investments	7	217.64	69.02
Other financial assets	8	994.63	837.39
Other non-current assets	9	783.13	553.89
<b>Total Non-Current Assets</b>		<b>59,972.25</b>	<b>46,045.17</b>
<b>Current Assets</b>			
Inventories	11	35,338.12	28,603.25
Financial assets			
Trade receivables	5	43,787.36	21,332.74
Cash and cash equivalents	12(a)	866.91	2,385.29
Bank balances other than cash and cash equivalents	12(b)	3,095.76	1,533.07
Loans	6	45.83	275.28
Investments	6(b)	-	-
Other financial assets	8	2,675.94	1,936.63
Other current assets	9	3,661.45	4,304.24
Income tax assets (Net)	10	1,372.91	436.94
<b>Total Current Assets</b>		<b>90,844.28</b>	<b>60,807.44</b>
<b>TOTAL ASSETS</b>		<b>150,816.53</b>	<b>106,852.61</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13	2,274.26	2,122.49
Other equity	14	37,318.52	29,107.31
<b>Total Equity</b>		<b>39,592.78</b>	<b>31,229.80</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	15	22,495.96	17,178.48
Other financial liabilities	18	217.54	178.37
Lease liabilities	20	3,162.21	1,339.81
Deferred tax liabilities (Net)	31	2,817.61	1,655.70
Provisions	16	562.10	447.66
Other liabilities	19	604.73	-
<b>Total Non-Current Liabilities</b>		<b>29,860.15</b>	<b>20,800.02</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	15	31,756.50	21,206.63
Trade payables			
- Total outstanding dues of micro and small enterprises	17	2,967.79	1,358.05
- Total outstanding dues other than micro and small enterprises	17	36,027.31	25,562.65
Other financial liabilities	18	5,316.90	4,453.34
Lease liabilities	20	284.24	137.37
Other current liabilities	19	4,072.33	2,013.83
Provisions	16	93.06	90.92
Income tax liabilities (Net)		845.47	-
<b>Total Current Liabilities</b>		<b>81,363.60</b>	<b>54,822.79</b>
<b>Total Liabilities</b>		<b>111,223.75</b>	<b>75,622.81</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>150,816.53</b>	<b>106,852.61</b>
Significant Accounting Policies	2		

The accompanying notes are an integral part of consolidated financial statements.

**As Per Our Report of Even Date Attached**  
**For S.S.Kothari Mehta & Company**  
**Chartered Accountants**  
**Firm Registration No. 000756N**

**For and on behalf of Board of Directors**  
**PG Electroplast Ltd**

**Amit Goel**  
**Partner**  
**M. No. 500607**

Anurag Gupta  
**Chairman & Executive**  
**Director**  
**DIN-00184361**

Vishal Gupta  
**Managing Director -**  
**Finance**  
**DIN-00184809**

**Place: Greater Noida, U.P.**  
**Dated:26th May,2023**

Sanchay Dubey  
**Company Secretary**  
**ACS No: A51305**

Promod C Gupta  
**Chief Financial Officer**

**PG ELECTROPLAST LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH,2023**  
(All Amounts are in Rupees lakhs, unless otherwise stated)

Particulars	Note	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>Income</b>			
Revenue from operations	21	215,994.75	111,163.50
Other Income	22	438.57	432.38
<b>Total Income</b>		<b>216,433.32</b>	<b>111,595.88</b>
<b>Expenses</b>			
Cost of Materials Consumed	23	160,461.35	73,149.77
Purchase of Traded Goods	24	18,815.72	18,161.84
Changes in inventories of finished goods and work-in-progress	25	(2,826.31)	(2,908.06)
Employee benefits expenses	26	12,285.48	7,785.34
Finance costs	27	4,793.17	2,312.63
Depreciation and amortisation expenses	28	3,495.07	2,211.27
Other expenses	29	9,654.52	6,071.94
<b>Total Expenses</b>		<b>206,679.00</b>	<b>106,784.72</b>
<b>Profit before exceptional items &amp; tax</b>		<b>9,754.32</b>	<b>4,811.16</b>
<b>Exceptional Items</b>	29.1	-	(93.06)
<b>Profit before tax</b>		<b>9,754.32</b>	<b>4,904.22</b>
Tax expenses			
Current tax	31	845.47	-
Deferred tax	31	1,161.99	1,162.66
<b>Total tax expenses</b>		<b>2,007.46</b>	<b>1,162.66</b>
<b>Profit for the year</b>		<b>7,746.86</b>	<b>3,741.56</b>
<b>Other comprehensive income</b>			
<b>A. Items that will not be reclassified to profit or loss in subsequent years</b>			
Remeasurement gain on the defined benefit plans		(3.12)	47.09
Income tax effect		0.08	-
<b>Other comprehensive income for the year</b>		<b>(3.04)</b>	<b>47.09</b>
<b>Total comprehensive income for the year</b>		<b>7,743.82</b>	<b>3,788.65</b>
<b>Profit for the year attributable to</b>			
Equity share holders of the parent company		7,746.86	3,741.55
Non controlling interests			-
<b>Other comprehensive income for the year attributable to</b>			
Equity share holders of the parent company		(3.04)	47.09
Non controlling interests			-
<b>Total comprehensive income for the year attributable to</b>			
Equity share holders of the parent company		7,743.82	3,788.65
Non controlling interests			-
Earnings per equity share of Rupee 10 each			
Basic earnings per share	30	35.78	18.08
Diluted earnings per share	30	33.77	17.03

The accompanying notes are an integral part of consolidated financial statements.

**As Per Our Report of Even Date Attached**  
**For S.S.Kothari Mehta & Company**  
**Chartered Accountants**  
**Firm Registration No. 000756N**

**For and on behalf of Board of Directors**  
**PG Electroplast Ltd**

**Amit Goel**  
**Partner**  
M. No. 500607

**Anurag Gupta**  
**Chairman &**  
**Executive Director**  
DIN-00184361

**Vishal Gupta**  
**Managing Director -**  
**Finance**  
DIN-00184809

**Place: Greater Noida, U.P.**  
**Dated:26th May,2023**

**Sanchay Dubey**  
**Company Secretary**  
ACS No:A51305

**Promod C Gupta**  
**Chief Financial Officer**

**PG ELECTROPLAST LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2023**  
**(All Amounts are in Rupees lakhs, unless otherwise stated)**

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	9,754.32	4,904.22
<b>Adjustments to reconcile profit before tax to net cash flows</b>		
Depreciation and amortisation expenses	3,495.07	2,211.27
Employees expenses non operating	(3.12)	47.09
Loss on sale of property, plant and equipment & assets written off	35.23	4.27
Profit on sale of property, plant and equipment	(11.64)	(7.80)
Misc balances written off	35.23	19.29
Provision for warranty expenses- post sales	(16.00)	50.00
Provision for doubtful receivable & debts	-	221.07
Provision for doubtful advance to suppliers & capital advance	197.00	105.00
Provision for slow & non moving Inventories	7.33	18.01
Loss on Inventory due to Fire	7.91	1.53
Loss on property, plant and equipment due to Fire	16.30	11.41
Liabilities no longer required written back	(14.71)	(28.17)
Employee stock option scheme	339.41	206.78
Interest expense on lease liabilities	182.23	74.81
Fair value gain on Investment recognised through FVTPL	(1.67)	(4.24)
Interest expense	4,610.94	2,237.82
Interest income	(318.12)	(205.53)
<b>Cash flow generated from operating activity before working capital adjustment</b>	<b>18,315.71</b>	<b>9,866.82</b>
<b>Working capital adjustments:</b>		
Increase/(decrease) in trade Payables	12,089.09	11,614.14
Increase/(decrease) in non - current provisions	114.44	(112.41)
Increase/(decrease) in non - current liabilities	604.73	
Increase/(decrease) in short - term provisions	18.15	(0.11)
Increase/(decrease) in other current liabilities	2,058.50	493.60
Increase/(decrease) in current financial liabilities	1,311.13	914.82
Decrease/(increase) in trade receivables	(22,686.85)	(6,952.46)
Decrease/(increase) in inventories	(6,750.11)	(19,361.72)
Decrease / (increase) in short - term loans	229.45	(243.96)
Decrease/(Increase) in other current assets	642.78	(2,175.60)
Decrease/(Increase) in other current financial assets	(240.68)	(1,533.32)
Decrease/(increase) in other non current assets	(21.12)	(36.97)
Decrease/(Increase) in other non financial assets	(175.47)	(99.13)
Cash generated (used in)/generated from operations	<b>5,509.75</b>	<b>(7,626.30)</b>
Direct taxes (paid)/refund	(935.96)	(254.01)
<b>Net cash flow generated (used in) from operating activities (A)</b>	<b>4,573.79</b>	<b>(7,880.31)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property Plant and equipment including CWIP and Intangible assets	(15,456.56)	(15,710.22)
Proceeds from sale of Property plant and equipment	37.84	584.88
Investments made during the year	(153.20)	(49.33)
Maturity of bank deposit having maturity more than 3 months	(2,025.10)	(1,106.03)
Interest received	300.13	180.55
<b>Net cash flow used in investing activities (B)</b>	<b>(17,296.89)</b>	<b>(16,100.15)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term borrowings	11,543.27	12,607.38
Repayment of long-term borrowings	(4,122.83)	(3,510.91)
Proceeds from issue of equity share capital	334.89	4,407.23
Proceeds from cumulative compulsory convertible debentures	-	3,629.17
Proceeds from/(Repayment of) Short-term borrowings (Net)	8,497.90	10,909.65
Payment of principal portion of lease liabilities	(216.30)	(144.95)
Payment of interest portion of lease liabilities	(182.23)	(74.81)
Interest paid	(4,649.98)	(2,198.94)
<b>Net cash flow (used in)/generated from financing activities (C)</b>	<b>11,204.72</b>	<b>25,623.82</b>
Net increase/(decrease) in cash and cash equivalents (A + B + C)	<b>(1,518.38)</b>	<b>1,643.36</b>
Cash and cash equivalents at the beginning of the year	<b>2,385.29</b>	<b>741.93</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>866.91</b>	<b>2,385.29</b>
<b>Components of cash and cash equivalents ( Refer note -12(a)</b>		
Cash on hand	5.63	11.97
With banks:		
-on current account	861.28	2,373.32
<b>Total cash and cash equivalents</b>	<b>866.91</b>	<b>2,385.29</b>

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS 7) "Statement of Cash Flows".

**PG ELECTROPLAST LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2023**  
**(All Amounts are in Rupees lakhs, unless otherwise stated)**

The accompanying notes are an integral part of consolidated financial statements.

**As Per Our Report of Even Date Attached**  
**For S.S.Kothari Mehta & Company**  
**Chartered Accountants**  
**Firm Registration No. 000756N**

**Amit Goel**  
**Partner**

**M. No. 500607**

**Anurag Gupta**  
**Chairman &**  
**Executive Director**  
**DIN-00184361**

**Vishal Gupta**  
**Managing Director -**  
**Finance**  
**DIN-00184809**

**Place: Greater Noida, U.P.**  
**Dated:26th May,2023**

**Sanchay Dubey**  
**Company Secretary**  
**ACS No:A51305**

**Promod C Gupta**  
**Chief Financial Officer**

**PG ELECTROPLAST LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH,2023**  
(All Amounts are in Rupees, unless otherwise stated)

**A EQUITY SHARE CAPITAL**

Equity shares of Rs.10 each issued,subscribed and fully paid up

Particulars	Note	Amount
<b>As at 1st April 2021</b>		<b>1,969.39</b>
Issue of Share Capital	13	153.10
<b>As at 31st March, 2022</b>		<b>2,122.49</b>
Issue of Share Capital	13	151.77
<b>As at 31st March, 2023</b>		<b>2,274.26</b>

**B OTHER EQUITY \***

Particulars	Reserves and surplus			Equity Components of cumulative compulsory convertible debentures	Other Comprehensive Income	Employee Share Option Reserve	Money Received against Share Warrants	Total other equity
	Treasury Shares	Securities premium	Retained earnings					
<b>Balance as at 1st April, 2021</b>	-	<b>14,129.86</b>	<b>2,927.15</b>	-	<b>57.35</b>	-	<b>163.13</b>	<b>17,277.49</b>
Profit for the year	-	-	3,741.56	-	-	-	-	3,741.56
Remeasurement gain on defined benefit plans	-	-	-	-	47.09	-	-	47.09
Amount received for share warrants during the year	-	-	-	-	-	-	376.87	376.87
Amount received on issue of equity share capital	-	4,379.75	-	-	-	-	-	4,379.75
Amount received on issue of CCCDs	-	-	-	3,629.17	-	-	-	3,629.17
Dividend on Equity Component of CCCDs	-	-	(488.88)	439.99	-	-	-	(48.89)
Converted into Equity share capital	-	-	-	-	-	-	(33.50)	(33.50)
Transferred to securities premium	-	-	-	-	-	-	(469.00)	(469.00)
Share based employee expenses	-	-	-	-	-	206.77	-	206.77
<b>Balance as at 31st March, 2022</b>	-	<b>18,509.61</b>	<b>6,179.83</b>	<b>4,069.16</b>	<b>104.44</b>	<b>206.77</b>	<b>37.50</b>	<b>29,107.31</b>
Profit for the year	-	-	7,746.86	-	-	-	-	7,746.86
Remeasurement gain on defined benefit plans	-	-	-	-	(3.04)	-	-	(3.03)
Amount received for share warrants during the year	-	-	-	-	-	-	112.50	112.50
Amount received on issue of CCCDs	-	-	-	89.39	-	-	-	89.39
Dividend on Equity Component of CCCDs	-	-	(488.88)	439.99	-	-	-	(48.89)
Converted into Equity share capital	-	-	-	(136.46)	-	-	(10.00)	(146.46)
Transferred to securities premium	-	4,729.77	-	(4,462.08)	-	-	(140.00)	127.69
Treasury Shares	(6.25)	-	-	-	-	-	-	(6.25)
Amount Transferred to retained earning on excise of ESOPs	-	-	72.10	-	-	(72.10)	-	-
Adjustment on termination of ESOP	-	-	4.05	-	-	(4.05)	-	-
Share based employee expenses	-	-	-	-	-	339.40	-	339.40
<b>Balance as at 31st March, 2023</b>	<b>(6.25)</b>	<b>23,239.38</b>	<b>13,513.97</b>	<b>-</b>	<b>101.40</b>	<b>470.02</b>	<b>-</b>	<b>37,318.52</b>

\* Kindly refer Note No. 14.

The accompanying notes are an integral part of consolidated financial statements.

**As Per Our Report of Even Date Attached**  
**For S.S.Kothari Mehta & Company**  
**Chartered Accountants**  
**Firm Registration No. 000756N**

**For and on behalf of Board of Directors**  
**PG Electroplast Ltd**

**Amit Goel**  
**Partner**

**M. No. 500607**

**Place: Greater Noida, U.P.**  
**Dated:26th May,2023**

**Anurag Gupta**  
**Chairman &**  
**Executive Director**  
**DIN-00184361**

**Sanchay Dubey**  
**Company Secretary**  
**ACS No:A51305**

**Vishal Gupta**  
**Managing Director -**  
**Finance**  
**DIN-00184809**

**Promod C Gupta**  
**Chief Financial Officer**

**PG ELECTROPLAST LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**  
**(All Amounts are in Rupees lakhs, unless otherwise stated)**

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**1 CORPORATE INFORMATION**

The consolidated financial statements comprise financial statements of PG Electroplast Limited ("the Parent group") and its subsidiaries (collectively, "the Group") for the year ended March 31, 2022. PG Electroplast Limited ("the Parent group") is a public group domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its equity shares are listed with the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The registered office of the group is located at DTJ - 209, DLF Tower B, Jasola, New Delhi - 110025. The Group is an Electronic Manufacturing Services (EMS) provider for Original Equipment Manufacturers (OEMs) of consumer electronic products in India. The group manufactures and / or assemble a comprehensive range of consumer electronic components and finished products such as Kitchen Appliances, air conditioners (ACs) sub-assemblies, Air Cooler, Washing Machine, Mobile handsets, LED for third parties.

These consolidated financial statements were approved for issue in accordance with a resolution of directors on May 26, 2023.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation and presentation**

**(i) Compliance with Ind AS**

These consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III). These consolidated financial statements are presented in INR and all values are rounded to the nearest lakhs, except when otherwise indicated.

**(ii) Historical cost convention**

The financial statements have been prepared on a historical cost basis except for certain assets and liabilities (including derivative instruments) that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 Inventories or value in use in Ind AS 36 Impairment of Assets.

**(iii)** The Group has prepared the consolidated financial statements on the basis that it will continue to operate as going concern.

**(b) Basis of Consolidation**

The consolidated financial statements comprises the financial statement of the PG Electroplast Limited ('the Parent company') and subsidiaries (collectively "the Group") as at March 31, 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- (i)** Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (ii)** Exposure, or rights, to variable returns from its involvement with the investee, and
- (iii)** The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including

- (i)** The contractual arrangement with the other vote holders of the investee
- (ii)** Rights arising from other contractual arrangements
- (iii)** The Group's voting rights and potential voting right
- (iv)** The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31. When the end of the reporting period of the parent company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent company to enable the parent company to consolidate the financial information of the subsidiary, unless it is impracticable to do so or there are no significant transaction or event between the date of those financial statement and date of financial statement of parent company.

**(c) Consolidation Procedures - Subsidiary**

- (i)** Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.
- (ii)** Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (iii)** Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS - 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.



**PG ELECTROPLAST LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**  
**(All Amounts are in Rupees lakhs, unless otherwise stated)**

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for noncontrolling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the Group recognises the gain directly in equity as capital reserve, without routing the same through OCI.”

**(d) Current versus non-current classification**

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- ▶ Expected to be realised or intended to be sold or consumed in normal operating cycle
- ▶ Held primarily for the purpose of trading
- ▶ Expected to be realised within twelve months after the reporting period, or
- ▶ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- ▶ It is expected to be settled in normal operating cycle
- ▶ It is held primarily for the purpose of trading
- ▶ It is due to be settled within twelve months after the reporting period, or
- ▶ There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

**(e) Foreign currencies**

**(i) Functional and presentation currency**

The consolidated financial statements are presented in Indian rupee (INR), which is Group’s functional and presentation currency unless stated otherwise.

**(ii) Transactions and balances**

Transactions in foreign currencies are initially recorded by the Group’s entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses average rate if the average approximates the actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

**(iii)** Foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within exceptional items.

**(iv)** Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

**(f) Revenue recognition**

Revenues from contract with customers is recognized when controls of the goods or services transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange of goods or services. Revenue is stated net of Goods and Service tax and net of returns, trade allowances and

**(i) Sale of goods**

Revenue from sale of goods is recognized on transfer of control of goods to the customers, which is usually on dispatch of goods to customers premises.

**Variable Consideration**

The Group recognizes revenue from the sale of goods measured at the standalone selling price of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

**(ii) Sale of services**

Revenue from services represents the job work services and repairing of moulds performed by the Group for its customers. Revenue from services is recognized as per the terms of the contract with the customer over the period of time when the control of services is transferred to the customers.

**(iii) Contract balance**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract assets are in the nature of unbilled receivables, which arises when Group satisfies a performance obligation but does not have an unconditional rights to consideration. A receivables represents the Group’s right to an amount of consideration that is unconditional. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (Financial instruments – initial recognition and subsequent measurement).

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

A trade receivable is recognized if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (Financial instruments – initial recognition and subsequent measurement).

**(iv) Other Income**

Other income comprise interest income, rental income, liabilities no longer required written back, refund of electricity duty, government incentive and others.

Interest income is accrued on a timely basis, by reference to the principal outstanding and recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. When calculating the EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the Rental income arising from operating lease is accounted on a straight line basis over the lease term.

In respect of others, Group recognized income when the right to receive is established.

**(g) Government grants**

Grants from the government are recognised where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

**(h) Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Income Tax expense for the year comprises of current tax and deferred tax.

**(i) Current tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date where the Group operates and generates taxable income.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

**(ii) Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or direct in equity.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**(i) Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

**Group as a lessee**

The Group's lease asset classes primarily consist of leases for land and buildings. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of lowvalue assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**(i) Right-of-Use assets (ROU)**

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The Group classifies ROU assets as part of Property, plant and equipment in Balance Sheet and lease liability in "Financial Liability".

**(ii) Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Variable lease payments that depend on sales are recognized in profit or loss in the period in which the condition that triggers those payments occurs.

**PG ELECTROPLAST LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**  
**(All Amounts are in Rupees lakhs, unless otherwise stated)**

**(iii) Short term leases and leases of low-value of assets**

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value.

Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

**Group as a lessor**

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

**(j) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**(k) Earnings Per Share (EPS)**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) if any that have changed the number of equity shares outstanding, without a corresponding change

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

**(l) Property, plant and equipment**

Property, plant and equipment are tangible items that are held for use in the production or supply for goods and services, rental to others or for administrative purposes and are expected to be used during more than one period. The cost of an item of property, plant and equipment shall be recognised as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items and are net of recoverable taxes /duty. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the property, plant and equipment if the recognition criteria for a provision are met.

Each part of item of property, plant and equipment, if significant in relation to the total cost of the item, is depreciated separately. Further, parts of plant and equipment that are technically advised to be replaced at prescribed intervals/period of operation are depreciated separately based on their specific useful life provided these are of significant amounts commensurate with the size of the Group and scale of its operations. The carrying amount of any equipment accounted for as separate asset is derecognised when replaced.

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit or loss.

**Depreciation methods, estimated useful lives and residual value**

Depreciation commences when the assets are ready for their intended use. Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives.

Depreciation on Property, Plant & Equipment has been provided on Straight Line Method (SLM) based on the useful life of the assets prescribed in Schedule II of the Companies Act, 2013 except in respect of major plant & machinery, where useful life has been taken as 25 years, as technically assessed.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation is not recorded on capital work in progress until construction and installation are complete and the assets is ready for its intended use.

**(m) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Estimated useful lives of the intangible assets are as follows:

Assets	Estimated Useful Life
Computer Software	6 Years
Product Development	10 Years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit or loss when the asset is derecognised.

**Research and development costs**

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- (i) the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- (ii) its intention to complete and its ability and intention to use or sell the asset;
- (iii) how the asset will generate probable future economic benefits;
- (iv) the availability of adequate technical, financial and other resources to complete the development and to use or sell the asset; and
- (v) the ability to measure reliably the expenditure attributable to asset during its development.

**PG ELECTROPLAST LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**  
**(All Amounts are in Rupees lakhs, unless otherwise stated)**

The amount initially recognised for intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no intangible assets can be recognised, development expenditure is recognised in statement of profit or loss in the period in which it is incurred. Subsequent to initial recognition, such intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as of acquired intangible assets.

**(n) Inventories**

Inventories are valued at the lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by-item basis

- (i) Inventories of raw materials, components, stores and spares are valued at lower of cost ( net of recoverable taxes ) and net realizable value. Cost for the purpose of valuation of such inventories is determined using the first-in, first-out (FIFO) method. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.
- (ii) Finished goods and work-in-progress are valued at lower of cost and net realizable value. The cost of finished goods and work-in-progress includes raw material costs (net of recoverable taxes), direct cost of conversion and proportionate allocation of indirect costs incurred in bringing the inventories to their present location and condition.
- (iii) Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- (iv) The provision for inventory obsolescence is assessed regularly based on estimated usage and shelf life of inventory.

**(o) Provisions and Contingent liabilities, Contingent assets**

**(i) Provision**

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the

**Warranty Provision**

Provision for warranty-related costs are recognized when the product is sold or service is provided to customer. Initial recognition is based on historical experience. The Group periodically reviews the adequacy of product warranties and adjust warranty percentage and warranty provisions for actual experience, if

**(ii) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of

**(iii) Contingent assets**

Contingent assets are not recognized. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

**(p) Employee benefits**

**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the undiscounted amounts expected to be paid when the liabilities are settled. The liabilities are presented as current benefit obligations in the balance sheet.

**(ii) Other long-term employee benefit obligations**

Other long-term employee benefits includes earned leaves, sick leaves and employee bonus.

**Earned leaves**

The liabilities for earned leaves are not expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The benefits are discounted using the government bond yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit & loss. The obligations are presented as provisions in the balance sheet.

**(iii) Post-employment obligations**

The Group operates the following post employment schemes:

- \* defined benefit plan towards payment of gratuity; and
- \* defined contribution plans towards provident fund & employee pension scheme and employee state insurance.

**Defined benefit plans**

The Group provides for gratuity obligations through a defined benefit retirement plan (the 'Gratuity Plan') covering all employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement/termination of employment or death of an employee, based on the respective employees' salary and years of employment with the Group.

The liability or asset recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The present value of the defined benefit obligation is determined using projected unit credit method by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation, with actuarial valuations being carried out at the end of each annual reporting period.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

**Defined contribution plans**

Defined contribution plans are retirement benefit plans under which the Group pays fixed contributions to separate entities (funds) or financial institutions or state managed benefit schemes. The Group has no further payment obligations once the contributions have been paid. The defined contributions plans are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments

**\* Provident Fund Plan & Employee Pension Scheme**

The Group makes monthly contributions at prescribed rates towards Employees' Provident Fund/ Employees' Pension Scheme to a Fund administered and managed by the Government of India.

**\* Employee State Insurance**

The Group makes prescribed monthly contributions towards Employees' State Insurance Scheme.

**\* Leave Encashment**

The Group has recognised liability for short term compensated absences on full cost basis with reference to unavailed earned leaves at the year end. To the extent, the compensated absences qualify as a long term benefit, the Group has provided for the long term liability at year end as per the actuarial valuation using the Projected Unit Credit Method.

Actuarial gains and losses arising from adjustments and changes in actuarial assumptions are charged or credited to the Statement of profit and loss in the year in which such gains or losses arise.

**(q) Share-based payment**

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

**Equity Settled transactions**

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. Further details are given in Note 33.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through statement of profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

**(r) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**(i) Financial assets**

**\* Initial Recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

**\* Subsequent Measurement**

**\* Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost which is held with objective to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**\* Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income which is held with objective to achieve both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**\* Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

**\* Impairment of financial assets**

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. For impairment purposes significant financial assets are tested on an individual basis, other financial assets are assessed collectively in groups that share similar credit risk characteristics.

The Group recognises life-time expected losses for all trade receivables. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

The Group follows 'simplified approach' for the recognition of impairment loss allowance on trade and other receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on life-time ECLs at each reporting date, right from its initial recognition.

The Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

**PG ELECTROPLAST LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**  
**(All Amounts are in Rupees lakhs, unless otherwise stated)**

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(ii) **Financial liabilities**

\* **Initial Recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and

\* **Subsequent measurement**

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

**Financial liabilities at amortised cost (Loans and borrowings)**

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

\* **Derecognition**

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition as per Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the group's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

\* **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

\* **Reclassification of financial assets**

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the group either begins or ceases to perform an activity that is significant to its operations. If the group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The group does not restate any previously recognised gains, losses (including impairment gains or losses) or

(s) **Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

(t) **Critical accounting estimates, assumptions and judgements**

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to Group's exposure to risk and uncertainties includes;

Capital Management Note 39.

Financial risk management objective and policies Note 37.

Sensitivity analysis disclosures note 37.

**Judgements**

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

**Determining the lease term of contracts with renewal and termination options – Group as lessee**

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) **Property, plant and equipment**

External advisor and/or internal technical team assesses the remaining useful life and residual value of property, plant and equipment. Management believes that the assigned useful lives and residual values are reasonable.

(ii) **Intangibles**

Internal technical and user team assess the remaining useful lives of Intangible assets. Management believes that assigned useful lives are reasonable. All Intangibles are carried at net book value on transition.

**PG ELECTROPLAST LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**

**(All Amounts are in Rupees lakhs, unless otherwise stated)**

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**(iii) Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs including

**(iv) Share based payments**

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 33.

**(v) Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Further details about gratuity obligations are given in Note 32.

**(vi) Leases- Estimating the incremental borrowing rate**

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

PG ELECTROPLAST LIMITED  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023  
(All Amounts are in Rupees lakhs, unless otherwise stated)

3 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

Particulars	Property, Plant and Equipment						Right-to-Use		Total	Capital Work in Progress
	Buildings, Lease hold Improvement	Plant and Equipments	Electric installation	Furniture and Fixtures	Vehicles	Office equipment	Leasehold Land	Buildings, Lease hold Improvement		
At 1st April, 2021	9,943.50	20,930.26	731.34	512.45	674.67	216.90	591.98	266.00	33,867.11	601.15
Additions	3,424.04	12,564.48	558.85	115.43	327.72	170.46	929.52	1,469.44	19,559.93	17,806.76
Disposals/adjustments	(9.76)	(761.94)	-	-	(25.10)	-	-	(8.30)	(805.10)	(17,918.93)
At 31st March, 2022	13,357.78	32,732.80	1,290.19	627.88	977.29	387.36	1,521.50	1,727.14	52,621.94	488.98
Additions	1,366.48	12,414.72	416.87	173.62	345.85	273.47	-	2,185.57	17,176.58	10,290.09
Disposals/adjustments	9.76	(132.58)	-	-	(38.10)	-	-	(227.60)	(388.52)	(10,581.57)
At 31st March, 2023	14,734.02	45,014.94	1,707.06	801.50	1,285.04	660.83	1,521.50	3,685.11	69,410.00	197.50
<b>Accumulated Depreciation</b>										
At 1st April, 2021	1,146.43	4,486.72	275.87	135.53	312.71	88.03	38.69	125.43	6,609.41	-
Charge for the year	361.42	1,362.77	76.36	51.91	87.97	56.10	9.84	189.72	2,196.10	-
Disposals/adjustments	-	(180.83)	-	-	(21.75)	-	-	(9.76)	(212.34)	-
At 31st March, 2022	1,507.85	5,668.66	352.23	187.44	378.93	144.13	48.53	305.39	8,593.17	-
Charge for the year	469.10	2,235.95	108.93	58.16	120.89	111.87	20.82	344.91	3,470.63	-
Disposals/adjustments	-	(65.96)	-	-	(33.17)	-	-	(211.64)	(310.77)	-
At 31st March, 2023	1,976.96	7,838.65	461.16	245.60	466.65	256.00	69.35	438.66	11,753.01	-
<b>Net carrying amount</b>										
At 1st April, 2022	11,849.93	27,064.14	937.96	440.44	598.36	243.23	1,472.97	1,421.75	44,028.77	488.98
At 31st March, 2023	12,757.06	37,176.29	1,245.90	555.90	818.38	404.83	1,452.15	3,246.46	57,656.99	197.50

(i) Leasehold Land

The original lease terms in respect of a parcel of land acquired is as under-

Plot no	Balance Period of Lease as on 31st	
	Period of Lease	March, 2023
P-4/2 to 4/6 at Unit-I	90 years	71 years
E-14, E-15 at Unit-III	83 years	71 years
F-20 at Unit-III	59 years	54 years
I-26, I-27 at Unit-V	64 years	58 years
A-20/2 at Supa, Unit IV	85 Years	79 years
C-11 at Unit-IV	76 years	71 years
A-18, Supa, MIDC, Taluka-Parner, Ahmednagar	95 years	72 years

These leases of lands have been classified as finance lease in terms of criteria specified in Ind AS 116 leases, including the facts that the market value of the land (as on the date of transaction) had been paid to the lessor at the inception of the lease.

(ii) Restrictions on Property, plant and equipment

Refer note no. 15 for information on charges created on property, plant and equipment.

(iii) Contractual commitments

Refer note no. 40(ii) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iv) The Group has not revalued its Property, Plant & Equipments (including Right to Use assets) or intangible assets or both during the ye

(v) Capital work-in-progress ageing schedule

CWIP	Amount In CWIP for the period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31st March 2023					
Projects in Progress	197.50	-	-	-	197.50
Projects Temporarily suspended	-	-	-	-	-
CWIP	Amount In CWIP for the period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31st March 2022					
Projects in Progress	488.98	-	-	-	488.98
Projects Temporarily suspended	-	-	-	-	-



**PG ELECTROPLAST LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**  
**(All Amounts are in Rupees lakhs, unless otherwise stated)**

**4 GOODWILL AND OTHER INTANGIBLE ASSETS**

Particulars	Goodwill	Computer Softwares	Total
<b>At 1st April, 2021</b>	0.34	99.33	99.67
Additions	-	26.71	26.71
Disposals/adjustments	-	-	-
<b>At 31st March, 2022</b>	0.34	126.04	126.38
Additions	-	79.68	79.68
Disposals/adjustments	-	-	-
<b>At 31st March, 2023</b>	0.34	205.72	206.06
<b>Accumulated Depreciation</b>			
<b>At 1st April, 2021</b>	-	44.09	44.09
Charge for the year	-	15.17	15.17
Disposals/adjustments	-	-	-
<b>At 31st March, 2022</b>	-	59.26	59.26
Charge for the year	-	24.44	24.44
Disposals/adjustments	-	-	-
<b>At 31st March, 2023</b>	-	83.70	83.70
<b>Net carrying amount</b>			
<b>At 31st March, 2022</b>	0.34	66.78	67.12
<b>At 31st March, 2023</b>	0.34	122.02	122.36

- (a) Goodwill is acquired on acquisition of PG Technoplast Private Limited on 17th December 2020 having indefinite useful life. The company do impairment testing annually.  
(b) There are no intangible assets under development as at the end of current reporting year and previous year.

**5 TRADE RECEIVABLES**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Current</b>		
-Unsecured, considered good	43,787.36	21,332.74
-Unsecured, credit impaired	-	34.84
	<u>43,787.36</u>	<u>21,367.58</u>
Less: Allowance for trade receivables	-	(34.84)
<b>Total trade receivables</b>	<u>43,787.36</u>	<u>21,332.74</u>

**Trade Receivables Aging Schedule**

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	Total
<b>As at 31st March 2023</b>						
<b>Undisputed Trade Receivables</b>						
-Considered good	43,661.03	62.50	57.68	4.02	2.13	43,787.36
<b>Disputed Trade Receivables</b>						
-Considered good	-	-	-	-	-	-
-Credit impaired	-	-	-	-	-	-
<b>Gross Carrying Amount</b>	<u>43,661.03</u>	<u>62.50</u>	<u>57.68</u>	<u>4.02</u>	<u>2.13</u>	<u>43,787.36</u>
Less: Allowance for trade receivable	-	-	-	-	-	-
<b>Net Carrying Amount</b>	<u>43,661.03</u>	<u>62.50</u>	<u>57.68</u>	<u>4.02</u>	<u>2.13</u>	<u>43,787.36</u>
<b>As at 31st March 2022</b>						
<b>Undisputed Trade Receivables</b>						
-Considered good	21,173.26	80.87	75.82	2.79	-	21,332.74
<b>Disputed Trade Receivables</b>						
-Credit impaired	-	-	-	-	34.84	34.84
<b>Gross Carrying Amount</b>	<u>21,173.26</u>	<u>80.87</u>	<u>75.82</u>	<u>2.79</u>	<u>34.84</u>	<u>21,367.58</u>
Less: Allowance for trade receivable	-	-	-	-	(34.84)	(34.84)
<b>Net Carrying Amount</b>	<u>21,173.26</u>	<u>80.87</u>	<u>75.82</u>	<u>2.79</u>	<u>-</u>	<u>21,332.74</u>

**Note:**

- (a) Neither trade nor other receivables are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies in which any director is a partner, a director or a member, except as mentioned above.  
(b) Information about the Group's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 37. Provision as disclosed above is on case to case basis as identified by the management.  
(c) Trade receivables are no-interest bearing and are generally on terms of 30-90 days of credit period.

**6 LOANS**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Current</b>		
-Unsecured, considered good		
Loan to Employees	40.22	35.28
Loan to Others*	5.61	240.00
<b>Total loans</b>	<u>45.83</u>	<u>275.28</u>

\* Loan to others includes loan given to Indkal Technologies Private Limited for the purpose of arranging materials for LED TV which would be supplied to group subsequently during FY 2021-22.

**PG ELECTROPLAST LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**  
**(All Amounts are in Rupees lakhs, unless otherwise stated)**

**7 INVESTMENTS**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Non-Current</b>		
<b>Unquoted</b>		
<b>Equity instruments in Others at fair value through profit and loss</b>		
14,80,000 (31st March 2022: 248000) equity shares in Solarstream Renewable Services Private Limited	148.80	24.80
Nil (31st March 2022: 525) equity shares in Indkal Technologies Private Limited	-	0.52
	<u>148.80</u>	<u>25.33</u>
<b>Quoted</b>		
<b>Investment in Mutual Funds at fair value through profit and loss</b>		
3212.29 units (31st March 2022: 2073.82 units ) in HDFC index Funds- Sensex plan	17.16	10.90
10533.53 units (31st March 2022: 6775.75 units ) in HDFC Index Funds-Nifty 50 plan	16.99	10.91
26144.59 units (31st March 2022: 17061.38 units ) in ICICI Prudential Bluechip Funds	17.66	11.19
32138.68 units (31st March 2022: 20559.62 units ) in Kotak Flexicap Funds-Growth	17.04	10.69
	<u>68.84</u>	<u>43.69</u>
<b>Total Non-Current Investments</b>	<u>217.64</u>	<u>69.02</u>
Aggregate book value of quoted investments	68.84	43.69
Aggregate market value of quoted investments	68.84	43.69
Aggregate book value of unquoted investments	148.80	25.33
Aggregate market value of unquoted investments	148.80	25.33

**8 OTHER FINANCIAL ASSETS**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Non-Current (at amortised cost)</b>		
<b>Security Deposits</b>		
Unsecured, considered good	536.12	360.65
<b>Bank Deposits</b>		
with maturity of more than 12 months	458.51	476.74
	<u>994.63</u>	<u>837.39</u>
Deposits of Rs.458.51 lakhs (31st March 2022: Rs.471.44 lakhs) pledged as margin money with the bank for various type of credit limits.		
<b>Current (at amortised cost)</b>		
<b>Security Deposits</b>		
Unsecured, considered good	34.11	15.62
<b>Interest Receivables</b>		
Interest accrued on bank and other deposit	61.59	38.59
Interest accrued on others	11.66	16.67
Government grant and others*	2,568.58	1,865.75
<b>Total other financial assets</b>	<u>2,675.94</u>	<u>1,936.63</u>
* Others includes amount recoverable from Maharashtra Government on account of stamp duty paid amounted Rs. 58.76 lakhs (31st March 2022: Rs 59.07 lakhs) and fire claim receivable amounted Rs.55.27 lakhs (31st March 2022: 264.41 lakhs).		

**9 OTHER ASSETS**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Non-Current (at amortised cost)</b>		
<b>Unsecured, considered good</b>		
Capital advances	658.12	450.00
IGST Receivable Under Moovr-Capital Good	-	-
Prepaid expenses	125.01	103.89
	<u>783.13</u>	<u>553.89</u>
<b>Current (at amortised cost)</b>		
<b>Unsecured, considered good</b>		
Advances to suppliers	1,421.58	1,587.58
Balances with Government Authorities	587.92	2,456.44
Prepaid expenses and others	373.56	257.19
IGST Receivable Under Moovr-Raw Material	1,274.74	-
Imprest to employees	2.33	3.03
Other Assets	1.32	-
<b>Unsecured, considered doubtful</b>		
Advances to suppliers	-	289.32
	<u>3,661.45</u>	<u>4,593.56</u>
Less: Allowances for doubtful advance	-	(289.32)
	<u>3,661.45</u>	<u>4,304.24</u>
<b>Total other assets</b>	<u>4,444.58</u>	<u>4,858.13</u>

**10 INCOME TAX ASSETS**

Particulars	As at 31st March, 2023	As at 31st March, 2022
Income tax refund for earlier years & Advance tax	1,372.91	436.94
	<u>1,372.91</u>	<u>436.94</u>

**PG ELECTROPLAST LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**  
**(All Amounts are in Rupees lakhs, unless otherwise stated)**

**11 INVENTORIES**

(Valued at lower of cost or net realisable value)

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Raw material and components	27,007.09	23,114.69
Work-in-progress	2,630.08	3,005.06
Finished goods	5,687.07	2,485.78
Stores and spares	106.96	83.47
	<b>35,431.20</b>	<b>28,689.00</b>
Less: Provision for Slow/Non Moving Inventories	(93.08)	(85.75)
<b>Total Inventory</b>	<b>35,338.12</b>	<b>28,603.25</b>

- (a) The above includes goods in transit as under  
Raw material and components 2.34 868.20  
(b) The above includes goods at bonded warehouse  
Raw material and components - 4,655.73  
(c) Refer note 15, for information on hypothecation created on inventory with the bankers against working capital  
(d) The write-down of inventories to net realisable value during the year amounting to Nil (31st March 2022: nil). These are recognised as expenses during the respective period and included in changes in inventories.

**12 CASH AND BANK BALANCES**

**(a) Cash and cash equivalents**

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Balances with banks		
-In current accounts	861.28	2,373.32
Cash on hand	5.63	11.97
<b>Total cash and cash equivalents</b>	<b>866.91</b>	<b>2,385.29</b>

**(b) Bank balances other than cash and cash equivalents**

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Bank deposits		
with maturity of more than 3 months and upto 12 months	3,095.76	1,533.07
<b>Total bank balances other than cash and cash equivalents</b>	<b>3,095.76</b>	<b>1,533.07</b>

Deposits of Rs.2225.88 lakhs (31st March, 2022:Rs.1143.82 lakhs) pledged as margin money with bank for various type of credit limits.  
Deposits with banks are made with banks for varying periods, depending on immediate cash requirement of the Group and to earn interest at the respective term deposit rate

**13 SHARE CAPITAL**

Particulars	As at	As at
	31st March, 2023	31st March, 2022
<b>(a) Authorised share capital</b>		
3,50,00,000 (31st March, 2022: 3,50,00,000) equity shares (Par value of Rs. 10 per share)	3,500.00	3,500.00
	<b>3,500.00</b>	<b>3,500.00</b>
<b>(b) Issued, Subscribed And Fully Paid Up Share Capital</b>		
2,27,42,617 (31st March, 2022:2,12,24,866) equity shares (Par value of Rs. 10 per share)	2,274.26	2,122.49
	<b>2,274.26</b>	<b>2,122.49</b>

**(c) Movements in equity share capital**

Particulars	No. of shares	Amount in Rs.
	As at 1st April 2021	19,693,916
Increase during the year *	1,530,950	153.10
As at 31st March 2022	21,224,866	2,122.49
Increase during the year **	1,517,751	151.77
As at 31st March 2023	22,742,617	2,274.26

- \* During the year 2021-22, the company allotted 11,95,950 equity shares of face value of Rs.10/- each at an issue price of Rs.337/- per share to the persons belonging to Non-Promoter category by way of preferential allotment.  
2. During the year 2021-22, the company on December 10, 2021 allotted 3,35,000 equity shares of face value of Rs. 10/- each pursuant to conversion of 3,35,000 share warrants, issue on 31st March, 2021 at an issue price of Rs. 150/- each, by way of preferential allotment to Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta (Promoter Category) and Mr. Arvind Yeshwant Pradhan (Public Category)  
\*\*  
1. During the year 2022-23, the company on September 27, 2022 allotted 1,00,000 equity shares of face value of Rs. 10/- each pursuant to conversion of 1,00,000 share warrants issued on 31st March, 2021 at an issue price of Rs. 150/- each, by way of preferential allotment to Mr. Nikhil Vishwasprasad Bagla and Mrs. Urmila Nikhil Bagla (Public Category).  
2. During the year 2022-23, the company on August 12, 2022 allotted 53,200 Equity Shares of face value of Rs. 10/- each to the 'PG Electroplast Limited Employees Welfare Trust' under PG Electroplast Limited Employees Stock Option Scheme - 2020 in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.  
3. During the year 2022-23, the Company on December 31, 2022 allotted 13,64,551 Equity Shares of face value of Rs. 10/- each pursuant to conversion of 10,76,904, 17.96% Compulsorily Convertible Debentures ("CCDs") allotted on preferential basis on July 01, 2021 and unpaid coupon amount accrued thereon, at the conversion price of Rs. 337/- determined as per the SEBI LCDR Resolution.  
There were no buy back of shares or issue of shares pursuant to contract without payment being received in cash during the previous 5 years.

**(d) Terms and rights attached to equity shares**

The group has only one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the group, the equity shareholders are eligible to receive the remaining assets of the group after distribution of all preferential amounts, in proportion to their shareholding.

**(e) Particulars of shareholders holding more than 5% shares of fully paid up equity shares**

Name of Shareholder	31st March 2023		31st March 2022	
	No. of shares	% holding	No. of shares	% holding
Mr Amurag Gupta	2,991,201	13.15%	2,991,201	14.09%
Mr Vishal Gupta	5,051,474	21.21%	5,051,474	23.80%
Mr Vikas Gupta	5,075,531	21.31%	5,075,531	23.90%

**PG ELECTROPLAST LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**  
**(All Amounts are in Rupees lakhs, unless otherwise stated)**

**(f) Details of share held by promoters**

Promoter Name	31st March 2023			31st March 2022		
	No. of shares	% holding	% Change during the year	No. of shares	% holding	% Change during the year
Mr Anurag Gupta	2,991,201	13.15%	-0.94%	2,991,201	14.09%	1.59%
Mr Vishal Gupta	5,051,474	22.21%	-1.59%	5,051,474	23.80%	9.32%
Mr Vikas Gupta	5,073,531	22.31%	1.60%	5,073,531	23.90%	9.44%
Mrs Suresh Gupta	-	-	-	-	-	-24.17%
Mrs Neela Gupta	511,000	2.25%	-0.16%	511,000	2.41%	-0.18%
Mrs Sarika Gupta	171,016	0.75%	-0.05%	171,016	0.81%	-0.06%
Mrs Nitasha Gupta	148,959	0.65%	-0.05%	148,959	0.70%	-0.06%

**(g) Shares reserved for issue under options**

Information relating to Employee Stock Option Plan, including details of option issued, exercised and lapsed during the financial year and options outstanding as at end of the reporting period are set out in note 53.

**14 OTHER EQUITY**

Particulars	As at	
	31st March, 2023	31st March, 2022
Securities premium	23,239.38	18,509.61
Retained earnings	13,513.97	6,179.83
Other comprehensive income	101.40	104.44
Money received against share Warrants	-	37.50
Cumulative Compulsarily Convertible Debentures	-	4,069.16
Employee Stock Option reserve	470.02	206.77
Treasury share	(6.25)	-
<b>Total other equity</b>	<b>37,318.52</b>	<b>29,107.31</b>

**(a) Securities premium**

Particulars	As at	
	31st March, 2023	31st March, 2022
Opening balance	18,509.61	14,129.86
Increased during the year*	4,729.77	4,379.75
<b>Closing balance</b>	<b>23,239.38</b>	<b>18,509.61</b>

\* Refer note 13(c) for changes during the year.

**(b) Retained earnings**

Particulars	As at	
	31st March, 2023	31st March, 2022
Opening balance	6,179.83	2,927.15
Net profit for the year	7,746.86	3,741.56
Less: Dividend on Equity Component of CCCDs	(488.88)	(488.88)
Amount Transferred to Securities Premium on exercise of ESOPs	72.10	-
Adjustment of forfeiture of ESOP	4.05	-
<b>Closing balance</b>	<b>13,513.97</b>	<b>6,179.83</b>

**(c) Other comprehensive income**

Particulars	As at	
	31st March, 2023	31st March, 2022
Opening balance	104.44	57.35
Increased during the year*	(3.04)	47.09
<b>Closing balance</b>	<b>101.40</b>	<b>104.44</b>

\* Other comprehensive income is increased during the year due to actuarial gain on gratuity provision.

**(d) Money received against share warrants**

Particulars	As at	
	31st March, 2023	31st March, 2022
Opening balance	37.50	163.13
Received during the year against issue of share warrants	112.50	376.87
Converted into equity shares during the year	(150.00)	(502.50)
<b>Closing balance</b>	<b>-</b>	<b>37.50</b>

**(e) Cumulative Compulsarily Convertible Debentures (CCD)**

Particulars	As at	
	31st March, 2023	31st March, 2022
Opening balance	-	-
Equity Component of CCCDs	4,069.16	3,629.17
Dividend on equity component of CCCDs	439.99	439.99
Add : Amount received on issue of CCCDs	89.39	-
Less:- Conversion into Equity share capital	(4,598.54)	-
<b>Closing balance</b>	<b>-</b>	<b>4,069.16</b>

**(f) Employee Share Option reserve**

Particulars	As at	
	31st March, 2023	31st March, 2022
Opening balance	206.78	-
Employee stock option expenses during the year	339.40	206.78
Amount Transferred to Securities Premium on exercise of ESOPs	(72.10)	-
Adjustment of termination of ESOP	(4.05)	-
<b>Closing balance</b>	<b>470.02</b>	<b>206.78</b>

**(g) Treasury share**

Particulars	As at	
	31st March, 2023	31st March, 2022
Treasury share	(6.25)	-
<b>Closing balance</b>	<b>(6.25)</b>	<b>-</b>

**PG ELECTROPLAST LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**  
**(All Amounts are in Rupees lakhs, unless otherwise stated)**

**(i) Securities premium**

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

**(ii) Retained earnings**

Retained Earnings are profits that the Group has earned till date less transfer to other reserve, dividend or other distribution or transaction with shareholder

**(iii) Employee stock option reserve**

The stock option outstanding account is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

**(iv) Other Comprehensive Income**

Other comprehensive income is the actuarial gain/(loss) on defined benefit plans (i.e Gratuity) till the date which will not be reclassified to statement of profit and loss subsequently.

**(v) Money Received against share warrants**

It pertains to the application money received on grant of share warrants, this will be transferred to equity share and securities premium on conversion into equity share capital.

**(vi) Cumulative Compulsorily Convertible Debentures (CCCDs)**

It pertains to equity component of cumulative compulsorily convertible debentures.

**15 BORROWINGS**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Non-Current (at amortised cost)</b>		
<b>Secured</b>		
<b>Term loans</b>		
- From banks		
-Rupees Loans	25,008.18	18,657.65
- From Others *	774.55	706.54
<b>Vehicle loans</b>		
- From banks	348.70	178.11
- From Others	90.90	120.55
<b>Unsecured</b>		
-Deferred Payment against Plant and Machinery	2,059.89	1,249.92
	<u>28,282.22</u>	<u>20,912.77</u>
Less: Current maturity of long term borrowings	(5,786.26)	(3,734.29)
<b>Total non-current borrowings</b>	<u>22,495.96</u>	<u>17,178.48</u>

\* Includes interest free term loan from Uttar Pradesh Financial Corporation Rs 595.84 lakhs ( Previous year: Rs 447.94 lakhs)

**Current (at amortised cost)**

**Secured**

**Repayable on demand**

- From banks

14,161.60

9,399.63

Term & Vehicle loan from banks- Current maturity of borrowings

4,193.40

2,800.74

Term & Vehicle loan from others- Current maturity of borrowings

120.66

109.38

**Unsecured**

Deferred Payment against Plant and Machinery- Current maturity of borrowings

1,472.20

824.17

**Bill discounting**

- From banks

11,165.10

4,572.71

- From Others

643.54

3,500.00

**Total current borrowings**

31,756.50

21,206.63

As on Balance sheet date, there is no default in repayment of loan and interest.

**Changes in liabilities arising from financial activities**

	As at 1st April, 2022	Cash Flows	Fair Value Change	Foreign exchange movement	Interest Amortisation	As at 31st March, 2023
Non current borrowings (including current maturities of non current borrowings)	20,912.77	7,420.45	-	-	(50.99)	28,282.23
Current borrowings	17,472.34	8,497.90	-	-	-	25,970.24
	<u>As at 1st April, 2021</u>	<u>Cash Flows</u>	<u>Fair Value Change</u>	<u>Foreign exchange movement</u>	<u>Interest Amortisation</u>	<u>As at 31st March, 2022</u>
Non current borrowings (including current maturities of non current borrowings)	11,767.43	9,096.47	-	-	48.87	20,912.77
Current borrowings	6,562.69	10,909.65	-	-	-	17,472.34

**16 PROVISIONS**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Non-Current</b>		
Provision for employee benefits		
Gratuity (refer note 32)	282.92	230.63
Compensated absences (refer note 32)	279.18	217.03
	<u>562.10</u>	<u>447.66</u>
<b>Current</b>		
Provision for employee benefits		
Gratuity (refer note 32)	22.62	21.98
Compensated absences (refer note 32)	21.44	18.94
Provision for warranty expenses-Post Sales #	49.00	50.00
	<u>93.06</u>	<u>90.92</u>
<b>Total provisions</b>	<u>655.16</u>	<u>538.58</u>
<b># 1st April 2022</b>	50.00	-
Arising during the year	57.30	72.00
Utilised	(42.30)	(22.00)
Unused amount reversed	(16.00)	-
<b>Closing balance as on 31st March 2023</b>	<u>49.00</u>	<u>50.00</u>

**PG ELECTROPLAST LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**  
**(All Amounts are in Rupees lakhs, unless otherwise stated)**

**17 TRADE PAYABLES**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Current</b>		
Total outstanding dues of micro enterprise and small enterprise	2,967.79	1,358.05
Total outstanding dues of creditors other than micro enterprise and small enterprise	36,027.31	25,562.65
	<b>38,995.10</b>	<b>26,920.70</b>

**Trade Payable Aging Schedule**

Particulars	Less than 1 year	1-2 years	2-3 years	more than 3 years	Total
<b>As at 31st March 2023</b>					
Total outstanding dues to micro enterprises and small enterprises	2,967.79	-	-	-	2,967.79
Total outstanding dues of creditors other than micro enterprises and small enterprises	35,939.21	2.80	0.66	84.64	36,027.31
Disputed dues of micro enterprises and small enterprise	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
<b>Carrying Amount</b>	<b>38,907.00</b>	<b>2.80</b>	<b>0.66</b>	<b>84.64</b>	<b>38,995.10</b>
<b>As at 31st March 2022</b>					
Total outstanding dues to micro enterprises and small enterprises	1,358.05	-	-	-	1,358.05
Total outstanding dues of creditors other than micro enterprises and small enterprises	25,468.84	6.59	9.32	77.90	25,562.65
Disputed dues of micro enterprises and small enterprise	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
<b>Carrying Amount</b>	<b>26,826.89</b>	<b>6.59</b>	<b>9.32</b>	<b>77.90</b>	<b>26,920.70</b>

- (a) Trade Payables include due to related parties Nil (March 31, 2022:Rs.1.22 lakhs) (refer note 36)  
(b) The amounts are unsecured and non interest-bearing and are usually on varying trade term.  
(c) For terms and conditions with related parties. (refer to note 36)  
(d) Trade payables includes acceptances of Rs. 6587.74 lakhs (March 31, 2022: Rs.8313.28 lakhs)

**18 OTHER FINANCIAL LIABILITIES**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Non-Current</b>		
Security deposits	5.00	2.06
Deferred cost of Interest Free Loan	212.54	176.31
	<b>217.54</b>	<b>178.37</b>
<b>Current</b>		
Security deposits	-	-
Deferred cost of Interest Free Loan	64.59	49.84
Interest accrued and due on borrowings	177.45	167.60
Capital creditors	1,223.61	1,692.84
Expenses creditors	2,968.63	1,994.92
Employee benefits & other dues payable #	882.62	548.14
	<b>5,316.90</b>	<b>4,453.34</b>
<b>Total other financial liabilities</b>	<b>5,534.44</b>	<b>4,631.71</b>

# Other financial liability include due to related parties Rs.30.33 lakhs (31st March, 2022:Rs.25.82 lakhs) (refer note 36)

**19 OTHER CURRENT LIABILITIES**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Non-Current</b>		
Custom Duty Payable- Capital Good MOOWR	604.73	-
	<b>604.73</b>	<b>-</b>
<b>Current</b>		
Advance from customers	249.64	1,380.16
Statutory dues	3,822.69	633.67
	<b>4,072.33</b>	<b>2,013.83</b>

**20**

**LEASE LIABILITIES**

Particulars	As at 31st March, 2023	As at 31st March, 2022
<b>Non-Current</b>		
Leases (refer note 34)	3,162.21	1,339.81
	<b>3,162.21</b>	<b>1,339.81</b>
<b>Current</b>		
Leases (refer note 34)	284.24	137.37
	<b>284.24</b>	<b>137.37</b>

**PG ELECTROPLAST LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**  
**(All Amounts are in Rupees lakhs, unless otherwise stated)**

**21 REVENUE FROM OPERATIONS**

Particulars	For the year ended	
	31st March, 2023	31st March, 2022
<b>Revenue from contract with customers</b>		
Sale of products		
Manufactured goods	207,273.45	103,399.46
Trading goods	5,576.09	5,654.93
Sale of services	470.51	346.05
	<b>213,320.05</b>	<b>109,400.44</b>
<b>Other Operating Income</b>		
Sale of scrap	1,464.09	371.35
Government Incentives from States Governments	1,210.61	1,391.71
	<b>2,674.70</b>	<b>1,763.06</b>
<b>Total revenue from operations</b>	<b>215,994.75</b>	<b>111,163.50</b>
<b>i) Timing of revenue recognition</b>		
Goods transferred at a point in time	214,313.63	109,425.74
Service transferred over a period of time	470.51	346.05
Government Incentives from States Governments	1,210.61	1,391.71
<b>Total revenue from contracts with customers</b>	<b>215,994.75</b>	<b>111,163.50</b>
<b>ii) Revenue by location of customers</b>		
India	215,791.93	111,080.54
Outside India	202.82	82.96
<b>Total revenue from contracts with customers</b>	<b>215,994.75</b>	<b>111,163.50</b>
<b>iii) Reconciliation of revenue recognised in Statement of profit and loss with contracted price</b>		
Revenue as per contracted price	216,502.32	111,218.60
Less: Discount	(507.57)	(55.10)
<b>Total revenue from contracts with customers</b>	<b>215,994.75</b>	<b>111,163.50</b>

**iv) Performance Obligation**

**Sale of products:** Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on dispatch of the goods and payment is generally due as per the terms of contract with customers.

**Sales of services:** The performance obligation in respect of services is satisfied over a point of time and acceptance of the customer. Payment is generally due upon completion of service and acceptance of the customer.

**# Incentive under Electronic Policy 2016**

The Company unit located at Supa, Taluka-Paner, MIDC district Ahmednagar in Maharashtra is eligible for incentives under the Electronic Policy-2016 of Maharashtra Government and have been availing incentives in the form of Gross SGST refund for the period of January 2020 to October 2028. The Company recognises income for such government grants based on Gross SGST payable, having maximum ceiling of Rs. 618.31 lakhs p.a. in accordance with the relevant notifications issued by the State of Maharashtra.

During the year, the Company had already received an in principal approval for eligibility from the Government of Maharashtra in response to the application filed by the Company for incentive under Electronic Policy-2016 on its investment for expansion for the period from March 2017 to February 2021. Accordingly, the Company has recognised grant income amounting to Rs. 618.28 lakhs for the year ended on 31st March 2023 (pertaining to last year Rs. 1391.71 lakhs). The cumulative amount receivable in respect of the same is Rs 1712.07 (Rs. 1,391.71 lakhs as at 31st March 2022). During the year Rs 297.92 lakhs is received from Maharashtra Government for FY 2019-20, 2020-21 on provisional basis while sanctions are given for the eligible amount.

**# Incentive under IIEPP-2017**

The Company units located at Greater Noida known as Unit-1 & 3 are eligible for incentive under IIEPP-2017 of Uttar Pradesh Govt. and letter of comfort has been granted during the current financial year and have been availing incentives in the form of NET SGST refund on increased turnover over base turnover & interest subsidy on term loan taken for Plant & Machinery for the period of April 2018 to March 2023. During the year Company has recognise income amounting to Rs. 473.23 lakhs and Rs.119.10 Lakhs based on letter of comfort which receivable from PICUP, UP Government undertaking

Contract balances	As at	As at
	31st March, 2023	31st March, 2022
Trade receivables	43,787.36	21,332.74
Contract Liabilities	249.64	1,380.16

Trade receivable are non-interest bearing and are generally on terms of 30-90 days.

Contract liabilities include advances received from the customers to deliver the finished goods.

**22 OTHER INCOME**

Particulars	For the year ended	
	31st March, 2023	31st March, 2022
<b>i) Interest income</b>		
Interest income from bank deposits	128.21	79.89
Interest income from financial liabilities at amortised cost	149.62	83.97
Interest income from others*	40.28	41.66
	<b>318.11</b>	<b>205.52</b>
* Interest income from others includes Rs. 14.21 lakhs (31st March 2022: Rs 14.21 lakhs) interest on Income tax refund.		
<b>ii) Other Non operating Income</b>		
Rental income	-	-
Miscellaneous income	8.18	0.82
	<b>8.18</b>	<b>0.82</b>
<b>iii) Others</b>		
Profit on sale of property, plant and equipment	11.64	7.80
Liability no longer required written back	14.71	28.17
Gain on lease termination	0.48	0.82
Fair value gain on Investment recognised through FVTPL	1.15	4.24
Profit on (realised gain) sale of Investment	0.53	-
Refund of Electricity Duty	-	176.17
Others	83.77	8.84
	<b>112.28</b>	<b>226.04</b>
<b>Total Other Income</b>	<b>438.57</b>	<b>432.38</b>

**23 COST OF MATERIAL CONSUMED**

Particulars	For the year ended	
	31st March, 2023	31st March, 2022
Inventory at the beginning of the year (excluding goods in transit and bonded warehouse)	17,590.76	6,374.72
Add: Purchases	188,834.99	102,575.55
Less: Discount received from suppliers	(143.93)	(21.90)
Less: Cost of traded goods	(18,815.72)	(18,161.85)
Less: Stock loss due to Fire	-	(25.99)
Less: Inventory at the end of the year (excluding goods in transit and bonded warehouse)	(27,004.75)	(17,590.76)
	<b>160,461.35</b>	<b>73,149.77</b>

**PG ELECTROPLAST LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**  
**(All Amounts are in Rupees lakhs, unless otherwise stated)**

**24 PURCHASE OF TRADED GOODS**

Particulars	For the year ended	
	31st March, 2023	31st March, 2022
Purchases	18,815.72	18,161.84
	<b>18,815.72</b>	<b>18,161.84</b>

**25 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS**

Particulars	For the year ended	
	31st March, 2023	31st March, 2022
<b>Inventories at the beginning of the year:</b>		
Work-in-progress	3,005.06	1,542.57
Finished goods	2,485.78	1,040.21
<b>Total inventories at the beginning of the year</b>	<b>5,490.84</b>	<b>2,582.78</b>
<b>Inventories at the end of the year:</b>		
Work-in-progress	2,630.08	3,005.06
Finished goods	5,687.07	2,485.78
<b>Total inventories at the end of the year</b>	<b>8,317.15</b>	<b>5,490.84</b>
Total changes in inventories of finished goods and work-in-progress	<b>(2,826.31)</b>	<b>(2,908.06)</b>

**26 EMPLOYEE BENEFIT EXPENSES**

Particulars	For the year ended	
	31st March, 2023	31st March, 2022
Salaries, wages and bonus	10,820.60	6,814.64
Contribution to provident and other funds (refer note 32)	394.54	289.07
Leave encashment (refer note 32)	121.94	25.39
Gratuity expense (refer note 32)	152.19	117.19
Employee stock option scheme (refer note 33)	339.40	206.78
Staff welfare expenses	456.81	332.27
	<b>12,285.48</b>	<b>7,785.34</b>

**27 FINANCE COST**

Particulars	For the year ended	
	31st March, 2023	31st March, 2022
Interest on borrowings		
- Interest to Bank	2,476.32	1,357.69
- Interest on vehicle loan	26.17	18.00
- Other interest expense	220.48	128.47
Interest on lease liabilities (refer note 34)	182.23	12.17
Other borrowing costs		
-Discounting Charges, Processing fee	1,887.97	796.30
	<b>4,793.17</b>	<b>2,312.63</b>

**28 DEPRECIATION AND AMORTIZATION EXPENSES**

Particulars	For the year ended	
	31st March, 2023	31st March, 2022
Depreciation of property, plant and equipment (refer note 3)*	3,104.90	1,996.54
Amortisation of intangible assets (refer note 4)	24.44	15.17
Depreciation - ROU	365.73	199.56
	<b>3,495.07</b>	<b>2,211.27</b>

**29 OTHER EXPENSES**

Particulars	For the year ended	
	31st March, 2023	31st March, 2022
Consumption of store, spares & tools	2,046.66	660.44
Power and fuel	2,868.21	2,061.95
Sub-contracting expenses	491.05	473.90
Freight and forwarding charges	877.91	706.00
Rent	166.05	69.53
Rates and taxes	200.55	58.75
Insurance	229.56	161.04
Repairs and maintenance:		
Machinery	621.09	320.22
Building	126.55	59.42
Others	84.50	36.52
Travelling and conveyance **	145.56	71.57
Vehicle running & maintenance	131.00	79.94
Communication costs	22.93	14.95
Printing and stationery	31.85	23.32
Security expenses	298.68	209.65
Legal and professional fees *	328.22	355.76
Provision for doubtful debts & advances (Net)	197.00	326.07
Provision for Slow/Non moving inventories	7.33	18.01
Bad Debts written off	521.15	398.03
Reversal of provision for doubtful debts & advances	(521.15)	(398.03)
Payment to auditor (Refer details below Note-29.2)	29.41	24.58
Payment to cost auditor	5.00	3.85
Directors sitting fees	9.00	8.50
Loss on sale of property, plant and equipment	35.23	4.27
CSR Expenses	40.10	-
Late delivery charges paid to customers	12.58	4.00
Misc. Balance Written off	35.23	19.29
Miscellaneous expenses	356.51	300.41
Foreign Exchange rate fluctuation (Net)	232.56	-
Losses due to Fire-Inventory (Net)	7.91	-
Losses due to Fire-property, plant and equipments (Net)	16.30	-
	<b>9,654.52</b>	<b>6,071.91</b>

**29.1 Exceptional Items**

Foreign Exchange rate fluctuation (Net)	-	(104.47)
Losses due to Fire-Inventory (Net)	-	1.54
Losses due to Fire-property, plant and equipments (Net)	-	9.87
	<b>-</b>	<b>(93.06)</b>

**29.2 Detail of payment to statutory & tax auditors**

Audit fee	16.50	13.18
Tax audit fee	2.50	2.50
Limited review fee	10.00	8.90
For certificates / other services *	1.84	0.05
For reimbursement of expenses **	0.86	0.32
	<b>31.70</b>	<b>24.95</b>



PG ELECTROPLAST LIMITED  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023  
(All Amounts are in Rupees lakhs, unless otherwise stated)

30 EARNING PER SHARE

a) Basic Earning per share

Particulars	UOM	For the year ended	
		31st March 2023	31st March 2022
<b>Numerator for earnings per share</b>			
Profit after tax	(Rs. in lakhs)	7,746.86	3,741.56
<b>Denominator for earnings per share</b>			
Weighted average number of equity shares outstanding during the year	(Numbers)	21,649,843	20,694,492
Earnings per share- Basic (one equity share of Rs. 10/- each)		35.78	18.08

b) Diluted Earning per share

Particulars	UOM	For the year ended	
		31st March 2023	31st March 2022
<b>Numerator for earnings per share</b>			
Profit after tax	(Rs. in lakhs)	7,746.86	3,741.55
<b>Denominator for earnings per share</b>			
Weighted average number of equity shares outstanding during the year	(Numbers)	21,649,843	20,694,492
<b>Effect of dilution</b>			
Stock Options	(Numbers)	225,877	172,631
Share warrants	(Numbers)	40,054	79,483
Cumulative Compulsory Convertible Debentures	(Numbers)	1,024,348	1,026,216
Weighted average number of equity shares outstanding during the year	(Numbers)	22,940,122	21,972,821
Earnings per share- Diluted (one equity share of Rs. 10/- each)		33.77	17.03

31 INCOME TAX EXPENSES

Income tax expenses recognized in Statement of Profit and Loss:

Particulars	For the year ended	
	31st March 2023	31st March 2022
<b>Current income tax:</b>		
Current income tax charge	845.47	-
Adjustments in respect of current income tax of previous year	-	-
<b>Total current tax expense</b>	<b>845.47</b>	<b>-</b>
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	1161.99	1,162.66
Deferred tax on other comprehensive income	(0.08)	-
Total deferred tax expense recognized	1,161.91	1,162.66
<b>Income tax expenses charged in Statement of Profit &amp; Loss</b>	<b>2,007.38</b>	<b>1,162.66</b>

Reconciliation of income tax expense and the accounting profit multiplied by Group's tax rate:

Particulars	For the year ended	
	31st March 2023	31st March 2022
Accounting Profit before income tax	9,754.32	4,904.22
Applicable Income Tax rate - u/s 115BAA	17.168% to 25.168%	17.168% to 25.168%
Computed tax expenses	2,151.07	1,199.78
Corporate social responsibility	9.61	0
Capital expenditure in current during the year	1.59	3.15
Other permanent disallowances	78.29	32.00
ESOP	(90.06)	50.77
CCCD interest directly charge to reserve	(123.04)	(123.04)
Other comprehensive income	(0.08)	-
<b>Tax expenses in Statement of profit &amp; loss</b>	<b>2,007.38</b>	<b>1,162.66</b>

Deferred tax liabilities (net)

Particulars	As at	
	31st March, 2023	31st March, 2022
Opening balance as per last balance sheet	1,655.70	493.04
Deferred tax charged/(credited) to profit and loss during the year	1,161.99	1,162.66
Deferred tax on other comprehensive income	(0.08)	-
Closing Balance	<b>2,817.61</b>	<b>1,655.70</b>

Deferred tax liabilities comprises:

Deferred tax liabilities

-Difference in carrying values of property, plant & equipment and intangible assets

3,184.14

2,577.66

Deferred tax assets

-Arising on account of temporary difference

(30.82)

(103.17)

-Provision for ESOP Reserve

(118.30)

-

-Provisions of financial/other assets made in books, but tax deductible only on Actual write-off

(183.55)

(170.20)

-Carry forward losses and unabsorbed depreciation

-

(636.65)

-Others

(33.86)

(11.94)

Deferred tax liabilities (net)

**2,817.61**

**1,655.70**

Group has carried forward unabsorbed depreciation, having indefinite time period to adjust against taxable income of the group.

**PG ELECTROPLAST LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022:**  
**(All Amounts are in Rupees lakhs, unless otherwise stated)**

**32 EMPLOYEE BENEFIT PLANS:**

**A) Defined Contribution Plans:**

The Group makes contribution in the form of provident funds as considered defined contribution plans and contribution to Employees Provident Fund Organisation. The Group has no further payment obligations once the contributions have been paid. Following are the schemes covered under defined contributions plans of the Group:

**Provident Fund Plan & Employee Pension Scheme:** The Group makes monthly contributions at prescribed rates towards Employee Provident Fund and Employee Pension Scheme fund administered and managed by Ministry of Labour & Employment, Government of India.

**Employee State Insurance:** The Group makes prescribed monthly contributions towards Employees State Insurance Scheme and payment made to Employee State Insurance Corporation, Ministry of Labour & Employment, Government of India

The Group has charged the following costs in contribution to Provident and Other Funds in the Statement of Profit and Loss:

Particulars	For the year ended	
	31st March, 2023	31st March, 2022
Group's contribution to Provident Fund	342.96	246.56
Administrative charges on above fund	15.16	11.28
Group's contribution to Employee State Insurance Schem	36.11	31.08
	<b>394.23</b>	<b>288.92</b>

**B) Defined Benefit Plans:**

(i) The Group provides for gratuity obligations through a defined benefit retirement plan (the 'Gratuity Plan') covering all group employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement termination of employment or death of an employee, based on the respective employees' salary and years of employment with the Group.

(ii) **Risk exposure**

a) **Risk to the beneficiary**

The greatest risk to the beneficiary is that there are insufficient funds available to provide the promised benefits. This may be due to:

- The insufficient funds set aside, i.e. underfunding
- The insolvency of the Employer
- The holding of investments which are not matched to the liabilities
- A combination of these events

b) **Risk Parameter**

Actuarial valuation is done basis some assumptions like salary inflation, discount rate and withdrawal assumptions. In case the actual experience varies from the assumptions, fund may be insufficient to pay off the liabilities. Similarly, reduction in discount rate in subsequent future years can increase the plan's liability. Further, actual withdrawals may be lower or higher than what was assumptions the valuation, may also impact the plan's liability.

c) **Risk of illiquid Assets**

Another risk is that the funds, although sufficient, are not available when they are required to finance the benefits. This may be due to assets being locked for longer period or in illiquid assets.

d) **Risk of Benefit Change**

There may be a risk that the benefit promised is changed or is changeable within the terms of the contract

e) **Asset liability mismatching risk**

ALM risk arises due to a mismatch between assets and liabilities either due to liquidity or changes in interest rates or due to different duration

(iii) Changes in defined benefit obligation

Particulars	Gratuity		Leave Encashment	
	For the year ended		For the year ended	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Changes in present value of obligation				
Present value of obligation as at beginning of the year	526.99	478.73	235.97	310.30
Interest cost	38.36	32.60	18.43	21.13
Current service cost	133.80	97.38	111.10	78.29
Benefits paid	(25.45)	(34.05)	(57.29)	(99.72)
Remeasurement-Actuarial loss/(gain)	-	-	(7.58)	(74.03)
Remeasurement gains / (losses) recognised in other comprehensive income:				
Actuarial (gain)/ loss arising from				
-Changes in financial assumptions	(15.10)	(20.13)	-	-
-Changes in demographic assumptions	-	-	-	-
-Changes in experience adjustments	16.63	(27.54)	-	-
	<b>675.23</b>	<b>526.99</b>	<b>300.63</b>	<b>235.97</b>

(iv) Fair Value of Plan Assets

Particulars	Gratuity		Leave Encashment	
	For the year ended		For the year ended	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Fair value of plan assets at the beginning of the year	274.38	187.94	-	-
Expenses recognised in profit and loss account				
Expected return on plan assets	18.38	12.80	-	-
Actuarial gain/(loss)	-	(0.59)	-	-
Remeasurement gains / (losses) recognised in other comprehensive income:				
Contribution by employer directly settled	7.26	13.40	-	-
Contributions by employer	93.70	94.88	-	-
Benefit payments	(24.04)	(34.05)	-	-
Fair value of plan assets at the end of the year	<b>369.68</b>	<b>274.38</b>	<b>-</b>	<b>-</b>

(v) Amount recognised in Balance Sheet

Particulars	Gratuity		Leave Encashment	
	As at	As at	As at	As at
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Defined benefit obligation at the end of the year	(675.23)	(526.99)	(300.63)	(235.97)
Fair value of plan assets at the end of the year	369.68	274.38	-	-
Recognised in the balance sheet	<b>(305.55)</b>	<b>(252.61)</b>	<b>(300.63)</b>	<b>(235.97)</b>
Current portion of above	(22.62)	(21.98)	(21.44)	(18.94)
Non Current portion of above	(282.92)	(230.63)	(279.18)	(217.03)

**PG ELECTROPLAST LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022:**  
**(All Amounts are in Rupees lakhs, unless otherwise stated)**

(vi) Expense recognised in the Statement of profit & loss:

Particulars	Gratuity		Leave Encashment	
	For the year ended		For the year ended	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Current service cost	133.80	97.38	111.09	78.29
Interest expense	38.37	32.60	18.43	21.13
Interest Income on plan assets	(19.98)	(12.80)	-	-
Remeasurement-Actuarial loss/(gain)	-	-	(7.58)	(74.03)
Components of defined benefit costs recognised in profit or loss	<b>152.19</b>	<b>117.19</b>	<b>121.94</b>	<b>25.39</b>
Remeasurement on the net defined benefit liability				
Return on plan assets (excluding amount included in net interest expense)				
Actuarial (gain)/ loss arising form changes in financial assumptions	(15.10)	(19.55)	-	-
Actuarial (gain) / loss arising form changes in demographic assumptions			-	-
Actuarial (gain) / loss arising form experience adjustments	18.22	(27.54)	-	-
Components of defined benefit costs recognised in other comprehensive income	<b>3.12</b>	<b>(47.09)</b>	<b>-</b>	<b>-</b>

(vii) The significant actuarial assumptions used for the purposes of the actuarial valuation were as follows:

Particulars	Gratuity		Leave Encashment	
	As at	As at	As at	As at
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Discounting rate	7.49%	7.28%	7.49%	7.28%
Future salary growth rate	10.00%	10.00%	10.00%	10.00%
Life expectancy/ Mortality rate <sup>4</sup>	100% of IALM 2012-14	100% of IALM 2012-14	100% of IALM 2012-14	100% of IALM 2012-14
withdrawal rate	5.00%	5.00%	5.00%	5.00%
Method used	Projected unit credit	Projected unit credit	Projected unit credit	Projected unit credit
	Actuarial method	Actuarial method	Actuarial method	Actuarial method

\* Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics (i.e. IALM 2012-14 ultimate/PY-IALM 2012-14 ultimate). These assumptions translate into an average life expectancy in years at retirement age.

(viii) Sensitivity Analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is

Particulars	Gratuity		Leave Encashment	
	As at	As at	As at	As at
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Changes in liability for 0.5% increase in discount rate	(34.02)	(26.89)	(15.31)	(11.78)
Changes in liability for 0.5% decrease in discount rate	37.14	29.38	16.73	12.84
Changes in liability for 1.00% increase in salary growth rate	64.49	51.08	33.15	25.33
Changes in liability for 1.00% decrease in salary growth rate	(56.48)	(44.56)	(28.43)	(21.85)
Changes in liability for 2.00% increase in withdrawal rate	(24.90)	(20.78)	(9.84)	(7.90)
Changes in liability for 2.00% decrease in withdrawal rate	31.75	27.28	13.11	10.42

(ix) The following payments are expected contributions to the defined benefit plan in future year

Particulars	Gratuity		Leave Encashment	
	As at	As at	As at	As at
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Within next 12 months	59.36	47.80	23.05	20.32
Between 2 to 5 years	144.90	115.17	78.86	50.76
Beyond 5 years	1,692.74	1,286.00	760.04	560.54

The average duration of the defined benefit plan obligation at the end of the reporting period is 12 years (31st March 2022: 13 year).

The Plan assets are maintained with Life Insurance Corporation of India

**PG ELECTROPLAST LIMITED**  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**  
**(All Amounts are in Rupees lakhs, unless otherwise stated)**

**33 SHARE BASED PAYMENTS**

During the year 2020-21, the Company has established PG Electroplast Employee Stock Option Scheme 2020 "ESOP 2020" and the same was approved at the general meeting of the Company held on 28th February 2021. The plan was set up so as to offer and grant, for the benefit of employees of the Company, who are eligible under "Securities and Exchange Board of India" (SEBI) (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, option of the Company in one or more tranches, and on such terms and conditions as may be fixed or determined by the board, in accordance with the law or guidelines issued by the relevant authorities in this regard.

As per the plan, each option is exercisable for one equity share of face value of Rs. 10 each, at a price to be determined in accordance with ESOP 2020. ESOP information is given for the number of shares.

(i) Set out below is a summary of options granted and vested during the year under the plan:

Summary of Stock Options	31st March 2023		31st March 2022	
	Number of Stock Options	Weighted average exercise price per share option	Number of Stock Options	Weighted average exercise price per share option
Options outstanding at the beginning of the year	277,000	250	-	-
Options granted during the year	160,000	650	305,000	250
Options vested and exercised during the year	52,600	250	-	-
Options lapsed during the year	39,300	418	28,000	250
<b>Options outstanding at the end of the year</b>	<b>345,100</b>		<b>277,000</b>	

(ii) Share options outstanding at the end of the year have the following expiry dates and exercise price

Grant	Grant Date	Vesting Date	Expiry Date	Exercise Price	Fair Value	Share Option Outstanding	
						31st March 2023	31st March 2022
<b>Grant -1</b>							
Vesting 1	17th April 2021	16th April 2022	16th October 2022	250.00	137.08	-	53,400
Vesting 2	17th April 2021	16th April 2023	16th October 2023	250.00	167.03	48,800	33,400
Vesting 3	17th April 2021	16th April 2024	17th October 2024	250.00	188.28	73,200	80,100
Vesting 4	17th April 2021	16th April 2025	17th October 2025	250.00	203.34	73,200	80,100
<b>Grant -2</b>							
Vesting 1	17th July 2021	15th July 2022	15th January 2023	250.00	190.67	-	2,000
Vesting 2	17th July 2021	15th July 2023	15th January 2024	250.00	224.77	1,600	2,000
Vesting 3	17th July 2021	15th July 2024	15th January 2025	250.00	251.15	2,400	3,000
Vesting 4	17th July 2021	15th July 2025	15th January 2026	250.00	265.40	2,400	3,000
<b>Grant-3</b>							
Vesting 1	11th June 2022	10th December 2023	10th December 2023	650.00	425.29	28,700	-
Vesting 2	11th June 2022	10th December 2024	10th December 2024	650.00	512.22	28,700	-
Vesting 3	11th June 2022	10th December 2025	10th December 2025	650.00	577.97	43,050	-
Vesting 4	11th June 2022	10th December 2026	10th December 2026	650.00	627.73	43,050	-

(iii) Fair value of options granted

The fair value at grant date is determined using the Black Scholes Model as per an independent valuer's report having taken into consideration the market price being the latest available closing price prior to the date of the grant, exercise price being the price payable by the employees for exercising the option and other assumptions are as below

Tranche	Vesting	Market Price	Volatility	Average life of option	Risk free interest rate	Dividend yield rate
Grant 1	Vesting 1	319.60	67.48%	1.50	4.24%	0.00%
	Vesting 2	319.60	69.21%	2.50	4.81%	0.00%
	Vesting 3	319.60	68.62%	3.50	5.26%	0.00%
	Vesting 4	319.60	66.68%	4.50	5.63%	0.00%
Grant 2	Vesting 1	391.90	62.40%	1.50	4.24%	0.00%
	Vesting 2	391.90	67.30%	2.50	4.81%	0.00%
	Vesting 3	391.90	69.31%	3.50	5.26%	0.00%
	Vesting 4	391.90	66.09%	4.50	5.63%	0.00%
Grant 3	Vesting 1	923.70	62.65%	1.50	5.94%	0.00%
	Vesting 2	923.70	66.50%	2.50	6.47%	0.00%
	Vesting 3	923.70	68.11%	3.50	6.82%	0.00%
	Vesting 4	923.70	68.35%	4.50	7.07%	0.00%

(iv) Expense arising from share based payment transaction

Expense charged to Statement of Profit & Loss based on the fair value of options	For the year ended	
	31st March 2023	31st March 2022
	339.40	206.78
	<b>339.40</b>	<b>206.78</b>

**PG ELECTROPLAST LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**  
**(All Amounts are in Rupees lakhs, unless otherwise stated)**

**34 Leases**

- i) The Group's lease asset primarily consist of leases for land and buildings for offices and warehouses having the various lease terms. The Group also has certain leases of with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.
- ii) The carrying value of right to use assets and movement thereof are disclosed in note 3.

iii) The following is the carrying value lease liability and movement thereof;

Particulars	Amount
<b>Balance as at 1st April, 2021</b>	152.70
Addition during the year	1,469.44
Finance cost accrued during the year	74.80
Deletion during the year	(9.12)
Payment of lease liabilities including interest	(210.64)
<b>Balance as at 31st March, 2022</b>	<b>1,477.18</b>
Addition during the year	2,185.57
Finance cost accrued during the year	182.23
Deletion & elimination during the year	2.88
Payment of lease liabilities including interest	(401.41)
<b>Balance as at 31st March, 2023</b>	<b>3,446.45</b>

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Current maturity of lease liability	284.24	137.37
Non Current lease liability	3,162.21	1,339.81

iv) The maturity of lease liabilities are disclosed in note 37.

v) Amounts recognised in the statement of profit and loss during the year

Particulars	For the year ended	
	31st March 2023	31st March 2022
Depreciation charge of right-of-use assets - leasehold building	344.91	189.72
Depreciation charge of right-of-use assets - leasehold land	20.82	9.84
Finance cost accrued during the year (included in finance cost) (refer note 27)	182.23	74.80
Expense related to short term leases (included in other expense) (refer note 29)	166.05	69.53

vi) The Group has applied a single discount rate to a portfolio of leases of a similar assets in similar economic environment with similar end date.

**35 FAIR VALUE MEASUREMENT**

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

Particulars	As at		As at	
	31st March, 2023		31st March, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets at amortised cost</b>				
Fixed deposits with banks (Non Current)	458.51	458.51	476.74	476.74
Cash and bank balances	3,962.67	3,962.67	3,918.36	3,918.36
Trade receivables	43,787.36	43,787.36	21,332.74	21,332.74
Loans (current)	45.83	45.83	275.28	275.28
Other financial assets (Non Current)	536.12	536.12	360.65	360.65
Other financial assets (Current)	2,675.94	2,675.94	1,936.63	1,936.63
<b>Financial Assets at FVTPL</b>				
Investment in mutual funds	68.84	68.84	43.69	43.69
Investment in equity shares	148.80	148.80	25.33	25.33
<b>Financial liabilities at amortised cost</b>				
Borrowings (Non Current )	22,495.96	22,495.96	17,178.48	17,178.48
Borrowings (Current )	31,756.50	31,756.50	21,206.63	21,206.63
Trade Payable	38,995.10	38,995.10	26,920.70	26,920.70
Other financial liabilities (Non current)	217.54	217.54	178.37	178.37
Other financial liabilities (Current)	5,316.90	5,316.90	4,453.34	4,453.34

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current financial assets and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments

### 35.1 FAIR VALUE HIERARCHY

i) The Group uses the following hierarchy for fair value measurement of the group's financial assets and liabilities:

**Level 1:** Quoted prices/NAV (unadjusted) in active markets for identical assets and liabilities at the measurement date.

**Level 2:** Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

**Level 3:** Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

	Carrying Value 31st	Fair Value		
	March, 2023	Level 1	Level 2	Level 3
<b>Assets at fair Value</b>				
<b>Fair Value through Profit &amp; Loss</b>				
Investment in mutual funds	68.84	68.84	-	-
Investment in equity shares	148.80	-	-	148.80
<b>Fair Value through amortised cost</b>				
Loan	45.83	-	-	45.83
Trade Receivables	43,787.36	-	-	43,787.36
Other Financial Assets (Non Current)	994.63	-	-	994.63
Other Financial Assets (Current)	2,675.94	-	-	2,675.94
<b>Liability at fair Value</b>				
<b>Fair Value through amortised cost</b>				
Borrowings (Non Current)	22,495.96	-	-	22,495.96
Borrowings (Current)	31,756.50	-	-	31,756.50
Trade Payables	38,995.10	-	-	38,995.10
Other Financial Liabilities (Non Current)	217.54	-	-	217.54
Other Financial Liabilities (Current)	5,316.90	-	-	5,316.90

	Carrying Value 31st	Fair Value		
	March, 2022	Level 1	Level 2	Level 3
<b>Assets at fair Value</b>				
<b>Fair Value through Profit &amp; Loss</b>				
Investment in mutual funds	43.69	43.69	-	-
Investment in equity shares	25.33	-	-	25.33
<b>Fair Value through amortised cost</b>				
Loan	275.28	-	-	275.28
Trade Receivables	21,332.74	-	-	21,332.74
Other Financial Assets (Non Current)	837.39	-	-	837.39
Other Financial Assets (Current)	1,936.63	-	-	1,936.63
<b>Liability at fair Value</b>				
<b>Fair Value through amortised cost</b>				
Borrowings (Non Current)	17,178.48	-	-	17,178.48
Borrowings (Current)	21,206.63	-	-	21,206.63
Trade Payables	26,920.70	-	-	26,920.70
Other Financial Liabilities (Non Current)	178.37	-	-	178.37
Other Financial Liabilities (Current)	4,453.34	-	-	4,453.34

There are no transfers among levels 1, 2 and 3 during the year.

#### ii) Fair valuation techniques

The Group maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values:

- 1) Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.
- 2) Borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values.

**PG ELECTROPLAST LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**  
**(All Amounts are in Rupees lakhs, unless otherwise stated)**

**36 RELATED PARTY DISCLOSURE**

Pursuant to compliance of Indian Accounting Standard (IND AS) 24 "Related Party Disclosures", the relevant information is provided here below:

**Related Parties where control exists**

**i) Other related parties with whom transactions have taken place during the year**

**Key Management Personnel**

Mr. Vishal Gupta (Executive Director)  
 Mr. Vikas Gupta (Executive Director)  
 Mr. Anurag Gupta (Executive Director)  
 Mr. Ram Dayal Modi (Non Executive Director) w.e.f. 26.05.2021  
 Mr. Sharad Jain (Non Executive Director)  
 Dr. Rita Mohanty (Non Executive Director) till 15.05.2021  
 Mrs. Ruchika Bansal (Non Executive Director) w.e.f. 14.08.2021  
 Mr. Kishore Kumar Kaul (Non Executive Director) w.e.f. 23.12.2022  
 Mrs. Mitali Chitre (Non Executive Director) w.e.f. 02.07.2021  
 Mr. Sanchay Dubey (Company Secretary)  
 Mr. Pramod Chimmanlal Gupta (Chief Financial Officer) w.e.f. 01.02.2021  
 Mr. Raman Uberoi (Non Executive Director) w.e.f. 22.03.2023

**Relatives of Key Management Personnel**

Mrs. Sarika Gupta (Wife of Mr. Vishal Gupta)  
 Mrs. Nitasha Gupta (Wife of Mr. Vikas Gupta)  
 Mrs. Neelu Gupta (Wife of Mr. Anurag Gupta)  
 Mrs. Sudesh Gupta (Mother of Executive Directors)  
 Mr. Pranav Gupta (Son of Mr. Anurag Gupta)  
 Mr. Aditya Gupta (Son of Mr. Anurag Gupta)  
 Mrs. Kanika Gupta (Daughter in law of Mr. Anurag Gupta)  
 Mr. Vatsal Gupta (Son of Mr. Vishal Gupta)  
 Mr. Raghav Gupta (Son of Mr. Vikas Gupta)

**Enterprises in which the Key Management Personnel or relatives of them of the group are interested**

PG International (Parent Company's Directors are partner)  
 J. B. Electronics (Parent Company's Directors are partner)  
 PG Electronics (Parent Company's Directors are partner)

**ii) Key Management Personnel Compensation**

Particulars	For the Year Ended	
	31st March 2023	31st March 2022
Short-term employee benefits	476.00	441.57
Share based payments	54.57	76.14
Other Expenses, Sitting Fee and reimbursement of expenses	45.66	45.16
	<b>576.23</b>	<b>562.87</b>

**PG ELECTROPLAST LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**  
**(All Amounts are in Rupees lakhs, unless otherwise stated)**

Description	For the year ended 31st March 2023			For the year ended 31st March 2022		
	Key Management Personnel	Relative of Key Management Personnel	Others	Key Management Personnel	Relative of Key Management Personnel	Others
<b>Money received against share warrants</b>						
Mr. Vishal Gupta	-	-	-	73.13	-	-
Mr. Vikas Gupta	-	-	-	73.13	-	-
Mr. Anurag Gupta	-	-	-	73.13	-	-
<b>Issue of Equity share capital on conversion of share warrant including security premium</b>						
Mr. Vishal Gupta	-	-	-	97.50	-	-
Mr. Vikas Gupta	-	-	-	97.50	-	-
Mr. Anurag Gupta	-	-	-	97.50	-	-
<b>Other Expenses (rent paid)</b>						
Mr. Vishal Gupta	0.66	-	-	0.66	-	-
PG Electronics	-	-	0.60	-	-	0.60
<b>Remuneration</b>						
Mr. Vishal Gupta	148.81	-	-	122.90	-	-
Mr. Vikas Gupta	148.85	-	-	124.34	-	-
Mr. Anurag Gupta	99.00	-	-	94.88	-	-
Mr. Sanchay Dubey	6.34	-	-	4.74	-	-
Mr. Pramod Chimmanlal Gupta	59.61	-	-	54.63	-	-
Mrs. Sarika Gupta	-	30.87	-	-	28.30	-
Mrs. Nitasha Gupta	-	30.87	-	-	28.30	-
Mrs. Neelu Gupta	-	30.87	-	-	28.30	-
Mrs. Sudesh Gupta	-	30.87	-	-	28.30	-
Mr. Pranav Gupta	-	35.26	-	-	21.65	-
Mr. Aditya Gupta	-	24.18	-	-	9.20	-
Mrs. Kanika Gupta	-	6.25	-	-	8.60	-
Mr. Vatsal Gupta	-	18.25	-	-	9.01	-
Mr. Raghav Gupta	-	18.10	-	-	6.69	-
<b>Reimbursement of Expenses</b>						
Mr. Anurag Gupta	12.00	-	-	12.00	-	-
Mr. Vishal Gupta	12.00	-	-	12.00	-	-
Mr. Vikas Gupta	12.00	-	-	12.00	-	-
Mr. Pranav Gupta	-	5.28	-	-	4.20	-
Mr. Aditya Gupta	-	1.20	-	-	1.20	-
Mrs. Kanika Gupta	-	2.16	-	-	3.24	-
Mr. Vatsal Gupta	-	0.70	-	-	-	-
Mr. Raghav Gupta	-	0.70	-	-	-	-
<b>Shares Based Expenses</b>						
Mr. Pramod Chimmanlal Gupta	52.01	-	-	74.65	-	-
Mr. Sanchay Dubey	2.56	-	-	1.49	-	-



**PG ELECTROPLAST LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**

**(All Amounts are in Rupees lakhs, unless otherwise stated)**

<b>Director Sitting Fee</b>							
Mr. Sharad Jain	2.60	-	-	2.80	-	-	-
Mrs. Rita Mohanty	-	-	-	0.10	-	-	-
Mr. Kishore Kumar Kaul	1.50	-	-	2.50	-	-	-
Mr. Ram Dayal Modi	2.40	-	-	1.90	-	-	-
Mrs. Ruchika Bansal	2.20	-	-	1.20	-	-	-
Mr. Raman Uberoi	0.30	-	-	-	-	-	-
<b>Leave Encashment paid during the year</b>							
Mr. Vishal Gupta	5.15	-	-	14.56	-	-	-
Mr. Vikas Gupta	4.89	-	-	14.38	-	-	-
Mr. Anurag Gupta	3.34	-	-	11.15	-	-	-
Mrs. Sarika Gupta	-	1.19	-	-	3.99	-	-
Mrs. Nitasha Gupta	-	1.13	-	-	3.96	-	-
Mrs. Neelu Gupta	-	1.24	-	-	3.96	-	-
Mrs. Sudesh Gupta	-	1.13	-	-	3.96	-	-
Mr. Pranav Gupta	-	1.76	-	-	1.83	-	-
Mr. Aditya Gupta	-	0.13	-	-	-	-	-

**iv) Outstanding Balances**

Description	As at 31st March 2023			As at 31st March 2022		
	Key Managerial Personnel	Relative of Key Managerial Personnel	Others	Key Managerial Personnel	Relative of Key Managerial Personnel	Others
<b>Other Financial Liabilities</b>						
Mr. Vishal Gupta	-	-	-	0.08	-	-
<b>Trade Payable</b>						
J B Electronics	-	-	-	-	-	0.92
PG Electronics	-	-	-	-	-	0.30
<b>Remuneration Payable</b>						
Mr. Vishal Gupta	5.09	-	-	4.61	-	-
Mr. Vikas Gupta	7.41	-	-	4.64	-	-
Mr. Anurag Gupta	3.50	-	-	3.35	-	-
Mr. Sanchay Dubey	0.52	-	-	0.49	-	-
Mr. Pramod Chimmanlal Gupta	0.96	-	-	2.56	-	-
Mrs. Sarika Gupta	-	1.35	-	-	1.32	-
Mr. Vatsal Gupta	-	1.31	-	-	0.58	-
Mrs. Nitasha Gupta	-	1.70	-	-	1.32	-
Mrs. Neelu Gupta	-	1.35	-	-	2.18	-
Mrs. Sudesh Gupta	-	1.70	-	-	1.32	-
Mr. Pranav Gupta	-	2.02	-	-	1.12	-
Mr. Aditya Gupta	-	2.07	-	-	0.78	-
Mrs. Kanika Gupta	-	-	-	-	0.64	-
Mr. Raghav Gupta	-	1.35	-	-	0.74	-

**v) Terms & Conditions**

- (a) Remuneration does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for the Group as a whole. Based on the recommendation of the Nomination and remuneration committee, all decisions relating to the remuneration of the KMPs are taken by the Board of Directors of the Group, in accordance with shareholders approval, wherever necessary.
- (b) All Transactions entered with related parties defined under the Companies Act, 2013 during the year based on the terms that would be available to third parties. All other transactions were made in the ordinary course of business and at arm's length price.
- (c) All outstanding balances are unsecured and are repayable in cash.

**PG ELECTROPLAST LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022:**  
**(All Amounts are in Rupees lakhs, unless otherwise stated)**

**37 FINANCIAL RISK MANAGEMENT**

The Group's principal financial liabilities comprise borrowings, trade other payables. The main purpose of these financial liabilities is to manage finances for the Group's operations. The Group's principal financial assets comprise trade and other receivables and cash and cash equivalent that arise directly from its operations.

The Group's activities expose it mainly to market risk, liquidity risk and credit risk. The monitoring and management of such risks is undertaken by the senior management of the group and there are appropriate policies and procedures in place through which such financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. It is the Group policy not to carry out any trading in derivative for speculative purposes.

**A) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk.

**(i) Interest rate risk**

Most of the borrowings availed by the Group are subject to interest on floating rate of basis linked to the base rate or MCLR (marginal cost of funds based lending rate). In view of the fact that the total borrowings of the Group are quite substantial, the Group is exposed to interest rate risk.

The above strategy of the Group to opt for floating interest rates is helpful in declining interest scenario. Further, most of the loans and borrowings have a prepayment clause through which the loans could be prepaid with pre payment premium. The said clause helps the Group to arrange debt substitution to bring down the interest costs or to prepay the loans out of the surplus funds held. While adverse interest rate fluctuations could increase the finance cost, the total impact, in respect of borrowings on floating interest rate basi

**Interest rate sensitivity of borrowings**

With all other variable held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on floating rate portion of loans and borrowings as on date.

Currency	31st March, 2023		31st March, 2022	
	Increase/decrease in base points	Impact on profit before tax an equity	Increase/decrease in base points	Impact on profit before tax an equity
Term Loan	+0.50	(128.13)	+0.50	(96.07)
	-0.50	128.13	-0.50	96.07

**(ii) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in foreign currency). The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

The Group's exposure to foreign currency risk at the end of the reporting period expressed in Rs. are as follow

Currency	31st March, 2023		31st March, 2022	
	Foreign Currency	Indian Rupee	Foreign Currency	Indian Rupee
Financial liabilities				
Trade payables				
USD	71.40	5,881.56	103.13	7,886.41
CNY	72.33	879.56	0.43	5.10
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>143.73</b>	<b>6,761.12</b>	<b>103.56</b>	<b>7,891.51</b>

**Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arise mainly from foreign currency denominated financial instrumen

Particulars	Impact on Profit and Loss for the year ended 31st March, 2023		Impact on Profit and Loss for the year ended 31st March, 2022	
	Gain/(Loss) on appreciation	Gain/(Loss) on depreciation	Gain/(Loss) on appreciation	Gain/(Loss) on depreciation

1% appreciation / depreciation in Indian Rupees against following foreign currencies

Trade payables				
USD	(58.82)	58.82	(78.86)	78.86
CNY	(8.80)	8.80	(0.05)	0.05
	<b>(67.62)</b>	<b>67.62</b>	<b>(78.91)</b>	<b>78.91</b>

**(iii) Commodity price risk**

Commodity price risk is the risk that future cash flow of the Group will fluctuate on account of changes in market price of key raw materials. The Group is exposed to the movement in the price of key raw materials in domestic and international markets. the group has in place policies to manage exposure to fluctuation in the prices of the key raw materials used in operations.

**B) Liquidity Risk**

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price.

The Group uses liquidity forecast tools to manage its liquidity. The Group is able to organise liquidity through own funds and through working capital loans. The Group has good relationship with its lenders, as a result of which it does not experience any difficulty in arranging funds from its lenders. Table here under provides the current ratio of the Group as at the year end.

Particulars	As at	
	31st March, 2023	31st March, 2022
Total current assets	90,844.28	60,807.44
Total current liabilities	81,363.60	54,822.79
<b>Current ratio</b>	<b>1.12</b>	<b>1.11</b>

**Maturities analysis of financial liabilities**

The table below provides details regarding the contractual maturity of financial liabilities

Particulars	on demand	< 1 year	1-3 year	3-5 year	More than-5 years	Total
<b>As at 31st March 2023</b>						
Borrowings	14,161.60	17,594.91	9,996.41	7,041.98	5,457.57	54,252.46
Trade payable	-	38,995.10	-	-	-	38,995.10
Other financial liabilities	-	5,316.90	-	217.54	-	5,534.44
Lease liabilities (undiscounted)	-	550.57	1,156.85	1,097.60	1,934.76	4,739.77
	<b>14,161.60</b>	<b>62,457.47</b>	<b>11,153.26</b>	<b>8,357.11</b>	<b>7,392.33</b>	<b>103,521.77</b>

Particulars	on demand	< 1 year	1-3 year	3-5 year	More than-5 years	Total
<b>As at 31st March 2022</b>						
Borrowings	9,399.63	11,807.00	7,624.96	5,556.87	3,996.65	38,385.11
Trade payable	-	26,920.70	-	-	-	26,920.70
Other financial liabilities	-	4,453.34	-	178.37	-	4,631.71
Lease liabilities (undiscounted)	-	246.59	443.78	468.12	896.69	2,055.19
	<b>9,399.63</b>	<b>43,427.63</b>	<b>8,068.74</b>	<b>6,203.36</b>	<b>4,893.34</b>	<b>71,992.71</b>

**PG ELECTROPLAST LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**  
**(All Amounts are in Rupees lakhs, unless otherwise stated)**

**C) Credit Risk**

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Group. The Group is exposed to credit risk from its operating activities, primarily trade receivables. The credit risks in respect of deposits with the banks, foreign exchange transactions and other financial instruments are only nominal.

The customer credit risk is managed subject to the Group's established policy, procedure and controls relating to customer credit risk management. In order to contain the business risk, prior to acceptance of an order from a customer, the creditworthiness of the customer is ensured through scrutiny of its financials, if required, market reports and reference checks. The Group remains vigilant and regularly assesses the financial position of customers during execution of contracts with a view to limit risks of delays and default. Further, in most of the cases, the Group normally allow credit period of 30-90 days to all customers which vary from customer to customer except mould & dies business. In case of mould & dies business, advance payment is taken before start of execution of the order. In view of the industry practice and being in a position to prescribe the desired commercial terms, credit risks from receivables are well contained on an overall basis.

The impairment analysis is performed on each reporting period on individual basis for major customers. Some trade receivables are grouped and assessed for impairment collectively. The calculation is based on historical data of losses, current conditions and forecasts and future economic conditions. The Group's maximum exposure to credit risk at the reporting date is the carrying amount of each financial asset.

The trade receivables position is provided here below

Particulars	As at	
	31st March, 2023	31st March, 2022
Total receivables (note 5)	43,787.36	21,332.74
Receivables individually in excess of 10% of the total receivable	23,637.22	5,356.00
Percentage of above receivables to the total receivables of the Group	53.98%	25.11%

**38 SEGMENT INFORMATION**

Operating segment are defined as components of the group about which separate financial information is available that is evaluated regularly by the chief operating decision-maker, or decision-making group, in deciding how to allocate resources and in assessing performance. The Group primarily operates in one business segment- Consumer Electronic Goods and Components.

**39 CAPITAL MANAGEMENT**

For the purpose of Capital Management, Capital includes net debt and total equity of the Group. The Group manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Group is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The Group may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Particulars	As at	
	31st March, 2023	31st March, 2022
Non-current borrowings (note 15)	22,495.96	17,178.48
Current borrowings (note 15)	25,970.24	17,472.34
Current maturities of long term borrowings (note 15)	5,786.26	3,734.29
Total debts	54,252.46	38,385.11
Less: Cash and cash equivalent (note 12(a))	(866.91)	(2,385.29)
Net Debt (A)	53,385.54	35,999.83
*Total equity (note 13 & note 14) (B)	39,592.78	31,229.80
Gearing ratio (A/B)	134.84%	115.27%

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March 2023 and 31st March, 2022.

**40 CONTINGENCIES AND COMMITMENTS**

**i) Contingent Liabilities (to the extend not provided for)**

Particulars	As at	
	31st March, 2023	31st March, 2022
Claims against the group not acknowledged as debts (excluding interest & penalty)		
-Central Excise (FY 2008-09 to 2011-12)	765.73	765.73
-Anti-Dumping duty on Import	738.54	738.54
-Claims by third party	45.75	47.59
	1,550.02	1,551.86

(a) Excise department has issued show cause notice dated 22nd December, 2011 for Rs 765.73 in respect of CTV sold to ELCOT, Tamil Nadu (a Govt. of Tamil Nadu undertaking) during the period February 2009 to October 2011 for free distribution by the state Govt. to poor section of the people by paying excise duty on the basis of value determined under section 4A instead of determining the value under section 4 of the Central Excise Act, 1944. The department has the contention that sale is institutional sale & valuation based on MRP under Section 4A is not applicable to the sale to ELCOT. The appeal made by the Group was allowed by the CESTAT, New Delhi vide order dated 12th March, 2014. However, the excise department has filed the appeal with Supreme Court, which has been admitted by the Supreme Court on 5th January, 2015 by condoning the delay in filing the appeal. This matter was last time listed on 2nd January, 2017. However, the Excise department filed an Interlocutory Application seeking early hearing of the appeal on July 11, 2022. The Hon'ble Chief Justice found no merit in the Interlocutory Application and accordingly rejected the application filed.

(b) Directorate of Revenue Intelligence (DRI) had conducted a search on the factory premises of the parent company and the residence of the Promoters on 8th March 2011. The group has deposited Rs 145 lakhs as anti-dumping duty on import of CPT during the period from May 2010 to Dec 2010, which is refunded later on. A show cause notice dated 29th May 2015 has been issued on the group and raised the demand of Anti-Dumping Duty worth Rs. 738.54 lakhs along with interest and penalty. The Principal Commissioner of custom has passed an order dated 28th February 2017, confirming the demand of Rs. 738.54 lakhs along with interest & penalty. The group has filed an appeal before CESTAT, Allahabad Bench on 1st June 2017. The CESTAT vide its order dated 18th June 2019 has allowed the appeal in favour of the group and refunded the deposited amount and set aside the order passed by Principal Commissioner of customs, Noida. However, the Department has filed a Civil Appeal (No. 6544/2020) against the aforesaid Final order of CESTAT, Allahabad dated 18th June 2019. But till date no hearing was held at Hon'ble Supreme Court and no stay has been granted to the Department.

(c) NOTICE FOR RECOVERY: The Company have received a Notice under the jurisdiction of West District, Tis Hazari Court, Delhi from M/s Polyblends (India) Pvt. Ltd for recovery of outstanding amount of Rs. 43,70,501.19/- with respect to purchase of plastic raw material and plastic filled compounds. The authorised representative appeared on behalf of the Company on May 20, 2022 before the Hon'ble Court. The Hon'ble Court directed the Company to file written statements. The Company filed the written statements. The pleadings in this case are complete and issues are framed. Evidence by way of affidavits were filed on behalf of plaintiff. Preliminary Enquiry stood closed. The case was listed on February March 27, 2023 for examination of certain documents. The next date of hearing for final arguments is on July 24, 2023.

(d) NOTICE FOR RECOVERY: The Company have received a Notice under the jurisdiction of West District, Tis Hazari Court, Delhi from M/s Niyati Industries through Mr. Vijay Jain for recovery of outstanding amount of Rs. 2,04,980.39/- with respect to job work of re-enforced (Polystyrene) of plastic raw materials. The authorised representative appeared on behalf of the Company on May 12, 2022 before the Hon'ble Court and filed the written statements. Replication has been filed on behalf of the plaintiff on July 23, 2022. The pleadings in this case are complete and issues are framed. The case was listed on May 02, 2023 for examination of documents. The next date of hearing is on July 18, 2023.

**ii) Commitments**

Particulars	As at	
	31st March, 2023	31st March, 2022
Estimated amount of contracts remaining to be executed on Capital account and not provided for (Net)	530.99	1,403.55
Other Commitments*	-	74.40
	530.99	1,477.95

During the last year, Company has entered into an agreement with Solar Stream Renewable Services Private Limited to invest Rs.148.80 lakhs in tranches in the equity shares of the Company & the same has been invested during the year.

**PG ELECTROPLAST LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**

**(All Amounts are in Rupees lakhs, unless otherwise stated)**

**41 DETAILS REQUIRED UNDER SECTION 22 OF MICRO, SMALL AND MEDIUM ENTERPRISE DEVELOPMENT ACT, 2006**

Based on the intimation received by the Group from its suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the relevant information is provided here below:

Particulars	As at	As at
	31st March, 2023	31st March, 2022
The principle amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
(i) Principal Amount	2,967.79	1,358.05
(ii) Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the suppliers beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the year on delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due above are actually paid to the Small enterprise, for the purpose of disallowances of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006,	-	-

**42 CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The amount required to be spent as Corporate Social Responsibility (CSR) under Section 135 of the Companies Act, 2013 for the year ended 31st March 2023 is 38.97 Lakhs (Previous Year: Nil) i.e. 2% of average net profits for last three financial years, calculated as per Section 198 of the Companies Act, 2013.

The Group has spent ₹40.10 Lakhs on CSR Projects / initiatives during the year (Previous year: Nil), which are summarized as under:

Sl. No	No. Nature of activities	Amount spent	
		2022-2023	2021-2022
1	Rescue and timely treatment of injured and helpless Birds and animal.	10.00	-
2	Providing and encouraging medical aid and treatment of poor, people, rendering medical care and advice through Gya chetna educational society.	10.00	-
3	Education and financial assistance to the children woman of weaker section of society overall development and upliftment through Dnight wings young foundation	20.10	-

**43 STANDARD NOTIFIED BUT NOT YET EFFECTIVE**

Recent pronouncements Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statement.

**44 EVENTS AFTER BALANCE SHEET DATE**

No adjusting or significant non-adjusting events have occurred between the reporting date and date of authorization of these consolidated financial statements.

PG ELECTROPLAST LIMITED  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022  
(All Amounts are in Rupees lakhs, unless otherwise stated)

45 RECONCILIATION OF QUARTERLY BANK RETURNS-FY 2022-23

(i) Parent Company-FY 2022-23

Name of the Bank	Particulars	Quarter	Amount as per books	Amount as per reported in quarterly	Amount of Difference
State Bank of India	Inventory	31st March 2023	9,605.11	9,602.77	2.34
	Debtors	31st March 2023	8,127.24	8,082.25	44.99
	Creditors-LC creditors only)	31st March 2023	7,903.60	7,804.69	98.91
	<b>Net Total</b>	<b>31st March 2023</b>	<b>25,635.95</b>	<b>25,489.71</b>	<b>146.24</b>
	Inventory	31st December 2022	7,211.43	7,201.77	9.66
	Debtors	31st December 2022	7,023.47	6,966.21	57.26
	Creditors-LC creditors only)	31st December 2022	(5,089.57)	(4,961.91)	(127.66)
	<b>Net Total</b>	<b>31st December 2022</b>	<b>9,145.33</b>	<b>9,206.07</b>	<b>(60.74)</b>
	Inventory	30th September 2022	9,872.34	9,859.27	13.07
	Debtors	30th September 2022	11,734.37	11,723.74	10.63
	Creditors-LC creditors only)	30th September 2022	(12,372.36)	(11,994.00)	(378.36)
	<b>Net Total</b>	<b>30th September 2022</b>	<b>9,234.35</b>	<b>9,589.01</b>	<b>(354.66)</b>
HDFC Bank	Inventory	30th June 2022	7,955.63	7,955.63	-
	Debtors	30th June 2022	10,172.97	9,742.89	430.08
	Creditors-LC creditors only)	30th June 2022	(9,823.51)	(9,440.93)	(382.58)
	<b>Net Total</b>	<b>30th June 2022</b>	<b>8,305.09</b>	<b>8,257.59</b>	<b>47.50</b>
	Inventory	31st March 2023	2,843.03	2,843.03	-
	Debtors	31st March 2023	5,014.46	4,959.10	55.36
	Creditors-Trade & LC creditors	31st March 2023	(4,268.62)	(4,268.62)	-
	<b>Net Total</b>	<b>31st March 2023</b>	<b>3,588.87</b>	<b>3,533.51</b>	<b>55.36</b>
	Inventory	31st December 2022	4,765.64	4,765.64	-
	Debtors	31st December 2022	5,227.29	5,227.29	-
	Creditors-Trade & LC creditors	31st December 2022	(3,142.92)	(3,142.92)	-
	<b>Net Total</b>	<b>31st December 2022</b>	<b>6,850.01</b>	<b>6,850.01</b>	<b>-</b>
Inventory	30th September 2022	6,430.19	6,430.19	-	
Debtors	30th September 2022	2,856.73	2,856.73	-	
Creditors-Trade & LC creditors	30th September 2022	(4,751.05)	(4,751.05)	-	
<b>Net Total</b>	<b>30th September 2022</b>	<b>4,535.87</b>	<b>4,535.87</b>	<b>-</b>	
Inventory	30th June 2022	6,837.84	6,825.08	12.76	
Debtors	30th June 2022	8,273.51	6,972.46	1,301.05	
Creditors-Trade & LC creditors	30th June 2022	(9,548.56)	(9,548.56)	-	
<b>Net Total</b>	<b>30th June 2022</b>	<b>5,562.79</b>	<b>4,248.98</b>	<b>1,313.81</b>	

Note for discrepancies

- (a) The difference in inventory is due to goods in transit included in books of accounts which is not considered in DP statements filled with bank  
(b) The difference in creditors is due to Letter of credit taken in books of account on the basis of LC open with banks but in DP statements are taken on basis of acceptance  
(c) The difference in debtors is due to subsequent adjustment made in the books of account which is not considered in DP statements filled with bank

(i) Parent Company-FY 2021-22

Name of the Bank	Particulars	Quarter	Amount as per books	Amount as per reported in quarterly	Amount of Difference
State Bank of India	Inventory	31st March 2022	7,268.12	7,186.97	81.15
	Debtors	31st March 2022	10,538.68	10,538.69	(0.01)
	Creditors-LC creditors only)	31st March 2022	(2,555.87)	(2,556.00)	0.13
	<b>Net Total</b>	<b>31st March 2022</b>	<b>15,250.93</b>	<b>15,169.65</b>	<b>81.28</b>
	Inventory	31st December 2021	5,813.38	5,838.98	(25.60)
	Debtors	31st December 2021	8,985.99	8,985.99	0.00
	Creditors-LC creditors only)	31st December 2021	(1,988.01)	(1,241.00)	(747.01)
	<b>Net Total</b>	<b>31st December 2021</b>	<b>12,811.36</b>	<b>13,583.96</b>	<b>(772.60)</b>
	Inventory	30th September 2021	6,125.00	6,065.33	59.67
	Debtors	30th September 2021	7,608.39	7,608.39	(0.00)
	Creditors-LC creditors only)	30th September 2021	(1,872.70)	(1,266.00)	(606.70)
	<b>Net Total</b>	<b>30th September 2021</b>	<b>11,860.68</b>	<b>12,407.72</b>	<b>(547.03)</b>
HDFC Bank	Inventory	30th June 2021	4,216.34	4,174.91	41.43
	Debtors	30th June 2021	4,360.22	4,386.14	(25.92)
	Creditors-LC creditors only)	30th June 2021	(1,678.20)	(1,221.00)	(457.20)
	<b>Net Total</b>	<b>30th June 2021</b>	<b>6,898.36</b>	<b>7,340.05</b>	<b>(441.69)</b>
	Inventory	31st March 2022	13,074.91	12,560.15	514.76
	Debtors	31st March 2022	6,754.04	6,754.04	-
	Creditors-Trade & LC creditors	31st March 2022	(11,070.84)	(11,070.84)	-
	<b>Net Total</b>	<b>31st March 2022</b>	<b>8,758.11</b>	<b>8,243.35</b>	<b>514.76</b>
	Inventory	31st December 2021	9,817.62	9,553.49	264.13
	Debtors	31st December 2021	7,596.88	7,596.68	0.20
	Creditors-Trade & LC creditors	31st December 2021	(10,932.30)	(10,024.22)	(908.08)
	<b>Net Total</b>	<b>31st December 2021</b>	<b>6,482.20</b>	<b>7,125.95</b>	<b>(643.75)</b>
Inventory	30th September 2021	4,712.11	4,625.84	86.26	
Debtors	30th September 2021	3,772.24	3,772.24	-	
Creditors-Trade & LC creditors	30th September 2021	(3,117.41)	(2,992.55)	(124.85)	
<b>Net Total</b>	<b>30th September 2021</b>	<b>5,366.93</b>	<b>5,405.52</b>	<b>(38.59)</b>	
Inventory	30th June 2021	4,556.09	4,562.70	(6.61)	
Debtors	30th June 2021	2,610.07	2,610.08	(0.01)	
Creditors-Trade & LC creditors	30th June 2021	(2,600.91)	(2,596.11)	(4.80)	
<b>Net Total</b>	<b>30th June 2021</b>	<b>4,565.25</b>	<b>4,576.66</b>	<b>(11.42)</b>	

Note for discrepancies

- (a) The difference in inventory is due to goods in transit included in books of accounts which is not considered in DP statements filled with bank  
(b) The difference in creditors is due to Letter of credit taken in books of account on the basis of LC open with banks but in DP statements are taken on basis of acceptance  
(c) The difference in debtors is due to subsequent adjustment made in the books of account which is not considered in DP statements filled with bank

PG ELECTROPLAST LIMITED  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021  
(All Amounts are in Rupees lakhs, unless otherwise stated)

(ii). Subsidiaries Company-FY 2022-23

Name of the Bank	Particulars	Quarter	Amount as per books	Amount as per reported in quarterly	Amount of Difference
HDFC Bank	Inventory	31st March 2023	23,028.56	23,028.56	-
	Debtors	31st March 2023	30,774.64	30,746.01	28.63
	Creditors-Trade & LC creditors	31st March 2023	26,951.84	26,951.84	-
	<b>Net Total</b>	<b>31st March 2023</b>	<b>80,755.04</b>	<b>80,726.41</b>	<b>28.63</b>
	Inventory	31st December 2022	22,885.61	22,839.06	46.55
	Debtors	31st December 2022	13,473.02	13,466.62	6.40
	Creditors-Trade & LC creditors	31st December 2022	(20,474.85)	(20,474.85)	-
	<b>Net Total</b>	<b>31st December 2022</b>	<b>15,883.78</b>	<b>15,830.83</b>	<b>52.95</b>
	Inventory	30th September 2022	12,954.19	12,950.18	4.01
	Debtors	30th September 2022	2,741.53	2,741.53	-
	Creditors-Trade & LC creditors	30th September 2022	(5,203.49)	(5,203.49)	-
	<b>Net Total</b>	<b>30th September 2022</b>	<b>10,492.23</b>	<b>10,488.22</b>	<b>4.01</b>
	Inventory	30th June 2022	8,828.84	8,827.68	1.16
Debtors	30th June 2022	5,628.00	4,942.37	685.63	
Creditors-Trade & LC creditors	30th June 2022	(11,646.51)	(11,647.28)	0.77	
<b>Net Total</b>	<b>30th June 2022</b>	<b>2,810.33</b>	<b>2,122.77</b>	<b>687.56</b>	

Note for discrepancies

(a) The difference in inventory is due to goods in transit included in books of accounts which is not considered in DP statements filled with bankers.

(b) The difference in debtors is due to amount receivable from group company which is not considered in DP statements filled with bankers.

(ii). Subsidiaries Company-FY 2021-22

Name of the Bank	Particulars	Quarter	Amount as per books	Amount as per reported in quarterly	Amount of Difference
HDFC Bank	Inventory	31st March 2022	8,301.88	8,114.20	187.68
	Debtors	31st March 2022	5,502.96	5,502.96	-
	Creditors-Trade & LC creditors	31st March 2022	8,619.79	8,619.79	-
	<b>Net Total</b>	<b>31st March 2022</b>	<b>22,424.64</b>	<b>22,236.96</b>	<b>187.68</b>
	Inventory	31st December 2021	3,309.92	3,286.78	23.15
	Debtors	31st December 2021	1,997.79	1,997.79	-
	Creditors-Trade & LC creditors	31st December 2021	3,605.61	3,605.96	(0.36)
	<b>Net Total</b>	<b>31st December 2021</b>	<b>8,913.31</b>	<b>8,890.53</b>	<b>22.79</b>

Note for discrepancies

(a) The difference in inventory is due to goods in transit included in books of accounts which is not considered in DP statements filled with bankers.

**PG ELECTROPLAST LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**  
**(All Amounts are in Rupees lakhs, unless otherwise stated)**

**A. Term Loan**

Sr. No.	Bank Name	Type of loan	As at 31st March 2023		As at 31st March 2022		Term of Repayments	Security
			Non-Current	Current	Non-Current	Current		
<b>Secured- From Banks</b>								
1	State Bank of India	Term loan	-	-	-	39.00		(i). Hypothecation of P&M, Prefabricated building and other utilities acquired out of banks finance & Personal guarantee of promoter directors i.e Mr.Anurag Gupta, Mr.Vishal Gupta and Mr.Vikas Gupta. (ii). Collateral Security: Factory Land and Building situated at Plot no- P-4/2 . 4/5, Plot No E-14 & E-15, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of Company and Building situated at Khasra No 268 & 275, Village Raipur, Roorkee, Haridwar, Uttarakhand, and factory land which is in the name of M/s PG Electronics and Mr. Vishal Gupta. (iii). Corporate Guarantee of PG Electronics (Partnership Firm)
2	State Bank of India	Term loan	229.99	450.00	679.99	390.00	06 monthly installments of Rs. 35 lakhs from April 2023 to Sept. 2023, 11 monthly installments of Rs. 40 lakhs from October-August 2024 and balance in September 2024.	(i). Hypothecation of P&M, factory land situated at P-4/6 and F-20, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of the Company & Personal guarantee of promoter directors i.e Mr.Anurag Gupta, Mr.Vishal Gupta and Mr.Vikas Gupta. (ii). Collateral Security: Factory Land and Building situated at Plot no- P-4/2 . 4/5, Plot No E-14 & E-15, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of Company and Building situated at Khasra No 268 & 275, Village Raipur, Roorkee, Haridwar, Uttarakhand, and factory land which is in the name of M/s PG Electronics and Mr. Vishal Gupta. (iii). Corporate Guarantee of PG Electronics (Partnership Firm)
3	State Bank of India	Term loan	776.81	216.00	992.81	216.00	55 monthly installments of Rs.18 lakhs from April 2023 to October 2027 and balance in November 2027. Monthly interest is being charged at the end of each month.	(i). Hypothecation of P&M, factory land & building situated at Khasra no 268 & 275,Raipur, Bhagwanpur, Roorkee, P-4/2 to 4/6 and E-14 & E-15, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of the Company & Personal guarantee of promoter directors i.e Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta. (ii). Collateral Security: Factory Land and Building situated at Plot no- P-4/2 . 4/5, Plot No E-14 & E-15, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of Company and Building situated at Khasra No 268 & 275, Village Raipur, Roorkee, Haridwar, Uttarakhand, and factory land which is in the name of M/s PG Electronics and Mr. Vishal Gupta. (iii). Corporate Guarantee of PG Electronics (Partnership Firm)
4	State Bank of India	GECL*2	381.14	221.00	602.52	221.00	56 monthly installments of Rs. 18.42 lakhs from April 2023 to November 2027 and balance in December 2027.	Collateral free Guaranteed Emergency Credit Line (GECL), which is fully guaranteed by National Credit Gurantee Trustee Company Limited (NCGTC). Secured by extention of second ranking charge over existing primary and collateral securities including mortgages created in favour of the State Bank of India.
5	State Bank of India	GECL*3	395.96	46.04	442.00	-	48 monthly installments of Rs. 9.20 lakhs from November 2023 to October 2027 and balance in December 2027.	Personal Guarantee are also given by promoter directors i.e. Mr.Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta.

**PG ELECTROPLAST LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**  
**(All Amounts are in Rupees lakhs, unless otherwise stated)**

6	State Bank of India	Term loan-New	1,775.27	137.74	-	-	78 monthly installments of Rs.36 lakhs from Oct 2023 to March 2030 and balance in 6 monthly installments of Rs.32 lakhs from April 2030 to Sept 2030. Installments including undisbursed portion of term loan of Rs 1087 lakhs. Monthly interest is being charged at the end of each month.	i). Secured by way of hypothecation of entire current assets including raw material, work-in-progress, finished goods, Book debts, advance payments, stock in transit, other current assets, cash margins of Unit 1 at Greater Noida, 2 at Roorkee & 3 at Greater Noida of the Company. (ii). Collateral Security : Factory Land and Building situated at Plot no- P-4/2 - 4/6 and Plot No E-14 & E-15, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of Company and Building situated at Khasra No 268 & 275, Village Raipur, Roorkee, Haridwar, Uttarakhand, factory land which is in the name of M/s PG Electronics and Mr. Vishal Gupta.
7	HDFC Bank	Term loan	1,344.00	617.66	1,961.67	628.80	(i).Rs.639.82 lakhs, repayable in monthly installments of Rs. 20.34 lakhs from April 2023 to December 2024 and Rs. 30.52 lakhs from January 2025 to May 2025 and balance amount in June 2025. (ii). Rs.464.36 lakhs, repayable in monthly installments from April 2023 to July 2027 and remaining amount in November 2027. (iii).Rs.857.48 lakhs, repayable in monthly installments of Rs. 20.54 lakhs from April 2023 to June 2026 and balance in July 2026. Monthly interest is being charged at the end of each month.	Secured by way of exclusive charge over land, Building, at I-26 & I-27, Site-C, UPSIDC Industrial Area, Surajpur Greater Noida, U.P. (Unit 5) and land, Building, at A-20/2, MIDC Supa, District- Ahmendnagar Maharashtra (Unit 4). Term loan are also secured by way of exclusive charge on plant and machinery situated at Unit 5 of Greater Noida and specific plant & machinery generated out of the term loan, situated at Unit 4 of Ahmednagar, Maharashtra. Personal Guarantee are also given by promoter directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta.
8	HDFC Bank	Term loan	4,828.04	742.77	5,570.81	371.39	Repayable in 42 monthly instalments of Rs 61.89 lakhs in the month of April 2023 to September 2026 and 36 monthly installments of Rs 82.53 lakhs from October 2026 to September 2029.	Secured by way of 1st Parri Passu charge over land, Building, at A-18, Village Supa, Taluka-Parner, Distt.-Ahmednagar, Maharashtra-414302 measuring 40011 Sq.mete. Term loan are also secured by way of 1st Parri Passu charge on plant and machinery situated at Unit-1 at Greater Noida Extention, UP, Unit-2 at Supa, Ahmednagar. Personal Guarantee are also given by directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta. PDC cheque of total sanctioned loan amount. Corporate Guarantee of PG Electroplast Ltd is also given
9	HDFC Bank	Term loan	6,500.00	500.00	-	-	Repayable in 84 monthly instalments of Rs 83.34 lakhs in the month of Oct 2023 to September 2030	Secured by way of 1st Parri Passu charge over land, Building, at A-18, Village Supa, Taluka-Parner, Distt.-Ahmednagar, Maharashtra-414302 measuring 40011 Sq.mete. Term loan are also secured by way of 1st Parri Passu charge on plant and machinery situated at Unit-1 at Greater Noida Extention, UP, Unit-2 at Supa, Ahmednagar. Personal Guarantee are also given by directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta. PDC cheque of total sanctioned loan amount. Corporate Guarantee of PG
10	HDFC Bank	Moratorium Loan Covid -19 converted from existing loans	71.82	-	71.80	1.01	Repayable in month of June 2025, June 2026 and November 2027.	Moratorium Loan Covid -19 of deferment of existing term loans at Sr. no 7 & interest amount was granted as per Covid -19 Panedemic Relief by RBI.
11	HDFC Bank	ECGLC-02	1,000.00	500.00	1,500.00	500.00	Repayable in 36 monthly installments of Rs.41.67 lakh from April 2023 to March 2026. Monthly Interest is being charged at the end of the each month.	
12	HDFC Bank	ECGLC-03	850.67	77.33	928.00	-	Repayable in 48 monthly installments of Rs. 19.33 lakh from December 2023 to November 2027. Monthly Interest is being charged at the end of the each month.	Secured by extention of second ranking charge over existing primary and collateral securities including mortgages created in favour of the Bank. Personal Guarantee are also given by promoter directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta.



**PG ELECTROPLAST LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**  
**(All Amounts are in Rupees lakhs, unless otherwise stated)**

13 ICICI Bank	Term loan	770.83	250.00	1,020.83	250.00	Repayable in 49 monthly installments of Rs. 20.83 lakh from April 2023 to April 2027 along with interest.	First Pari Passu charge on all current assets of Unit-4 of PG Electroplast Limited Guaranteed by promoter directors i.e Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta .
14 ICICI Bank	Term loan	1,645.60	249.60	1,895.20	104.80	Repayable in 43 monthly instalments of Rs 20.80 lakhs in the month of April 2023 to October 2026 and 36 monthly installments of Rs 27.80 lakhs from November 2026 to October 2029. Monthly Interest is being charged at the end of the month.	Secured by way of 1st Pari Passu charge over land, Building, at A-18, Village Supa, Taluka-Parner, Distt.-Ahmednagar, Maharashtra-414302 measuring 40011 Sq.mete. Term loan are also secured by way of 1st Pari Passu charge on plant and machinery situated at Unit-1 at Greater Noida Extention, UP, Unit-2 at Supa, Ahmednagar. Personal Guarantee are also given by directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta. PDC cheque of total sanctioned loan amount. Corporate Guarantee of PG Electroplast Ltd is also given
15 Yes Bank	Term loan	376.16	53.74	270.00	-	Repayable in 48 monthly instalments of Rs.4.48 lakhs from April 2023 to March 2027 and 36 monthly installments of Rs.5.97 lakhs from April 2027 to March 2030. Monthly Interest is being charged at the end of the month.	Secured by way of exclusive charge by way of hypothecation on entire existing and future specific assets which are procured out of term loan taken from Yes Bank. Personal Guarantee are also given by directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta. PDC cheque of total sanctioned loan amount. Corporate Guarantee of PG Electroplast Ltd is also given
16 HDFC Bank	Vehicle loan	1.54	5.86	7.40	5.43	Repayment in 15 EMIs	
17 HDFC Bank	Vehicle loan	151.39	79.21	27.62	14.63	Repayment in the range of 20-38 EMIs	
18 ICICI Bank	Vehicle loan	13.67	5.72	-	0.67	Repayment in 37 EMIs	
19 ICICI Bank	Vehicle loan	19.07	13.63	5.74	2.55	Repayment in range of 24- 37 EMIs	
20 Axis Bank	Vehicle loan	31.51	27.09	58.60	51.63	Repayment in EMIs ranging from 01 to 21 months	Secured by hypothecation of vehicle acquired under the respective vehicle loan.
21 Yes Bank	Vehicle loan	-	-	-	3.84	Nil	
		<b>21,163.49</b>	<b>4,193.39</b>	<b>16,035.01</b>	<b>2,800.74</b>		

**PG ELECTROPLAST LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**  
**(All Amounts are in Rupees lakhs, unless otherwise stated)**

**Secured- From Others**

1	Tata Capital Financial Services Limited	Loan against plant	90.01	88.70	178.87	79.72	Repayable in 23 monthly installments from April 2023 to February 2025.	1st Charge on machineries purchased from the term loan. Guaranteed by promoter directors i.e Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta .
2	Uttar Pradesh Financial Corporation Ltd	Interest Free Term l	595.84	-	447.94	-	Repayable in lumpsum after 7 years from the date of disbursement without any interest.	Bank Guarantee of 100% value of loan was issued by State bank of india, Noida in favour of lender for entire period of 7 years plus 6 months delay period interest @ 15% p.a.in case of non payment on due date. Guaranteed by promoter directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta.
3	Vehicle loan from Sundaram Vehicle Finance Limited		31.22	16.93	48.15	15.71	Repayable in 32 Nos EMIs	Secured by hypothecation of vehicle acquired under the respective vehicle loan.
4	Vehicle loan from Sundaram Vehicle loan		27.72	15.03	42.75	13.94	Repayment in 32 EMIs	Secured by hypothecation of vehicle acquired under the respective vehicle loan.
			<b>744.80</b>	<b>120.66</b>	<b>717.72</b>	<b>109.38</b>		

**Unsecured- Deferred payments**

1	Deferred Payment against P&M Haitian Huayuan Machinery Deferred Payment India Pvt Ltd.		43.83	161.10	17.88	159.86	Repayable in the range of 9 to 20 monthly installment from April 2023 to November 2024.	
	Haitian Huayuan Machinery Deferred Payment India Pvt Ltd.		343.44	668.57	151.91	233.47	Repay able in range of 20 monthly instalments	
	Haitian Huayuan (Hongkong) Limited	Deferred Payment	50.72	163.81	24.68	94.70	Repayable in monthly & quaterly installments.Rs 26.04 lacs repayable in 2 quaterly installments & Rs 188.49 lacs repayable in 16 monthly installments	Not Applicable
	Haitian Huayuan (Hongkong) Limited	Deferred Payment	149.69	478.72	231.29	336.13	Repay able in range of 20 monthly instalments	
			<b>587.69</b>	<b>1,472.20</b>	<b>425.75</b>	<b>824.17</b>		

**B. Repayable on demand**

Sr. No.	Bank Name	Type of loan	As at 31st March 2023		As at 31st March 2022		Term of Repayments	Security
			Non-Current	Current	Non-Current	Current		
<b>Secured- From Banks</b>								
1	State Bank of India	Cash Credit Limit	-	1,660.76	-	2,350.85	Repayable on demand	(i). Secured by way of hypothecation of entire current assets including raw material, work-in-progress, finished goods, Book debts, advance payments, stock in transit, other current assets, cash margins of Unit 1 at Greater Noida, 2 at Roorkee & 3 at Greater Noida of the Company (ii). Collateral Security : Factory Land and Building situated at Plot no-P-4/2-4/6 and Plot No E-14 & E-15, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of Company and Building situated at Khasra No 268 & 275, Village Raipur, Roorkee, Haridwar, Uttarakhnad, factory land which is in the name of M/s PG Electronics and Mr. Vishal Gupta. (iii). Secured by Personal Guarantee of promoter directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta and Corporate Guarantee of M/s PG Electronics. (iv). Factory land and building of Plot no F-20, Site, B, UPSIDC Industrial Area, Surajpur, Greater Noida, District Gautam Budh Nagar is the prime security. (v). Hypothecation of all fixed assets except land & building and specified machinery charged under term loans of Unit-1, 2 & 3.

**PG ELECTROPLAST LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**  
**(All Amounts are in Rupees lakhs, unless otherwise stated)**

2	State Bank of India	Working Capital Demand Loan	-	-	-	1,000.00	Repayable on demand	
3	State Bank of India	Overdraft	-	15.81	-	2.67	Repayable on demand	Secured against term deposits. (ii). Secured by way of hypothecation of entire current assets present and future of Unit 4 & 5 of the Company i.e. PG Electroplast Limited and First PP Charge on Current assets of Unit-4 with ICICI Bank for working capital demand loan. (iii). Secured by Personal Guarantee of promoter directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta.
4	HDFC Bank	Cash Credit Limit	-	670.83	-	1,278.14	Repayable on demand	
5	HDFC Bank	Working Capital Demand Loan	-	1,500.00	-	2,000.00	Repayable on demand	Secured against term deposits.
6	State Bank of India	Overdraft	-	3.33	-	44.67	Repayable on demand	
7	State Bank of India	Cash Credit Limit	-	1,622.00	-	-	Repayable on demand	
8	ICICI Bank	Cash Credit Limit	-	42.95	-	792.93	Repayable on demand	
9	HDFC Bank	Cash Credit Limit	-	1,362.03	-	1,430.37	Repayable on demand	Secured by way of hypothecation of entire current assets present and future of the company i.e. PG Technoplast Private Limited (PGTL) and 2nd Parri Passu charge on plant & machinery of unit 1 at Greater Noida extension UP, Unit-2 of PGTL at Supa Ahmednagar, Maharashtra. 2nd Parri passu charge of all banks on Factory land & building situated at A-18, MIDC Supa Distt: Ahmednagar, maharashtra of PGTL. Personal Guarantee are also given by directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta. PDC cheque of total sanctioned loan amount. Corporate Gurantee of PG Electroplast Ltd is also given.
10	HDFC Bank	Working Capital Demand Loan	-	3,470.00	-	-	Repayable on demand	
11	Yes Bank	Working Capital Demand Loan	-	3,500.00	-	500.00	Repayable on demand	
12	Yes Bank	Cash Credit Limit	-	313.88	-	-	Repayable on demand	
			-	<b>14,161.60</b>	-	<b>9,399.63</b>		
	<b>Unsecured- From Banks</b>							
1	HDFC Bank	Bill Discounting	-	1,289.68	-	4,025.29	Repayable on due date	I.Exclusive charge on specified receivables discounted. II. Secured by personal guarantee of promoter directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta & PDC cheque for whole facility.
2	ICICI Bank	Bill Discounting	-	9,875.42	-	547.42	Repayable on due date	I.Exclusive charge on specified receivables discounted. II. Secured by personal guarantee of promoter directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta & PDC cheque for whole facility.
3	Bajaj Finance Limited	Bill Discounting	-	643.54	-	3,500.00	Repayable on due date	I.Exclusive charge on specified receivables discounted. II.Sales invoice discounting of supplies to Whirlpool & Voltas Limited. III.Secured by personal guarantee of promoter directors i.e. Mr. Anurag Gupta Mr. Vishal Gupta & Mr. Vikas Gupta & PDC cheque for whole facility.
			-	<b>11,808.64</b>	-	<b>8,072.71</b>		

**PG ELECTROPLAST LIMITED**  
**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023**  
**(All Amounts are in Rupees lakhs, unless otherwise stated)**

**46 OTHER STATUTORY INFORMATION**

- i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- ii) The Group does not have any transactions with companies struck off Company.
- iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- v) The Group is not a declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended 31 March 2022 and 31 March 2021.
- vi) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- viii) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

**47 GROUP INFORMATION**

The Consolidated financial statement of the group includes entities as mentioned below:

S No.	Name of entity	Country of Incorporation	Nature	Ownership interest held by the group	Year Ended	Net Assets i.e total assets minus total liabilities		Share in profit and loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
						As % of consolidated net assets	Amount (Rs. In lakhs)	As % of consolidated net assets	Amount (Rs. In lakhs)	As % of consolidated net assets	Amount (Rs. In lakhs)	As % of consolidated net assets	Amount (Rs. In lakhs)
<b>(I) Parent</b>													
	PG Electroplast Limited	India	Parent Company		31st March 2023	90.55%	35,851.87	57.06%	4,419.98	-140.79%	4.28	57.13%	4,424.26
					31st March 2022	98.63%	30,802.20	88.11%	3,296.78	135.95%	64.02	88.71%	3,360.80
<b>(II) Subsidiaries having no non-controlling interest</b>													
	PG Technoplast Private Limit India		Wholly owned subsidiary		100.00% 31st March 2023	28.85%	11,423.48	43.09%	3,338.03	240.79%	(7.32)	43.01%	3,330.71
					100.00% 31st March 2022	25.62%	8,000.57	13.37%	500.22	-35.95%	(16.93)	12.76%	483.30
	PG Plastronics Private Limite India		Wholly owned subsidiary		100.00% 31st March 2023	0.00%	0.65	-0.01%	(0.76)	0.00%	-	-0.01%	(0.76)
					100.00% 31st March 2022	0.00%	(0.60)	-0.02%	(0.60)	0.00%	-	-0.02%	(0.60)
	PG Electroplast Limited Employees Welfare Trust		Controlled Entit		100.00% 31st March 2023	0.00%	(0.24)	0.00%	(0.25)	-	-	0.00	(0.25)
					100.00% 31st March 2022	-	-	-	-	-	-	-	-
	Elimination on Consolidation				31st March 2023	-19.40%	(7,682.97)	-0.13%	(10.14)	0.00%	-	-0.13%	(10.14)
					31st March 2022	-24.25%	(7,572.37)	-1.47%	(54.87)	0.00%	-	-1.45%	(54.87)
	<b>Total - 31st March 2023</b>					<b>100.00%</b>	<b>39,592.78</b>	<b>100.00%</b>	<b>7,746.86</b>	<b>100.00%</b>	<b>(3.04)</b>	<b>100.00%</b>	<b>7,743.82</b>
	<b>Total - 31st March 2022</b>					<b>100.00%</b>	<b>31,229.80</b>	<b>100.00%</b>	<b>3,741.54</b>	<b>100.00%</b>	<b>47.09</b>	<b>100.00%</b>	<b>3,788.63</b>

48 Previous year figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As Per Our Report of Even Date Attached  
For S.S.Kothari Mehta & Company  
Chartered Accountants  
Firm Registration No. 000756N

For and on behalf of Board of Directors  
PG Electroplast Ltd

Amit Goel  
Partner  
M. No. 500607

Anurag Gupta  
Chairman & Executive Director  
DIN-00184361

Vishal Gupta  
Managing Director - Finance  
DIN-00184809

Place: Greater Noida, U.P.  
Dated: 26th May, 2023

Sanchay Dubey  
Company Secretary  
ACS No: A51305

Promod C Gupta  
Chief Financial Officer

# Independent Auditor’s Report

To  
The Members of  
**PG Electroplast Limited**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of PG Electroplast Limited (hereinafter referred to as “the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) comprising the consolidated balance sheet as at March 31, 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of

Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in ‘Other Matters’ paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in Auditor’s responsibilities for the audit of consolidated financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Components	Key Audit Matters	How are audit addressed the key audit matters
<b>Holding and Subsidiary Company (PG Technoplast Limited)</b>	<b>Revenue Recognition</b> Revenue from the sale of goods (hereinafter referred to as “Revenue”) is recognized when the Company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer.	<b>Our procedures included;</b> <ul style="list-style-type: none"> <li>Evaluating the integrity of the general information and technology control environment and testing the operating effectiveness of key IT application controls.</li> <li>Evaluating the design and implementation of Company’s controls in respect of revenue recognition.</li> <li>Testing the effectiveness of such controls over revenue cut off at year-end.</li> <li>Testing the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end, including examination of credit notes issued after the year end to determine whether revenue was recognized in the correct period.</li> </ul>

Components	Key Audit Matters	How are audit addressed the key audit matters
	The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred.	<ul style="list-style-type: none"> <li>Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing.</li> <li>Assessing the appropriateness of the Company's revenue recognition accounting policies in line with IND AS 115 ("Revenue from Contracts with Customers") and testing thereof.</li> </ul>
<b>Holding Company</b>	<p><b>Accounting for Government Grants</b></p> <p>The Company has various grants and subsidies receivable from the State Governments of respective plant locations.</p>	<p>Our audit procedures included, amongst others:</p> <ol style="list-style-type: none"> <li>We examine that the recognition of grants / subsidies is in accordance with IND AS 20 by making a reference to the conditions for such grants in the scheme documents of the respective state Governments and checking the due evidence of fulfillment of such conditions by the Company.</li> <li>We verifying the correspondence between the Company and relevant Government authorities to assess the recoverability of grants / subsidies already recognized</li> </ol>
<b>Subsidiary Company</b>	<p><b>Capitalization and useful life of Property, Plant &amp; Equipment</b></p> <p>During the year ended March 31, 2022, the subsidiary Company has incurred capital expenditure on project included in capital work in progress. Items of property, plant and equipment (PPE) that are ready for its intended use as determined by the management have been capitalized in the current year.</p> <p>Judgement is involved to determine that the aforesaid capitalization meet the recognition requirement under Ind AS. specifically in relation to determination of whether the criteria for intended use has been met. Further, the Company has assessed the useful life of its PPE. Assessment of useful life of plant and machinery involves management judgement, technical assessment, anticipated technological changes etc.</p>	<p>The audit procedures applied by the component auditor of the component included and were not limited to the following:</p> <ul style="list-style-type: none"> <li>Examined the management assessment of the assumptions considered in estimation of useful life.</li> <li>Examined the technical evaluation by third party specialist appointed by management.</li> <li>Assessed the nature of the additions made to PPE, intangible assets, capital work-in-progress and intangible asset under development on a test check basis to test whether they meet the recognition criteria of Ind AS 16- Property, Plant and Equipment, including intended use of management.</li> </ul>

## Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditor as furnished to us, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Management's and Board of Directors' Responsibility for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and

maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated financial statements made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matters**

- a) We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of 34,703 lakhs as at March 31, 2022, total revenues of 19,729 lakhs and net cash outflows of

985 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the audit report of the other auditor.

- b) The audit of the consolidated financial statements of the Company for the year ended March 31, 2021, was carried out and reported by Chitresh Gupta & Associates, Chartered Accountants, having firm registration no. 017079N, who has expressed an unmodified opinion on those financial statements/financial result vide their report dated June 05, 2021.

Our opinion on the consolidated financial statements is not modified in respect of above matters.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 (the 'Order' or 'CARO'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiaries incorporated in India, there are no matters which require reporting as specified in paragraph 3(xxi) of the Order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of such subsidiary as was audited by other auditor, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor;
  - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";
- g) In our opinion and based on the consolidation of reports of the other statutory auditors of the subsidiaries, incorporated in India, the managerial remuneration for the year ended March 31, 2022 has been paid/provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provision of section 197 read with schedule V of the Act;
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements of the subsidiary as noted in the 'Other Matters' paragraph:
  - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements - Refer Note 40 to the consolidated financial statements.
  - ii. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2022.
  - iv. a) The respective managements of the Holding Company and its subsidiaries incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in Note 45 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiaries to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly



lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary companies or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

- b) The respective managements of the Holding Company and its subsidiaries incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the Note 45 to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary companies shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries (including step down subsidiary) and associate, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

- v. No dividend has been declared or paid during the year by the Company and the subsidiaries.

**For S.S. Kothari Mehta & Company**

Chartered Accountants  
Firm Registration No. 000756N

**Amit Goel**

Partner  
Membership No: 500607

Place: New Delhi  
Date : May 28, 2022  
UDIN: 22500607AMLXVI1510

# Annexure A

to the Independent Auditors' Report to the members of PG Electroplast Limited dated May 28, 2022  
on its Consolidated Financial Statements

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section.**

**Our reporting on the internal financial control with reference to consolidated financial statement is not applicable in respect of one subsidiary.**

In conjunction with our audit of the consolidated financial statements of PG Electroplast Limited ('the Holding Company') as of and for the year ended March 31, 2022, we have audited the Internal Financial Controls over Financial Reporting of PG Electroplast Limited (hereinafter referred to as "the Company" or "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") incorporated in India, for the year ended on that date.

## **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding company, its subsidiary companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and

plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditor of the relevant subsidiary in terms of their report referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

## **Meaning of Internal Financial controls with Reference to Consolidated Financial Statements**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

### **Inherent Limitations of Internal Financial controls with Reference to Financial Statements**

Because of the inherent limitations of internal financial Controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Holding Company and its relevant subsidiary, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by the such companies considering the essential components of such internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statement in so far as it relates to one subsidiary incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India. Our opinion is not qualified in respect of this matter

### **For S.S. Kothari Mehta & Company**

Chartered Accountants  
Firm Registration No. 000756N

### **Amit Goel**

Partner  
Membership No: 500607

Place: New Delhi  
Date : May 28, 2022  
UDIN: 22500607AMLXVI1510

# Consolidated Balance Sheet

as at 31st march,2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

Particulars	Note	As at 31st March, 2022	As at 31st March, 2021
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3	44,028.77	27,257.70
Capital Work-in-Progress	3	488.98	601.15
Goodwill	4	0.34	0.34
Other Intangible Assets	4	66.78	55.24
Financial Assets			
Investments	7	69.02	15.45
Other Financial Assets	8	837.39	311.99
Other Non-Current Assets	9	553.89	1,393.37
<b>Total Non-Current Assets</b>		<b>46,045.17</b>	<b>29,635.24</b>
<b>Current Assets</b>			
Inventories	11	28,603.25	9,261.07
Financial Assets			
Trade Receivables	5	21,332.74	14,725.64
Cash and Cash Equivalents	12(a)	2,385.29	741.93
Bank Balances Other than Cash and Cash Equivalents	12(b)	1,533.07	999.13
Loans	6	275.28	31.32
Other Financial Assets	8	1,936.63	232.52
Other Current Assets	9	4,304.24	2,128.65
Income Tax Assets (Net)	10	436.94	182.93
<b>Total Current Assets</b>		<b>60,807.44</b>	<b>28,303.18</b>
<b>TOTAL ASSETS</b>		<b>1,06,852.61</b>	<b>57,938.42</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	13	2,122.49	1,969.40
Other Equity	14	29,107.31	17,277.48
<b>Total Equity</b>		<b>31,229.80</b>	<b>19,246.88</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	15	17,178.48	8,708.81
Other Financial Liabilities	18	178.37	242.48
Lease Liabilities	20	1,339.81	53.96
Deferred Tax Liabilities (Net)	31	1,655.70	493.04
Provisions	16	447.66	560.07
<b>Total Non-Current Liabilities</b>		<b>20,800.02</b>	<b>10,058.37</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	15	21,206.63	9,621.31
Trade Payables			
- Total outstanding dues of micro and small enterprises	17	1,358.05	1,104.25
- Total outstanding dues other than micro and small enterprises	17	25,562.65	14,230.48
Other Financial Liabilities	18	4,453.34	2,017.14
Lease Liabilities	20	137.37	98.73
Other Current Liabilities	19	2,013.83	1,520.23
Provisions	16	90.92	41.03
<b>Total Current Liabilities</b>		<b>54,822.79</b>	<b>28,633.17</b>
<b>Total Liabilities</b>		<b>75,622.81</b>	<b>38,691.54</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,06,852.61</b>	<b>57,938.42</b>
Significant Accounting Policies	2		

The accompanying notes are an integral part of consolidated financial statements.

As Per Our Report of Even Date Attached

For **S.S.Kothari Mehta & Company**

Chartered Accountants

Firm Registration No. 000756N

**Amit Goel**

Partner  
M. No. 500607

Place: Greater Noida, U.P.  
Dated: 28th May, 2022

For and on behalf of Board of Directors

**PG Electroplast Ltd**

**Anurag Gupta**

Chairman & Executive Director  
DIN-00184361

**Sanchay Dubey**

Company Secretary  
ACS No: A51305

**Vishal Gupta**

Managing Director - Finance  
DIN-00184809

**Promod C Gupta**

Chief Financial Officer

# Consolidated Statement of Profit and Loss

for the year ended 31st march,2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

Particulars	Note	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>Income</b>			
Revenue from operations	21	1,09,771.79	70,320.65
Other Income	22	1,824.09	261.98
<b>Total Income</b>		<b>1,11,595.88</b>	<b>70,582.63</b>
<b>Expenses</b>			
Cost of Materials Consumed	23	73,149.77	51,831.18
Purchase of Traded Goods	24	18,161.84	3,501.38
Changes in inventories of finished goods and work-in-progress	25	(2,908.06)	318.90
Employee benefits expenses	26	7,785.34	5,499.51
Finance costs	27	2,249.99	1,843.58
Depreciation and amortisation expenses	28	2,211.27	1,801.23
Other expenses	29	6,134.57	4,193.65
<b>Total Expenses</b>		<b>1,06,784.72</b>	<b>68,989.44</b>
<b>Profit before exceptional items &amp; tax</b>		<b>4,811.16</b>	<b>1,593.19</b>
<b>Exceptional Items</b>	29.1	<b>(93.06)</b>	<b>81.55</b>
<b>Profit before tax</b>		<b>4,904.22</b>	<b>1,511.64</b>
Tax expenses			
Current tax	31	-	-
Deferred tax	31	1,162.66	350.46
<b>Total tax expenses</b>		<b>1,162.66</b>	<b>350.46</b>
<b>Profit for the year</b>		<b>3,741.56</b>	<b>1,161.18</b>
<b>Other comprehensive income</b>			
<b>A. Items that will not be reclassified to profit or loss in subsequent years</b>			
Remeasurement gain on the defined benefit plans		47.09	52.20
Income tax effect		-	-
<b>Other comprehensive income for the year</b>		<b>47.09</b>	<b>52.20</b>
<b>Total comprehensive income for the year</b>		<b>3,788.65</b>	<b>1,213.38</b>
Profit for the year attributable to			
Equity share holders of the parent company		3,741.55	1,161.18
Non controlling interests		-	-
Other comprehensive income for the year attributable to			
Equity share holders of the parent company		47.09	52.20
Non controlling interests		-	-
Total comprehensive income for the year attributable to			
Equity share holders of the parent company		3,788.65	1,213.38
Non controlling interests		-	-
Earnings per equity share of Rupee 10 each			
Basic earnings per share	30	18.08	5.95
Diluted earnings per share	30	17.03	5.95

The accompanying notes are an integral part of consolidated financial statements.

As Per Our Report of Even Date Attached

For **S.S.Kothari Mehta & Company**

Chartered Accountants

Firm Registration No. 000756N

**Amit Goel**

Partner

M. No. 500607

Place: Greater Noida, U.P.

Dated:28th May,2022

For and on behalf of Board of Directors

**PG Electroplast Ltd**

**Anurag Gupta**

Chairman & Executive Director

DIN-00184361

**Sanchay Dubey**

Company Secretary

ACS No:A51305

**Vishal Gupta**

Managing Director - Finance

DIN-00184809

**Promod C Gupta**

Chief Financial Officer

# Consolidated Statement of Cash Flow

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	4,904.22	1,511.64
<b>Adjustments to reconcile profit before tax to net cash flows</b>		
Depreciation and amortisation expenses	2,211.27	1,801.23
Employees expenses non operating	47.09	52.20
Loss on sale of property,plant and equipment & assets written off	4.27	18.69
Profit on sale of property,plant and equipment	(7.80)	(44.37)
Misc balances written off	19.29	62.94
Provision for warranty expenses- post sales	50.00	-
Provision for doubtful receivable & debts	221.07	38.68
Provision for doubtful advance to suppliers & capital advance	105.00	30.00
Provision for slow & non moving Inventories	18.01	67.75
Impairment allowance	-	4.99
Loss on Inventory due to Fire	1.53	146.94
Loss on property,plant and equipment due to Fire	11.41	-
Liabilities no longer required written back	(28.17)	(9.09)
Employee stock option scheme	206.78	-
Interest expense on lease liabilities	74.81	18.13
Fair value gain on Investment recognised through FVTPL	(4.24)	(1.45)
Interest expense	2,175.18	1,825.45
Interest income	(205.53)	(117.39)
<b>Cash flow generated from operating activity before working capital adjustments</b>	<b>9,804.19</b>	<b>5,406.34</b>
<b>Working capital adjustments:</b>		
Increase/(decrease) in trade Payables	11,614.14	4,712.39
Increase/(decrease) in non - current provisions	(112.41)	(14.56)
Increase/(decrease) in short - term provisions	(0.11)	(19.57)
Increase/(decrease) in other current liabilities	493.60	1,045.87
Increase/(decrease) in current financial liabilities	914.82	403.73
Decrease/(increase) in trade receivables	(6,952.46)	(4,738.63)
Decrease/(increase) in inventories	(19,361.72)	(1,017.79)
Decrease / (increase) in short - term loans	(243.96)	(13.29)
Decrease/(Increase) in other current assets	(2,175.60)	(370.16)
Decrease/(Increase) in other current financial assets	(1,533.32)	248.02
Decrease/(increase) in other non current assets	(36.97)	12.90
Decrease/(Increase) in other non financial assets	(99.13)	(46.63)
Cash generated (used in)/generated from operations	<b>(7,688.94)</b>	<b>5,608.62</b>
Direct taxes (paid)/refund	(254.01)	120.96
<b>Net cash flow (used in)/generated from operating activities (A)</b>	<b>(7,942.95)</b>	<b>5,729.58</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property Plant and equipment including CWIP and Intangible assets	(15,710.22)	(4,409.27)
Proceeds from sale of Property plant and equipment	584.88	155.74
Investments made during the year	(49.33)	(14.00)
Maturity of bank deposit having maturity more than 3 months	(1,106.03)	(219.29)
Interest received	180.55	113.00
<b>Net cash flow used in investing activities (B)</b>	<b>(16,100.15)</b>	<b>(4,373.82)</b>

# Consolidated Statement of Cash Flow

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term borrowings	12,607.38	5,687.58
Repayment of long-term borrowings	(3,510.91)	(2,076.48)
Proceeds from issue of equity share capital	4,407.23	410.63
Proceeds from cumulative compulsory convertible debentures	3,629.17	-
Proceeds from/(Repayment of) Short-term borrowings (Net)	10,909.65	(3,828.63)
Payment of principal portion of lease liabilities	(144.95)	(99.41)
Payment of interest portion of lease liabilities	(74.81)	(18.13)
Interest paid	(2,136.30)	(1,818.33)
<b>Net cash flow (used in)/generated from financing activities (C)</b>	<b>25,686.46</b>	<b>(1,742.77)</b>
Net increase/(decrease) in cash and cash equivalents (A + B + C)	1,643.36	(387.01)
Cash and cash equivalents at the beginning of the year	741.93	1,128.94
<b>Cash and cash equivalents at the end of the year</b>	<b>2,385.29</b>	<b>741.93</b>
Components of cash and cash equivalents		
Cash on hand	11.97	4.82
With banks:		
- on current account	2,373.33	737.11
<b>Total cash and cash equivalents</b>	<b>2,385.29</b>	<b>741.93</b>

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS 7) "Statement of Cash Flows".

The accompanying notes are an integral part of consolidated financial statements.

As Per Our Report of Even Date Attached

For **S.S.Kothari Mehta & Company**

Chartered Accountants

Firm Registration No. 000756N

For and on behalf of Board of Directors

**PG Electroplast Ltd**

**Amit Goel**

Partner

M. No. 500607

**Anurag Gupta**

Chairman & Executive Director

DIN-00184361

**Vishal Gupta**

Managing Director - Finance

DIN-00184809

Place: Greater Noida, U.P.

Dated: 28th May, 2022

**Sanchay Dubey**

Company Secretary

ACS No: A51305

**Promod C Gupta**

Chief Financial Officer

# Consolidated Statement of Changes in Equity

for the year ended 31ST MARCH,2022

(All Amounts are in Rupees, unless otherwise stated)

## A EQUITY SHARE CAPITAL

Equity shares of Rs.10 each issued,subscribed and fully paid upv

Particulars	Note	Amount
<b>As at 1st April 2020</b>		<b>1,952.90</b>
Issue of Share Capital	13	16.50
<b>As at 31st March, 2021</b>		<b>1,969.40</b>
Issue of Share Capital	13	153.10
<b>As at 31st March, 2022</b>		<b>2,122.49</b>

## B OTHER EQUITY

Particulars	Reserves and surplus		Equity Components of cumulative compulsory convertible debentures	Other Comprehensive Income	Employee Share Option Reserve	Money Received against Share Warrants	Total other equity
	Securities premium	Retained earnings					
<b>Balance as at 1st April, 2020</b>	<b>13,898.86</b>	<b>1,765.64</b>	-	<b>5.15</b>	-	-	<b>15,669.64</b>
Profit for the year	-	1,161.18	-	-	-	-	1,161.18
Remeasurement gain on defined benefit plans	-	-	-	52.20	-	-	52.20
Amount received on issue of share warrants	-	-	-	-	-	163.13	163.13
Amount received on issue of equity share capital	231.00	0.34	-	-	-	-	231.33
<b>Balance as at 31st March, 2021</b>	<b>14,129.86</b>	<b>2,927.16</b>	-	<b>57.35</b>	-	<b>163.13</b>	<b>17,277.48</b>
Profit for the year	-	3,741.55	-	-	-	-	3,741.55
Remeasurement gain on defined benefit plans	-	-	-	47.09	-	-	47.09
Amount received on issue of equity share capital	4,379.75	-	-	-	-	(125.62)	4,254.13
Amount received on issue of CCCDs	-	-	3,629.17	-	-	-	3,629.17
Dividend on Equity Component of CCCDs	-	(488.88)	439.99	-	-	-	(48.89)
Share based employee expenses	-	-	-	-	206.78	-	206.78
<b>Balance as at 31st March, 2022</b>	<b>18,509.61</b>	<b>6,179.83</b>	<b>4,069.16</b>	<b>104.44</b>	<b>206.78</b>	<b>37.50</b>	<b>29,107.31</b>

Kindly refer Note No. 14.

The accompanying notes are an integral part of consolidated financial statements.

As Per Our Report of Even Date Attached

For **S.S.Kothari Mehta & Company**

Chartered Accountants

Firm Registration No. 000756N

For and on behalf of Board of Directors

**PG Electroplast Ltd**

**Amit Goel**

Partner

M. No. 500607

**Anurag Gupta**

Chairman & Executive Director

DIN-00184361

**Vishal Gupta**

Managing Director - Finance

DIN-00184809

Place: Greater Noida, U.P.

Dated:28th May,2022

**Sanchay Dubey**

Company Secretary

ACS No:A51305

**Promod C Gupta**

Chief Financial Officer



# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

## 1 CORPORATE INFORMATION

The consolidated financial statements comprise financial statements of PG Electroplast Limited ("the Parent group") and its subsidiaries (collectively, "the Group") for the year ended March 31, 2022. PG Electroplast Limited ("the Parent group") is a public group domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its equity shares are listed with the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The registered office of the group is located at DTJ - 209, DLF Tower B, Jasola, New Delhi - 110025. The Group is an Electronic Manufacturing Services (EMS) provider for Original Equipment Manufacturers (OEMs) of consumer electronic products in India. The group manufactures and / or assemble a comprehensive range of consumer electronic components and finished products such as Kitchen Appliances, air conditioners (ACs) sub- assemblies, Air Cooler, Washing Machine, Mobile handsets, LED for third parties.

These consolidated financial statements were approved for issue in accordance with a resolution of directors on May 28, 2022.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

### (a) Basis of preparation and presentation

#### (i) Compliance with Ind AS

These consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III). These consolidated financial statements are presented in INR and all values are rounded to the nearest lakhs, except when otherwise indicated.

#### (ii) Historical cost convention

The financial statements have been prepared on a historical cost basis except for certain assets and liabilities (including derivative instruments) that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction

between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 Inventories or value in use in Ind AS 36 Impairment of Assets.

(iii) The Group has prepared the consolidated financial statements on the basis that it will continue to operate as going concern.

### (b) Basis of Consolidation

The consolidated financial statements comprises the financial statement of the PG Electroplast Limited ('the Parent company') and subsidiaries (collectively "the Group") as at March 31, 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (ii) Exposure, or rights, to variable returns from its involvement with the investee, and
- (iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including

- (i) The contractual arrangement with the other vote holders of the investee
- (ii) Rights arising from other contractual arrangements
- (iii) The Group's voting rights and potential voting right
- (iv) The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31. When the end of the reporting period of the parent company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent company to enable the parent company to consolidate the financial information of the subsidiary, unless it is impracticable to do so or there are no significant transaction or event between the date of those financial statement and date of financial statement of parent company.

## (c) Consolidation Procedures - Subsidiary

- (i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.
- (ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (iii) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS - 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for noncontrolling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the Group recognises the gain directly in equity as capital reserve, without routing the same through OCI.

## (d) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

## (e) Foreign currencies

### (i) Functional and presentation currency

The consolidated financial statements are presented in Indian rupee (INR), which is Group's functional and presentation currency unless stated otherwise.

### (ii) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses average rate if the average approximates the actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

(iii) Foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within exceptional items.

(iv) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

## (f) Revenue recognition

Revenues from contract with customers is recognized when controls of the goods or services transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange of goods or services.

Revenue is stated net of Goods and Service tax and net of returns, trade allowances and discounts.

### (i) Sale of goods

Revenue from sale of goods is recognized on transfer of control of goods to the customers, which is usually on dispatch of goods to customers premises.

#### Variable Consideration

The Group recognizes revenue from the sale of goods measured at the standalone selling price of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

### (ii) Sale of services

Revenue from services represents the job work services and repairing of moulds performed by the Group for its customers, Revenue from services is recognized as per the terms of the contract with the customer over the period of time when the control of services is transferred to the customers.

### (iii) Contract balance

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract assets are in the nature of unbilled receivables, which arises when Group satisfies a performance obligation but does not have an unconditional rights to consideration. A receivables represents the Group's right to an amount of consideration that is unconditional. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (Financial instruments – initial recognition and subsequent measurement).

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

performs under the contract (i.e., transfers control of the related goods or services to the customer).

A trade receivable is recognized if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (Financial instruments – initial recognition and subsequent measurement).

## (iv) Other Income

Other income comprise interest income, rental income, liabilities no longer required written back, refund of electricity duty, government incentive and others.

Interest income is accrued on a timely basis, by reference to the principal outstanding and recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. When calculating the EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Rental income arising from operating lease is accounted on a straight line basis over the lease term.

In respect of others, Group recognized income when the right to receive is established.

## (g) Government grants

Grants from the government are recognised where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

## (h) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Income Tax expense for the year comprises of current tax and deferred tax.

### (i) Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date where the Group operates and generates taxable income.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

### (ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or direct in equity.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

## (i) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

### Group as a lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of lowvalue assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

## (i) Right-of-Use assets (ROU)

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The Group classifies ROU assets as part of Property, plant and equipment in Balance Sheet and lease liability in "Financial Liability".

## (ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

for each period. Variable lease payments that depend on sales are recognized in profit or loss in the period in which the condition that triggers those payments occurs.

## (iii) Short term leases and leases of low-value of assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

## Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

## (j) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## (k) Earnings Per Share (EPS)

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) if any that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity

shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

## (l) Property, plant and equipment

Property, plant and equipment are tangible items that are held for use in the production or supply for goods and services, rental to others or for administrative purposes and are expected to be used during more than one period. The cost of an item of property, plant and equipment shall be recognised as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items and are net of recoverable taxes /duty. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Each part of item of property, plant and equipment, if significant in relation to the total cost of the item, is depreciated separately. Further, parts of plant and equipment that are technically advised to be replaced at prescribed intervals/ period of operation are depreciated separately based on their specific useful life provided these are of significant amounts commensurate with the size of the Group and scale of its operations. The carrying amount of any equipment accounted for as separate asset is derecognised when replaced.

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit or loss.

## Depreciation methods, estimated useful lives and residual value

Depreciation commences when the assets are ready for their intended use. Depreciation is calculated using the straight-line

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

method to allocate their cost, net of their residual values, over their estimated useful lives.

Depreciation on Property, Plant & Equipment has been provided on Straight Line Method (SLM) based on the useful life of the assets prescribed in Schedule II of the Companies Act, 2013 except in respect of major plant & machinery, where useful life has been taken as 25 years, as technically assessed.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation is not recorded on capital work in progress until construction and installation are complete and the assets is ready for its intended use.

## (m) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Estimated useful lives of the intangible assets are as follows:

Assets	Estimated Useful Life
Computer Software	6 Years
Product Development	10 Years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit or loss when the asset is derecognised.

## Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- (i) the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;

- (ii) its intention to complete and its ability and intention to use or sell the asset;

- (iii) how the asset will generate probable future economic benefits;

- (iv) the availability of adequate technical, financial and other resources to complete the development and to use or sell the asset; and

- (v) the ability to measure reliably the expenditure attributable to asset during its development.

The amount initially recognised for intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no intangible assets can be recognised, development expenditure is recognised in statement of profit or loss in the period in which it is incurred. Subsequent to initial recognition, such intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as of acquired intangible assets.

## (n) Inventories

Inventories are valued at the lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by-item basis

- (i) Inventories of raw materials, components, stores and spares are valued at lower of cost ( net of recoverable taxes ) and net realizable value. Cost for the purpose of valuation of such inventories is determined using the first-in, first-out (FIFO) method. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

- (ii) Finished goods and work-in-progress are valued at lower of cost and net realizable value. The cost of finished goods and work-in-progress includes raw material costs (net of recoverable taxes), direct cost of conversion and proportionate allocation of indirect costs incurred in bringing the inventories to their present location and condition.

- (iii) Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

- (iv) The provision for inventory obsolescence is assessed regularly based on estimated usage and shelf life of inventory.

## (o) Provisions and Contingent liabilities, Contingent assets

### (i) Provision

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

### Warranty Provision

Provision for warranty-related costs are recognized when the product is sold or service is provided to customer. Initial recognition is based on historical experience. The Group periodically reviews the adequacy of product warranties and adjust warranty percentage and warranty provisions for actual experience, if necessary.

### (ii) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

### (iii) Contingent assets

Contingent assets are not recognized. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

## (p) Employee benefits

### (i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the undiscounted amounts expected to be paid when the liabilities are settled. The liabilities are presented as current benefit obligations in the balance sheet.

### (ii) Other long-term employee benefit obligations

Other long-term employee benefits includes earned leaves, sick leaves and employee bonus.

### Earned leaves

The liabilities for earned leaves are not expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The benefits are discounted using the government bond yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit & loss. The obligations are presented as provisions in the balance sheet.

### (iii) Post-employment obligations

The Group operates the following post employment schemes:

- \* defined benefit plan towards payment of gratuity; and
- \* defined contribution plans towards provident fund & employee pension scheme and employee state insurance.

### Defined benefit plans

The Group provides for gratuity obligations through a defined benefit retirement plan (the 'Gratuity Plan') covering all employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement/



# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

termination of employment or death of an employee, based on the respective employees' salary and years of employment with the Group.

The liability or asset recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The present value of the defined benefit obligation is determined using projected unit credit method by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation, with actuarial valuations being carried out at the end of each annual reporting period.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

## Defined contribution plans

Defined contribution plans are retirement benefit plans under which the Group pays fixed contributions to separate entities (funds) or financial institutions or state managed benefit schemes. The Group has no further payment obligations once the contributions have been paid. The defined contributions plans are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

### \* Provident Fund Plan & Employee Pension Scheme

The Group makes monthly contributions at prescribed rates towards Employees' Provident Fund/ Employees' Pension Scheme to a Fund administered and managed by the Government of India.

### \* Employee State Insurance

The Group makes prescribed monthly contributions towards Employees' State Insurance Scheme.

### \* Leave Encashment

The Group has recognised liability for short term compensated absences on full cost basis with

reference to unavailed earned leaves at the year end. To the extent, the compensated absences qualify as a long term benefit, the Group has provided for the long term liability at year end as per the actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses arising from adjustments and changes in actuarial assumptions are charged or credited to the Statement of profit and loss in the year in which such gains or losses arise.

## (q) Share-based payment

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

### Equity Settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. Further details are given in Note 33.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through statement of profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

## (r) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### (i) Financial assets

#### \* Initial Recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value

through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

#### \* Subsequent Measurement

##### \* Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost which is held with objective to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### \* Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income which is held with objective to achieve both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### \* Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

##### \* Impairment of financial assets

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. For impairment purposes significant financial assets are tested on an individual basis, other financial assets are assessed collectively in groups that share similar credit risk characteristics.

The Group recognises life-time expected losses for all trade receivables. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The amount of

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

The Group follows 'simplified approach' for the recognition of impairment loss allowance on trade and other receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on life-time ECLs at each reporting date, right from its initial recognition.

The Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

## (ii) Financial liabilities

### \* Initial Recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

### \* Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

### Financial liabilities at amortised cost (Loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

### \* Derecognition

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition as per Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the group's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

### \* Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### \* Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the group either begins or ceases to perform an activity that is significant to its operations. If the group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

## (s) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

## (t) Critical accounting estimates, assumptions and judgements

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to Group's exposure to risk and uncertainties includes;

Capital Management Note 39.

Financial risk management objective and policies Note 37.

Sensitivity analysis disclosures note 37.

### Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an

option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### (i) Property, plant and equipment

External advisor and/or internal technical team assesses the remaining useful life and residual value of property, plant and equipment. Management believes that the assigned useful lives and residual values are reasonable.

#### (ii) Intangibles

Internal technical and user team assess the remaining useful lives of Intangible assets. Management believes that assigned useful lives are reasonable. All Intangibles are carried at net book value on transition.

#### (iii) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed in notes to accounts.

#### (iv) Share based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 33.

#### (v) Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include

the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Further details about gratuity obligations are given in Note 32.

#### (vi) Leases- Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

## 3 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

	Property, Plant and Equipment			Right-of-Use			Capital Work in Progress		
	Buildings, Lease hold Improvement	Plant and Equipment	Electric installation	Furniture and Fixtures	Vehicles	Office equipment		Leasehold Land	Buildings, Lease hold Improvement
<b>Carrying amount (at cost)</b>									
<b>At 1st April, 2020</b>	8,791.86	18,904.67	615.07	417.58	620.83	15917	591.98	285.87	30,387.03
Additions	1,151.64	2,202.02	159.82	99.71	57.89	102.47	-	73.13	3,846.68
Disposals/adjustments	-	(176.43)	(43.55)	(4.84)	(4.05)	(44.74)	-	(93.00)	(3,205.22)
<b>At 31st March, 2021</b>	<b>9,943.50</b>	<b>20,930.26</b>	<b>731.34</b>	<b>512.45</b>	<b>674.67</b>	<b>216.90</b>	<b>591.98</b>	<b>266.00</b>	<b>33,867.10</b>
Additions	3,424.04	12,564.48	558.85	115.43	327.72	170.46	929.52	1,469.44	19,559.93
Disposals/adjustments	(9.76)	(761.94)	-	-	(25.10)	-	-	(8.30)	(805.10)
<b>At 31st March, 2022</b>	<b>13,357.78</b>	<b>32,732.80</b>	<b>1,290.19</b>	<b>627.88</b>	<b>977.29</b>	<b>387.36</b>	<b>1,521.50</b>	<b>1,727.14</b>	<b>52,621.93</b>
<b>Accumulated Depreciation</b>									
<b>At 1st April, 2020</b>	834.34	3,455.04	246.06	95.28	230.19	100.39	30.41	73.93	5,065.63
Charge for the year	312.09	1,120.21	70.94	44.85	86.36	30.09	8.28	107.50	1,780.32
Disposals/adjustments	(0.00)	(88.53)	(41.13)	(4.60)	(3.84)	(42.45)	-	(56.00)	(236.55)
<b>At 31st March, 2021</b>	<b>1,146.43</b>	<b>4,486.72</b>	<b>275.87</b>	<b>135.53</b>	<b>312.71</b>	<b>88.03</b>	<b>38.69</b>	<b>125.43</b>	<b>6,609.40</b>
Charge for the year	361.42	1,362.77	76.36	51.91	87.97	56.10	9.84	189.72	2,196.10
Disposals/adjustments	-	(180.83)	-	-	(21.75)	-	-	(9.76)	(212.34)
<b>At 31st March, 2022</b>	<b>1,507.85</b>	<b>5,668.66</b>	<b>352.23</b>	<b>187.44</b>	<b>378.93</b>	<b>144.13</b>	<b>48.53</b>	<b>305.39</b>	<b>8,593.16</b>
<b>Net carrying amount</b>									
<b>At 31st March, 2021</b>	<b>8,797.07</b>	<b>16,443.54</b>	<b>455.47</b>	<b>376.92</b>	<b>361.96</b>	<b>128.87</b>	<b>553.29</b>	<b>140.57</b>	<b>27,257.70</b>
<b>At 31st March, 2022</b>	<b>11,849.93</b>	<b>27,064.14</b>	<b>937.96</b>	<b>440.44</b>	<b>598.36</b>	<b>243.23</b>	<b>1,472.97</b>	<b>1,421.75</b>	<b>44,028.77</b>

### (i) Leasehold Land

The original lease terms in respect of a parcel of land acquired is as under-

Plot no	Period of Lease	Balance Period of
		Lease as on 31st March, 2022
P-4/2 to 4/6 at Unit-I	90 years	72 years
E-14, E-15 at Unit-III	83 years	72 years
F-20 at Unit-III	59 years	55 years
I-26, I-27 at Unit-V	64 years	59 years
A-20/2 at Supa, Unit IV	85 Years	80 years
C-11 at Unit-IV	76 years	72 years
A-18, Supa, MIDC, Taluka-Parner, Ahmednagar	95 years	73 years

These leases of lands have been classified as finance lease in terms of criteria specified in Ind AS 116 leases, including the facts that the market value of the land (as on the date of transaction) had been paid to the lessor at the inception of the lease.

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

## (ii) Restrictions on Property, plant and equipment

Refer note no. 15 for information on charges created on property, plant and equipment.

## (iii) Contractual commitments

Refer note no. 40(ii) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iv) The Group has not revalued its Property, Plant & Equipments (including Right to Use assets) or intangible assets or both during the year.

## (v) Capital work-in-progress ageing schedule

CWIP	Amount In CWIP for the period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at 31st March 2022</b>					
Projects in Progress	488.98	-	-	-	488.98
Projects Temporarily suspended	-	-	-	-	-

CWIP	Amount In CWIP for the period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at 31st March 2021</b>					
Projects in Progress	573.41	27.74	-	-	601.15
Projects Temporarily suspended	-	-	-	-	-

## 4 GOODWILL AND OTHER INTANGIBLE ASSETS

Particulars	Goodwill	Computer Softwares	Product Developments	Total
<b>Carrying amount (at cost)</b>				
<b>At 1st April, 2020</b>	-	75.07	55.19	130.26
Additions	0.34	24.26	-	24.60
Disposals/adjustments	-	-	-	-
<b>At 31st March, 2021</b>	0.34	99.33	55.19	154.86
Additions	-	26.71	-	26.71
Disposals/adjustments	-	-	-	-
<b>At 31st March, 2022</b>	0.34	126.04	55.19	181.57
<b>Accumulated Depreciation</b>				
<b>At 1st April, 2020</b>	-	33.21	40.17	73.38
Charge for the year	-	10.88	10.03	20.91
Disposals/adjustments	-	-	-	-
Impairment loss recognized during the year	-	-	4.99	4.99
<b>At 31st March, 2021</b>	-	44.09	55.19	99.28
Charge for the year	-	15.17	-	15.17
Disposals/adjustments	-	-	-	-
<b>At 31st March, 2022</b>	-	59.26	55.19	114.45
<b>Net carrying amount</b>				
<b>At 31st March, 2021</b>	0.34	55.24	-	55.58
<b>At 31st March, 2022</b>	0.34	66.78	-	67.12

(a) Goodwill is acquired on acquisition of PG Technoplast Private Limited on 17th December 2020 having indefinite useful life.

(b) There are no intangible assets under development as at the end of current reporting year and previous year.

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

## 5 TRADE RECEIVABLES

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Current</b>		
- Unsecured, considered good	21,332.74	14,725.64
- Unsecured, credit impaired	34.84	211.80
	<b>21,367.58</b>	<b>14,937.44</b>
Less: Allowance for trade receivables	(34.84)	(211.80)
<b>Total trade receivables</b>	<b>21,332.74</b>	<b>14,725.64</b>

### Trade Receivables Aging Schedule

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	Total
<b>As at 31st March 2022</b>						
<b>Undisputed Trade Receivables</b>						
- Considered good	21,173.26	80.87	75.82	2.79	-	21,332.74
<b>Disputed Trade Receivables</b>						
- Credit impaired	-	-	-	-	34.84	34.84
<b>Gross Carrying Amount</b>	<b>21,173.26</b>	<b>80.87</b>	<b>75.82</b>	<b>2.79</b>	<b>34.84</b>	<b>21,367.58</b>
Less: Allowance for trade receivable	-	-	-	-	(34.84)	(34.84)
<b>Net Carrying Amount</b>	<b>21,173.26</b>	<b>80.87</b>	<b>75.82</b>	<b>2.79</b>	<b>-</b>	<b>21,332.74</b>

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	Total
<b>As at 31st March 2021</b>						
<b>Undisputed Trade Receivables</b>						
- Considered good	14,247.79	116.15	43.43	39.82	71.71	14,518.89
- Which have significant increase in credit risk	-	-	2.33	1.40	379.98	383.71
<b>Disputed Trade Receivables</b>						
- Credit impaired	-	-	-	-	34.84	34.84
<b>Gross Carrying Amount</b>	<b>14,247.79</b>	<b>116.15</b>	<b>45.76</b>	<b>41.22</b>	<b>486.53</b>	<b>14,937.44</b>
Less: Allowance for trade receivable	-	-	(2.33)	(1.40)	(208.07)	(211.80)
<b>Net Carrying Amount</b>	<b>14,247.79</b>	<b>116.15</b>	<b>43.43</b>	<b>39.82</b>	<b>278.46</b>	<b>14,725.64</b>

### Note:

- Neither trade nor other receivables are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies in which any director is a partner, a director or a member, except as mentioned above.
- Information about the Group's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 37. Provision as disclosed above is on case to case basis as identified by the management.
- Trade receivables are no-interest bearing and are generally on terms of 30-90 days of credit period.



# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

## 6 LOANS

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Current</b>		
- Unsecured, considered good		
Loan to Employees	35.28	31.32
Loan to Others*	240.00	-
<b>Total loans</b>	<b>275.28</b>	<b>31.32</b>

\* Loan to others includes loan given to Indkal Technologies Private Limited for the purpose of arranging materials for LED TV which would be supplied to group subsequently.

## 7 INVESTMENTS

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Non-Current</b>		
<b>Unquoted</b>		
<b>Equity instruments in Others at fair value through profit and loss</b>		
248,000 (31st March 2021: Nil) equity shares in Solarstream Renewable Services Private Limited	24.80	-
525 (31st March 2021: Nil) equity shares in Indkal Technologies Private Limited	0.52	-
	<b>25.33</b>	<b>-</b>
<b>Quoted</b>		
<b>Investment in Mutual Funds at fair value through profit and loss</b>		
2,073.82 units (31st March 2021: 865.97 units ) in HDFC index Funds- Sensex plan	10.90	3.83
6,775.75 units (31st March 2021: 2,870.93 units ) in HDFC Index Funds-Nifty 50 plan	10.91	3.86
17,061.38 units (31st March 2021: 7,255.97 units ) in ICICI Prudential Bluechip Funds	11.19	3.89
20,559.62 units (31st March 2021: 8,605.05 units ) in Kotak Flexicap Funds-Growth	10.69	3.87
	<b>43.69</b>	<b>15.45</b>
<b>Total Non-Current Investments</b>	<b>69.02</b>	<b>15.45</b>
Aggregate book value of quoted investments	43.69	15.45
Aggregate market value of quoted investments	43.69	15.45
Aggregate book value of unquoted investments	25.33	-
Aggregate market value of unquoted investments	25.33	-

## 8 OTHER FINANCIAL ASSETS

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Non-Current (at amortised cost)</b>		
Security Deposits		
Unsecured, considered good	360.65	261.51
Bank Deposits		
with maturity of more than 12 months	476.74	50.48
	<b>837.39</b>	<b>311.99</b>

Deposits of Rs. 471.44 lakhs (31st March 2021: Rs. 50.48 lakhs) pledged as margin money with the bank for various type of credit limits.

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Current (at amortised cost)</b>		
Security Deposits		
Unsecured, considered good	15.62	21.46
Interest Receivables		
Interest accrued on bank and other deposit	38.59	23.69
Interest accrued on others	16.67	6.60
Government grant and others*	1,865.75	180.77
<b>Total other financial assets</b>	<b>1,936.63</b>	<b>232.52</b>

\* Others includes amount recoverable from Maharashtra Government on account of stamp duty paid amounted Rs. 59.07 lakhs (31st March 2021: Nil) and fire claim receivable amounted Rs. 264.41 lakhs (31st March 2021: 170.70 lakhs).

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

## 9 OTHER ASSETS

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Non-Current (at amortised cost)</b>		
<b>Unsecured, considered good</b>		
Capital advances	450.00	1,326.45
Prepaid expenses	103.89	66.92
	<b>553.89</b>	<b>1,393.37</b>
Less: Allowances for doubtful advance	-	-
	<b>553.89</b>	<b>1,393.37</b>
<b>Current (at amortised cost)</b>		
<b>Unsecured, considered good</b>		
Advances to suppliers	1,587.58	1,062.48
Balances with Government Authorities	2,456.44	751.19
Prepaid expenses and others	257.19	313.70
Imprest to employees	3.03	1.28
<b>Unsecured, considered doubtful</b>		
Advances to suppliers	289.32	184.32
	<b>4,593.56</b>	<b>2,312.97</b>
Less: Allowances for doubtful advance	(289.32)	(184.32)
	<b>4,304.24</b>	<b>2,128.65</b>
<b>Total other assets</b>	<b>4,858.13</b>	<b>3,522.02</b>

## 10 INCOME TAX ASSETS

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advance Income tax/TDS Recoverable	436.94	182.93
Less: provision for income tax	-	-
	<b>436.94</b>	<b>182.93</b>

## 11 INVENTORIES

(Valued at lower of cost or net realisable value)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Raw material and components	23,114.69	6,704.16
Work-in-progress	3,005.06	1,542.57
Finished goods	2,485.78	1,040.21
Stores and spares	83.47	41.87
	<b>28,689.00</b>	<b>9,328.81</b>
Less: Provision for Slow/Non Moving Inventories	(85.75)	(67.74)
<b>Total Inventory</b>	<b>28,603.25</b>	<b>9,261.07</b>
(a) The above includes goods in transit as under		
Raw material and components	868.20	329.44
(b) The above includes goods at bonded warehouse		
Raw material and components	4,655.73	-

(c) Refer note 15, for information on hypothecation created on inventory with the bankers against working capital.

(d) The write-down of inventories to net realisable value during the year amounting to Nil (31st March 2021: nil). These are recognised as expenses during the respective period and included in changes in inventories.

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

## 12 CASH AND BANK BALANCES

### (a) Cash and cash equivalents

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balances with banks		
- In current accounts	2,373.33	737.12
Cash on hand	11.97	4.81
<b>Total cash and cash equivalents</b>	<b>2,385.29</b>	<b>741.93</b>

### (b) Bank balances other than cash and cash equivalents

PARTICULARS	As at 31st March, 2022	As at 31st March, 2021
Bank deposits		
with maturity of more than 3 months and upto 12 months	1,533.07	999.13
<b>Total bank balances other than cash and cash equivalents</b>	<b>1,533.07</b>	<b>999.13</b>

Deposits of Rs. 1,143.82 lakhs (31st March, 2021: Rs. 755.70 lakhs) pledged as margin money with bank for various type of credit limits.

Deposits with banks are made with banks for varying periods, depending on immediate cash requirement of the Group and to earn interest at the respective term deposit rates.

## 13 SHARE CAPITAL

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>(a) Authorised share capital</b>		
3,50,00,000 (31st March, 2021: 3,50,00,000) equity shares (Par value of Rs. 10 per share)	3,500.00	3,500.00
	<b>3,500.00</b>	<b>3,500.00</b>
<b>(b) Issued, Subscribed And Fully Paid Up Share Capital</b>		
2,12,24,866 (31st March, 2021: 1,96,93,916) equity shares (Par value of Rs. 10 per share)	2,122.49	1,969.40
	<b>2,122.49</b>	<b>1,969.40</b>

### (c) Movements in equity share capital

Particulars	No. of shares	Amount in Rs.
<b>As at 1st April 2020</b>	<b>1,95,28,916</b>	<b>1,952.90</b>
Increase during the year *	1,65,000	16.50
<b>As at 31st March 2021</b>	<b>1,96,93,916</b>	<b>1,969.40</b>
Increase during the year **	15,30,950	153.10
<b>As at 31st March 2022</b>	<b>2,12,24,866</b>	<b>2,122.49</b>

\*During the year 2020-21, the group had allotted 1,65,000 equity shares of Face value of Rs.10/- on conversion of share warrants allotted to promoters & non-promoters on private placement basis to Mr. Anurag Gupta, Mr. Vishal Gupta, Mr. Vikas Gupta and Mr. Arvind Yeshwant Pradhan.

- \*\*1. During the year 2021-22, the group allotted 11,95,950 equity shares of face value of Rs.10/- each at an issue price of Rs.337/- per share to the persons belonging to Non-Promoter category by way of preferential allotment.
2. During the year 2021-22, the group on December 10, 2021 allotted 3,35,000 equity shares of face value of Rs. 10/- each pursuant to conversion of 3,35,000 share warrants, issued on 31st March, 2021 at an issue price of Rs. 150/- each, by way of preferential allotment to Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta (Promoter Category) and Mr. Arvind Yeshwant Pradhan (Public Category).

There were no buy back of shares or issue of shares pursuant to contract without payment being received in cash during the previous 5 years.

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

## (d) Terms and rights attached to equity shares

The group has only one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the group, the equity shareholders are eligible to receive the remaining assets of the group after distribution of all preferential amounts, in proportion to their shareholding.

## (e) Particulars of shareholders holding more than 5% shares of fully paid up equity shares

Name of Shareholder	31st March 2022		31st March 2021	
	No. of shares	% holding	No. of shares	% holding
Mr Anurag Gupta	29,91,201	14.09%	24,61,201	12.50%
Mr Vishal Gupta	50,51,474	23.80%	28,51,991	14.48%
Mr Vikas Gupta	50,73,531	23.90%	28,47,701	14.46%
Mrs Sudesh Gupta	-	0.00%	47,60,313	24.17%

## (f) Details of share held by promoters

Promoter Name	31st March 2022			31st March 2021		
	No. of shares	% holding	% Change during the year	No. of shares	% holding	% Change during the year
Mr Anurag Gupta	29,91,201	14.09%	1.59%	24,61,201	12.50%	0.08%
Mr Vishal Gupta	50,51,474	23.80%	9.32%	28,51,991	14.48%	0.06%
Mr Vikas Gupta	50,73,531	23.90%	9.44%	28,47,701	14.46%	0.06%
Mrs Sudesh Gupta	-	-	-24.17%	47,60,313	24.17%	-0.19%
Mrs Neelu Gupta	5,11,000	2.41%	-0.18%	5,11,000	2.59%	0.42%
Mrs Sarika Gupta	1,71,016	0.81%	-0.06%	1,71,016	0.87%	0.67%
Mrs Nitasha Gupta	1,48,959	0.70%	-0.06%	1,48,959	0.76%	0.56%

## (g) Shares reserved for issue under options

Information relating to Employee Stock Option Plan, including details of option issued, exercised and lapsed during the financial year and options outstanding as at end of the reporting period are set out in note 33.

## 14 OTHER EQUITY

Particulars	As at 31st March, 2022	As at 31st March, 2021
Securities premium	18,509.61	14,129.86
Retained earnings	6,179.83	2,927.16
Other comprehensive income	104.44	57.35
Money received against share Warrants	37.50	163.13
Cumulative Compulsarily Convertible Debentures	4,069.16	-
Employee Share Option reserve	206.78	-
<b>Total other equity</b>	<b>29,107.31</b>	<b>17,277.48</b>

### (a) Securities premium

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening balance	14,129.86	13,898.86
Increased during the year*	4,379.75	231.00
<b>Closing balance</b>	<b>18,509.61</b>	<b>14,129.86</b>

\* Refer note 13(c) for changes during the year.

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

## (b) Retained earnings

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening balance	2,927.15	1,765.65
Net profit for the year	3,741.56	1,161.17
Transaction on account of acquisition of interest in subsidiary	-	0.34
Less: Dividend on CCCDs	(488.88)	-
<b>Closing balance</b>	<b>6,179.83</b>	<b>2,927.16</b>

## (c) Other comprehensive income

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening balance	57.35	5.15
Increased during the year*	47.09	52.20
<b>Closing balance</b>	<b>104.44</b>	<b>57.35</b>

\* Other comprehensive income is increased during the year due to actuarial gain on gratuity provision.

## (d) Money received against share warrants

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening balance	163.13	-
Received during the year against issue of share warrants	376.87	410.63
Converted into equity shares during the year	(502.50)	(247.50)
<b>Closing balance</b>	<b>37.50</b>	<b>163.13</b>

## (e) Cumulative Compulsarily Convertible Debentures (CCCDs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening balance	-	-
Equity Component of CCCDs	3,629.17	-
Dividend on equity component of CCCDs	439.99	-
<b>Closing balance</b>	<b>4,069.16</b>	<b>-</b>

## (f) Employee Share Option reserve

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening balance	-	-
Employee share option expenses during the year	206.78	-
<b>Closing balance</b>	<b>206.78</b>	<b>-</b>

## (g) Nature and Purpose of Reserves

### (i) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

### (ii) Retained earnings

Retained Earnings are profits that the Group has earned till date less transfer to other reserve, dividend or other distribution or transaction with shareholders.

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

## (iii) Employee share option reserve

The share option outstanding account is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

## (iv) Other Comprehensive Income

Other comprehensive income is the actuarial gain/(loss) on defined benefit plans (i.e Gratuity) till the date which will not be reclassified to statement of profit and loss subsequently.

## (v) Money Received against share warrants

It pertains to the application money received on grant of share warrants, this will be transferred to equity share and securities premium on conversion into equity share capital.

## (vi) Cumulative Compulsorily Convertible Debentures (CCCDs)

It pertains to equity component of cumulative compulsorily convertible debentures.

## 15 BORROWINGS

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Non-Current (at amortised cost)</b>		
<b>Secured</b>		
<b>Term loans</b>		
- From banks		
- Rupees Loans	18,657.65	10,180.29
- From Others	706.54	738.36
<b>Vehicle loans</b>		
- From banks	178.11	139.70
- From Others	120.55	11.35
<b>Unsecured</b>		
- Deferred Payment against Plant and Machinery	1,249.92	697.73
	<b>20,912.77</b>	<b>11,767.43</b>
Less: Current maturity of long term borrowings	(3,734.29)	(3,058.62)
<b>Total non-current borrowings</b>	<b>17,178.48</b>	<b>8,708.81</b>
<b>Current (at amortised cost)</b>		
<b>Secured</b>		
<b>Repayable on demand</b>		
- From banks	9,399.63	3,004.53
Term & Vehicle loan from banks- Current maturity of borrowings	2,800.74	2,521.41
Term & Vehicle loan from others- Current maturity of borrowings	109.38	82.99
<b>Unsecured</b>		
Deferred Payment against Plant and Machinery- Current maturity of borrowings	824.17	454.22
<b>Bill discounting</b>		
- From banks	4,572.71	3,558.16
- From Others	3,500.00	-
<b>Total current borrowings</b>	<b>21,206.63</b>	<b>9,621.31</b>

As on Balance sheet date, there is no default in repayment of loan and interest.

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

## Changes in liabilities arising from financial activities

Particulars	As at 1st April, 2021	Cash Flows	Fair Value Change	Foreign exchange movement	Interest Amortisation	As at 31st March, 2022
Non current borrowings (including current maturities of non current borrowings)	11,767.43	9,096.47	-	-	48.87	20,912.77
Current borrowings	6,562.69	10,909.65	-	-	-	17,472.34

Particulars	As at 1st April, 2020	Cash Flows	Fair Value Change	Foreign exchange movement	Interest Amortisation	As at 31st March, 2021
Non current borrowings (including current maturities of non current borrowings)	8,431.34	3,611.10	-	-	(275.01)	11,767.43
Current borrowings	10,391.32	(3,828.63)	-	-	-	6,562.69

## A. Term Loan

Sr. No.	Bank Name	Type of loan	As at 31st March, 2022		As at 31st March, 2021		Term of Repayments	Security
			Non-Current	Current	Non-Current	Current		
<b>Secured- From Banks</b>								
1	State Bank of India	Term loan	-	39.00	39.00	240.00	1 Monthly installment of Rs. 20 lakhs in April 2022 and balance is paid in May 2022.	(i). Hypothecation of P&M, Prefabricated building and other utilities acquired out of banks finance & Personal guarantee of promoter directors i.e Mr.Anurag Gupta, Mr.Vishal Gupta and Mr.Vikas Gupta.  (ii). Collateral Security: Factory Land and Building situated at Plot no- P-4/2 - 4/5, Plot No E-14 & E-15, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of Company and Building situated at Khasra No 268 & 275, Village Raipur, Roorkee, Haridwar, Uttarakhand, and factory land which is in the name of M/s PG Electronics and Mr. Vishal Gupta.  (iii). Corporate Guarantee of PG Electronics (Partnership Firm)
2	State Bank of India	Term loan	679.99	390.00	1,069.99	300.00	6 monthly installment of Rs. 30 lakhs from April-September 2022, 12 monthly installment of Rs. 35 lakhs from October-September 2023, 11 monthly installment of Rs. 40 lakhs from October-August 2024 and balance in September 2024.	(i). Hypothecation of P&M, factory land situated at P-4/6 and F-20, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of the Company & Personal guarantee of promoter directors i.e Mr.Anurag Gupta, Mr.Vishal Gupta and Mr.Vikas Gupta.  (ii). Collateral Security: Factory Land and Building situated at Plot no- P-4/2 - 4/5, Plot No E-14 & E-15, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of Company and Building situated at Khasra No 268 & 275, Village Raipur, Roorkee, Haridwar, Uttarakhand, and factory land which is in the name of M/s PG Electronics and Mr. Vishal Gupta.  (iii). Corporate Guarantee of PG Electronics (Partnership Firm)

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

Sr. No.	Bank Name	Type of loan	As at 31st March, 2022		As at 31st March, 2021		Term of Repayments	Security
			Non-Current	Current	Non-Current	Current		
3	State Bank of India	Term loan	992.81	216.00	1,208.81	216.00	"67 monthly installment of Rs. 18 lakhs from April 2022 to October 2027 and balance in November 2027. Monthly interest is being charged at the end of each month."	(i). Hypothecation of P&M, factory land & building situated at Khasra no 268 & 275, Raipur, Bhagwanpur, Roorkee, P-4/2 to 4/6 and E-14 & E-15, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of the Company & Personal guarantee of promoter directors i.e Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta.  (ii). Collateral Security: Factory Land and Building situated at Plot no- P-4/2 - 4/5, Plot No E-14 & E-15, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of Company and Building situated at Khasra No 268 & 275, Village Raipur, Roorkee, Haridwar, Uttarakhand, and factory land which is in the name of M/s PG Electronics and Mr. Vishal Gupta.  (iii). Corporate Guarantee of PG Electronics (Partnership Firm)
4	State Bank of India	GECL*2	602.52	221.00	828.75	55.25	68 monthly installment of Rs. 18.42 lakhs from April 2022 to November 2027 and balance in December 2027.	Collateral free Guaranteed Emergency Credit Line (GECL), which is fully guaranteed by NCGTC. Secured by extension of second ranking charge over existing primary and collateral securities including mortgages created in favour of the Bank.
5	State Bank of India	GECL*3	442.00	-	-	-	Monthly installment of Rs. 9.20 lakhs from November 2023 to October 2027 and balance in December 2027.	Personal Guarantee are also given by promoter directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta.
6	HDFC Bank	Term loan	1,961.67	628.80	2,590.47	809.19	"(i). Rs. 25.89 lakhs payable in monthly installment in April 2022.  (ii). Rs. 884 lakhs, repayable in monthly installment of Rs. 20.34 lakhs from April 2022 to December 2024 and Rs. 30.52 lakhs from January 2025 to May 2025 and balance amount in June 2025.  (iii). Rs. 576.51 lakhs, repayable in monthly installment from April 2022 to July 2027 and remaining amount in November 2027.  (iv). Rs. 1,104.07 lakhs, repayable in monthly installments of Rs. 20.54 lakhs from April 2022 to June 2026 and balance in July 2026. Monthly interest is being charged at the end of each month.	Secured by way of exclusive charge over land, Building, at I-26 & I-27, Site-C, UPSIDC Industrial Area, Surajpur Greater Noida, U.P. (Unit 5) and land, Building, at A-20/2. MIDC Supa, District-Ahmednagar Maharashtra (Unit 4). Term loan are also secured by way of exclusive charge on plant and machinery situated at Unit 5 of Greater Noida and specific plant & machinery generated out of the term loan, situated at Unit 4 of Ahmednagar, Maharashtra. Personal Guarantee are also given by promoter directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta.



# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

Sr. No.	Bank Name	Type of loan	As at 31st March, 2022		As at 31st March, 2021		Term of Repayments	Security
			Non-Current	Current	Non-Current	Current		
7	HDFC Bank	Term loan	5,570.81	371.39	-	-	Repayable in monthly instalment of Rs 61.90 lakhs in the month of October 2022 to September 2026 and Rs 82.53 lakhs from October 2026 to September 2029.	Secured by way of exclusive charge over land, Building, at A-18, Village Supa, Taluka-Parner, Distt.-Ahmednagar, Maharashtra-414302 measuring 40011 Sq.mete. Term loan are also secured by way of exclusive charge on plant and machinery situated at Unit-1 at Greater Noida Extension, UP, Unit-2 at Supa, Ahmednagar. Personal Guarantee are also given by directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta. PDC cheque of total sanctioned loan amount. Corporate Guarantee of PG Electroplast Ltd is also given.
8	HDFC Bank	Moratorium Loan Covid -19 converted from existing loans	71.80	1.01	72.82	-	Repayable in the month of April 2022, June 2025, June 2026 and November 2027.	Moratorium Loan Covid -19 of deferment of existing term loans & interest amount was granted as per Covid -19 Panedemic Relief by RBI.
9	HDFC Bank	Covid-19	-	-	-	750.00	Repayable in 9 EMI of Rs. 83.33 lakhs	Secured by extension of second ranking charge over existing primary and collateral securities including mortgages created in favour of the Bank.
10	HDFC Bank	ECGLC-02	1,500.00	500.00	1,916.67	83.33	Repayable in monthly installment of Rs. 41.67 lakh from April 2022 to March 2026.  Monthly Interest is being charged at the end of the each month.	Personal Guarantee are also given by promoter directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta.
11	HDFC Bank	ECGLC-03	928.00	-	-	-	Repayable in monthly installment of Rs. 19.33 lakh from December 2022 to November 2026.  Monthly Interest is being charged at the end of the each month.	Secured by extension of second ranking charge over existing primary and collateral securities including mortgages created in favour of the Bank.  Personal Guarantee are also given by promoter directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta.
12	ICICI Bank	Term loan	1,020.83	250.00	-	-	Repayable in monthly installment of Rs. 20.83 lakh from April 2022 to April 2027 along with interest.	First Pari Passu charge on all current assets of Unit-4. Guaranteed by promoter directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta .
13	ICICI Bank	Term loan	1,895.20	104.80	-	-	Repayable in monthly instalment of Rs 21.60 lakhs in the month of November 2022 to October 2026 and Rs 27.80 lakhs from November 2026 to October 2029. Monthly Interest is being charged at the end of the month.	Secured by way of exclusive charge over land, Building, at A-18, Village Supa, Taluka-Parner, Distt.-Ahmednagar, Maharashtra-414302 measuring 40011 Sq.mete. Term loan are also secured by way of exclusive charge on plant and machinery situated at Unit-1 at Greater Noida Extension, UP, Unit-2 at Supa, Ahmednagar. Personal Guarantee are also given by directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta. PDC cheque of total sanctioned loan amount. Corporate Guarantee of PG Electroplast Ltd is also given.
14	Yes Bank	Term loan	270.00	-	-	-	Repayable in monthly instalment of Rs. 2.81 lakhs from April 2023 to March 2027 and Rs. 3.75 lakhs from April 2027 to March 2030. Monthly Interest is being charged at the end of the month.	Secured by way of exclusive charge by way of hypothecation on entire existing and future specific assets which are procured out of term loan taken from Yes Bank. Personal Guarantee are also given by directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta. Corporate Guarantee of PG Electroplast Ltd is also given.

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

Sr. No.	Bank Name	Type of loan	As at 31st March, 2022		As at 31st March, 2021		Term of Repayments	Security
			Non-Current	Current	Non-Current	Current		
15	HDFC Bank	Vehicle loan	7.40	5.43	0.00	3.00	Repayment in 27 EMIs	Secured by hypothecation of vehicle acquired under the respective vehicle loan.
16	HDFC Bank	Vehicle loan	27.62	14.63	-	-	Repayment in the range of 32-34 EMIs	
17	ICICI Bank	Vehicle loan	-	0.67	0.67	19.28	Repayment in 2 EMIs	
18	ICICI Bank	Vehicle loan	5.74	2.55	-	-	Repayment in 36 EMIs	
19	Axis Bank	Vehicle loan	58.60	51.63	67.55	40.01	Repayment in EMIs ranging from 08 to 33 months for 7 loan accounts	
20	Yes Bank	Vehicle loan	-	3.84	3.84	5.34	Repayment in 8 EMIs	
			<b>16,035.01</b>	<b>2,800.74</b>	<b>7,798.58</b>	<b>2,521.41</b>		
<b>Secured- From Others</b>								
1	Tata Capital Financial Services Limited	Loan against plant	178.87	79.72	258.59	71.63	Repayable in monthly installments from April 2022 to February 2025.	Machineries purchased from the term loan. Guaranteed by promoter directors i.e Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta .
2	Uttar Pradesh Financial Corporation Ltd	Interest Free Term loan	447.94	-	408.14	-	Repayable in lumpsum amount after 7 years from the date of disbursement without any interest.	Bank Guarantee of 100% value of loan was issued by State bank of India, Noida in favour of lender for entire period of 7 years plus 6 months delay period interest @ 15% p.a., In case of non payment on due date. Guaranteed by promoter directors i.e Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta.
3	Vehicle loan from Sundaram Finance Limited	Vehicle loan	48.15	15.71	-	11.35	In ranging from 25 to 44 Nos EMIs - 2 nos loan accounts	Secured by hypothecation of vehicle acquired under the respective vehicle loan.
4	Vehicle loan from Sundaram Finance Limited	Vehicle loan	42.75	13.94	-	-	Repayment in 47 EMIs	Secured by hypothecation of vehicle acquired under the respective vehicle loan.
			<b>717.72</b>	<b>109.37</b>	<b>666.73</b>	<b>82.99</b>		
<b>Unsecured- Deferred payments</b>								
1	Deferred Payment against P&M Haitian Huayuan Machinery India Pvt Ltd.	Deferred Payment	17.88	159.86	196.56	196.56	Repayable in the range of 9 to 21 monthly installment from April 2022 to December 2023.	
	Haitian Huayuan Machinery India Pvt Ltd.	Deferred Payment	151.91	233.47	-	-	Repayable in 19 monthly instalment of Rs. 19.46 lakhs April 2022 to October 2023 and remaining amount in November 2023.	
	Haitian Huayuan (Hongkong) Limited	Deferred Payment	24.68	94.70	46.95	257.66	Rs. 48.51 lakhs repayable in 5 monthly installment of Rs. 9.70 lakhs from April 2022 to August 2022. Rs. 70.86 lakhs repayable in 6 quarterly installment of Rs. 11.55 lakhs from May 2022 to May 2023 and remaining is payable in August 2023.	Not Applicable
	Haitian Huayuan (Hongkong) Limited	Deferred Payment	231.29	336.13	-	-	Repayable in 20 monthly instalment of Rs. 28.01 lakhs April 2022 to December 2023 and remaining amount in January 2024.	Not Applicable
			<b>425.75</b>	<b>824.17</b>	<b>243.51</b>	<b>454.22</b>		

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

## B. Repayable on demand

Sr. No.	Bank Name	Type of loan	As at 31st March, 2022		As at 31st March, 2021		Term of Repayments	Security
			Non-Current	Current	Non-Current	Current		
<b>Secured- From Banks</b>								
1	State Bank of India	Cash Credit Limit	-	2,350.85	-	1,745.52	Repayable on demand	(i). Secured by way of hypothecation of entire current assets including raw material, work-in-progress, finished goods, Book debts, advance payments, stock in transit, other current assets, cash margins of Unit 1 at Greater Noida, 2 at Roorkee & 3 at Greater Noida of the Company
2	State Bank of India	Demand loan Covid-19	-	-	-	0.01	Repayable on demand	
3	State Bank of India	Working Capital Demand Loan	-	1,000.00	-	-	Repayable on demand	(ii). Collateral Security : Factory Land and Building situated at Plot no- P-4/2 - 4/6 and Plot No E-14 & E-15, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of Company and Building situated at Khasra No 268 & 275, Village Raipur, Roorkee, Haridwar, Uttarakhand, factory land which is in the name of M/s PG Electronics and Mr. Vishal Gupta. (iii). Secured by Personal Guarantee of promoter directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta and Corporate Guarantee of M/s PG Electronics. (iv). Factory land and building of Plot no F-20, Site, B, UPSIDC Industrial Area, Surajpur, Greater Noida, District Gautam Budh Nagar is the prime security. (v). Hypothecation of all fixed assets except land & building and specified machinery charged under term loans of Unit-1, 2 & 3. Secured against term deposits.
4	State Bank of India	Overdraft	-	2.67	-	-	Repayable on demand	
5	HDFC Bank	Cash Credit Limit	-	1,278.14	-	239.94	Repayable on demand	(i). Secured by way of hypothecation of entire current assets present and future of Unit 4 & 5 of the Company and First PP Charge on Current assets of Unit-4 & 5 with ICICI Bank
6	HDFC Bank	Working Capital Demand Loan	-	2,000.00	-	1,000.00	Repayable on demand	(ii). Collateral Security : Factory Land and Building situated at I-26 & I-27, Site C, UPSIDC Industrial Area, Surajpur, Greater Noida, U.P (Unit-5) and A-20/2. MIDC Supa, District- Ahmednagar Maharashtra (Unit-4) of Company (iii). Secured by Personal Guarantee of promoter directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta. Secured against term deposits.
7	State Bank of India	Overdraft	-	44.67	-	19.06	Repayable on demand	
8	ICICI Bank	Cash Credit Limit	-	792.93	-	-	Repayable on demand	Secured by way of hypothecation of entire current assets present and future, plant & machinery of unit 1 at Greater Noida extension UP, Unit-2 at Supa Ahmednagar, Maharashtra.
9	HDFC Bank	Cash Credit Limit	-	1,430.37	-	-	Repayable on demand	Collateral Security: Factory land & building situated at A-18, MIDC Supa Distt: Ahmednagar, maharashtra. Personal Guarantee are also given by directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta. PDC cheque of total sanctioned loan amount. Corporate Guarantee of PG Electroplast Ltd is also given.
10	Yes Bank	Working Capital Demand Loan	-	500.00	-	-	Repayable on demand	
			-	<b>9,399.63</b>	-	<b>3,004.54</b>		

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

Sr. No.	Bank Name	Type of loan	As at 31st March, 2022		As at 31st March, 2021		Term of Repayments	Security
			Non-Current	Current	Non-Current	Current		
Unsecured- From Banks								
1	HDFC Bank	Bill Discounting	-	4,025.29	-	3,558.16	Repayable on due date	Secured by personal guarantee of promoter directors i.e Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta & PDC cheque for whole facility.
2	ICICI Bank	Bill Discounting	-	547.42	-	-	Repayable on due date	Secured by personal guarantee of promoter directors i.e Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta & PDC cheque for whole facility.
3	Bajaj Finance Limited	Bill Discounting	-	3,500.00	-	-	Repayable on due date	I. Exclusive charge on specified receivables discounted. II. Sales invoice discounting of supplies to Whirlpool & Voltas Limited.
			-	<b>8,072.71</b>	-	<b>3,558.16</b>		

## 16 PROVISIONS

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Non-Current</b>		
Provision for employee benefits		
Gratuity (refer note 32)	230.63	269.99
Compensated absences (refer note 32)	217.03	290.08
	<b>447.66</b>	<b>560.07</b>
<b>Current</b>		
Provision for employee benefits		
Gratuity (refer note 32)	21.98	20.81
Compensated absences (refer note 32)	18.94	20.22
Provision for warranty expenses-Post Sales	50.00	-
	<b>90.92</b>	<b>41.03</b>
<b>Total provisions</b>	<b>538.58</b>	<b>601.10</b>

## 17 TRADE PAYABLES

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Current</b>		
Total outstanding dues of micro enterprise and small enterprise	1,358.05	1,104.25
Total outstanding dues of creditors other than micro enterprise and small enterprise	25,562.65	14,230.48
	<b>26,920.70</b>	<b>15,334.73</b>

### Trade Payable Aging Schedule

Particulars	Less than 1 year	1-2 years	2-3 years	more than 3 years	Total
<b>As at 31st March 2022</b>					
Total outstanding dues to micro enterprises and small enterprises	1,358.05	-	-	-	1,358.05
Total outstanding dues of creditors other than micro enterprises and small enterprises	25,468.84	6.59	9.32	77.90	25,562.65
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

Particulars	Less than 1 year	1-2 years	2-3 years	more than 3 years	Total
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
<b>Carrying Amount</b>	<b>26,826.89</b>	<b>6.59</b>	<b>9.32</b>	<b>77.90</b>	<b>26,920.70</b>
<b>As at 31st March 2021</b>					
Total outstanding dues to micro enterprises and small enterprises	1,104.25	-	-	-	1,104.25
Total outstanding dues of creditors other than micro enterprises and small enterprises	13,994.82	2.68	6.12	226.87	14,230.49
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
<b>Carrying Amount</b>	<b>15,099.07</b>	<b>2.68</b>	<b>6.12</b>	<b>226.87</b>	<b>15,334.74</b>

(a) Trade Payables include due to related parties Rs. 1.22 lakhs (March 31, 2021 : Rs. 10.42 lakhs) (refer note 36)

(b) The amounts are unsecured and non interest-bearing and are usually on varying trade term.

(c) For terms and conditions with related parties. (refer to note 36)

(d) Trade payables includes acceptances of Rs. 8,313.28 lakhs (March 31, 2021: Rs. 3,192.46 lakhs)

## 18 OTHER FINANCIAL LIABILITIES

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Non-Current</b>		
Security deposits	2.06	17.31
Deferred cost of Interest Free Loan	176.31	225.17
	<b>178.37</b>	<b>242.48</b>
<b>Current</b>		
Security deposits	-	0.57
Deferred cost of Interest Free Loan	49.84	49.84
Interest accrued and due on borrowings	167.60	79.83
Capital creditors	1,692.84	274.48
Expenses creditors - services	1,994.92	1,302.76
Employee benefits & other dues payable	548.14	309.66
	<b>4,453.34</b>	<b>2,017.14</b>
<b>Total other financial liabilities</b>	<b>4,631.71</b>	<b>2,259.62</b>

(a) Other financial liability include due to related parties Rs. 25.82 lakhs (31st March, 2021 : Rs. 32.78 lakhs) (refer note 36)

## 19 OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Current</b>		
Advance from customers	1,380.16	109.41
Statutory dues	633.67	1,410.82
	<b>2,013.83</b>	<b>1,520.23</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

## 20 LEASE LIABILITIES

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Non-Current</b>		
Leases (refer note 34)	1,339.81	53.96
	<b>1,339.81</b>	<b>53.96</b>
<b>Current</b>		
Leases (refer note 34)	137.37	98.73
	<b>137.37</b>	<b>98.73</b>

## 21 REVENUE FROM OPERATIONS

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>Revenue from contract with customers</b>		
Sale of products		
Manufactured goods	1,03,399.46	66,315.57
Trading goods	5,654.93	3,609.67
Sale of services	346.05	172.26
	<b>1,09,400.44</b>	<b>70,097.50</b>
<b>Other Operating Income</b>		
Sale of scrap	371.35	223.15
	371.35	223.15
	<b>1,09,771.79</b>	<b>70,320.65</b>
<b>i) Timing of revenue recognition</b>		
Goods transferred at a point in time	1,09,425.74	70,148.39
Service transferred over a period of time	346.05	172.26
<b>Total revenue from contracts with customers</b>	<b>1,09,771.79</b>	<b>70,320.65</b>
<b>ii) Revenue by location of customers</b>		
India	1,09,688.83	70,308.58
Outside India	82.96	12.07
<b>Total revenue from contracts with customers</b>	<b>1,09,771.79</b>	<b>70,320.65</b>
<b>iii) Reconciliation of revenue recognised in Statement of profit and loss with contracted price</b>		
Revenue as per contracted price	1,09,826.89	70,360.33
Less: Discount	(55.10)	(39.68)
<b>Total revenue from contracts with customers</b>	<b>1,09,771.79</b>	<b>70,320.65</b>

### iv) Performance Obligation

**Sale of products:** Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on dispatch of the goods and payment is generally due as per the terms of contract with customers.

**Sales of services:** The performance obligation in respect of services is satisfied over a point of time and acceptance of the customer. Payment is generally due upon completion of service and acceptance of the customer.

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Contract balances</b>		
Trade receivables	21,332.74	14,725.64
Contract Liabilities	1,380.16	109.41

Trade receivable are non-interest bearing and are generally on terms of 30-90 days.

Contract liabilities include advances received from the customers to deliver the finished goods.

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

## 22 OTHER INCOME

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>i) Interest income</b>		
Interest income from bank deposits	79.89	58.95
Interest income from financial liabilities at amortised cost	83.97	40.89
Interest income from others*	41.66	17.55
	<b>205.52</b>	<b>117.39</b>
* Interest income from others includes Rs. 14.02 lakhs (31st March 2021: Nil) interest on Income tax refund.		
<b>ii) Other Non operating Income</b>		
Rental income	-	74.76
PSI Incentive 2007 from Maharashtra Government	1,391.71	-
Miscellaneous income	0.82	0.01
	<b>1,392.53</b>	<b>74.77</b>
<b>iii) Others</b>		
Profit on sale of property, plant and equipment	7.80	44.37
Liability no longer required written back	28.17	9.09
Gain on lease termination	0.82	3.62
Fair value gain on Investment recognised through FVTPL	4.24	1.45
Rent concession on lease	-	8.04
Refund of Electricity Duty	176.17	-
Others	8.84	3.25
	<b>226.04</b>	<b>69.82</b>
<b>Total Other Income</b>	<b>1,824.09</b>	<b>261.98</b>

### Incentive under Electronic Policy 2016

The parent company unit located at Supa, Taluka-Parner, MIDC district Ahemdnagar in Maharashtra is eligible for incentives under the Electronic Policy-2016 of Maharashtra Government and have been availing incentives in the form of Gross SGST refund for the period of January 2020 to October 2028. The group currently recognises income for such government grants based on Gross SGST payable, having maximum ceiling of Rs. 618.31 lakhs p.a. in accordance with the relevant notifications issued by the State of Maharashtra.

During the year, the group has received an in principal approval for eligibility from the Government of Maharashtra in response to the application filed for incentive under Electronic Policy-2016 on its investment for expansion for the period from March 2017 to February 2021. Accordingly, the group has recognised grant income amounting to Rs. 1,391.71 lakhs for the year ended on 31st March 2022. The cumulative amount receivable in respect of the same is Rs. 1,391.71 lakhs as at 31st March 2022.

## 23 COST OF MATERIAL CONSUMED

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Inventory at the beginning of the year (excluding goods in transit and bonded warehouse)	6,374.72	5,406.60
Add: Purchases	1,02,575.55	56,390.69
Less: Discount received from suppliers	(21.90)	(90.01)
Less: Cost of traded goods	(18,161.85)	(3,501.38)
Less: Stock loss due to Fire	(25.99)	-
Less: Inventory at the end of the year (excluding goods in transit and bonded warehouse)	(17,590.76)	(6,374.72)
	<b>73,149.77</b>	<b>51,831.18</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

## 24 PURCHASE OF TRADED GOODS

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Purchases	18,161.84	3,501.38
	<b>18,161.84</b>	<b>3,501.38</b>

## 25 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>Inventories at the beginning of the year:</b>		
Work-in-progress	1,542.57	1,976.06
Finished goods	1,040.21	925.62
<b>Total inventories at the beginning of the year</b>	<b>2,582.78</b>	<b>2,901.68</b>
<b>Inventories at the end of the year:</b>		
Work-in-progress	3,005.06	1,542.57
Finished goods	2,485.78	1,040.21
<b>Total inventories at the end of the year</b>	<b>5,490.84</b>	<b>2,582.78</b>
Total changes in inventories of finished goods and work-in-progress	<b>(2,908.06)</b>	<b>318.90</b>

## 26 EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Salaries,wages and bonus	6,814.65	4,904.88
Contribution to provident and other funds (refer note 32)	289.07	204.33
Leave encashment (refer note 32)	25.39	62.57
Gratuity expense (refer note 32)	117.19	102.35
Employee stock option scheme (refer note 33)	217.02	-
Staff welfare expenses	322.02	225.38
	<b>7,785.34</b>	<b>5,499.51</b>

## 27 FINANCE COST

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Interest on borrowings		
- Interest to Bank	1,357.69	988.41
- Interest on vehicle loan	18.00	14.91
- Other interest expense	65.83	117.92
Interest on lease liabilities (refer note 34)	12.17	18.13
Other borrowing costs		
- Discounting Charges, Processing fee	796.30	704.21
	<b>2,249.99</b>	<b>1,843.58</b>

## 28 DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Depreciation of property, plant and equipment (refer note 3)*	2,196.10	1,780.32
Amortisation of intangible assets (refer note 4)	15.17	20.91
	<b>2,211.27</b>	<b>1,801.23</b>

\* Included depreciation on ROU amounted Rs. 189.72 lakhs (31st March 2021: Rs. 107.50 lakhs).



# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

## 29 OTHER EXPENSES

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Consumption of store, spares & tools	660.44	293.96
Power and fuel	2,061.98	1,612.72
Sub-contracting expenses	473.90	368.18
Freight and forwarding charges	706.00	394.73
Rent	69.53	85.53
Rates and taxes	58.75	77.46
Insurance	161.04	133.06
Repairs and maintenance:		
Machinery	320.22	275.03
Building	59.42	154.03
Others	36.52	54.14
Travelling and conveyance	71.57	42.46
Vehicle running & maintenance	79.94	110.16
Communication costs	14.95	14.52
Printing and stationery	23.32	16.42
Security expenses	209.65	142.92
Legal and professional fees	355.76	74.63
Provision for doubtful debts & advances (Net)	326.07	68.68
Provision for Slow/Non moving inventories	18.01	67.75
Bad Debts written off	398.03	170.65
Reversal of provision for doubtful debts & advances	(398.03)	(170.65)
Payment to auditor (Refer details below Note-29.2)	24.58	15.10
Payment to cost auditor	3.85	3.00
Directors sitting fees	8.50	7.80
Loss on sale of property, plant and equipment	4.27	5.86
Property, Plant & Equipments written off	-	12.83
Late delivery charges paid to customers	4.00	5.40
Misc. Balance Written off	19.29	62.94
Miscellaneous expenses	363.05	94.34
	<b>6,134.57</b>	<b>4,193.65</b>

### 29.1 Exceptional Items

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Foreign Exchange rate fluctuation (Net)	(104.47)	(65.39)
Losses due to Fire-Inventory (Net)	1.54	146.94
Losses due to Fire-property, plant and equipments (Net)	9.87	-
	<b>(93.06)</b>	<b>81.55</b>

### 29.2 Detail of payment to auditors

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Audit fee	13.18	4.60
Tax audit fee	2.50	1.00
Limited review fee	8.90	9.50
	<b>24.58</b>	<b>15.10</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

## 30 EARNING PER SHARE

### a) Basic Earning per share

Particulars		For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>Numerator for earnings per share</b>			
Profit after tax	(Rs. in lakhs)	3,741.55	1,161.18
<b>Denominator for earnings per share</b>			
Weighted average number of equity shares outstanding during the year	(Numbers)	2,06,94,492	1,95,29,368
Earnings per share- Basic (one equity share of Rs. 10/- each)		18.08	5.95

### b) Diluted Earning per share

Particulars		For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>Numerator for earnings per share</b>			
Profit after tax	(Rs. in lakhs)	3,741.55	1,161.18
<b>Denominator for earnings per share</b>			
Weighted average number of equity shares outstanding during the year	(Numbers)	2,06,94,492	1,95,29,368
<b>Effect of dilution</b>			
Share Options	(Numbers)	1,72,631	752
Share warrants	(Numbers)	79,483	-
Cumulative Compulsory Convertible Debentures	(Numbers)	10,26,216	-
Weighted average number of equity shares outstanding during the year adjusted for effect of dilution	(Numbers)	2,19,72,822	1,95,30,120
Earnings per share- Diluted (one equity share of Rs. 10/- each)		17.03	5.95

## 31 INCOME TAX EXPENSES

Income tax expenses recognized in Statement of Profit and Loss:

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>Current income tax:</b>		
Current income tax charge	-	-
Adjustments in respect of current income tax of previous year	-	-
<b>Total current tax expense</b>	<b>-</b>	<b>-</b>
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	1,162.66	350.46
<b>Total deferred tax expense recognized</b>	<b>1,162.66</b>	<b>350.46</b>
<b>Income tax expenses charged in Statement of Profit &amp; Loss</b>	<b>1,162.66</b>	<b>350.46</b>

### Reconciliation of income tax expense and the accounting profit multiplied by Group's tax rate:

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Accounting Profit before income tax	4,904.22	1,511.64
Applicable Income Tax rate - u/s 115BAA	25.17%	25.17%
Computed tax expenses	<b>1,234.39</b>	<b>380.48</b>
Permanent differences	59.18	7.19
Additional allowed for tax purpose	-	-
Others	(130.91)	(37.21)
<b>Tax expenses in Statement of profit &amp; loss</b>	<b>1,162.66</b>	<b>350.46</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

## Deferred tax liabilities (net)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening balance as per last balance sheet	493.04	142.58
Deferred tax charged/(credited) to profit and loss during the year	1,162.66	350.46
Closing Balance	<b>1,655.70</b>	<b>493.04</b>
<b>Deferred tax liabilities comprises:</b>		
<b>Deferred tax liabilities</b>		
- Difference in carrying values of property, plant & equipment and intangible assets	2,577.66	2,200.77
<b>Deferred tax assets</b>		
- Arising on account of temporary difference	(103.17)	(99.69)
- Provisions of financial/other assets made in books, but tax deductible only on Actual write-off	(170.20)	(185.36)
- Carry forward losses and unabsorbed depreciation	(648.60)	(1,422.67)
<b>Deferred tax liabilities (net)</b>	<b>1,655.70</b>	<b>493.04</b>

The Companies included in Group has opted for reduced tax rate as per section 115BAA of the Income Tax Act, 1961 (introduced by the Taxation Laws (Amendment) Ordinance, 2019). Accordingly, the Group has recognised Provision for Income Tax for the year and re-measured its Deferred tax liability basis the rate prescribed in the said section and unutilised MAT credit entitlement has been written off.

Group has carried forward unabsorbed depreciation, having indefinite time period to adjust against taxable income of the group.

## 32 EMPLOYEE BENEFIT PLANS:

### A) Defined Contribution Plans:

The Group makes contribution in the form of provident funds as considered defined contribution plans and contribution to Employees Provident Fund Organisation. The Group has no further payment obligations once the contributions have been paid. Following are the schemes covered under defined contributions plans of the Group:

**Provident Fund Plan & Employee Pension Scheme:** The Group makes monthly contributions at prescribed rates towards Employee Provident Fund and Employee Pension Scheme fund administered and managed by Ministry of Labour & Employment, Government of India.

**Employee State Insurance:** The Group makes prescribed monthly contributions towards Employees State Insurance Scheme and payment made to Employee State Insurance Corporation, Ministry of Labour & Employment, Government of India.

The Group has charged the following costs in contribution to Provident and Other Funds in the Statement of Profit and Loss:

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Group's contribution to Provident Fund	246.56	170.50
Administrative charges on above fund	11.28	7.60
Group's contribution to Employee State Insurance Scheme	31.08	26.23
	<b>288.92</b>	<b>204.33</b>

### B) Defined Benefit Plans:

- (i) The Group provides for gratuity obligations through a defined benefit retirement plan (the 'Gratuity Plan') covering all group employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement termination of employment or death of an employee, based on the respective employees' salary and years of employment with the Group.

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

## (ii) Risk exposure

### a) Risk to the beneficiary

The greatest risk to the beneficiary is that there are insufficient funds available to provide the promised benefits. This may be due to:

- The insufficient funds set aside, i.e. underfunding
- The insolvency of the Employer
- The holding of investments which are not matched to the liabilities
- A combination of these events

### b) Risk Parameter

Actuarial valuation is done basis some assumptions like salary inflation, discount rate and withdrawal assumptions. In case the actual experience varies from the assumptions, fund may be insufficient to pay off the liabilities.

Similarly, reduction in discount rate in subsequent future years can increase the plan's liability. Further, actual withdrawals may be lower or higher than what was assumptions the valuation, may also impact the plan's liability.

### c) Risk of illiquid Assets

Another risk is that the funds, although sufficient, are not available when they are required to finance the benefits. This may be due to assets being locked for longer period or in illiquid assets.

### d) Risk of Benefit Change

There may be a risk that the benefit promised is changed or is changeable within the terms of the contract.

### e) Asset liability mismatching risk

ALM risk arises due to a mismatch between assets and liabilities either due to liquidity or changes in interest rates or due to different duration.

## (iii) Changes in defined benefit obligation

Particulars	Gratuity		Leave Encashment	
	For the year ended 31st March, 2022	For the year ended 31st March, 2021	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Changes in present value of obligation				
Present value of obligation as at beginning of the year	478.73	473.17	310.30	288.13
Interest cost	32.60	32.18	21.13	19.59
Current service cost	97.38	78.75	78.29	67.00
Benefits paid	(34.05)	(51.18)	(99.72)	(40.40)
Remeasurement-Actuarial loss/(gain)	-	-	(74.04)	(24.02)
Remeasurement gains / (losses) recognised in other comprehensive income:				
Actuarial (gain)/ loss arising from				
- Changes in financial assumptions	(20.13)	(53.66)	-	-
- Changes in demographic assumptions	-	-	-	-
- Changes in experience adjustments	(27.54)	(0.53)	-	-
	<b>526.99</b>	<b>478.73</b>	<b>235.96</b>	<b>310.30</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

## (iv) Fair Value of Plan Assets

Particulars	Gratuity		Leave Encashment	
	For the year ended 31st March, 2022	For the year ended 31st March, 2021	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Fair value of plan assets at the beginning of the year	187.94	126.08	-	-
Expenses recognised in profit and loss account				
Expected return on plan assets	12.80	8.57	-	-
Actuarial gain/(loss)	(0.59)	(1.99)	-	-
Remeasurement gains / (losses) recognised in other comprehensive income:				
Contribution by employer directly settled	13.40	34.46	-	-
Contributions by employer	94.88	72.00	-	-
Benefit payments	(34.05)	(51.18)	-	-
Fair value of plan assets at the end of the year	<b>274.38</b>	<b>187.94</b>	<b>-</b>	<b>-</b>

## (v) Amount recognised in Balance Sheet

Particulars	Gratuity		Leave Encashment	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Defined benefit obligation at the end of the year	(526.99)	(478.73)	(235.96)	(310.30)
Fair value of plan assets at the end of the year	274.38	187.94	-	-
Recognised in the balance sheet	(252.61)	(290.80)	(235.96)	(310.30)
Current portion of above	(21.98)	(20.81)	(18.94)	(20.22)
Non Current portion of above	(230.63)	(269.99)	(217.03)	(290.08)

## (vi) Expense recognised in the Statement of profit & loss

Particulars	Gratuity		Leave Encashment	
	For the year ended 31st March, 2022	For the year ended 31st March, 2021	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Current service cost	97.38	78.75	78.29	67.00
Interest expense	32.60	32.18	21.13	19.59
Interest Income on plan assets	(12.80)	(8.57)	-	-
Remeasurement-Actuarial loss/(gain)	-	-	(74.04)	(24.02)
Components of defined benefit costs recognised in profit or loss	<b>117.19</b>	<b>102.35</b>	<b>25.39</b>	<b>62.57</b>
Remeasurement on the net defined benefit liability:				
Return on plan assets (excluding amount included in net interest expense)				
Actuarial (gain)/ loss arising form changes in financial assumptions	(19.55)	(51.67)	-	-
Actuarial (gain) / loss arising form changes in demographic assumptions	-	-	-	-
Actuarial (gain) / loss arising form experience adjustments	(27.54)	(0.53)	-	-
Components of defined benefit costs recognised in other comprehensive income	<b>(47.09)</b>	<b>(52.20)</b>	<b>-</b>	<b>-</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

**(vii) The significant actuarial assumptions used for the purposes of the actuarial valuation were as follows:**

Particulars	Gratuity		Leave Encashment	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Discounting rate	7.28%	6.81%	7.28%	6.81%
Future salary growth rate	10.00%	10.00%	10.00%	10.00%
Life expectancy/ Mortality rate*	100% of IALM 2012-14	100% of IALM 2012-14	100% of IALM 2012-14	100% of IALM 2012-14
withdrawal rate	5.00%	5.00%	5.00%	5.00%
Method used	Projected unit credit Actuarial method	Projected unit credit Actuarial method	Projected unit credit Actuarial method	Projected unit credit Actuarial method

\* Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics (i.e. IALM 2012-14 ultimate/PY-IALM 2012-14 ultimate). These assumptions translate into an average life expectancy in years at retirement age.

**(viii) Sensitivity Analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Gratuity		Leave Encashment	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Changes in liability for 0.5% increase in discount rate	(26.89)	(25.29)	(11.78)	(15.17)
Changes in liability for 0.5% decrease in discount rate	29.38	27.71	12.84	16.50
Changes in liability for 0.5% increase in salary growth rate	51.08	49.18	25.33	32.27
Changes in liability for 0.5% decrease in salary growth rate	(44.56)	(42.18)	(21.85)	(27.99)
Changes in liability for 0.5% increase in withdrawal rate	(20.78)	(22.20)	(7.90)	(11.34)
Changes in liability for 0.5% decrease in withdrawal rate	27.28	29.91	10.42	14.93

**(ix) The followings payments are expected contributions to the defined benefit plan in future years**

Particulars	Gratuity		Leave Encashment	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Within next 12 months	47.80	35.40	20.32	21.60
Between 2 to 5 years	115.17	97.33	50.76	71.43
Beyond 5 years	1,286.00	1,127.00	560.54	656.34

The average duration of the defined benefit plan obligation at the end of the reporting period is 13 years (31st March 2021: 13 years)

The Plan assets are maintained with Life Insurance Corporation of India.

### 33 SHARE BASED PAYMENTS

During the year 2020-21, the Group has established PG Electroplast Employee Stock Option Scheme 2020 "ESOP 2020" and the same was approved at the general meeting of the parent company held on 28th February 2021. The plan was set up so as to offer and grant, for the benefit of employees of the Group, who are eligible under "Securities and Exchange Board of India" (SEBI) (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, option of the Group in one or more tranches, and on such terms and conditions as may be fixed or determined by the board, in accordance with the law or guidelines issued by the relevant authorities in this regard;

As per the plan, each option is exercisable for one equity share of face value of Rs. 10 each, at a price to be determined in accordance with ESOP 2020. ESOP information is given for the number of shares.

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

## (i) Set out below is a summary of options granted and vested during the year under the plan

Summary of Stock Options	31st March 2022		31st March 2021	
	Number of Stock Options	Weighted average exercise price per share option	Number of Stock Options	Weighted average exercise price per share option
Options outstanding at the beginning of the year	-	-	-	-
Options granted during the year	3,05,000	250	-	-
Options vested and exercised during the year	-	-	-	-
Options lapsed during the year	28,000	250	-	-
<b>Options outstanding at the end of the year</b>	<b>2,77,000</b>			

## (ii) Share options outstanding at the end of the year have the following expiry dates and exercise price:

Grant	Grant Date	Vesting Date	Expiry Date	Exercise Price	Fair Value	Share Option Outstanding	
						31st March 2022	31st March 2021
<b>Grant 1</b>							
Vesting 1	17th April 2021	16th April 2022	16th October 2022	250.00	137.08	53,400	-
Vesting 2	17th April 2021	16th April 2023	16th October 2023	250.00	167.03	53,400	-
Vesting 3	17th April 2021	16th April 2024	17th October 2024	250.00	188.28	80,100	-
Vesting 4	17th April 2021	16th April 2025	17th October 2025	250.00	203.34	80,100	-
<b>Grant 2</b>							
Vesting 1	17th July 2021	15th July 2022	15th January 2023	250.00	190.67	2,000	-
Vesting 2	17th July 2021	15th July 2023	15th January 2024	250.00	224.77	2,000	-
Vesting 3	17th July 2021	15th July 2024	15th January 2025	250.00	251.15	3,000	-
Vesting 4	17th July 2021	15th July 2025	15th January 2026	250.00	265.40	3,000	-

## (iii) Fair value of options granted

The fair value at grant date is determined using the Black Scholes Model as per an independent valuer's report having taken into consideration the market price being the latest available closing price prior to the date of the grant, exercise price being the price payable by the employees for exercising the option and other assumptions are as below:

Tranche	Vesting	Market Price	Volatility	Average life of option	Risk free interest rate	Dividend yield rate
Grant 1	Vesting 1	319.60	67.48%	1.50	4.24%	0.00%
	Vesting 2	319.60	69.21%	2.50	4.81%	0.00%
	Vesting 3	319.60	68.62%	3.50	5.26%	0.00%
	Vesting 4	319.60	66.68%	4.50	5.63%	0.00%
Grant 2	Vesting 1	391.90	62.40%	1.50	4.24%	0.00%
	Vesting 2	391.90	67.30%	2.50	4.81%	0.00%
	Vesting 3	391.90	69.31%	3.50	5.26%	0.00%
	Vesting 4	391.90	66.09%	4.50	5.63%	0.00%

## (iv) Expense arising from share based payment transaction

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Expense charged to Statement of Profit & Loss based on the fair value of options	206.78	-
	<b>206.78</b>	<b>-</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

## 34 Leases

- The Group's lease asset primarily consist of leases for land and buildings for offices and warehouses having the various lease terms. The Group also has certain leases of with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.
- The carrying value of right to use assets and movement thereof are disclosed in note 3.
- The following is the carrying value lease liability and movement thereof;

Particulars	Amount
<b>Balance as at 1st April, 2020</b>	221.74
Addition during the year	73.12
Finance cost accrued during the year	18.13
Deletion during the year	(40.62)
Payment of lease liabilities including interest	(110.86)
Rent concession on lease liabilities	(8.82)
<b>Balance as at 31st March, 2021</b>	<b>152.70</b>
Addition during the year	1,469.44
Finance cost accrued during the year	74.80
Deletion during the year	(9.12)
Payment of lease liabilities including interest	(210.64)
<b>Balance as at 31st March, 2022</b>	<b>1,477.18</b>

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current maturity of lease liability	137.37	98.73
Non Current lease liability	1,339.81	53.96

- The maturity of lease liabilities are disclosed in note 37.
- Amounts recognised in the statement of profit and loss during the year

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Depreciation charge of right-of-use assets - leasehold building	189.32	107.10
Depreciation charge of right-of-use assets - leasehold land	0.40	0.40
Finance cost accrued during the year (included in finance cost) (refer note 27)	74.80	18.13
Expense related to short term leases (included in other expense) (refer note 29)	69.53	85.53

- The Group has applied a single discount rate to a portfolio of leases of a similar assets in similar economic environment with similar end date.

## 35 FAIR VALUE MEASUREMENT

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

Summary of Stock Options	As at 31st March, 2022		As at 31st March, 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets at amortised cost</b>				
Fixed deposits with banks (Non Current)	476.74	476.74	50.48	50.48
Cash and bank balances	3,918.36	3,918.36	1,741.06	1,741.06
Trade receivables	21,332.74	21,332.74	14,725.64	14,725.64
Loans (current)	275.28	275.28	31.32	31.32
Other financial assets (Non Current)	360.65	360.65	261.51	261.51
Other financial assets (Current)	1,936.62	1,936.62	232.52	232.52



# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

Summary of Stock Options	As at 31st March, 2022		As at 31st March, 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets at FVTPL</b>				
Investment in mutual funds	43.69	43.69	15.45	15.45
Investment in equity shares	25.33	25.33	-	-
<b>Financial liabilities at amortised cost</b>				
Borrowings (Non Current )	17,178.48	17,178.48	8,708.81	8,708.81
Borrowings (Current )	21,206.63	21,206.63	9,621.31	9,621.31
Trade Payable	26,920.70	26,920.70	15,334.73	15,334.73
Other financial liabilities (Non current)	178.37	178.37	242.48	242.48
Other financial liabilities (Current)	4,453.34	4,453.34	2,017.14	2,017.14

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current financial assets and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments

## 35.1 FAIR VALUE HIERARCHY

- i) The Group uses the following hierarchy for fair value measurement of the group's financials assets and liabilities:

**Level 1:** Quoted prices/NAV (unadjusted) in active markets for identical assets and liabilities at the measurement date.

**Level 2:** Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

**Level 3:** Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

	Carrying Value 31st March, 2022	Fair Value		
		Level 1	Level 2	Level 3
<b>Assets at fair Value</b>				
<b>Fair Value through Profit &amp; Loss</b>				
Investment in mutual funds	43.69	43.69	-	-
Investment in equity shares	25.33	25.33	-	-
<b>Fair Value through amortised cost</b>				
Loan	275.28	-	-	275.28
Trade Receivables	21,332.74	-	-	21,332.74
Other Financial Assets (Non Current)	837.39	-	-	837.39
Other Financial Assets (Current)	1,936.62	-	-	1,936.62
<b>Liability at fair Value</b>				
<b>Fair Value through amortised cost</b>				
Borrowings (Non Current)	17,178.48	-	-	17,178.48
Borrowings (Current)	21,206.63	-	-	21,206.63
Trade Payables	26,920.70	-	-	26,920.70
Other Financial Liabilities (Non Current)	178.37	-	-	178.37
Other Financial Liabilities (Current)	4,453.34	-	-	4,453.34
Lease liabilities (Non Current)	1,339.81	-	-	1,339.81
Lease liabilities (Current)	137.37	-	-	137.37

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

	Carrying Value	Fair Value		
	31st March, 2021	Level 1	Level 2	Level 3
<b>Assets at fair Value</b>				
<b>Fair Value through Profit &amp; Loss</b>				
Investment in mutual funds	15.45	15.45	-	-
<b>Fair Value through amortised cost</b>				
Loan	31.32	-	-	31.32
Trade Receivables	14,725.64	-	-	14,725.64
Other Financial Assets (Non Current)	311.99	-	-	311.99
Other Financial Assets (Current)	232.52	-	-	232.52
<b>Liability at fair Value</b>				
<b>Fair Value through amortised cost</b>				
Borrowings (Non Current)	8,708.81	-	-	8,708.81
Borrowings (Current)	9,621.31	-	-	9,621.31
Trade Payables	15,334.73	-	-	15,334.73
Other Financial Liabilites (Non Current)	242.48	-	-	242.48
Other Financial Liabilites (Current)	2,017.14	-	-	2,017.14
Lease liabilities (Non Current)	53.96	-	-	53.96
Lease liabilities (Current)	98.73	-	-	98.73

There are no transfers among levels 1, 2 and 3 during the year.

## ii) Fair valuation techniques

The Group maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values:

- 1) Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.
- 2) Borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values.

## 36 RELATED PARTY DISCLOSURE

Pursuant to compliance of Indian Accounting Standard (IND AS) 24 "Related Party Disclosures", the relevant information is provided here below:

### Related Parties where control exists

#### i) Other related parties with whom transactions have taken place diuring the year

##### Key Management Personnel

Mr. Vishal Gupta (Executive Director)

Mr. Vikas Gupta (Executive Director)

Mr. Anurag Gupta (Executive Director)

Mr. Ram Dayal Modi (Non Executive Director) w.e.f. 26.05.2021

Mr. Sharad Jain (Non Executive Director)

Mr. Devendra Jha (Non Executive Director) till 08.02.2021

Dr. Rita Mohanty (Non Executive Director) till 15.05.2021

Mr. Promod Chimmanlal Gupta (Non Executive Director) till 25.01.2021

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

Mrs. Ruchika Bansal (Non Executive Director) w.e.f. 14.08.2021  
 Mr. Kishor Kumar Kaul (Non Executive Director) w.e.f. 26.01.2021  
 Mrs. Mitali Chitre (Non Executive Director) w.e.f. 02.07.2021  
 Mr. Mahabir Prasad Gupta (Chief Financial Officer) w.e.f.23.06.2020 till 31.01.2021  
 Mr. Sanchay Dubey (Company Secretary)  
 Mr. Praveen Datt Agarwal (Chief Financial Officer) till 31.05.2020  
 Mr. Bhawa Nand Choudhary- Managing Director till 31.03.2021  
 Mr. Promod Chimmanlal Gupta (Chief Financial Officer) w.e.f. 01.02.2021

## Relatives of Key Management Personnel

Mrs. Sarika Gupta (Wife of Mr. Vishal Gupta)  
 Mrs. Nitasha Gupta (Wife of Mr. Vikas Gupta)  
 Mrs. Neelu Gupta (Wife of Mr. Anurag Gupta)  
 Mrs. Sudesh Gupta (Mother of Executive Directors)  
 Mr. Pranav Gupta (Son of Mr. Anurag Gupta)  
 Mr. Aditya Gupta (Son of Mr. Anurag Gupta)  
 Mrs. Kanika Gupta (Daughter in law of Mr. Anurag Gupta)  
 Mr Vatsal Gupta (Son of Mr. Vishal Gupta)  
 Mr Raghav Gupta (Son of Mr. Vikas Gupta)  
 Mrs. Anju Choudhary (Wife of Mr. Bhawa Nand Choudhary) till 31.03.2021  
 Mrs Sarita Gupta (Wife of Mr. Mahabir Prasad Gupta) w.e.f.23.06.2020 till 31.01.2021

## Enterprises in which the Key Management Personnel or relatives of them of the group are interested

PG International (Parent Company's Directors are partner)  
 J. B. Electronics (Parent Company's Directors are partner)  
 PG Electronics (Parent Company's Directors are partner)

## ii) Key Management Personnel Compensation

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Short-term employee benefits	441.57	380.88
Post Employment benefits	-	10.38
Share based payments	76.14	-
Other Expenses, Sitting Fee and reimbursement of expenses	45.16	48.07
	<b>562.87</b>	<b>439.33</b>

## iii) Related Party transaction

Description	For the year ended 31st March 2022			For the year ended 31st March 2021		
	Key Management Personnel	Relative of Key Management Personnel	Others	Key Management Personnel	Relative of Key Management Personnel	Others
<b>Loan Repayment</b>						
Mr. Vishal Gupta	-	-	-	41.73	-	-
Mr. Vikas Gupta	-	-	-	41.44	-	-
Mr. Anurag Gupta	-	-	-	58.73	-	-

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

Description	For the year ended 31st March 2022			For the year ended 31st March 2021		
	Key Management Personnel	Relative of Key Management Personnel	Others	Key Management Personnel	Relative of Key Management Personnel	Others
<b>Money received against share warrants</b>						
Mr. Vishal Gupta	73.13	-	-	76.88	-	-
Mr. Vikas Gupta	73.13	-	-	76.88	-	-
Mr. Anurag Gupta	73.13	-	-	76.88	-	-
<b>Issue of Equity share capital on conversion of share warrant including security premium</b>						
Mr. Vishal Gupta	97.50	-	-	52.50	-	-
Mr. Vikas Gupta	97.50	-	-	52.50	-	-
Mr. Anurag Gupta	97.50	-	-	52.50	-	-
<b>Other Expenses (rent paid)</b>						
Mr. Vishal Gupta	0.66	-	-	0.15	-	-
Mrs. Sudesh Gupta	-	-	-	-	16.20	-
PG Electronics	-	-	0.60	-	-	0.60
<b>Remuneration</b>						
Mr. Vishal Gupta	122.90	-	-	111.88	-	-
Mr. Vikas Gupta	124.34	-	-	115.18	-	-
Mr. Anurag Gupta	94.88	-	-	85.07	-	-
Mr. Mahabir Prasad Gupta	-	-	-	9.01	-	-
Mr. Sanchay Dubey	4.74	-	-	3.55	-	-
Mr. Praveen Datt Agarwal	-	-	-	6.18	-	-
Mr. Bhawa Nand Choudhary	-	-	-	27.66	-	-
Mr. Promod Chimmanlal Gupta	54.63	-	-	9.41	-	-
Mrs. Sarika Gupta	-	28.30	-	-	25.47	-
Mrs. Nitasha Gupta	-	28.30	-	-	25.42	-
Mrs. Neelu Gupta	-	28.30	-	-	25.50	-
Mrs. Sudesh Gupta	-	28.30	-	-	25.42	-
Mr. Pranav Gupta	-	21.65	-	-	19.46	-
Mr. Aditya Gupta	-	9.20	-	-	4.89	-
Mrs. Kanika Gupta	-	8.60	-	-	7.70	-
Mr. Vatsal Gupta	-	9.01	-	-	5.23	-
Mr. Raghav Gupta	-	6.69	-	-	-	-
Mrs. Anju Choudhary	-	-	-	-	7.99	-
Mrs. Sarita Gupta	-	-	-	-	3.80	-
<b>Reimbursement of Expenses</b>						
Mr. Mahabir Prasad Gupta	-	-	-	0.91	-	-
Mr. Praveen Datt Agarwal	-	-	-	1.40	-	-
Mr. Bhawa Nand Choudhary	-	-	-	1.81	-	-
Mr. Anurag Gupta	12.00	-	-	12.00	-	-
Mr. Vishal Gupta	12.00	-	-	12.00	-	-
Mr. Vikas Gupta	12.00	-	-	12.00	-	-
Mr. Pranav Gupta	-	4.20	-	-	4.20	-
Mr. Aditya Gupta	-	1.20	-	-	1.20	-
Mrs. Kanika Gupta	-	3.24	-	-	3.24	-
<b>Shares Based Expenses</b>						
Mr. Promod Chimmanlal Gupta	74.65	-	-	-	-	-
Mr. Sanchay Dubey	1.49	-	-	-	-	-

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

Description	For the year ended 31st March 2022			For the year ended 31st March 2021		
	Key Management Personnel	Relative of Key Management Personnel	Others	Key Management Personnel	Relative of Key Management Personnel	Others
<b>Director Sitting Fee</b>						
Mr. Devendra Jha	-	-	-	1.70	-	-
Mr. Sharad Jain	2.80	-	-	2.10	-	-
Mrs. Rita Mohanty	0.10	-	-	1.80	-	-
Mr. Pramod Chimmanlal Gupta	-	-	-	1.70	-	-
Mr. Kishore Kumar Kaul	2.50	-	-	0.50	-	-
Mr Ram Dayal Modi	1.90	-	-	-	-	-
Mrs Ruchika Bansal	1.20	-	-	-	-	-
<b>Leave Encashment paid during the year</b>						
Mr. Bhawa Nand Choudhary	-	-	-	12.69	-	-
Mr. Praveen Datt Agarwal	-	-	-	0.25	-	-
Mr. Vishal Gupta	14.56	-	-	-	-	-
Mr. Vikas Gupta	14.38	-	-	-	-	-
Mr. Anurag Gupta	11.15	-	-	-	-	-
Mrs. Anju Choudhary	-	-	-	-	3.10	-
Mrs. Sarika Gupta	-	3.99	-	-	-	-
Mrs. Nitasha Gupta	-	3.96	-	-	-	-
Mrs. Neelu Gupta	-	3.96	-	-	-	-
Mrs. Sudesh Gupta	-	3.96	-	-	-	-
Mr. Pranav Gupta	-	1.83	-	-	-	-
<b>Gratuity paid during the year</b>						
Mr. Bhawa Nand Choudhary	-	-	-	10.38	-	-
Mrs. Anju Choudhary	-	-	-	-	2.54	-

## iv) Outstanding Balances

Description	As at 31st March 2022			As at 31st March 2021		
	Key Managerial Personnel	Relative of Key Managerial Personnel	Others	Key Managerial Personnel	Relative of Key Managerial Personnel	Others
<b>Security Deposit Receivable</b>						
Mrs. Sudesh Gupta	-	-	-	-	4.50	-
<b>Trade Payables</b>						
PG International	-	-	-	-	-	6.65
J. B. Electronics	-	-	0.92	-	-	3.62
PG Electronics	-	-	0.30	-	-	0.15
<b>Other Financial Liabilities</b>						
Mr. Vishal Gupta	0.08	-	-	0.04	-	-
<b>Remuneration Payable</b>						
Mr. Vishal Gupta	4.61	-	-	5.85	-	-
Mr. Vikas Gupta	4.64	-	-	10.51	-	-
Mr. Anurag Gupta	3.35	-	-	4.50	-	-
Mr. Sanchay Dubey	0.49	-	-	0.33	-	-
Mr. Pramod Chimmanlal Gupta	2.56	-	-	1.75	-	-
Mrs. Sarika Gupta	-	1.32	-	-	1.39	-
Mr Vatsal Gupta	-	0.58	-	-	0.51	-
Mrs. Nitasha Gupta	-	1.32	-	-	2.27	-

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

Description	As at 31st March 2022			As at 31st March 2021		
	Key Managerial Personnel	Relative of Key Managerial Personnel	Others	Key Managerial Personnel	Relative of Key Managerial Personnel	Others
Mrs. Neelu Gupta	-	2.18	-	-	1.37	-
Mrs. Sudesh Gupta	-	1.32	-	-	2.27	-
Mr. Pranav Gupta	-	1.12	-	-	1.02	-
Mr. Aditya Gupta	-	0.78	-	-	0.43	-
Mrs. Kanika Gupta	-	0.64	-	-	0.50	-
Mr Raghav Gupta	-	0.74	-	-	-	-

## v) Terms & Conditions

- Remuneration does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for the Group as a whole. Based on the recommendation of the Nomination and remuneration committee, all decisions relating to the remuneration of the KMPs are taken by the Board of Directors of the Group, in accordance with shareholders approval, wherever necessary.
- All Transactions entered with related parties defined under the Companies Act, 2013 during the year based on the terms that would be available to third parties. All other transactions were made in the ordinary course of business and at arm's length price.
- All outstanding balances are unsecured and are repayable in cash.

## 37 FINANCIAL RISK MANAGEMENT

The Group's principal financial liabilities comprise borrowings, trade other payables. The main purpose of these financial liabilities is to manage finances for the Group's operations. The Group's principal financial assets comprise trade and other receivables and cash and cash equivalent that arise directly from its operations.

The Group's activities expose it mainly to market risk, liquidity risk and credit risk. The monitoring and management of such risks is undertaken by the senior management of the group and there are appropriate policies and procedures in place through which such financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. It is the Group policy not to carry out any trading in derivative for speculative purposes.

### A) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk.

#### (i) Interest rate risk

Most of the borrowings availed by the Group are subject to interest on floating rate of basis linked to the base rate or MCLR (marginal cost of funds based lending rate). In view of the fact that the total borrowings of the Group are quite substantial, the Group is exposed to interest rate risk. The above strategy of the Group to opt for floating interest rates is helpful in declining interest scenario. Further, most of the loans and borrowings have a prepayment clause through which the loans could be prepaid with pre payment premium. The said clause helps the Group to arrange debt substitution to bring down the interest costs or to prepay the loans out of the surplus funds held. While adverse interest rate fluctuations could increase the finance cost, the total impact, in respect of borrowings on floating interest rate basis.

#### Interest rate sensitivity of borrowings

With all other variable held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on floating rate portion of loans and borrowings as on date.

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

Currency	31st March, 2022		31st March, 2021	
	Increase/ decrease in base points	Impact on profit before tax an equity	Increase/ decrease in base points	Impact on profit before tax an equity
Term Loan	+0.50	(98.31)	+0.50	(55.35)
	-0.50	98.31	-0.50	55.35

## (ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in foreign currency). The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

The Group's exposure to foreign currency risk at the end of the reporting period expressed in Rs. are as follows;

Currency	31st March, 2022		31st March, 2021	
	Foreign Currency	Indian Rupee	Foreign Currency	Indian Rupee
<b>Financial liabilities</b>				
Trade payables				
USD	103.13	7,886.41	22.35	1,653.61
CNY	0.43	5.10	-	-
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>103.56</b>	<b>7,891.51</b>	<b>22.35</b>	<b>1,653.61</b>

## Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arise mainly from foreign currency denominated financial instruments.

Particulars	Impact on Profit and Loss for the year ended 31st March, 2022		Impact on Profit and Loss for the year ended 31st March, 2021	
	Gain/(Loss) on appreciation	Gain/(Loss) on depreciation	Gain/(Loss) on appreciation	Gain/(Loss) on depreciation
1% appreciation / depreciation in Indian Rupees against following foreign currencies				
Trade payables				
USD	(78.86)	78.86	(16.54)	16.54
CNY	(0.05)	0.05	-	-
	<b>(78.92)</b>	<b>78.92</b>	<b>(16.54)</b>	<b>16.54</b>

## (iii) Commodity price risk

Commodity price risk is the risk that future cash flow of the Group will fluctuate on account of changes in market price of key raw materials. The Group is exposed to the movement in the price of key raw materials in domestic and international markets. the group has in place policies to manage exposure to fluctuation in the prices of the key raw materials used in operations.

## B) Liquidity Risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price.

The Group uses liquidity forecast tools to manage its liquidity. The Group is able to organise liquidity through own funds and through working capital loans. The Group has good relationship with its lenders, as a result of which it does not experience any difficulty in arranging funds from its lenders. Table here under provides the current ratio of the Group as at the year end.

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Total current assets	60,807.44	28,303.18
Total current liabilities	54,822.79	28,633.17
<b>Current ratio</b>	<b>1.11</b>	<b>0.99</b>

Maturities analysis of financial liabilities:

The table below provides details regarding the contractual maturity of financial liabilities :

Particulars	on demand	< 1 year	1-3 year	3-5 year	More than-5 years	Total
<b>As at 31st March 2022</b>						
Borrowings	9,399.63	11,807.00	7,624.96	5,556.87	3,996.65	38,385.11
Trade payable	-	26,920.70	-	-	-	26,920.70
Other financial liabilities	-	4,453.34	-	178.37	-	4,631.71
Lease liabilities (undiscounted)	-	246.59	443.78	468.12	896.69	2,055.19
	<b>9,399.63</b>	<b>43,427.63</b>	<b>8,068.74</b>	<b>6,203.36</b>	<b>4,893.34</b>	<b>71,992.71</b>

Particulars	on demand	< 1 year	1-3 year	3-5 year	More than-5 years	Total
<b>As at 31st March 2021</b>						
Borrowings	3,004.53	6,616.78	4,477.32	3,243.22	988.27	18,330.12
Trade payable	-	15,334.73	-	-	-	15,334.73
Other financial liabilities	-	2,017.14	-	242.48	-	2,259.62
Lease liabilities (undiscounted)	-	107.36	50.35	1.50	7.50	166.71
	<b>3,004.53</b>	<b>24,076.01</b>	<b>4,527.67</b>	<b>3,487.20</b>	<b>995.77</b>	<b>36,091.18</b>

## C) Credit Risk

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Group. The Group is exposed to credit risk from its operating activities, primarily trade receivables. The credit risks in respect of deposits with the banks, foreign exchange transactions and other financial instruments are only nominal.

The customer credit risk is managed subject to the Group's established policy, procedure and controls relating to customer credit risk management. In order to contain the business risk, prior to acceptance of an order from a customer, the creditworthiness of the customer is ensured through scrutiny of its financials, if required, market reports and reference checks. The Group remains vigilant and regularly assesses the financial position of customers during execution of contracts with a view to limit risks of delays and default. Further, in most of the cases, the Group normally allow credit period of 30-90 days to all customers which vary from customer to customer except mould & dies business. In case of mould & dies business, advance payment is taken before start of execution of the order. In view of the industry practice and being in a position to prescribe the desired commercial terms, credit risks from receivables are well contained on an overall basis.

The impairment analysis is performed on each reporting period on individual basis for major customers. Some trade receivables are grouped and assessed for impairment collectively. The calculation is based on historical data of losses, current conditions and forecasts and future economic conditions. The Group's maximum exposure to credit risk at the reporting date is the carrying amount of each financial asset.

The trade receivables position is provided here below:

Particulars	As at 31st March, 2022	As at 31st March, 2021
Total receivables (note 5)	21,332.74	14,725.64
Receivables individually in excess of 10% of the total receivables	5,356.00	8,144.37
<b>Percentage of above receivables to the total receivables of the Group</b>	<b>25.11%</b>	<b>55.31%</b>



# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

## 38 SEGMENT INFORMATION

Operating segment are defined as components of the group about which separate financial information is available that is evaluated regularly by the chief operating decision-maker, or decision-making group, in deciding how to allocate resources and in assessing performance. The Group primarily operates in one business segment- Consumer Electronic Goods and Components.

## 39 CAPITAL MANAGEMENT

For the purpose of Capital Management, Capital includes net debt and total equity of the Group. The Group manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Group is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The Group may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Particulars	As at 31st March, 2022	As at 31st March, 2021
Non-current borrowings (note 15)	17,178.48	8,708.81
Current borrowings (note 15)	17,472.34	6,562.69
Current maturities of long term borrowings (note 15)	3,734.29	3,058.62
<b>Total debts</b>	<b>38,385.11</b>	<b>18,330.12</b>
Less: Cash and cash equivalent (note 12(a))	(2,385.29)	(741.93)
<b>Net Debt (A)</b>	<b>35,999.82</b>	<b>17,588.19</b>
*Total equity (note 13 & note 14) (B)	31,229.80	19,246.88
Gearing ratio (A/B)	115.27%	91.38%

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March 2022 and 31st March, 2021.

## 40 CONTINGENCIES AND COMMITMENTS

- i) Contingent Liabilities (to the extent not provided for)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Claims against the group not acknowledged as debts (excluding interest & penalty)		
- Central Excise (FY 2008-09 to 2011-12)	765.73	765.73
- Anti-Dumping duty on Import	738.54	-
- Claims by third party	47.59	-
	<b>1,551.86</b>	<b>765.73</b>

- (a) Excise department has issued show cause notice dated 22nd December, 2011 for Rs 765.73 in respect of CTV sold to ELCOT, Tamil Nadu (a Govt. of Tamil Nadu undertaking) during the period February 2009 to October 2011 for free distribution by the state Govt. to poor section of the people by paying excise duty on the basis of value determined under section 4A instead of determining the value under section 4 of the Central Excise Act, 1944. The department has the contention that sale is institutional sale & valuation based on MRP under Section 4A is not applicable to the sale to ELCOT. The appeal made by the Group was allowed by the CESTAT, New Delhi vide order dated 12th March, 2014. However, the excise department has filed the appeal with Supreme Court, which has been admitted by the Supreme Court on 5th January, 2015 by condoning the delay in filing the appeal. This matter was last time listed on 2nd January, 2017. Case is pending before Supreme Court for final decision.
- (b) Directorate of Revenue Intelligence (DRI) had conducted a search on the factory premises of the parent company and the residence of the Promoters on 8th March 2011. The group has deposited Rs 145 lakhs as anti-dumping duty on import of CPT during the period from May 2010 to Dec 2010, which is refunded later on. A show cause notice dated 29th May 2015 has been issued on the group and raised the demand of Anti-Dumping Duty worth Rs. 738.54 lakhs along with interest and penalty. The Principal Commissioner of custom has passed an order dated 28th February 2017, confirming the demand of Rs. 738.54 lakhs along with interest & penalty. The group has filed an appeal before CESTAT, Allahabad Bench on 1st June 2017. The CESTAT vide its order dated 18th June 2019 has allowed the appeal in favour of the group and refunded the deposited amount and set aside the order passed by Principal Commissioner of customs, Noida. However, the Department has filed a Civil Appeal (No. 6544/2020) against the aforesaid Final order of CESTAT, Allahabad dated 18th June 2019. But till date no hearing was held at Hon'ble Supreme Court and no stay has been granted to the Department.

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

- (c) The group has received a notice under the jurisdiction of West District, Tis Hazari Court, Delhi from M/s Polyblends (India) Pvt. Ltd for recovery of outstanding amount of Rs. 45.54 lakhs with respect to purchase of plastic raw material and plastic filled compounds. The authorised representative appeared on behalf of the group on 20th May, 2022 before the Hon'ble Court. The Hon'ble Court directed the Company to file written statements. The next date of hearing is on 21st July, 2022.

The group has received a notice under the jurisdiction of West District, Tis Hazari Court, Delhi from M/s Niyati Industries through Mr. Vijay Jain for recovery of outstanding amount of Rs. 2.04 lakhs with respect to job work of re-enforced (Polystyrene) of plastic raw materials. The authorised representative appeared on behalf of the group on 12th May, 2022 before the Hon'ble Court and filed the written statements. The Hon'ble Court referred the matter to the Mediation Centre, THC, Delhi for 23rd May, 2022 at 02:00 PM. However, the matter could not be settled through mediation. The next date of hearing is on 23rd July, 2022.

## ii) Commitments

Particulars	As at 31st March, 2022	As at 31st March, 2021
Estimated amount of contracts remaining to be executed on Capital account and not provided for (Net of advances)	1,403.55	1,288.52
Other Commitments*	74.40	-
	<b>1,477.95</b>	<b>1,288.52</b>

\* During the year, Group has entered into an agreement with the Solar Stream Renewable Services Private Limited to invest Rs. 99.20 lakhs in 3 tranches in the equity shares of the group. Till 31st March 2022, group has invested Rs. 24.80 lakhs for tranche 1 and 1A, remaining amount to be invested in upcoming year.

## 41 DETAILS REQUIRED UNDER SECTION 22 OF MICRO, SMALL AND MEDIUM ENTERPRISE DEVELOPMENT ACT, 2006

Based on the intimation received by the Group from its suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the relevant information is provided here below:

Particulars	As at 31st March, 2022	As at 31st March, 2021
The principle amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;		
(i) Principal Amount	1,358.05	1,104.25
(ii) Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the suppliers beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the year on delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006,	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due above are actually paid to the Small enterprise, for the purpose of disallowances of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006,	-	-

## 42 CORPORATE SOCIAL RESPONSIBILITY (CSR)

The group has contributed NIL towards CSR activities during financial year 2021-22 (Previous Year Rs Nil). However, the group does not fall under the ceiling limit as prescribed under section 135 of the companies act 2013.

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

## 43 STANDARD NOTIFIED BUT NOT YET EFFECTIVE

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1st April, 2022. These amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

## 44 EVENTS AFTER BALANCE SHEET DATE

No adjusting or significant non-adjusting events have occurred between the reporting date and date of authorization of these consolidated financial statements.

## 45 RECONCILIATION OF QUARTERLY BANK RETURNS

### (i). Parent Company

Name of the Bank	Particulars	Quarter	Amount as per books	Amount as per reported in quarterly returns	Amount of Difference
State Bank of India	Inventory	31st March 2022	7,268.12	7,186.97	81.15
	Debtors	31st March 2022	10,538.68	10,538.69	(0.01)
	Creditors-LC creditors only)	31st March 2022	(2,555.87)	(2,556.00)	0.13
	<b>Net Total</b>	<b>31st March 2022</b>	<b>15,250.93</b>	<b>15,169.65</b>	<b>81.28</b>
	Inventory	31st December 2021	5,813.38	5,838.98	(25.60)
	Debtors	31st December 2021	8,985.99	8,985.99	0.00
	Creditors-LC creditors only)	31st December 2021	(1,988.01)	(1,241.00)	(747.01)
	<b>Net Total</b>	<b>31st December 2021</b>	<b>12,811.36</b>	<b>13,583.96</b>	<b>(772.60)</b>
	Inventory	30th September 2021	6,125.00	6,065.33	59.67
	Debtors	30th September 2021	7,608.39	7,608.39	(0.00)
	Creditors-LC creditors only)	30th September 2021	(1,872.70)	(1,266.00)	(606.70)
	<b>Net Total</b>	<b>30th September 2021</b>	<b>11,860.68</b>	<b>12,407.72</b>	<b>(547.03)</b>
HDFC Bank	Inventory	30th June 2021	4,216.34	4,174.91	41.43
	Debtors	30th June 2021	4,360.22	4,386.14	(25.92)
	Creditors-LC creditors only)	30th June 2021	(1,678.20)	(1,221.00)	(457.20)
	<b>Net Total</b>	<b>30th June 2021</b>	<b>6,898.36</b>	<b>7,340.05</b>	<b>(441.69)</b>
	Inventory	31st March 2022	13,074.91	12,560.15	514.76
	Debtors	31st March 2022	6,754.04	6,754.04	-
	Creditors-Trade & LC creditors	31st March 2022	(11,070.84)	(11,070.84)	-
	<b>Net Total</b>	<b>31st March 2022</b>	<b>8,758.11</b>	<b>8,243.35</b>	<b>514.76</b>
	Inventory	31st December 2021	9,817.62	9,553.49	264.13
	Debtors	31st December 2021	7,596.88	7,596.68	0.20
	Creditors-Trade & LC creditors	31st December 2021	(10,932.30)	(10,024.22)	(908.08)
	<b>Net Total</b>	<b>31st December 2021</b>	<b>6,482.20</b>	<b>7,125.95</b>	<b>(643.75)</b>
Inventory	30th September 2021	4,712.11	4,625.84	86.26	
Debtors	30th September 2021	3,772.24	3,772.24	-	
Creditors-Trade & LC creditors	30th September 2021	(3,117.41)	(2,992.55)	(124.85)	
<b>Net Total</b>	<b>30th September 2021</b>	<b>5,366.93</b>	<b>5,405.52</b>	<b>(38.59)</b>	
Inventory	30th June 2021	4,556.09	4,562.70	(6.61)	
Debtors	30th June 2021	2,610.07	2,610.08	(0.01)	
Creditors-Trade & LC creditors	30th June 2021	(2,600.91)	(2,596.11)	(4.80)	
<b>Net Total</b>	<b>30th June 2021</b>	<b>4,565.25</b>	<b>4,576.66</b>	<b>(11.42)</b>	

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

## Note for discrepancies

- The difference in inventory is due to goods in transit included in books of accounts which is not considered in DP statements filled with bankers.
- The difference in creditors is due to Letter of credit taken in books of account on the basis of LC open with banks but in DP statements are taken on basis of acceptances.
- The difference in debtors is due to subsequent adjustment made in the books of account which is not considered in DP statements filled with bankers.

## (ii). Subsidiaries Company

Name of the Bank	Particulars	Quarter	Amount as per books	Amount as per reported in quarterly returns	Amount of Difference
HDFC Bank	Inventory	31st March 2022	8,301.88	8,114.20	187.68
	Debtors	31st March 2022	5,502.96	5,502.96	-
	Creditors-Trade & LC creditors	31st March 2022	8,619.79	8,619.79	-
	<b>Net Total</b>	<b>31st March 2022</b>	<b>22,424.64</b>	<b>22,236.96</b>	<b>187.68</b>
	Inventory	31st December 2021	3,309.92	3,286.78	23.15
	Debtors	31st December 2021	1,997.79	1,997.79	-
	Creditors-Trade & LC creditors	31st December 2021	3,605.61	3,605.96	(0.36)
	<b>Net Total</b>	<b>31st December 2021</b>	<b>8,913.31</b>	<b>8,890.53</b>	<b>22.79</b>

## Note for discrepancies

- The difference in inventory is due to goods in transit included in books of accounts which is not considered in DP statements filled with bankers.

## 46 OTHER STATUTORY INFORMATION

- The Group does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Group does not have any transactions with companies struck off Company.
- The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Group is not a declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended 31 March 2022 and 31 March 2021.
- The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

# Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022  
(All Amounts are in Rupees lakhs, unless otherwise stated)

## 47 GROUP INFORMATION

The Consolidated financial statement of the group includes entities as mentioned below;

S No.	Name of entity	Country of Incorporation	Nature	Ownership interest held by the group	Year Ended	Net Assets i.e total assets minus total liabilities		Share in profit and loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
						As % of consolidated net assets	Amount (Rs. In lakhs)	As % of consolidated net assets	Amount (Rs. In lakhs)	As % of consolidated net assets	Amount (Rs. In lakhs)	As % of consolidated net assets	Amount (Rs. In lakhs)
<b>(I) Parent</b>													
	PG Electroplast Limited	India	Parent Company		31st March 2022	98.63%	30,802.20	88.11%	3,296.78	135.95%	64.02	88.71%	3,360.80
<b>(II) Subsidiaries having no non-controlling interest</b>													
	PG Technoplast Private Limited	India	Wholly owned subsidiary	100.00%	31st March 2021	100.00%	19,247.11	100.05%	1,161.75	100.00%	52.20	100.05%	1,213.95
	PG-Plastronics Private Limited	India	Wholly owned subsidiary	100.00%	31st March 2022	25.62%	8,000.57	13.37%	500.22	-35.95%	(16.93)	12.76%	483.30
	Elimination on Consolidation			100.00%	31st March 2021	0.00%	1.43	-0.05%	(0.57)	0.00%	-	-0.05%	(0.57)
					31st March 2022	0.00%	(0.60)	-0.02%	(0.60)	0.00%	-	-0.02%	(0.60)
					31st March 2021	0.00%	-	0.00%	-	0.00%	-	0.00%	-
					31st March 2022	-24.25%	(7,572.37)	-1.47%	(54.87)	0.00%	-	-1.45%	(54.87)
					31st March 2021	-0.01%	(1.66)	0.00%	-	0.00%	-	0.00%	-
						<b>100.00%</b>	<b>31,229.80</b>	<b>100.00%</b>	<b>3,741.54</b>	<b>100.00%</b>	<b>47.09</b>	<b>100.00%</b>	<b>3,788.63</b>
						100.00%	19,246.88	100.00%	1,161.18	100.00%	52.20	100.00%	1,213.38

48 Previous year figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As Per Our Report of Even Date Attached  
For: **S.S.Kothari Mehta & Company**  
Chartered Accountants  
Firm Registration No. 000756N

**Amit Goel**  
Partner  
M. No. 500607

Place: Greater Noida, U.P.  
Dated: 28th May, 2022

For and on behalf of Board of Directors  
**PG Electroplast Ltd**

**Anurag Gupta**  
Chairman & Executive Director  
DIN-00184361

**Sanchay Dubey**  
Company Secretary  
ACS No: A51305

**Vishal Gupta**  
Managing Director - Finance  
DIN-00184809

**Promod C Gupta**  
Chief Financial Officer

# Independent Auditor's Report

To

**THE MEMBERS OF PG ELECTROPLAST LIMITED**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of PG Electroplast Limited ("the Holding Company"), its subsidiaries (the holding company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31st March 2021, and the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and consolidated notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information ("consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of consolidated affairs of the Group as at March 31, 2021, and its consolidated profit, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

For each matter below, our description of how our audit addressed the matter is provided in that context.

Key audit matters	How our audit addressed the key audit matter
<p><b>Revenue Recognition</b></p> <p>Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognized when the Company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery.</p> <p>The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred.</p> <p>Refer Note 2(b) of the Consolidated Financial Statements – Significant Accounting Policies</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> <li>Evaluating the integrity of the general information and technology control environment and testing the operating effectiveness of key IT application controls.</li> <li>Evaluating the design and implementation of Company's controls in respect of revenue recognition.</li> <li>Testing the effectiveness of such controls over revenue cut off at year-end.</li> <li>Testing the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end, including examination of credit notes issued after the year end to determine whether revenue was recognized in the correct period.</li> <li>Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing.</li> <li>Assessing the appropriateness of the Company's revenue recognition accounting policies in line with IND AS 115 ("Revenue from Contracts with Customers") and testing thereof.</li> </ul>

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### **Other information**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Companies Act, 2013. The respective board of directors of the companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the director's of the holding company, as aforesaid.

In preparing the consolidated financial statements, the respective board of directors of the companies included in the group responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

The respective board of directors of the companies included in the group are also responsible for overseeing the financial reporting process of the group.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the holding company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the

direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matter**

We did not audit the financial statement and other financial information, in respect of one subsidiary, whose financial statement include total assets of ₹ 1.54 Lacs as at March 31, 2021, total revenues of ₹ Nil, total net loss after tax of ₹ 0.57 Lacs, total comprehensive loss of ₹ 0.57 Lacs, for the year ended on that date, and net cash inflows of ₹ 1.48 Lacs for the year ended on that date. These financial statement and other financial information have been audited by other auditor, which financial statement and other financial information and auditor's report have been furnished to us by the Management. Our opinion on the consolidated financial Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of the section 143 of the Act, in so far as it relates to aforesaid subsidiary is based solely on the reports of such auditor.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Companies Act, 2013, based on our audit and on the consideration of report of the other auditor on the separate financial statement and the other financial information of subsidiary, as noted in the 'other matter' paragraph we report, to the extent applicable. that:

(a) We/the other auditor whose report we have relied upon have sought and obtained all the information and explanations

which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and report of the other auditor.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Companies Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 and taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act. There is no company other than the Holding Company which is incorporated in India and hence reporting under this clause is not applicable to subsidiary companies.
- (f) With respect to the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-1". There is no company other than the Holding Company which is incorporated in India and hence reporting under this clause is not applicable to subsidiary companies.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act. There is no company other than the Holding Company which is incorporated in India and hence reporting under this clause is not applicable to subsidiary companies.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and on the consideration of report of the other auditor on the separate financial statement and the other financial information of subsidiary, as noted in the 'other matter' paragraph:



- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the group, in its consolidated financial statements – Refer Note 39 to the consolidated financial statements.
- ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company. There is no company other than

the Holding Company which is incorporated in India and hence reporting under this clause is not applicable to subsidiary companies.

For **Chitresh Gupta & Associates**  
Chartered Accountants  
Firm Registration Number: 017079N

**CA Chitresh Gupta**

Partner

M. No. 098247

UDIN: 21098247AAAAUO4277

Dated: 05th June, 2021  
Place: Greater Noida, U.P.

# Annexure 1 to Independent Auditors' Report

## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of PG Electroplast Limited ("the Holding Company") as of March 31, 2021 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date. There is no company other than the Holding Company which is incorporated in India and hence reporting about adequacy and the operating effectiveness of the internal financial control over financial reporting is not applicable for company other than Holding Company.

### Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these consolidated financial statement based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by The Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statement was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these consolidated financial statement and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statement, assessing the risk that a material

weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting with reference to these consolidated financial statement.

### Meaning of Internal Financial Controls over Financial Reporting with reference to these consolidated financial statement

A company's internal financial control over financial reporting with reference to these consolidated financial statement is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting with reference to these consolidated financial statement includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to these consolidated financial statement

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statement, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated financial statement to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statement may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, the Holding Company have, in all material respects, an adequate internal financial controls system over financial reporting with reference to these consolidated financial statement and such internal financial controls over financial reporting with reference to these consolidated financial statement were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of

Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Chitresh Gupta & Associates**  
Chartered Accountants  
Firm Registration Number: 017079N

**CA Chitresh Gupta**

Partner

Dated: 05th June, 2021

M. No. 098247

Place: Greater Noida, U.P.

UDIN: 21098247AAAAUO4277

# Consolidated Balance Sheet

as at 31<sup>st</sup> March 2021

₹ in Lacs

PARTICULARS	NOTE NO.	As at 31 <sup>st</sup> March, 2021
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	3	27,257.70
Capital Work-in-Progress	3	601.15
Goodwill		0.34
Intangible Assets	4	55.24
Financial Assets		
i. Trade Receivables	5	-
ii. Loans	6 (a)	-
iii. Investments	6 (b)	15.45
iv. Other Financial Assets	7	311.99
Deferred Tax Assets (Net)	8	-
Other Non-Current Assets	9	1,393.37
<b>Total Non-Current Assets</b>		<b>29,635.24</b>
<b>Current Assets</b>		
Inventories	10	9,261.07
Financial Assets		
i. Trade Receivables	5	14,725.64
ii. Cash and Cash Equivalents	11 (a)	741.93
iii. Bank Balances Other than Cash and Cash Equivalents	11 (b)	755.70
iv. Loans	6 (a)	31.32
v. Investments	6 (b)	-
vi. Other Financial Assets	7	475.94
Other Current Assets	9	2,128.65
Income Tax Assets (Net)	20	182.93
<b>Total Current Assets</b>		<b>28,303.18</b>
<b>TOTAL ASSETS</b>		<b>57,938.42</b>
<b>EQUITY AND LIABILITIES</b>		
Equity		
Equity Share Capital	12	1,969.40
<b>Other Equity</b>	13	<b>17,277.48</b>
<b>Total Equity</b>		19,246.88
<b>Liabilities</b>		
Non-Current Liabilities		
Financial Liabilities		
i. Borrowings	14	8,983.82
ii. Other Financial Liabilities	18	71.27
Deferred Tax Liabilities (Net)	8	493.04
Provisions	15	560.07
<b>Total Non-Current Liabilities</b>		<b>10,108.20</b>
<b>Current Liabilities</b>		
Financial Liabilities		
i. Borrowings	16	6,562.69
ii. Trade Payables	17	
- Total outstanding dues of micro and small enterprises		1,104.25
- Total outstanding dues of creditors other than micro and small enterprises		14,230.48
iii. Other Financial Liabilities	18	4,931.83
Other Current Liabilities	19	1,713.06
Provisions	15	41.03
Income Tax Liabilities (Net)	20	-
<b>Total Current Liabilities</b>		<b>28,583.34</b>
<b>Total Liabilities</b>		<b>38,691.54</b>
<b>TOTAL EQUITIES AND LIABILITIES</b>		<b>57,938.42</b>

The accompanying notes 1 to 44 form an integral part of consolidated financial statements.

As Per Our Report of Even Date Attached

For **Chitresh Gupta & Associates**

Chartered Accountants

Firm Registration No. 017079N

**CA Chitresh Gupta** (Partner)

M. No. 098247

UDIN:21098247AAAAUO4277

Place: Greater Noida, U.P.

Dated: 05<sup>th</sup> June, 2021

For and on behalf of Board of Directors

**PG Electroplast Ltd**

**(Anurag Gupta)**

Chairman & Executive Director

DIN-00184361

**(Sanchay Dubey)**

Company Secretary

ACS No:A51305

**(Vishal Gupta)**

Managing Director - Finance

DIN-00184809

**(Promod C Gupta)**

Chief Financial Officer

# Consolidated Statement of Profit and Loss

for the year ended on 31<sup>st</sup> March 2021

₹ in Lacs

PARTICULARS	NOTE	For the Year Ended 31 <sup>st</sup> March, 2021
<b>Revenue from Operations</b>	21	70,320.65
Other Income	22	261.98
<b>Total Income</b>		<b>70,582.63</b>
<b>Expenses:</b>		
Cost of Materials Consumed	23	51,831.18
Cost of Traded Goods	23.1	3,501.38
Changes in inventories of finished goods and work-in-progress	24	318.90
Employee benefits expenses	25	5,499.51
Finance costs	26	1,843.58
Depreciation and amortisation expenses	27	1,801.23
Other expenses	28	4,193.66
<b>Total Expenses</b>		<b>68,989.44</b>
<b>Profit before exceptional items &amp; tax</b>		<b>1,593.19</b>
Exceptional Items	28	81.55
<b>Profit before tax</b>		<b>1,511.64</b>
<b>Tax expenses:</b>		
Current tax	29	-
Deferred tax	29	350.46
<b>Total tax expenses</b>		<b>350.46</b>
<b>Profit for the year</b>		<b>1,161.18</b>
<b>Other comprehensive income:</b>		
A (i) Items that will not be reclassified to profit or loss:		
Remeasurements of the defined benefit plans		52.20
(ii) Income tax relating to items that will not be reclassified to profit or loss		-
(iii) Deferred tax on above A(ii)		-
B (i) Items that may be reclassified to profit or loss		-
(ii) Income tax relating to items that may be reclassified to profit or loss		-
<b>Other comprehensive income/(Loss) for the year</b>		<b>52.20</b>
<b>Total comprehensive income for the year</b>		<b>1,213.38</b>
Profit for the year attributable to		
Equity holders of the parent company		1,161.18
Non controlling interests		-
		<b>1,161.18</b>
Other comprehensive income / (loss) for the year attributable to		
Equity holders of the parent company		52.20
Non controlling interests		-
		<b>52.20</b>
Total Comprehensive income for the year attributable to		
Equity holders of the parent company		1,213.38
Non controlling interests		-
		<b>1,213.38</b>
Earnings per equity share of Rupee 10.00 each attributable	30	
to equity holders of the parent company (with OCI)*		
Basic earnings per share		6.21
Diluted earnings per share		6.21
Earnings per equity share of Rupee 10.00 each attributable	30	
to equity holders of the parent company (without OCI)*		
Basic earnings per share		5.95
Diluted earnings per share		5.95

The accompanying notes 1 to 44 form an integral part of consolidated financial statements.

As Per Our Report of Even Date Attached

For **Chitresh Gupta & Associates**

Chartered Accountants  
Firm Registration No. 017079N

**CA Chitresh Gupta** (Partner)  
M. No. 098247  
UDIN:21098247AAAAUO4277

Place: Greater Noida, U.P.  
Dated: 05<sup>th</sup> June, 2021

For and on behalf of Board of Directors

**PG Electroplast Ltd**

**(Anurag Gupta)**  
Chairman & Executive Director  
DIN-00184361

**(Sanchay Dubey)**  
Company Secretary  
ACS No:AS1305

**(Vishal Gupta)**  
Managing Director - Finance  
DIN-00184809

**(Promod C Gupta)**  
Chief Financial Officer

# Consolidated Cash Flow Statement

for the year ended on 31<sup>st</sup> March 2021

₹ in Lacs

PARTICULARS	For the Year Ended 31 <sup>st</sup> March, 2021
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>	
Profit before tax	1,511.64
<b>Adjustments to reconcile profit before tax to net cash flows</b>	
Depreciation/amortization (Includes depreciation of Right to Use)	1,801.23
Employees expenses non operating	52.20
Loss on sale of fixed assets & Assets written off	18.69
Profit on sale of fixed assets	(44.37)
Provision for Doubtful recoveries	-
Misc balances written off	62.94
Provision for doubtful debts	38.68
Provision for doubtful advance to suppliers & capital advance	30.00
Provision for slow & non moving Inventories	67.75
Loss on fixed assets due to Fire	-
Loss on Inventory due to Fire	146.94
Liabilities written back	(9.09)
Interest expense on leased liabilities	18.13
Interest expense	1,825.45
Interest income	(117.39)
Operating profit before working capital changes	<b>5,402.79</b>
<b>Movements in working capital :</b>	
Increase/(decrease) in trade Payables	4,703.29
Increase/(decrease) in Long - term provisions, financial liabilities	(161.20)
Increase/(decrease) in Short - term provisions	(19.57)
Increase/(decrease) in Other Current Liabilities	1,078.90
Increase/(decrease) in Current Liabilities & Provision	385.21
Decrease/(increase) in trade receivables	(4,651.76)
Decrease/(increase) in inventories	(803.10)
Decrease / (increase) in Long - term loans and advances	(71.45)
Decrease / (increase) in Short - term loans and advances	(0.87)
Increase/(decrease) in Other Current Assets	(272.13)
Decrease/(increase) in loans and advances	(13.29)
Cash generated from/(used in) operations	5,576.83
Direct taxes (paid)/refund	120.96
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>5,697.79</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>	
Purchase of Property Plant and equipment including CWIP & Intangible assets	(4,388.78)
Proceeds from sale of Property plant and equipment	91.07
Investments made during the year	(15.45)
Bank Deposit having maturity more than 3 months	(141.41)
Interest received	113.00
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(4,341.58)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>	
Proceeds from Long-term borrowings	5,687.58
Repayment of long-term borrowings	(2,076.48)
Proceeds from Equity Share Capital	410.63
Short-term borrowings (Net)	(3,828.63)
Payment of principal portion of lease liabilities	(92.73)
Payment of interest portion of lease liabilities	(18.13)
Interest paid	(1,825.45)

# Consolidated Cash Flow Statement

for the year ended on 31<sup>st</sup> March 2021

₹ in Lacs

PARTICULARS	For the Year Ended 31 <sup>st</sup> March, 2021
<b>Net cash flow from/(used in) in financing activities (C)</b>	<b>(1,743.21)</b>
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(387.01)
Cash and cash equivalents at the beginning of the period	1,128.94
<b>Cash and cash equivalents at the end of the period</b>	<b>741.93</b>
Components of cash and cash equivalents	
Cash on hand	4.82
With banks:	
- on current account	737.11
<b>Total cash and cash equivalents</b>	<b>741.93</b>

The accompanying notes 1 to 44 form an integral part of consolidated financial statements.

As Per Our Report of Even Date Attached

For **Chitresh Gupta & Associates**

Chartered Accountants

Firm Registration No. 017079N

**CA Chitresh Gupta** (Partner)

M. No. 098247

UDIN:21098247AAAAUO4277

Place: Greater Noida, U.P.

Dated: 05<sup>th</sup> June, 2021

For and on behalf of Board of Directors

**PG Electroplast Ltd**

**(Anurag Gupta)**

Chairman & Executive Director

DIN-00184361

**(Sanchay Dubey)**

Company Secretary

ACS No:A51305

**(Vishal Gupta)**

Managing Director - Finance

DIN-00184809

**(Promod C Gupta)**

Chief Financial Officer

# Consolidated Statement Of Changes In Equity

## A EQUITY SHARE CAPITAL

Equity shares of ₹ 10 each issued, subscribed and fully paid up	₹ in Lacs
As at March 31, 2020	1,952.89
changes during the year	16.51
<b>As at March 31, 2021:</b>	<b>1,969.40</b>

Kindly refer Note No 12.

## B OTHER EQUITY

Particulars	Reserves and surplus			Other Comprehensive Income	Money Received against Share Warrants	Total other equity
	Capital reserve	Securities premium	Retained earnings			
<b>Balance as at March 31, 2020</b>	-	13,898.86	1,765.64	5.15	-	15,669.65
Profit for the year	-	-	1,161.18	-	-	1,161.18
Other comprehensive income, net of income tax	-	-	-	52.20	-	52.20
Movement during the year	-	231.00	0.33	-	163.12	394.45
<b>Balance as at March 31, 2021</b>	<b>-</b>	<b>14,129.86</b>	<b>2,927.15</b>	<b>57.35</b>	<b>163.12</b>	<b>17,277.48</b>

Kindly refer Note No 13.

The accompanying notes 1 to 44 form an integral part of consolidated financial statements.

As Per Our Report of Even Date Attached

For **Chitresh Gupta & Associates**  
Chartered Accountants  
Firm Registration No. 017079N

For and on behalf of Board of Directors  
**PG Electroplast Ltd**

**CA Chitresh Gupta** (Partner)  
M. No. 098247  
UDIN:21098247AAAAUO4277

**(Anurag Gupta)**  
Chairman & Executive Director  
DIN-00184361

**(Vishal Gupta)**  
Managing Director - Finance  
DIN-00184809

Place: Greater Noida, U.P.  
Dated: 05<sup>th</sup> June, 2021

**(Sanchay Dubey)**  
Company Secretary  
ACS No:A51305

**(Promod C Gupta)**  
Chief Financial Officer



# Notes to the Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March 2021

## 1 CORPORATE INFORMATION

The consolidated financial statements comprise financial statements of PG Electroplast Limited (“the Parent group”) and its subsidiary (collectively, “the Group”) for the year ended March 31, 2021. PG Electroplast Limited (“the Parent group”) is a public group domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its equity shares are listed with the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The registered office of the group is located at DTJ - 209, DLF Tower B, Jasola, New Delhi - 110025. The Group is an Electronic Manufacturing Services (EMS) provider for Original Equipment Manufacturers (OEMs) of consumer electronic products in India. The group manufactures and / or assemble a comprehensive range of consumer electronic components and finished products such as Kitchen Appliances, air conditioners (ACs) sub- assemblies, Air Cooler, Washing Machine, Mobile handsets, LED for third parties.

## 2. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

### (a) Basis of preparation and presentation

#### (i) Compliance with Ind AS

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015 as amended by time to time] and other relevant provisions of the Act.

#### (ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis except for certain assets and liabilities (including derivative instruments) that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the group takes into account the characteristics of the asset or liability if market participants would take

those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 Inventories or value in use in Ind AS 36 Impairment of Assets.

### (iii) Basis of Consolidation

“The consolidated financial statements comprises the financial statement of the PG Electroplast Limited (‘the Parent group’) and subsidiary (collectively ‘the Group’) as at March 31, 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:”

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (ii) Exposure, or rights, to variable returns from its involvement with the investee, and
- (iii) The ability to use its power over the investee to affect its returns.

“Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:”

- (i) The contractual arrangement with the other vote holders of the investee
- (ii) Rights arising from other contractual arrangements
- (iii) The Group’s voting rights and potential voting rights
- (iv) The size of the Group’s holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary

# Notes to the Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March 2021

acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent group, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so or there are no significant transaction or event between the date of those financial statement and date of financial statement of parent group.

## (iv) Consolidation Procedure - Subsidiary

- (i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- (iii) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS - 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the

equity holders of the parent of the Group and to the non-controlling interests, even if this results in the noncontrolling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the Group recognises the gain directly in equity as capital reserve, without routing the same through OCI."

## (b) Revenue recognition

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties, in writing, to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognized upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration the group has received or expects to receive in exchange for these products or services ("transaction price"). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

## (c) Government grants

Grants from the government are recognised where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary

# Notes to the Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March 2021

to match them with the costs that they are intended to compensate and presented either within other income or net of related costs.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the group with no future related costs are recognised in profit & loss in the period in which they become receivable.

## (d) Leases

### (i) As a lessee

The group's lease asset classes primarily consist of leases for land and buildings. The group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether: (i) the contract involves the use of an identified asset (ii) the group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the group has the right to direct the use of the asset. At the date of commencement of the year, the group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the group recognizes the lease payments as an operating expense. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that

are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the group changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### (ii) As a lessor

"Leases for which the group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease

### (ii) Transition

The group has adopted IND AS - 116 "Leases", effective 1st April 2019 using the "Modified Retrospective Approach". Upon transition, cumulative adjustment for present value of the remaining lease payments of lease contracts existing as on the date of initial application has been recognised as a lease liability with an equivalent asset for the right to use.

## (e) Foreign currency translation

### (i) Functional and presentation currency

The consolidated financial statements are presented in Indian rupee (₹), which is group's functional and presentation currency unless stated otherwise.

### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities

# Notes to the Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March 2021

denominated in foreign currencies at year end exchange rates are recognised in profit or loss in the period in which they arise.

- (iii) Foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

## **(f) Impairment of non-financial assets**

“Non- financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non- financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

If, at a reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit & loss.

## **(g) Borrowing Costs**

Borrowing Costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

Borrowing costs consists of interest & other costs that an entity incurs in connection with borrowing of funds.

## **(h) Income tax**

Income tax expense represents the sum of the tax currently payable and deferred tax.

### **(i) Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit may differ from ‘profit before tax’ as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or

deductible. The group’s current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

### **(ii) Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### **(iii) Current and deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

## **(i) Earnings Per Share (EPS)**

Basic earnings per share is computed using the net profit / (-) loss for the year (without taking impact of OCI) attributable to the equity share older and weighted average number of shares

# Notes to the Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March 2021

outstanding during the year. The weighted average number of shares includes number of equity shares that are issued on conversion of warrant, convertible debentures, etc. from the date of conversion. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effect of potential diluted equity shares unless impact is anti-diluted.

## (j) Property, plant and equipment

Property, plant and equipment are tangible items that are held for use in the production or supply for goods and services, rental to others or for administrative purposes and are expected to be used during more than one period. The cost of an item of property, plant and equipment shall be recognised as an asset if and only if it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items and are net of recoverable taxes /duty. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably.

Each part of item of property, plant and equipment, if significant in relation to the total cost of the item, is depreciated separately. Further, parts of plant and equipment that are technically advised to be replaced at prescribed intervals/period of operation are depreciated separately based on their specific useful life provided these are of significant amounts commensurate with the size of the group and scale of its operations. The carrying amount of any equipment accounted for as separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation methods, estimated useful lives and residual value

Depreciation commences when the assets are ready for their intended use. Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives.

Depreciation on Property, Plant & Equipment has been provided on Straight Line Method (SLM) based on the useful life of the assets prescribed in Schedule II of the Companies Act, 2013 except in respect of major plant & machinery, where useful life has been taken as 25 years, as technically assessed.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.

Depreciation is not recorded on capital work in progress until construction and installation are complete and the assets is ready for its intended use.

## (k) Intangible assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Estimated useful lives of the intangible assets are as follows:

Assets	Estimated Useful Life
Computer Software	6 Years
Product Development	10 Years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

### Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the group can demonstrate:

- \* the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- \* its intention to complete and its ability and intention to use or sell the asset;
- \* how the asset will generate probable future economic benefits;

# Notes to the Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March 2021

- \* the availability of adequate technical, financial and other resources to complete the development and to use or sell the asset; and
- \* the ability to measure reliably the expenditure attributable to asset during its development.

The amount initially recognised for intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no intangible assets can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred. Subsequent to initial recognition, such intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as of acquired intangible assets.

## (l) Inventories

- (i) Inventories of raw materials, components, stores and spares are valued at lower of cost ( net of recoverable taxes ) and net realizable value. Cost for the purpose of valuation of such inventories is determined using the first-in, first-out (FIFO) method. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.
- (ii) Finished goods and work-in-progress are valued at lower of cost and net realizable value. The cost of finished goods and work-in-progress includes raw material costs (net of recoverable taxes), direct cost of conversion and proportionate allocation of indirect costs incurred in bringing the inventories to their present location and condition. Excise duty is included in the value of finished goods, wherever applicable.
- (iii) The provision for inventory obsolescence is assessed regularly based on estimated usage and shelf life of inventory.

## (m) Provisions, Contingent Liabilities, Commitments and Contingent assets

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When the effect of the time value of money is material, provision is measured at

the present value of cash flows estimated to settle the present obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Where it is not probable that an outflow of resources embodying economic benefits will be required or the amount can not be estimated reliably, the obligation is disclosed as a contingent liability and commitments, unless the probability of outflow of resources embodying economic resources is remote.

Contingent assets are not recognized but disclosed in the consolidated financial statements when an inflow of economic benefits is probable.

## (n) Employee benefits

### (i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the undiscounted amounts expected to be paid when the liabilities are settled. The liabilities are presented as current benefit obligations in the balance sheet.

### (ii) Other long-term employee benefit obligations

Other long-term employee benefits includes earned leaves, sick leaves and employee bonus.

#### Earned leaves

The liabilities for earned leaves are not expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit & loss. The obligations are presented as provisions in the balance sheet.

# Notes to the Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March 2021

## (iii) Post-employment obligations

The group operates the following post employment schemes:

- \* defined benefit plan towards payment of gratuity; and
- \* defined contribution plans towards provident fund & employee pension scheme and employee state insurance.

### Defined benefit plans

The group provides for gratuity obligations through a defined benefit retirement plan (the 'Gratuity Plan') covering all employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement/ termination of employment or death of an employee, based on the respective employees' salary and years of employment with the group.

The liability or asset recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The present value of the defined benefit obligation is determined using projected unit credit method by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation, with actuarial valuations being carried out at the end of each annual reporting period.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

### Defined contribution plans

Defined contribution plans are retirement benefit plans under which the group pays fixed contributions to separate entities (funds) or financial institutions or state managed benefit schemes. The group has no further payment obligations once the contributions have been

paid. The defined contributions plans are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

### \* Provident Fund Plan & Employee Pension Scheme

The group makes monthly contributions at prescribed rates towards Employees' Provident Fund/ Employees' Pension Scheme to a Fund administered and managed by the Government of India.

### \* Employee State Insurance

The group makes prescribed monthly contributions towards Employees' State Insurance Scheme.

### \* Leave Encashment

The group has recognised liability for short term compensated absences on full cost basis with reference to unavailed earned leaves at the year end. To the extent, the compensated absences qualify as a long term benefit, the group has provided for the long term liability at year end as per the actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses arising from adjustments and changes in actuarial assumptions are charged or credited to the Statement of profit and loss in the year in which such gains or losses arise.

## (o) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### \* Initial Recognition

The group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or release of financial assets and financial liabilities respectively, which are not at fair value through profit or loss, are added to the fair value of underlying financial assets and liabilities on initial recognition. Trade receivables and trade payables that do not contain a significant financing component are initially measured at their transaction price.

# Notes to the Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March 2021

## \* Subsequent Measurement

### a. Non- Derivative Financial Instruments

#### \* Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost which is held with objective to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### \* Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income which is held with objective to achieve both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### \* Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

#### \* Impairment of financial assets

The group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. For impairment purposes significant financial assets are tested on an individual basis, other financial assets are assessed collectively in groups that share similar credit risk characteristics.

The group recognises life-time expected losses for all trade receivables. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

The group follows 'simplified approach' for the recognition of impairment loss allowance on trade and other receivables.

The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognises impairment loss allowance based on life-time ECLs at each reporting date, right from its initial recognition.

The group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

#### \* Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. Financial liabilities at fair value through profit and loss includes financial liability held for trading and financial liability designated upon initial recognition as at fair value through profit and loss.

#### \* Cash and cash equivalents

"Cash and cash equivalents consist of cash, bank balances in currents and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### \* Derecognition

The group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition as per Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the group's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

#### \* Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### \* Reclassification of financial assets

The group determines classification of financial assets and liabilities on initial recognition. After



# Notes to the Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March 2021

initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The group's senior management determines change in the business model as a result of external or internal changes which are significant to the group's operations. Such changes are evident to external parties. A change in the business model occurs when the group either begins or ceases to perform an activity that is significant to its operations. If the group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

\* **Investment in subsidiaries, joint venture and associates**

Investment in equity shares of subsidiaries, joint venture and associates is carried at cost in the financial statements.

**(p) CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS**

**(i) Property, plant and equipment**

External advisor and/or internal technical team assesses the remaining useful life and residual value of property, plant and equipment. Management believes that the assigned useful lives and residual values are reasonable.

**(ii) Intangibles**

Internal technical and user team assess the remaining useful lives of Intangible assets. Management believes that assigned useful lives are reasonable. All Intangibles are carried at net book value on transition.

**(iii) Other estimates**

The group estimates the un-collectability of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required. Similarly, the group provides for inventory obsolescence, excess inventory and inventories with carrying values in excess of net realizable value based on assessment of the future demand, market conditions and specific inventory management initiatives. In all cases inventory is carried at the lower of historical cost and net realizable value.

# Notes to the Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March 2021

## 3. P R O P E R T Y, P L A N T A N D E Q U I P M E N T S

Particulars	Property, Plant and Equipments							Capital Work in Progress
	Leasehold Land	Buildings, Lease hold Improvement	Plant and Equipments	Electric installation	Furniture and Fixtures	Vehicles	Office equipment	
<b>Year ended 31st March 2021</b>								
<b>Gross carrying amount</b>								
Opening gross carrying amount	591.98	9,077.74	18,904.66	615.07	417.58	620.83	159.17	30,387.03
Additions	-	1,224.77	2,202.02	159.82	99.71	57.89	102.47	3,846.68
Disposals	-	(93.00)	(176.43)	(43.55)	(4.84)	(4.05)	(44.74)	(3,205.22)
<b>Closing gross carrying amount</b>	<b>591.98</b>	<b>10,209.51</b>	<b>20,930.25</b>	<b>731.34</b>	<b>512.45</b>	<b>674.67</b>	<b>216.90</b>	<b>33,867.10</b>
Accumulated depreciation								
Opening accumulated depreciation	30.41	908.27	3,455.04	246.06	95.28	230.19	100.39	5,065.63
Depreciation charge during the year	8.28	419.59	1,120.21	70.94	44.85	86.36	30.09	1,780.32
Disposals	-	(56.00)	(88.53)	(41.13)	(4.60)	(3.84)	(42.45)	(236.55)
<b>Closing accumulated depreciation</b>	<b>38.69</b>	<b>1,271.86</b>	<b>4,486.72</b>	<b>275.87</b>	<b>135.53</b>	<b>312.71</b>	<b>88.03</b>	<b>6,609.40</b>
<b>Net carrying amount</b>	<b>553.29</b>	<b>8,937.65</b>	<b>16,443.53</b>	<b>455.47</b>	<b>376.92</b>	<b>361.96</b>	<b>128.87</b>	<b>27,257.70</b>

### Notes:

#### i. Leasehold Land

The original lease terms in respect of a parcel of land acquired is as under-

Plot no	Period of Lease	Balance Period of Lease as on March 31, 2021
P-4/2 to 4/6 at Unit-I	90 years	73 years
E-14, E-15 at Unit-III	83 years	73 years
F-20 at Unit-III	59 years	56 years
I-26, I-27 at Unit-V	64 years	60 years
A-20/2 at Supa, Unit IV	85 Years	81 years
C-11 at Unit-IV	76 years	73 years

These leases of lands have been classified as finance lease in terms of criteria specified in Ind AS 116 leases, including the facts that the market value of the land (as on the date of transaction) had been paid to the lessor at the inception of the lease.

#### (ii) Restrictions on Property, plant and equipment

Refer note no. 14 & 16 for information on charges created on property, plant and equipment.

#### (iii) Contractual commitments

Refer note no. 38 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

#### (iv) Following is carrying value of right-to-use assets (included in buildings) recognised and the movements thereof during the year:

Particulars	FY 2020-21
Right-to-use assets at the beginning	211.94
Addition/Deletion during the year (Net)	30.16
Depreciation on Right-to-use assets during the year	107.49
<b>Balance at the closing</b>	<b>134.61</b>

# Notes to the Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March 2021

## 4. INTANGIBLE ASSETS

₹ in Lacs

Particulars	Computer Softwares	Product Development	Total
<b>Year ended 31st March 2021</b>			
<b>Gross carrying amount</b>			
Opening gross carrying amount	75.07	55.19	130.26
Additions	24.26	-	24.26
<b>Closing gross carrying amount</b>	<b>99.33</b>	<b>55.19</b>	<b>154.52</b>
<b>Accumulated amortisation</b>			
Opening accumulated amortisation	33.20	40.17	73.37
Amortisation charge for the year	10.89	10.03	20.91
Impairment loss recognised during the year	-	4.99	4.99
<b>Closing accumulated amortisation</b>	<b>44.09</b>	<b>55.19</b>	<b>99.27</b>
<b>Closing net carrying amount</b>	<b>55.24</b>	<b>-</b>	<b>55.24</b>

## 5. TRADE RECEIVABLES

₹ in Lacs

Current	31 <sup>st</sup> March, 2021
<b>Trade receivables (at amortised cost)</b>	
Unsecured, considered good	14,725.64
Doubtful	211.79
Less: Allowance for bad and doubtful debts	(211.79)
<b>Total trade receivables</b>	<b>14,725.64</b>

### Reconciliation of allowance on trade receivables:

₹ in Lacs

PARTICULARS	31 <sup>st</sup> March, 2021
Balance at beginning of the year	231.64
Additional provisions recognised	38.68
Written off as bad debts during the year	(58.53)
<b>Balance at the end of the year</b>	<b>211.79</b>

## 6 (a). LOANS

₹ in Lacs

Current	31 <sup>st</sup> March, 2021
<b>Loan to employees (at amortised cost)</b>	
- Unsecured, Considered Good	31.32
	<b>31.32</b>

## 6 (b). INVESTMENTS

₹ in Lacs

PARTICULARS	31 <sup>st</sup> March, 2021
<b>Quoted</b>	
<b>At fair value through profit &amp; loss</b>	
Investment in mutual funds*	15.45
	<b>15.45</b>

\*Investments in mutual funds, which are classified as FVTPL are measured using net assets value at the reporting date multiplied by the quantity held.

# Notes to the Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March 2021

## 6 (b). INVESTMENTS

₹ in Lacs

PARTICULARS	31 <sup>st</sup> March, 2021
<b>Current</b>	
Investment in mutual funds	-
Investment In Equity Shares Of Subsidiary	-
<b>At amortised cost</b>	<b>-</b>

## 7. OTHER FINANCIAL ASSETS

₹ in Lacs

Non-Current	31 <sup>st</sup> March, 2021
<b>At amortised cost</b>	
<b>Unsecured, considered good</b>	
Security deposits	261.51
Fixed Deposits With Bank (remaining maturity more than 12 months from reporting date)	-
Earmarked balances with banks (remaining maturity more than 12 months from reporting date)	50.48
<b>Total other financial assets at amortised cost</b>	<b>311.99</b>

₹ in Lacs

Current	31 <sup>st</sup> March, 2021
<b>At amortised cost</b>	
<b>Unsecured, considered good</b>	
Security deposits	21.46
Fixed Deposits With Bank (remaining maturity within 12 months from reporting date)	243.42
Interest accrued on bank deposits	23.69
Interest accrued - Others	6.60
Others	180.77
<b>Total other financial assets at amortised cost</b>	<b>475.94</b>

## 8. DEFERRED TAX BALANCES

₹ in Lacs

Non-Current	31 <sup>st</sup> March, 2021
Net Deferred Tax Assets/(Liabilities)	(493.04)
<b>Total</b>	<b>(493.04)</b>

### (i) Movement in deferred tax balances

Particulars	For the year ended 31 <sup>st</sup> March 2021			
	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
<b>Tax effect of items constituting deferred tax assets/ (liabilities)</b>				
- Liabilities and provisions tax deductible only upon payment/actual crystallisation	195.55	(10.20)	-	185.35
- Carry forward losses and unabsorbed depreciation	1,576.86	(154.19)	-	1,422.67
- MAT Credit Carried Forward	-	-	-	-
- Impairment provisions of financial/other assets made in books, but tax deductible only on actual write-off	125.36	(25.66)	-	99.70
- Difference in carrying values of property, plant & equipment and intangible assets	(2,040.35)	(160.41)	-	(2,200.76)
<b>Net deferred tax assets/(liabilities)</b>	<b>(142.58)</b>	<b>(350.46)</b>	<b>-</b>	<b>(493.04)</b>

# Notes to the Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March 2021

## 9. OTHER ASSETS

₹ in Lacs	
PARTICULARS	31 <sup>st</sup> March, 2021
<b>Non-Current</b>	
<b>Unsecured, considered good</b>	
Capital advances	1,326.45
Prepaid expenses	66.92
<b>Unsecured, considered doubtful</b>	
Capital Advances	-
Less: Provision for doubtful Capital Advances	-
<b>Total</b>	<b>1,393.37</b>

### Reconciliation of Provision for doubtful Capital Advances

₹ in Lacs	
PARTICULARS	31 <sup>st</sup> March, 2021
<b>Balance at beginning of the year</b>	<b>13.77</b>
Additional provisions recognised	-
Written off as bad debts during the year	(13.77)
<b>Balance at the end of the year</b>	<b>-</b>
<b>Current</b>	
<b>Unsecured, considered good</b>	
Advances to suppliers	1,023.29
Advances for expenses	39.19
Balances with Government Authorities	898.86
Prepaid expenses	166.03
Imprest to employees	1.28
<b>Unsecured, considered doubtful</b>	
Advance to suppliers	184.32
Less: Provision for doubtful advance to suppliers	(184.32)
<b>TOTAL OTHER ASSETS</b>	<b>3,522.02</b>

### Reconciliation of Provision for doubtful advance to suppliers

₹ in Lacs	
PARTICULARS	31 <sup>st</sup> March, 2021
<b>Balance at beginning of the year</b>	<b>252.68</b>
Additional provisions recognised	30.00
Written off as bad debts during the year	(98.36)
<b>Balance at the end of the year</b>	<b>184.32</b>

## 10. INVENTORIES

₹ in Lacs	
PARTICULARS	31 <sup>st</sup> March, 2021
Raw materials & components [includes stock in transit of ₹ 329.44 lacs]	6,704.16
Work-in-progress	1,542.57
Finished goods	1,040.21
Stores and spares	41.88
Less:- Provision for Slow/Non Moving Inventories	(67.75)
<b>Total inventories</b>	<b>9,261.07</b>

### Reconciliation of Provision for Slow/Non Moving Inventories

₹ in Lacs	
PARTICULARS	31 <sup>st</sup> March, 2021
<b>Balance at beginning of the year</b>	<b>-</b>
Additional provisions recognised	67.75
Written off during during the year	-
<b>Balance at the end of the year</b>	<b>67.75</b>

# Notes to the Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March 2021

## 10. INVENTORIES (Contd..)

- (i) The mode of valuation of inventories has been stated in note no. 2(l).
- (ii) In view of the order-to-dispatch cycle being normally around twelve months, most of the inventories held are expected to be utilized/sold during the next twelve months. However, there may be some exceptions on account of unanticipated cases where the dispatch is held up due to reasons attributable to the customers, slow movement in spares and advance manufacture in anticipation of orders, but these are not expected to be of material amounts.
- (iii) Refer Note no.14 & 16 for information on hypothecation created on entire stock including raw material, work in progress, finished goods, stock in transit and other stores & spare parts of unit-1, 2 & 3 by State Bank of India and Unit 4 & 5 by HDFC Bank respectively.

## 11. CASH AND BANK BALANCES

### (a) Cash and cash equivalents

		₹ in Lacs
PARTICULARS		31 <sup>st</sup> March, 2021
<b>At amortised cost</b>		
Balances with banks		
- In current accounts		737.11
Cash on hand		4.82
<b>Total cash and cash equivalents</b>		<b>741.93</b>

### (b) Bank balances other than cash and cash equivalents

		₹ in Lacs
PARTICULARS		31 <sup>st</sup> March, 2021
<b>At amortised cost</b>		
Earmarked balances with banks (remaining maturity within 12 months from reporting date)		755.70
<b>Total bank balances other than cash and cash equivalents</b>		<b>755.70</b>

## 12. SHARE CAPITAL

		₹ in Lacs
PARTICULARS		31 <sup>st</sup> March, 2021
<b>Authorised</b>		
3,50,00,000 equity shares [Par value of ₹10 per share]		3,500.00
		<b>3,500.00</b>
<b>Issued, Subscribed and Fully Paid Up:</b>		
1,96,93,916 equity shares [Par value of ₹10 per share]		1,969.40
		<b>1,969.40</b>

### (i) Movements in equity share capital

PARTICULARS	Number of shares	Amount in ₹
<b>As at 31st March 2020</b>	1,95,28,916	1,952.89
Movement during the year *	1,65,000	16.51
<b>As at 31st March 2021</b>	<b>1,96,93,916</b>	<b>1,969.40</b>

#### Terms and rights attached to equity shares

The Group has only one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the group, the equity shareholders are eligible to receive the remaining assets of the group after distribution of all preferential amounts, in proportion to their shareholding.

\*During the year 2020-21, the group had allotted 1,65,000 equity shares of Face value of ₹10 on conversion of warrants allotted to promoters & non-promoters on private placement basis to Mr. Anurag Gupta, Mr. Vishal Gupta, Mr. Vikas Gupta and Mr. Arvind Yeshwant Pradhan.

# Notes to the Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March 2021

## 12. SHARE CAPITAL (Contd..)

### (ii) Details of shareholders holding more than 5% shares in the group

PARTICULARS	As at 31 <sup>st</sup> March, 2021	
	Number of shares	% Holding
Mr. Anurag Gupta	24,61,201	12.50%
Mr. Vishal Gupta	28,51,991	14.48%
Mr. Vikas Gupta	28,47,701	14.46%
Mrs Sudesh Gupta	47,60,313	24.17%

₹ in Lacs

## 13. OTHER EQUITY

PARTICULARS	31 <sup>st</sup> March, 2021	
	Securities premium	14,129.86
Retained earnings	2,927.15	
Other comprehensive income	57.35	
Money received against share warrants*	163.12	
	<b>17,277.48</b>	

₹ in Lacs

\*During the year 2020-21, group has allotted 6,00,000 convertible warrant at the issue price of ₹150/- each to promoters & non-promoters on private placement basis to Mr. Anurag Gupta, Mr. Vishal Gupta, Mr. Vikas Gupta and Mr. Arvind Yeshwant Pradhan. Out of which 1,65,000 warrant have been converted into equity shares of face value of ₹10/- each (share premium ₹140/- each) as on 31.03.2021. Remaining 4,35,000 warrants are pending for conversion with application money of ₹163.13 lacs (₹ 4.35 lacs\*150\*25%).

### (i) Securities premium

PARTICULARS	31 <sup>st</sup> March, 2021	
	Opening balance	13,898.86
Movement during the year*	231.00	
<b>Closing balance</b>	<b>14,129.86</b>	

₹ in Lacs

Securities premium is used to record the premium on issue of shares. The securities premium is utilised in accordance with the provisions of the group Act 2013.

\*During the year 2020-21, group had allotted 1,65,000 equity shares on private placement basis @ ₹150/- per equity shares including share premium of ₹140/- per equity share to Mr. Anurag Gupta, Mr. Vishal Gupta, Mr. Vikas Gupta and Mr. Arvind Yeshwant Pradhan pursuant to conversion of warrants issued on private placement basis to the promoters & non-promoters.

### (ii) Retained earnings

PARTICULARS	31 <sup>st</sup> March, 2021	
	Opening balance	1,765.64
Net profit for the year	1,161.18	
Transaction on account of acquisition of interest in subsidiary	0.33	
<b>Closing balance</b>	<b>2,927.15</b>	

₹ in Lacs

(a) It represents undistributed profits of the group which can be distributed by the group to its equity shareholders in accordance with the requirements of the Companies Act, 2013.

(b) As required under Ind AS compliant Schedule III, the group has recognised remeasurement of defined benefit plans (net of tax) as part of retained earnings.

### (iii) Other comprehensive income

PARTICULARS	31 <sup>st</sup> March, 2021	
	Opening balance	5.15
Other comprehensive income for the year (Net)	52.20	
<b>Closing Balance</b>	<b>57.35</b>	

₹ in Lacs

# Notes to the Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March 2021

## 13. OTHER EQUITY

### (iv) Money received against share warrants

₹ in Lacs

PARTICULARS	31 <sup>st</sup> March, 2021
Opening balance	-
Movement during the year*	163.12
<b>Closing balance</b>	<b>163.12</b>

### Reconciliation of Movement in Money received against share warrants

₹ in Lacs

PARTICULARS	31 <sup>st</sup> March, 2021
<b>Balance at beginning of the year</b>	-
Received during the year against warrants	410.63
Converted into Equity Shares during the year	247.51
<b>Balance at the end of the year</b>	<b>163.12</b>

\*During the year 2020-21, group has allotted 6,00,000 convertible warrant at the issue price of ₹150/- each to promoters & non-promoters on private placement basis to Mr. Anurag Gupta, Mr. Vishal Gupta, Mr. Vikas Gupta and Mr. Arvind Yeshwant Pradhan. Out of which 1,65,000 warrant have been converted into equity shares of face value of ₹10/- each (share premium ₹140/- each) as on 31.03.2021. Remaining 4,35,000 warrants are pending for conversion with application money of ₹163.13 lacs (₹ 4.35 lacs\*150\*25%).

## 14. NON-CURRENT BORROWINGS

₹ in Lacs

PARTICULARS	31 <sup>st</sup> March, 2021
<b>Secured- at amortised cost</b>	
<b>Term loans</b>	
- <b>From banks</b>	
- Term Loan from SBI*	279.00
- Term Loan from SBI**	1,369.99
- Term Loan from SBI***	1,424.81
- Term Loan from SBI (GECL-2)****	884.00
- Term Loan from HDFC Bank	3,399.66
- Term Loan from HDFC Bank- Moratorium Loan Covid -19 of existing loans	72.82
- Term Loan from HDFC Bank (TI-5, Covid -19)	750.00
- Term Loan from HDFC Bank (ECGLC-02)	2,000.00
- Vehicle Loan from various Banks	139.70
- <b>From Others</b>	
- Term Loan from Aditya Birla Finance Ltd.	-
- Term Loan from Tata Capital Financial Services Limited	330.23
- Interest Free Loan from Uttar Pradesh Financial Corporation Ltd	408.14
- Deferred Interest Free Loan from Uttar Pradesh Financial Corporation Ltd	275.00
- Vehicle loan from Sundaram Finance Limited	11.35
<b>Unsecured- at amortised cost</b>	
Unsecured loans from directors	-
Deferred Payment against P&M	697.73
	<b>12,042.43</b>
Less: Amount disclosed under the head "Other financial liabilities current" (refer note 18)	3,058.61
<b>Total non-current borrowings</b>	<b>8,983.82</b>

₹ in Lacs

Amount disclosed under the head "Other financial liabilities current"	31 <sup>st</sup> March, 2021
- <b>From banks</b>	
- Term Loan from SBI*	240.00
- Term Loan from SBI**	300.00
- Term Loan from SBI***	216.00
- Term Loan from SBI (Moratorium Loan Covid-19)	-
- Term Loan from SBI (GECL-2)	55.25
- Term Loan from HDFC Bank	809.19
- Term Loan from HDFC Bank (Moratorium Loan Covid -19 of existing loans)	-
- Term Loan from HDFC Bank (TI-5, Covid -19)	750.00



# Notes to the Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March 2021

## 14. NON-CURRENT BORROWINGS (Contd..)

Amount disclosed under the head "Other financial liabilities current"	₹ in Lacs 31 <sup>st</sup> March, 2021
- Term Loan from HDFC Bank (ECGLC-02)	83.33
- Vehicle Loan from various Banks	67.63
<b>- From Others</b>	
- Term Loan from Aditya Birla Finance Ltd.	-
- Term Loan from Tata Capital Financial Services Limited	71.64
- Vehicle loan from Sundaram Finance Limited	11.35
<b>Unsecured- at amortised cost</b>	
Unsecured loans from directors	-
Deferred Payment against P&M	454.22
	<b>3,058.61</b>

### 14.1 Term Loan from State Bank of India

- a.(i) \*Term loan from State Bank of India are secured by way of hypothecation of Plant and Machinery, Prefabricated building and other utilities acquired out of banks finance & Personal guarantee of promoter directors i.e Mr.Anurag Gupta, Mr.Vishal Gupta and Mr.Vikas Gupta;
- a.(ii) \*\*Term loan from State Bank of India are secured by way of hypothecation of Plant and Machinery, factory land situated at P-4/6 and F-20, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of the group & Personal guarantee of promoter directors i.e Mr.Anurag Gupta, Mr.Vishal Gupta and Mr.Vikas Gupta;
- a.(iii) \*\*\*Term loan from State Bank of India are secured by way of hypothecation of Plant and Machinery, factory land & building situated at Khasra no 268 & 275, Raipur, Bhagwanpur, Roorkee, P-4/2 to 4/6 and E-14 & E-15, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of the group & Personal guarantee of promoter directors i.e Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta;
- a.(iv) \*\*\*\* GECL-2 term loantaken from SBI is collateral free Guaranteed Emergency Credit Line (GECL), which is fully guaranteed by NCGTC
- b. Collateral Security:- Factory Land and Building situated at Plot no- P-4/2 - 4/5, Plot No E-14 & E-15, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of group and Building situated at Khasra No 268 & 275, Village Raipur, Roorkee, Haridwar, Uttarakhand, and factory land which is in the name of M/s PG Electronics and Mr. Vishal Gupta;
- c. Corporate Guarantee of PG Electronics (Partnership Firm)
- d. \*Outstanding Term loan as on 31 March 2021 is ₹279.00 lacs as on reporting date is repayable on monthly instalments of ₹ 20.00 lacs from April 2021 till April 2022 & balance amount of ₹ 19.00 lacs in the month of May 2022.
- e. \*\*Outstanding Term loan as on 31 March 2021 is ₹1369.99 lacs as on reporting date is repayable on monthly instalments of ₹20.00 lacs from April 2021 to Sept 2021, monthly instalment of ₹30.00 lacs from Oct 2021 to Sept 2022, monthly instalment of ₹35.00 lacs from Oct 2022 to Sept 2023, monthly instalment of ₹40.00 lacs from Oct 2023 till Aug 2024 and balance amount of ₹29.99 lacs in Sept 2024.
- f. \*\*\*Outstanding Term loan as on 31st March 2021 is ₹ 1424.81 lacs as on reporting date is repayable on monthly instalments of ₹18.00 lacs from April 2021 to Oct 2027, balance amount of ₹ 2.81 lacs in Nov 2027.
- g. \*\*\*\* Outstanding amount of GECL-02 term loan as on 31.03.2021 of ₹ 884.00 lacs as on reporting date is repayable on monthly installments of ₹ 18.42 lacs from Jan 2022 to Dec 2025.

### 14.2 Term Loan from HDFC Bank Limited

- "a. Term loans of ₹1000 lacs from HDFC Bank Limited is secured by way of exclusive charge over land, Building, at I-26 & I-27, Site-C, UPSIDC Industrial Area, Surajpur Greater Noida, U.P. (Unit 5). Term loan are also secured by way of exclusive charge on plant and machinery situated at Unit 5 of Greater Noida and specific plant & machinery generated out of the term loan, situated at Unit 4 of Ahmednagar, Maharashtra. Personal Guarantee are also given by promoter directors i.e. Mr.Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta;
- a.i) Outstanding term loan as on 31 March 2021 is ₹ 246.22 lacs repayable in monthly instalments of ₹ 18.36 lacs from April 2021 till March 2022 and balance amount of ₹ 25.90 lacs in April 2022.
- a.ii) Monthly Interest is being charged at the end of the month.

# Notes to the Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March 2021

## 14. NON-CURRENT BORROWINGS (Contd..)

- b. Term loans of ₹1500 lacs from HDFC Bank Limited is secured by way of exclusive charge over land, Building, at A-20/2, MIDC Supa, District-Ahmednagar Maharashtra (Unit 4). Term loan are also secured by way of exclusive charge on specific plant & machinery generated out of the term loan, situated at Unit 4 of Ahmednagar, Maharashtra. Personal Guarantee are also given by promoter directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta;
- b.i) Outstanding term loan as on 31 March 2021 is ₹1128.18 lacs repayable in monthly instalments ₹20.35 lacs- from April-21 to Dec-24 and ₹30.52 lacs from Jan-25 to May 25 and balance amount of ₹ 59.89 lacs in June 25.
- b.ii) Monthly Interest is being charged the end of the month.
- c. Term loans of ₹900.00 lacs from HDFC Bank Limited against property taken over from Religare Finvest Limited is secured by way of exclusive charge over land, Building, at A-20/2, MIDC Supa, District- AHMEDNAGAR Maharashtra (Unit 4). Term loan are also secured by way of exclusive charge on specific plant & machinery generated out of the term loan, situated at Unit 4 of Ahmednagar, Maharashtra. Personal Guarantee are also given by promoter directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta;
- c.i) Outstanding term loan as on 31 March 2021 is ₹ 624.62 lacs repayable in monthly instalments from April 2021 till Nov.2027.
- c.ii) Monthly Interest is being charged end of the each month.
- d. Term loans of ₹1500 lacs from HDFC Bank Limited is secured by way of exclusive charge over land, Building, at A-20/2, MIDC Supa, District-Ahmednagar Maharashtra (Unit 4) & at I-26 & I-27 at Site-C, UPSIDC, Surajpur Industrial Area, UP( Unit-5) .Term loan are also secured by way of exclusive charge on specific plant & machinery generated out of the term loan, situated at Unit 4 of Ahmednagar, Maharashtra & Unit-5 at Greater Noida UP. Personal Guarantee are also given by promoter directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta;
- d.i) Outstanding term loan as on 31 March 2021 is ₹1350.65 lacs repayable in monthly instalments ₹20.55 lacs from April 2021 to June-2026 and balance amount of ₹ 56.13 lacs in July 2026.
- d.ii) Monthly Interest is being charged at the end of the each month.
- e. Term loans of ₹1000 lacs from HDFC Bank Limited is secured by way of exclusive charge over land, Building, at A-20/2, MIDC Supa, District-Ahmednagar Maharashtra (Unit 4) & at I-26 & I-27 at Site-C, UPSIDC, Surajpur Industrial Area, UP( Unit-5) .Term loan are also secured by way of exclusive charge on specific plant & machinery generated out of the term loan, situated at Unit 4 of Ahmednagar, Maharashtra & Unit-5 at Greater Noida UP and hypothecation of entire current assets present and future on the group's Unit 4 and Unit 5. Personal Guarantee are also given by promoter directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta;
- e.i) Outstanding term loan as on 31 March 2021 is ₹ 750.00 lacs repayable in monthly instalments ₹ 83.33 lacs from April 2021 to Dec 2021.
- e.ii) Monthly Interest is being charged at the end of the each month.
- f. Term loans ECGLC-02 of ₹2000 lacs from HDFC Bank Limited is secured by extension of second ranking charge over existing primary and collateral securities including mortgages created in favour of the Bank.
- Personal Guarantee are also given by promoter directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta;
- f.i) Outstanding term loan as on 31 March 2021 is ₹ 2000.00 lacs repayable in monthly instalments ₹33.33 lacs from Feb 2022 to Jan 2026.
- f.ii) Monthly Interest is being charged at the end of the each month.
- g. Term loan from HDFC Bank -Moratorium Loan Covid -19 of deferment of existing term loans & interest amount was granted as per Covid -19 Panedemic Relief by RBI.
- g.i) outstanding term loan as on 31 March 2021 of ₹ 72.82 lacs repayable in Month of April 22, June 25, July 26 & Nov 27.
- g.ii) Monthly Interest is being charged at the end of the each month.

# Notes to the Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March 2021

## 14. NON-CURRENT BORROWINGS (Contd..)

### 14.3 Loan against Property (LAP) from Aditya Birla Finance Limited (ABFL)

"LAP from ABFL for purchase of Plant & machinery is secured by;

- a. Primary Security: Machineries purchased from the term loan;"
- b. Collateral Security : Exclusive charge on the Unit No.11, lobe-2, second floor currently known as 2211,second floor,Tower-a,The corenthum,plot no.A-41,Sector-62,Noida owned by TV Palace ( Partnership firm) in which directors are partners;
- c. Guaranteed by promoter directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta .
- d. During reporting period,LAP was fully repaid & charge has been fully satisfied.

### 14.4 Interest free term Loan (IFTL) from Uttar Pradesh Financial Corporation (UPFC)

Loan from UPFC was granted for general purpose of business requirement is secured by;

- a. Primary Security: Bank Guarantee of 100% value of loan was issued by State bank of india, Noida in favour of lender for entire period of 7 years plus 6 months delay period interest @ 15% p.a.,In case of non payment on due date ;"
- b. Guaranteed by promoter directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta.
- c. Outstanding term loan as on 31 March 2021 is ₹683.14 lacs repayable after 7 years from disbursement date without any interest.

### 14.5 Term Loan from Tata Capital Financial Services Limited (TCFSL)

Term loan from TCFSL for purchase of Plant & machinery is secured by;

- a. Primary Security: Machineries purchased from the term loan & One month EMI of ₹ 8.56 lacs was deposited with TCFSL are interest free & will be adjstuted in last EMI due in Feb 2025;
- b. Guaranteed by promoter directors i.e Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta .
- c. Outstanding term loan as on 31 March 2021 is ₹ 330.23 lacs repayable in monthly installments from April 2021 till Feb 2025 along with interest.

**14.6** Unsecured loans from directors of ₹Nil (previous year ₹141.90 lacs) was given by directors on long term basis and are interest free.

### 14.7 Deferred payment against plant & machinery represents

- a. Outstanding amount of ₹Nil is repayable in Nil installments for indegenious plant & machineries purchased from Haitian Huayuan Machinery India Pvt Ltd.
- b. Outstanding amount of ₹96.40 lacs equivalent to USD 1.30 lacs is repayable in 6 monthly installments in respect of imported plant & machineries purchased on credit without interest.
- c. Outstanding amount of ₹48.59 lacs equivalent to USD .66 lacs is repayable in 10 monthly installments each of USD .06566 lacs in respect of imported plant & machineries purchased on credit without interest.
- d. Outstanding amount of ₹393.12 lacs is repayable in 24 monthly installments from April 2021 to March 23 for indegenious plant & machineries purchased from Haitian Huayuan Machinery India Pvt Ltd.
- e. Outstanding amount of ₹159.62 lacs equivalent to USD 2.16 lacs is repayable in 17 monthly installments each of USD 12888.25 in respect of imported plant & machineries purchased on credit without interest.

# Notes to the Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March 2021

## 14. NON-CURRENT BORROWINGS (Contd..)

14.8 Vehicle loans: The terms of repayment and security of vehicle loan are as follows :

₹ in Lacs

Name of the Bank/Others	31 <sup>st</sup> March, 2021		
	ROI- PA	Loan Outstanding	Repayment Terms
1. HDFC Bank Ltd.	8.30 % to 10.51%	3.00	In EMIs ranging from 5 to 10 months -2 Nos loan accounts
2. ICICI Bank Ltd.	9.11 % to 9.80%	19.95	In EMIs ranging from 09 to 14 months- 3 Nos loan accounts
3. Axis bank	8.95 % to 9.05%	107.56	In EMIs ranging from 20 to 45 months- 4 nos loan accounts
4. Yes bank	9.24%	9.19	In EMIs of 20 months
5. Sundram Finance Limited	"9.25 % to 11.00 %"	11.35	In EMIs of 12 months- 4 nos loan accounts
<b>Total- Vehicle Loans</b>		<b>151.05</b>	

## 15. PROVISIONS

₹ in Lacs

PARTICULARS	As at 31 <sup>st</sup> March, 2021
<b>Non-Current</b>	
<b>Provision for employee benefits</b>	
Gratuity (refer note 32)	269.99
Compensated absences (refer note 32)	290.08
<b>Total</b>	<b>560.07</b>
<b>Current</b>	
<b>Provision for employee benefits</b>	
Gratuity (refer note 32)	20.81
Compensated absences (refer note 32)	20.22
<b>Total</b>	<b>41.03</b>

## 16. CURRENT BORROWINGS

₹ in Lacs

PARTICULARS	As at 31 <sup>st</sup> March, 2021
<b>Secured- at amortised cost</b>	
Repayable on demand	
- Cash Credit Limit from State Bank of India	1,745.52
- Demand loan covid-19 from State Bank of India	0.01
- Cash Credit Limit from HDFC	239.95
- WCDL from HDFC Bank	1,000.00
- Overdraft from State Bank of India	19.06
	<b>3,004.54</b>
<b>Unsecured- at amortised cost</b>	
Bill discounting from banks	
- From HDFC Bank	3,558.15
	3,558.15
<b>Total current borrowings</b>	<b>6,562.69</b>

# Notes to the Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March 2021

## 16. CURRENT BORROWINGS (Contd..)

### A. Cash Credit Limit and Non-Fund Based Limit from State Bank of India

- I. CC Limits and Non-fund based limit & Demand loan Covid-19 from State Bank of India are secured by way of hypothecation of entire current assets including raw material, work-in-progress, finished goods, Book debts, advance payments, stock in transit, other current assets, cash margins of Unit 1, 2 & 3 of the group;
- II. Collateral Security : Factory Land and Building situated at Plot no- P-4/2 - 4/6 and Plot No E-14 & E-15, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of group and Building situated at Khasra No 268 & 275, Village Raipur, Roorkee, Haridwar, Uttarakhand, factory land which is in the name of M/s PG Electronics and Mr. Vishal Gupta;
- III. Personal and Corporate Guarantee: Secured by Personal Guarantee of promoter directors i.e. Mr.Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta and Corporate Guarantee of M/s PG Electronics.
- IV. Factory land and building of Plot no F-20, Site, B, UPSIDC Industrial Area, Surajpur, Greater Noida, District Gautam Budh Nagar is the prime security.
- V. All fixed assets except land & building and specified machinery charged under term loans of Unit-1, 2 & 3.

### B. Cash Credit Limit, WCDL and Non-Fund Based Limit from HDFC Bank Limited

- I. CC Limits, WCDL and Non-fund based limit from HDFC Bank Limited are secured by way of hypothecation of entire current assets present and future of Unit 4 & 5 of the group; WCDL( sub-limit of CC limits) was given for 90 days only and to be renewed thereafter.
- II. Collateral Security : Factory Land and Building situated at I-26 & 27, Site C, UPSIDC Industrial Area, Surajpur, Greater Noida, U.P (Unit-5) and A-20/2, MIDC Supa, District- Ahmednagar Maharashtra (Unit-4) of group;
- III. Personal and third party Guarantee: Secured by Personal Guarantee of promoter directors i.e. Mr.Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta.

### C. Overdraft Limit from State Bank of India

Overdraft from State Bank of India is secured against term deposits.

### D. Bill Discounting Limits from HDFC Bank

- I. Bill discounting limit from HDFC Bank are secured by personal guarantee of promoter directors i.e Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta & Cash margin of ₹ 2 Cr. were deposited with bank in the form of FDR.
- II. Collateral Security : Factory Land and Building situated at I-26 & 27, Site C, UPSIDC Industrial Area, Surajpur, Greater Noida, U.P (Unit-5) and A-20/2. MIDC Supa, District- Ahmednagar Maharashtra (Unit-4) of group are given for ₹ 40 Cr. sub-limit out of Bill discounting limit for cash limits.

## 17. TRADE PAYABLES

PARTICULARS	₹ in Lacs 31 <sup>st</sup> March, 2021
Trade payables (at amortised cost)	12,142.27
<b>Acceptances:</b>	
Letter of Credit from State Bank of India & HDFC Bank*	2,178.76
Foreign letter of credit from State Bank of India & HDFC Bank*	1,013.70
<b>Total</b>	<b>15,334.73</b>
*Refer Note No. 16.	
Trade payables (at amortised cost)	
- Total outstanding dues of micro and small enterprises (refer note 40)	1,104.25
- Total outstanding dues of creditors other than micro and small enterprises	14,230.48
<b>Total trade payables</b>	<b>15,334.73</b>

# Notes to the Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March 2021

## 18. OTHER FINANCIAL LIABILITIES

₹ in Lacs

PARTICULARS	31 <sup>st</sup> March, 2021
<b>Non-Current</b>	
<b>At amortised cost</b>	
Lease Liabilities	53.96
Security deposits	17.31
<b>Total other financial liabilities</b>	<b>71.27</b>
<b>Current</b>	
<b>At amortised cost</b>	
Current maturities of long-term borrowings (refer note no. 14)	3,058.61
Interest accrued and due on borrowings	79.83
Capital creditors	274.48
Expenses creditors	1,155.12
Employee benefits & other dues payable	264.48
Lease Liabilities	98.74
Advance for security Deposit	0.57
<b>Total other financial liabilities</b>	<b>4,931.83</b>

## 19. OTHER CURRENT LIABILITIES

₹ in Lacs

PARTICULARS	31 <sup>st</sup> March, 2021
Advance from customers	109.41
Expenses Payable	136.66
Statutory remittances	
- TDS payable	51.53
- TCS payable	9.32
- ESI Payable	3.39
- PF payable	36.97
- Ex-gratia Payable	45.18
- Bonus payable	135.39
- GST payable	1,173.73
- Professional tax payable	0.50
Others	10.98
<b>Total other current liabilities</b>	<b>1,713.06</b>

## 20. INCOME TAX BALANCES

₹ in Lacs

PARTICULARS	31 <sup>st</sup> March, 2021
Income Tax Assets (Net)	
Income Tax Refund due for earlier years	32.81
TDS/TCS/Advance Tax -Refund due	150.12
<b>Income tax Assets (Net)</b>	<b>182.93</b>
Income Tax Liabilities (Net)	
Provision for income tax	-
Provision on other comprehensive income (OCI)	-
<b>Total Income tax Liabilities (Net)</b>	<b>-</b>

# Notes to the Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March 2021

## 21. REVENUE FROM OPERATIONS

PARTICULARS	₹ in Lacs
	For the Year Ended 31 <sup>st</sup> March, 2021
<b>Sale of products</b>	
Finished goods	66,315.57
Traded goods	3,609.67
<b>Sale of services</b>	
Job Work Charges	137.06
Repair of Moulds	35.20
<b>Other operating revenue</b>	
Sale of scrap	223.15
	<b>70,320.65</b>

### Note:-

The group collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations.

## 22. OTHER INCOME

### 22.1 Interest income

PARTICULARS	₹ in Lacs
	31 <sup>st</sup> March, 2021
Interest income from bank deposits	58.95
Interest income from financial liabilities at amortised cost	-
Interest income from others	58.44
	<b>117.39</b>

### 22.2 Other non-operating income

PARTICULARS	₹ in Lacs
	31 <sup>st</sup> March, 2021
Rental income	74.76
PSI Incentive 2007 from MIDC	-
Miscellaneous income	0.01
	<b>74.77</b>

### 22.3 Other gains

PARTICULARS	₹ in Lacs
	31 <sup>st</sup> March, 2021
Profit on sale of fixed assets	44.37
Credit balances written back	9.10
Gain on lease termination	3.62
Profit on Recognition of Investment through FVTPL	1.45
Rent concession on lease	8.03
Others	3.25
	<b>69.82</b>
	<b>261.98</b>

# Notes to the Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March 2021

## 23. COST OF MATERIAL CONSUMED

₹ in Lacs

PARTICULARS	31 <sup>st</sup> March, 2021
Stock at the beginning of the year	5,406.60
Add: Purchases	56,390.69
Less: Discount received from suppliers	(90.01)
Less: Cost of goods traded	(3,501.38)
Less: Stock loss due to Fire	-
Less: Stock at the end of the year	(6,374.72)
	<b>51,831.18</b>

## 23.1 COST OF GOODS TRADED

₹ in Lacs

PARTICULARS	31 <sup>st</sup> March, 2021
Cost of Goods traded	3,501.38
	<b>3,501.38</b>

## 24 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

₹ in Lacs

PARTICULARS	31 <sup>st</sup> March, 2021
<b>Inventories at the beginning of the year:</b>	
Work-in progress	1,976.06
Finished goods	925.62
<b>Total inventories at the beginning of the year</b>	<b>2,901.68</b>
<b>Inventories at the end of the year:</b>	
Work-in progress	1,542.57
Finished goods	1,040.21
Total inventories at the end of the year	2,582.78
<b>Add/(Less): Stock Losses due to Fire</b>	<b>-</b>
<b>Total changes in inventories of finished goods and work-in-progress</b>	<b>318.90</b>

## 25. EMPLOYEE BENEFIT EXPENSES

₹ in Lacs

PARTICULARS	31 <sup>st</sup> March, 2021
Salaries and wages	4,904.88
Contribution to provident and other funds (refer note no. 32)	204.33
Leave encashment (refer note no. 32)	62.57
Gratuity expense (refer note no. 32)	102.35
Other employee benefits	225.38
	<b>5,499.51</b>

## 26. FINANCE COST

₹ in Lacs

PARTICULARS	31 <sup>st</sup> March, 2021
Interest costs:	
Interest on borrowings	
- Interest to Bank	988.41
- Interest to Other	44.54
- Interest On Car Loan	14.91
- Other interest expense	91.51
Other borrowing costs	
Discounting Charges, Processing fee	704.21
	<b>1,843.58</b>



# Notes to the Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March 2021

## 27. DEPRECIATION AND AMORTIZATION EXPENSES

₹ in Lacs

PARTICULARS	31 <sup>st</sup> March, 2021
Depreciation of property, plant and equipment (refer note no. 3)	1,780.32
Amortisation of intangible assets (refer note no. 4)	20.91
	<b>1,801.23</b>

## 28. OTHER EXPENSES

₹ in Lacs

PARTICULARS	31 <sup>st</sup> March, 2021
Stores, spares and tools consumed	293.96
Power and fuel	1,612.72
Sub-contracting expenses	368.18
Freight and forwarding charges	394.73
Rent*	85.53
Rates and taxes	77.46
Insurance	133.06
Repairs and maintenance:	
Machinery	275.03
Building	154.03
Others	54.14
Travelling and conveyance	42.46
Vehicle running & maintenance	110.16
Communication costs	14.52
Printing and stationery	16.42
Security expenses	142.92
Legal and professional fees	74.63
Provision for doubtful debts & advances (Net)	68.68
Provision for Slow/Non moving inventories	67.75
Written off of Bad Debts	170.65
Reversal of provision for doubtful debts & advances	(170.65)
Payment to auditor (Refer details below Note-28.1)	15.10
Payment to cost auditor	3.00
Directors sitting fees	7.80
Loss on sale of property, plant and equipment	5.86
Property, Plant & Equipments written off	12.83
Late delivery charges paid to customers	5.40
Misc. Balance Written off	62.94
Miscellaneous expenses	94.35
	<b>4,193.66</b>

\*Rent includes rent for assets other than building of ₹4.48 Lac.

₹ in Lacs

Exceptional Items	31 <sup>st</sup> March, 2021
Foreign Exchange rate fluctuation (Net)	(65.39)
Losses due to Fire-Inventory (Net)*	146.94
Losses due to Fire-Fixed Assets (Net)*	-
	<b>81.55</b>

# Notes to the Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March 2021

## 28. OTHER EXPENSES (Contd..)

### 28.1 Detail of payment to auditors

₹ in Lacs	
PARTICULARS	31 <sup>st</sup> March, 2021
Audit fee	4.60
Tax audit fee	1.00
Limited review fee	9.50
	<b>15.10</b>

## 29. INCOME TAX EXPENSES

### Income tax recognised in profit & loss

₹ in Lacs	
PARTICULARS	31 <sup>st</sup> March, 2021
<b>Current tax:</b>	
In respect of the current year	-
In respect of the prior years	-
<b>Total current tax expense</b>	<b>-</b>
<b>Deferred tax:</b>	
In respect of current year origination and reversal of temporary differences	350.46
<b>Total deferred tax expense recognized in profit &amp; loss</b>	<b>350.46</b>

### Reconciliation of income tax expense and the accounting profit multiplied by group's tax rate:

₹ in Lacs	
PARTICULARS	31 <sup>st</sup> March, 2021
Profit before tax from continuing operations	1,511.64
	<b>1,511.64</b>
Income tax expense calculated @ 25.168% U/S 115BAA	-
	<b>-</b>
Effective Tax Rate	0.00%

## 30 EARNINGS PER SHARE

₹ in Lacs	
PARTICULARS	31 <sup>st</sup> March, 2021
<b>Profit attributable to equity holders of the parent group (with OCI)</b>	1,213.38
Weighted average number of equity shares for the purposes of basic EPS	1,95,29,368
Effect of potential equity shares on Warrants	752.00
Weighted average number of equity shares for the purposes of diluted EPS	1,95,30,120
Basic earnings per share (face value of ₹ 10 per share)	6.21
Diluted earnings per share (face value of ₹ 10 per share)	6.21

₹ in Lacs	
PARTICULARS	31 <sup>st</sup> March, 2021
<b>Profit attributable to equity holders of the parent group (without OCI)</b>	1,161.18
Weighted average number of equity shares for the purposes of basic EPS	1,95,29,368
Effect of potential equity shares on Warrants	752.00
Weighted average number of equity shares for the purposes of diluted EPS	1,95,30,120
Basic earnings per share (face value of ₹ 10 per share)	5.95
Diluted earnings per share (face value of ₹ 10 per share)	5.95

# Notes to the Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March 2021

## 31 SEGMENT INFORMATION

Operating segment are defined as components of the group about which separate financial information is available that is evaluated regularly by the chief operating decision-maker, or decision-making group, in deciding how to allocate resources and in assessing performance. The group primarily operates in one business segment- Consumer Electronic Goods and Components.

The group is domiciled in India and all its non-current assets are located in/relates to India except capital advances of ₹505.81 lacs as at 31 March 2021.

The amount of group's revenue from external customers based on geographical area and nature of the products/ services are shown below:

### Revenue by geographical area

		₹ in Lacs
PARTICULARS		31 <sup>st</sup> March, 2021
India		70,308.58
Rest of World		12.07
		<b>70,320.65</b>

### Revenue by nature of products/services

		₹ in Lacs
PARTICULARS		For the Year Ended 31 <sup>st</sup> March, 2021
<b>Sale of products</b>		
Finished goods		66,315.57
Traded goods		3,609.67
<b>Sale of services :</b>		
Job Work Charges		137.06
Repair of Moulds		35.20
<b>Other operating revenue :</b>		
Sale of scrap		223.15
		<b>70,320.65</b>

There are three customers who has contributed 10% or more each to the group's revenue for the year ended 31 March 2021 amounting to ₹33061.08 lacs

## 32 EMPLOYEE BENEFIT PLANS

### (i) Defined contribution plans:

- (a) The group operates defined contribution retirement benefit plans under which the group pays fixed contributions to Employees Provident Fund Organisation, Ministry of Labour & Employment, Government of India. The group has no further payment obligations once the contributions have been paid. Following are the schemes covered under defined contributions plans of the group:

Provident Fund Plan & Employee Pension Scheme: The group makes monthly contributions at prescribed rates towards Employee Provident Fund and Employee Pension Scheme fund administered and managed by Ministry of Labour & Employment, Government of India.

Employee State Insurance: The group makes prescribed monthly contributions towards Employees State Insurance Scheme and payment made to Employee State Insurance Corporation, Ministry of Labour & Employment, Government of India.

- (b) The expense recognised during the period towards defined contribution plans are as follows:

		₹ in Lacs
PARTICULARS		31 <sup>st</sup> March, 2021
group's contribution to Provident Fund		170.50
Administrative charges on above fund		7.60
group's contribution to Employee State Insurance Scheme		26.23
		<b>204.33</b>

# Notes to the Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March 2021

## 32 EMPLOYEE BENEFIT PLANS (Contd..)

### (ii) Defined benefit plans

(a) The group provides for gratuity obligations through a defined benefit retirement plan (the 'Gratuity Plan') covering all group employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement termination of employment or death of an employee, based on the respective employees' salary and years of employment with the group.

### (b) Risk exposure

#### i) Risk to the beneficiary

The greatest risk to the beneficiary is that there are insufficient funds available to provide the promised benefits. This may be due to:

- The insufficient funds set aside, i.e. underfunding
- The insolvency of the Employer
- The holding of investments which are not matched to the liabilities
- A combination of these events

#### ii) Risk Parameter

Actuarial valuation is done basis some assumptions like salary inflation, discount rate and withdrawal assumptions.

In case the actual experience varies from the assumptions, fund may be insufficient to pay off the liabilities.

Similarly, reduction in discount rate in subsequent future years can increase the plan's liability. Further, actual withdrawals may be lower or higher than what was assumptions the valuation, may also impact the plan's liability.

#### iii) Risk of illiquid Assets

Another risk is that the funds, although sufficient, are not available when they are required to finance the benefits. This may be due to assets being locked for longer period or in illiquid assets.

#### iv) Risk of Benefit Change

There may be a risk that the benefit promised is changed or is changeable within the terms of the contract.

#### v) Asset liability mismatching risk

ALM risk arises due to a mismatch between assets and liabilities either due to liquidity or changes in interest rates or due to different duration.

(c) The significant actuarial assumptions used for the purposes of the actuarial valuation of gratuity and leave encashment were as follows:

₹ in Lacs

PARTICULARS	LEAVE ENCASHMENT 31 <sup>st</sup> March, 2021
Discounting rate	6.81%
Future salary growth rate	10.00%
Life expectancy/ Mortality rate*	100% of IALM 2012-14
withdrawal rate	5.00%
Method used	Projected unit credit Actuarial method

# Notes to the Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March 2021

## 32 EMPLOYEE BENEFIT PLANS (Contd..)

₹ in Lacs

PARTICULARS	GRATUITY 31 <sup>st</sup> March, 2021
Discounting rate	6.81%
Future salary growth rate	10.00%
Life expectancy/ Mortality rate*	100% of IALM 2012-14
withdrawal rate	5.00%
Method used	Projected unit credit Actuarial method

\* Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics (i.e. IALM 2012-14 ultimate). These assumptions translate into an average life expectancy in years at retirement age.

### (d) Amounts recognised in statement of profit & loss in respect of defined benefit plan (Gratuity Plan & leave encashment) are as follows:

₹ in Lacs

PARTICULARS	LEAVE ENCASHMENT 31 <sup>st</sup> March, 2021
Current service cost	67.00
Net interest expense	19.59
Remeasurement-Actuarial loss/(gain)	(24.02)
Components of defined benefit costs recognised in profit or loss	<b>62.57</b>
Remeasurement on the net defined benefit liability:	
Return on plan assets (excluding amount included in net interest expense)	-
Actuarial (gain)/ loss arising form changes in financial assumptions	-
Actuarial (gain) / loss arising form changes in demographic assumptions	-
Actuarial (gain) / loss arising form experience adjustments	-
Components of defined benefit costs recognised in other comprehensive income	-
<b>Total</b>	<b>62.57</b>

₹ in Lacs

PARTICULARS	GRATUITY 31 <sup>st</sup> March, 2021
Current service cost	78.75
Net interest expense	23.60
Remeasurement-Actuarial loss/(gain)	-
Components of defined benefit costs recognised in profit or loss	<b>102.35</b>
Remeasurement on the net defined benefit liability:	
Return on plan assets (excluding amount included in net interest expense)	1.99
Actuarial (gain)/ loss arising form changes in financial assumptions	(0.53)
Actuarial (gain) / loss arising form changes in demographic assumptions	-
Actuarial (gain) / loss arising form experience adjustments	(53.66)
Components of defined benefit costs recognised in other comprehensive income	(52.20)
<b>Total</b>	<b>50.15</b>

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit & loss. The remeasurement of the net defined benefit liability is included in other comprehensive income.

# Notes to the Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March 2021

## 32 EMPLOYEE BENEFIT PLANS (Contd..)

(e) Amounts included in the balance sheet arising from the entity's obligation in respect of its defined benefit plan (Gratuity Plan & leave encashment) is as follows:

₹ in Lacs	
PARTICULARS	LEAVE ENCASHMENT 31 <sup>st</sup> March, 2021
Present value of defined benefit obligation as at the end of the year	310.30
Fair value of plan assets	
<b>Funded status</b>	<b>(310.30)</b>
<b>Net asset/(liability) arising from defined benefit obligation recognised in the balance sheet</b>	<b>(310.30)</b>

₹ in Lacs	
PARTICULARS	GRATUITY 31 <sup>st</sup> March, 2021
Present value of defined benefit obligation as at the end of the year	478.73
Fair value of plan assets	187.94
Funded status	(290.79)
<b>Net asset/(liability) arising from defined benefit obligation recognised in the balance sheet</b>	<b>(290.79)</b>

(f) Movement in the present value of the defined benefit obligation (Gratuity Plan obligation & leave encashment) are as follows:

₹ in Lacs	
PARTICULARS	LEAVE ENCASHMENT 31 <sup>st</sup> March, 2021
Present value of defined benefit obligation at the beginning of the year	288.13
Expenses recognised in profit and loss account:	
Current Service Cost	67.00
Interest Expense (Income)	19.59
Remeasurement-Actuarial loss/gain	(24.02)
Remeasurement gains / (losses) recognised in other comprehensive income:	
Actuarial Gain (Loss) arising from:	
i. Demographic Assumptions	-
ii. Financial Assumptions	-
iii. Experience Adjustments	-
Benefit paid	(40.40)
<b>Present value of defined benefit obligation at the end of the year</b>	<b>310.30</b>

₹ in Lacs	
PARTICULARS	GRATUITY 31 <sup>st</sup> March, 2021
Present value of defined benefit obligation at the beginning of the year	473.17
Expenses recognised in profit and loss account:	
Current Service Cost	78.75
Interest Expense (Income)	32.18
Remeasurement-Actuarial loss/gain	-
Remeasurement gains / (losses) recognised in other comprehensive income:	
Actuarial Gain (Loss) arising from:	
i. Demographic Assumptions	-
ii. Financial Assumptions	(0.53)
iii. Experience Adjustments	(53.66)
Benefit paid	(51.18)
<b>Present value of defined benefit obligation at the end of the year</b>	<b>478.73</b>

# Notes to the Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March 2021

## 32 EMPLOYEE BENEFIT PLANS (Contd..)

### (g) Movement in the fair value of plan assets are as follows:

PARTICULARS	₹ in Lacs
	<b>LEAVE ENCASHMENT 31<sup>st</sup> March, 2021</b>
Fair value of plan assets at the beginning of the year	-
Expenses recognised in profit and loss account	-
Expected return on plan assets	-
Remeasurement gains / (losses) recognised in other comprehensive income	-
Actual Return on plan assets in excess of the expected return	-
Contributions by employer	(40.40)
Benefit payments	40.40
<b>Fair value of plan assets at the end of the year</b>	<b>-</b>

PARTICULARS	₹ in Lacs
	<b>GRATUITY 31<sup>st</sup> March, 2021</b>
Fair value of plan assets at the beginning of the year	126.08
Expenses recognised in profit and loss account	6.58
Expected return on plan assets	6.58
Remeasurement gains / (losses) recognised in other comprehensive income	-
Actual Return on plan assets in excess of the expected return	34.46
Contributions by employer	72.00
Benefit payments	(34.46)
Benefits paid from the plan assets	(16.72)
<b>Fair value of plan assets at the end of the year</b>	<b>187.94</b>

The major category of plan assets for gratuity as a percentage of fair value of total plan assets are as follows-

PARTICULARS	₹ in Lacs
	<b>31<sup>st</sup> March, 2021</b>
Fund managed by the insurer.	100%

### (h) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

PARTICULARS	Change in Assumptions	Effect on Gratuity Obligation	Change in Assumptions	Effect on leave Encashment
<b>For the year ended March 31, 2021</b>				
Discount Rate	0.50%	(25.29)	0.50%	(15.17)
	-0.50%	27.71	-0.50%	16.50
Salary Growth Rate	1.00%	49.18	1.00%	32.27
	-1.00%	(42.18)	-1.00%	(27.99)
Withdrawal rate	2.00%	(22.20)	2.00%	(11.34)
	-2.00%	29.91	-2.00%	14.93

# Notes to the Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March 2021

## 33. CAPITAL MANAGEMENT

For the purpose of Capital Management, Capital includes net debt and total equity of the group. The group manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the group is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The group may take appropriate steps in order to maintain, or if necessary adjust, its capital structure

₹ in Lacs

PARTICULARS	GRATUITY 31 <sup>st</sup> March, 2021
Non-current borrowings (note 14)	8,983.82
Current borrowings (note 16)	6,562.69
Current maturities of long term borrowings (note 14)	3,058.61
<b>Total debts (A)</b>	<b>18,605.12</b>
Less: Cash and cash equivalent (note 11(a))	(741.93)
<b>Net Debt (A)</b>	<b>17,863.19</b>
*Total equity (note 12 & note 13) (B)	19,246.88
<b>Gearing ratio (A/B)</b>	<b>92.81%</b>

During the year 2020-21, the group had allotted 1,65,000 equity shares of Face value of ₹10 on conversion of warrants allotted to promoters & non-promoters on private placement basis to Mr. Anurag Gupta, Mr. Vishal Gupta, Mr. Vikas Gupta and Mr. Arvind Yeshwant Pradhan.

Further, no changes were made in the objectives, policies or process for managing capital during the years ended 31 March 2021. The group is not subject to any externally imposed capital requirements.

The financial statements of the group for the year ended March 31, 2021 were approved for issue in accordance with the resolution of the Board of Directors on June 05, 2021.

The Board of Directors at their meeting held on 25th May, 2021, have inter-alia approved the following:

- (i) Issue of 10,76,904 -17.96% Compulsorily Convertible Debentures ("CCDs") of face value of ₹ 337/- each and Equity Shares towards coupon payment arising on conversion of Compulsorily Convertible Debentures.
- (ii) Issue of 11,95,950 Equity Shares of face value of ₹10/- each fully paid up, at a price of ₹337/- per equity share on preferential basis.

## 34. FINANCIAL RISK MANAGEMENT

The group's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the group's operations. The group's financial assets comprise loan and other receivables, trade and other receivables, cash, and deposits that arise directly from its operations.

The group's activities expose it mainly to market risk, liquidity risk and credit risk. The monitoring and management of such risks is undertaken by the senior management of the group and there are appropriate policies and procedures in place through which such financial risks are identified, measured and managed in accordance with the group's policies and risk objectives. . It is the group policy not to carry out any trading in derivative for speculative purposes.

### (i) Credit risk

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the group. The group is exposed to credit risk from its operating activities, primarily trade receivables. The credit risks in respect of deposits with the banks, foreign exchange transactions and other financial instruments are only nominal.

The customer credit risk is managed subject to the group's established policy, procedure and controls relating to customer credit risk management. In order to contain the business risk, prior to acceptance of an order from a customer, the creditworthiness of the customer is ensured through scrutiny of its financials, if required, market reports and reference checks. The group remains vigilant and regularly assesses the financial position of customers during execution of contracts with a view to limit risks of delays and default. Further, in most of the cases, the group normally allow credit period of 30-90 days to all customers which vary from customer to customer except mould & dies business. In case of mould & dies business, advance payment is taken before start of execution of the order. In view of the industry practice and being in a position to prescribe the desired commercial terms, credit risks from receivables are well contained on an overall basis.



# Notes to the Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March 2021

## 34. FINANCIAL RISK MANAGEMENT (Contd..)

The impairment analysis is performed on each reporting period on individual basis for major customers. Some trade receivables are grouped and assessed for impairment collectively. The calculation is based on historical data of losses, current conditions and forecasts and future economic conditions. The group's maximum exposure to credit risk at the reporting date is the carrying amount of each financial asset as detailed in note no. 5, 6 and 7.

The trade receivables position is provided here below:

		₹ in Lacs
PARTICULARS	31 <sup>st</sup> March, 2021	
Total receivables (note no. 5)		14,725.64
Receivables individually in excess of 10% of the total receivables		8,144.37
Percentage of above receivables to the total receivables of the group		55.31%

### (ii) Liquidity risk

The group uses liquidity forecast tools to manage its liquidity. The group is able to organise liquidity through own funds and through working capital loans. The group has good relationship with its lenders, as a result of which it does not experience any difficulty in arranging funds from its lenders. Table here under provides the current ratio of the Group as at the year end.

		₹ in Lacs
PARTICULARS	31 <sup>st</sup> March, 2021	
Total current assets		28,303.18
Total current liabilities		28,583.34
Current ratio		0.99

Maturities analysis of financial liabilities:

The table below provides details regarding the contractual maturity of financial liabilities :

PARTICULARS	on demand	< 1 year	1-3 year	3-5 year	More than-5 years
<b>As at 31st March 2021</b>					
Borrowings	6,562.69	-	4,477.32	3,243.22	1,263.28
Trade payable	-	15,334.73	-	-	-
Other financial liabilities	-	4,931.83	71.27	-	-
Other financial liabilities	<b>6,562.69</b>	<b>20,266.56</b>	<b>4,548.59</b>	<b>3,243.22</b>	<b>1,263.28</b>

### (iii) Market risk

The group is exposed to following key market risks:

- Interest rate risk on loans and borrowings
- Commodity price risk
- Other market risk

#### (a) Interest rate risk

Most of the borrowings availed by the group are subject to interest on floating rate of basis linked to the base rate or MCLR (marginal cost of funds based lending rate). In view of the fact that the total borrowings of the group are quite substantial, the group is exposed to interest rate risk. The above strategy of the group to opt for floating interest rates is helpful in declining interest scenario. Further, most of the loans and borrowings have a prepayment clause through which the loans could be prepaid with pre payment premium. The said clause helps the group to arrange debt substitution to bring down the interest costs or to prepay the loans out of the surplus funds held. While adverse interest rate fluctuations could increase the finance cost, the total impact, in respect of borrowings on floating interest rate basis.

# Notes to the Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March 2021

## 34. FINANCIAL RISK MANAGEMENT (Contd..)

### (b) Commodity price Risk

Commodity price risk is the risk that future cash flow of the group will fluctuate on account of changes in market price of key raw materials. The group is exposed to the movement in the price of key raw materials in domestic and international markets. The group has in place policies to manage exposure to fluctuation in the prices of the key raw materials used in operations.

### (c) Other Market risk

Other market risk include foreign currency risk, which is the risk that the fair value or future cash flow of an exposure will fluctuate because of changes in foreign exchange rates the group transact business primarily in Indian rupees and USD. The group has foreign currency trade payables and is therefore exposed to foreign exchange risk.

## 35 RELATED PARTY TRANSACTIONS

Pursuant to compliance of Indian Accounting Standard (IND AS) 24 "Related Party Disclosures", the relevant information is provided here below:

### (i) Related parties where control exists: Nil

### (ii) Related parties with whom transactions have taken place during the year alongwith details of such transactions and outstanding balances as at the end of the year:

		₹ in Lacs
Name of related party and nature of transactions	Relationship	For the Year ended 31-Mar-2021
<b>Rent Paid</b>		
Mr. Vishal Gupta (Executive Director)	Key Management Personnel	0.15
Mrs. Sudesh Gupta	Relative of Key Management Personnel	16.20
PG Electronics	Other related party	0.60
<b>Reimbursement of Expenses</b>		
Mr. Mahabir Prasad Gupta (Chief Financial Officer) from 23.06.2020 till 31.01.2021	Key Management Personnel	0.91
Mr. Praveen Datt Agarwal (Chief Financial Officer) till 31.05.2020	Key Management Personnel	1.40
Mr. Bhawa Nand Choudhary - Managing Director till 31.03.2021	Key Management Personnel	1.81
Mr. Anurag Gupta (Executive Director)	Key Management Personnel	12.00
Mr. Vishal Gupta (Executive Director)	Key Management Personnel	12.00
Mr. Vikas Gupta (Executive Director)	Key Management Personnel	12.00
Mr. Pranav Gupta	Relative of Key Management Personnel	4.20
Mr. Aditya Gupta	Relative of Key Management Personnel	1.20
Mrs. Kanika Gupta	Relative of Key Management Personnel	3.24
<b>Loan Repayment</b>		
Mr. Vishal Gupta (Executive Director)	Key Management Personnel	41.73
Mr. Vikas Gupta (Executive Director)	Key Management Personnel	41.44
Mr. Anurag Gupta (Executive Director)	Key Management Personnel	58.73
<b>Share Warrant Money converted in Equity Share Capital</b>		
Mr. Vishal Gupta (Executive Director)	Key Management Personnel	52.50
Mr. Vikas Gupta (Executive Director)	Key Management Personnel	52.50
Mr. Anurag Gupta (Executive Director)	Key Management Personnel	52.50
<b>Remuneration</b>		
Mr. Vishal Gupta (Executive Director)	Key Management Personnel	111.88
Mr. Vikas Gupta (Executive Director)	Key Management Personnel	115.18
Mr. Anurag Gupta (Executive Director)	Key Management Personnel	85.07
Mr. Mahabir Prasad Gupta (Chief Financial Officer) from 23.06.2020 to 31.01.2021	Key Management Personnel	9.01

# Notes to the Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March 2021

## 35 RELATED PARTY TRANSACTIONS (Contd..)

(ii) Related parties with whom transactions have taken place during the year alongwith details of such transactions and outstanding balances as at the end of the year: (Contd..)

		₹ in Lacs
Name of related party and nature of transactions	Relationship	For the Year ended 31-Mar-2021
Mr.Sanchay Dubey (Company Secretary)	Key Management Personnel	3.55
Mr. Praveen Datt Agarwal (Chief Financial Officer) till 31.05.2020	Key Management Personnel	6.18
Mr. Bhawa Nand Choudhary- Managing Director till 31.03.2021	Key Management Personnel	27.66
Mr. Promod Chimmanlal Gupta (Chief Financial Officer) w.e.f. 01.02.2021	Key Management Personnel	9.41
<b>Director Sitting Fee</b>		
Mr. Devendra Jha (Independent Non-Executive Director) till 08.02.2021	Key Management Personnel	1.70
Mr. Sharad Jain (Independent Non-Executive Director)	Key Management Personnel	2.10
Mrs. Rita Mohanty (Independent Non-Executive Director)	Key Management Personnel	1.80
Mr. Pramod Chimmanlal Gupta (Independent Non-Executive Director) till 25.01.2021	Key Management Personnel	1.70
Mr. Kishore Kumar Kaul (Independent Non-Executive Director) w.e.f. 26.01.2021	Key Management Personnel	0.50
<b>Salary to Relatives</b>		
Mrs. Sarika Gupta	Relative of Key Management Personnel	25.47
Mrs. Nitasha Gupta	Relative of Key Management Personnel	25.42
Mrs. Neelu Gupta	Relative of Key Management Personnel	25.50
Mrs. Sudesh Gupta	Relative of Key Management Personnel	25.42
Mr. Pranav Gupta	Relative of Key Management Personnel	19.46
Mr. Aditya Gupta	Relative of Key Management Personnel	4.89
Mrs. Kanika Gupta	Relative of Key Management Personnel	7.70
Mrs. Anju Choudhary	Relative of Key Management Personnel	7.99
Mrs Sarita Gupta from 23.06.2020 till 31.01.2021	Relative of Key Management Personnel	3.80
Mr Vatsal Gupta	Relative of Key Management Personnel	5.23
<b>Leave Encashment paid during the year</b>		
Mr. Praveen Datt Agarwal (Chief Financial Officer) till 31.05.2020	Key Management Personnel	0.25
Mr. Bhawa Nand Choudhary - Managing Director till 31.03.2021	Key Management Personnel	12.69
Mrs. Anju Choudhary till 31.03.2021	Relative of Key Management Personnel	3.10
<b>Provision for Leave Encashment</b>		
Mr. Vishal Gupta (Executive Director)	Key Management Personnel	2.78
Mr. Vikas Gupta (Executive Director)	Key Management Personnel	4.10
Mr. Anurag Gupta (Executive Director)	Key Management Personnel	2.80
Mr. Mahabir Prasad Gupta (Chief Financial Officer) w.e.f. 23.06.2020 to 31.01.2021	Key Management Personnel	0.27
Mr Sanchay Dubey (Company Secretary)	Key Management Personnel	(0.03)
Mrs. Sarika Gupta	Relative of Key Management Personnel	1.15
Mrs. Nitasha Gupta	Relative of Key Management Personnel	1.13
Mrs. Neelu Gupta	Relative of Key Management Personnel	0.93
Mrs. Sudesh Gupta	Relative of Key Management Personnel	1.04
Mr. Pranav Gupta	Relative of Key Management Personnel	1.40
Mr. Aditya Gupta	Relative of Key Management Personnel	0.37
Mrs. Kanika Gupta	Relative of Key Management Personnel	0.53
Mrs Sarita Gupta from 23.06.2020 till 31.01.2021	Relative of Key Management Personnel	0.11
Mr Vatsal Gupta	Relative of Key Management Personnel	0.33

# Notes to the Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March 2021

## 35 RELATED PARTY TRANSACTIONS (Contd..)

### (ii) Related parties with whom transactions have taken place during the year alongwith details of such transactions and outstanding balances as at the end of the year: (Contd..)

		₹ in Lacs
Name of related party and nature of transactions	Relationship	For the Year ended 31-Mar-2021
<b>Gratuity paid during the year</b>		
Mr. Bhawa Nand Choudhary - Managing Director till 31.03.2021	Key Management Personnel	10.38
Mrs. Anju Choudhary till 31.03.2021	Relative of Key Management Personnel	2.54
<b>Provision for Gratuity</b>		
Mr. Vishal Gupta (Executive Director)	Key Management Personnel	0.36
Mr. Vikas Gupta (Executive Director)	Key Management Personnel	0.36
Mr. Anurag Gupta (Executive Director)	Key Management Personnel	0.51
Mr. Mahabir Prasad Gupta (Chief Financial Officer) w.e.f. 23.06.2020 to 31.01.2021	Key Management Personnel	0.25
Mr Sanchay Dubey (Company Secretary)	Key Management Personnel	0.17
Mrs. Sarika Gupta	Relative of Key Management Personnel	0.44
Mrs. Nitasha Gupta	Relative of Key Management Personnel	0.50
Mrs. Neelu Gupta	Relative of Key Management Personnel	0.87
Mrs. Sudesh Gupta	Relative of Key Management Personnel	0.87
Mr. Pranav Gupta	Relative of Key Management Personnel	0.78
Mr. Aditya Gupta	Relative of Key Management Personnel	0.28
Mrs. Kanika Gupta	Relative of Key Management Personnel	0.40
Mrs Sarita Gupta from 23.06.2020 till 31.01.2021	Relative of Key Management Personnel	0.11
Mr Vatsal Gupta	Relative of Key Management Personnel	0.26

### (iii) Remuneration of key managerial personnel:

		₹ in Lacs
PARTICULARS		Year ended 31-Mar-2021
<b>Short term Employee benefits</b>		
Post employment benefits		377.85
		1.65
<b>Total</b>		<b>379.51</b>

Remuneration and outstanding balances of KMP does not include long term employee benefits by way of gratuity and compensated absences, which are currently not payable and are provided on the basis of actuarial valuation by the Group.

		₹ in Lacs
Outstanding balances	Relationship	Year ended 31-Mar-2021
<b>Rent Security Recoverable</b>		
Mrs. Sudesh Gupta	Relative of Key Management Personnel	4.50
<b>Payables</b>		
PG International	Other related party	6.65
J. B. Electronics	Other related party	3.62
PG Electronics	Other related party	0.15
Mr. Vishal Gupta	Key Managerial Personnel	0.04

### (v) Terms & conditions:

The outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided to or received for any related party receivable or payables. The Group has not recorded any impairment of receivables relating to amounts owed by related parties for the year ended 31 March 2021 other than that stated above.

# Notes to the Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March 2021

## 36 FAIR VALUE MEASUREMENTS

### 36.1 Financial instruments by category

₹ in Lacs

PARTICULARS	As at 31 <sup>st</sup> March, 2021	
	Carrying Amount	Fair Value
<b>Financial Assets at amortised cost</b>		
Fixed deposits with banks (Non Current)	-	-
Cash and bank balances	1,497.63	1,497.63
Trade and other receivables	14,725.64	14,725.64
Loans (current)	31.32	31.32
Other financial assets (Non Current)	311.99	311.99
Other financial assets (Current)	475.94	475.94
Investment In Equity Shares Of Subsidiary	-	1.43
<b>Financial Assets at FVTPL</b>		
Investment in mutual funds	15.45	15.45
<b>Financial liabilities at amortised cost</b>		
Borrowings (Non Current)	8,983.82	8,983.82
Borrowings (Current)	6,562.69	6,562.69
Other financial liabilities (Non current)	71.27	71.27
Other financial liabilities (Current)	4,931.83	4,931.83

### 36.2 Fair value hierarchy

The group uses the following hierarchy for fair value measurement of the group's financial assets and liabilities:

Level 1: Quoted prices/NAV (unadjusted) in active markets for identical assets and liabilities at the measurement date.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table provides the fair value measurement hierarchy of group's asset and liabilities:-

₹ in Lacs

Particulars	Levels	31-Mar-2021 Carrying Value
<b>Financial Assets at amortised cost</b>		
Other Financial Assets (Non-Current)	Level-3	311.99
Loans (Current)	Level-3	31.32
<b>Financial Assets at FVTPL</b>		
Investment in mutual funds	Level-1	15.45
<b>Financial Liabilities at amortised cost</b>		
Borrowings (Non Current)	Level-3	8,983.82
Borrowings (Current)	Level-3	6,562.69
Other Financial Liabilities (Non Current)	Level-3	71.27

During the year ended 31.03.2021, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements

# Notes to the Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March 2021

## 36 FAIR VALUE MEASUREMENTS (Contd..)

### 36.1 Financial instruments by category (Contd..)

#### Fair valuation techniques

The group maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values:

- 1) Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.
- 2) Borrowings are evaluated by the group based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values.

## 37. LEASES

Lease arrangements

As Lessee:-

	₹ in Lacs
<b>Payment recognized as expenses</b>	<b>31<sup>st</sup> March, 2021</b>
Lease Payments (Lease for 12 months or less) (refer note 28)	81.06
Depreciation on Right-to-use Asset	107.49
Interest on Lease Liabilities	18.13
	<b>206.68</b>

	₹ in Lacs	
<b>Non-cancellable lease commitments</b>	<b>As at 31<sup>st</sup> March, 2021</b>	
	<b>Minimum lease payment</b>	<b>PV of Minimum Lease payment</b>
Not later than one year	107.36	98.74
Later than one year and not later than five years	51.85	48.88
Later than five years	7.50	5.08
	<b>166.71</b>	<b>152.70</b>
Less: Amount Representing Interest	14.01	-
<b>Present value of minimum lease payment payables</b>	<b>152.70</b>	<b>152.70</b>

## 38. Commitments

	₹ in Lacs
<b>Payment recognized as expenses</b>	<b>31<sup>st</sup> March, 2021</b>
Estimated amount of contracts remaining to be executed on Capital account and not provided for (Net of advances)	1,288.52

# Notes to the Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March 2021

## 39. Contingent liabilities

		₹ in Lacs
<b>PARTICULARS</b>		<b>31<sup>st</sup> March, 2021</b>
<b>Contingent liability ( to the extent not provided for)</b>		
Claims against the group not acknowledged as debts ( excluding interest & penalty )		
Central Excise (FY 2008-09 to 2011-12) {see note below}		765.73
<b>Total</b>		<b>765.73</b>

Excise department has issued show cause notice dated 22nd Dec., 2011 for ₹ 765.73 lacs in respect of CTV sold to ELCOT, Tamil Nadu ( a Govt. of Tamil Nadu undertaking) during the period Feb 09 to Oct 2011 for free distribution by the state Govt. to poor section of the people by paying excise duty on the basis of value determined under section 4A instead of determining the value under section 4 of the Central Excise Act,1944.The department has the contention that sale is institutional sale & valuation based on MRP under Section 4A is not applicable to the sale to ELCOT. The appeal made by the group was allowed by the CESTAT, New Delhi vide order dated 12th March,2014. However, the excise department has filed the appeal with Supreme Court, which has been admitted by the Supreme Court on 5th Jan., 2015 by condoning the delay in filing the appeal. This matter was last time listed on 02/01/2017. Case is pending before Supreme Court for final decision.

## 40. Disclosures Required Under Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006

Based on the intimation received by the group from its suppliers regarding their status under the Micro,Small and Medium Enterprises Development Act, 2006, the relevant information is provided here below:

		₹ in Lacs
<b>PARTICULARS</b>		<b>31<sup>st</sup> March, 2021</b>
<b>The principle amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;</b>		
(i) Principal Amount		1,104.25
(ii) Interest due on above		-
The amount of interest paid by the buyer in terms of section 16 of Micro, Small and Medium Enterprises Development Act,2006, along with the amount of the payment made to the suppliers beyond the appointed day during each accounting year.		-
The amount of interest due and payable for the year on delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act,2006,		-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and		-
The amount of further interest remaining due and payable even in the succeeding years,until such date when the interest due above are actually paid to the Small enterprise, for the purpose of disallowances of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act,2006,		-

## 41. Group Information

The Consolidated financial statement of the group includes the financial statements of following subsidiary:-

### (I) Parent

S No	Name of Entity	Country of Incorporation	Nature
(i)	PG Electroplast Limited	India	Parent Company

# Notes to the Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March 2021

## 41. Group Information (Contd..)

### (II) Subsidiary having Controlling interest

				₹ in Lacs
S No	Name of Entity	Country of Incorporation	Nature	Ownership interest held by the parent
(i)	PG Technoplast Private Limited	India	Wholly Owned Subsidiary	100

Parent company has only one subsidiary i.e. PG Technoplast Private Limited, which was acquired as on 17.12.2020 during the year. Therefore, group has not reported the comparative previous year figures as they are not comparable.

## 42. Corporate Social Responsibility (CSR)

During the year, group is not covered under the provisions of CSR as specified in the Companies Act 2013.

- 43.** Consequent to the disruption caused due to Covid-19, the group has made an assessment as at March 31, 2021 of recoverability of the carrying values its assets such as property, plant and equipment, intangible assets, inventory, trade receivables and other current assets giving due consideration to the internal and external factors. Further, on account of continued spread of Covid-19 disease in the country, the group has made timely and requisite changes which has resulted in consistent growth during the year. The group is continuously monitoring the situation arising on account of Covid-19 and will make appropriate action required, if any.

## 44. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2021.

As Per Our Report of Even Date Attached

For **Chitresh Gupta & Associates**  
Chartered Accountants  
Firm Registration No. 017079N

**CA Chitresh Gupta** (Partner)  
M. No. 098247  
UDIN:21098247AAAUAUO4277

Place: Greater Noida, U.P.  
Dated: 05<sup>th</sup> June, 2021

For and on behalf of Board of Directors  
**PG Electroplast Ltd**

**(Anurag Gupta)**  
Chairman & Executive Director  
DIN-00184361

**(Sanchay Dubey)**  
Company Secretary  
ACS No:A51305

**(Vishal Gupta)**  
Managing Director - Finance  
DIN-00184809

**(Promod C Gupta)**  
Chief Financial Officer



## GENERAL INFORMATION

- Our Company was incorporated as ‘PG Electroplast Private Limited’ on March 17, 2003, as a private limited company under the Companies Act, 1956, as amended pursuant to a certificate of incorporation granted by the RoC. Subsequently, pursuant to a special resolution passed at the meeting of the shareholders of our Company at an extraordinary general meeting held on July 15, 2010, our Company became a public limited company, and the name of our Company was changed to “PG Electroplast Limited” and consequently, a fresh certificate of incorporation, dated August 6, 2010, was issued by the RoC. For further details, see the section titled, “*Organisational Structure of our Company*” on page 205.
- The Equity Shares of our Company were listed on BSE Limited and the NSE Limited on September 26, 2011. Our Company has received in-principle approvals to list the Equity Shares to be issued pursuant to the Issue from each BSE and NSE on August 28, 2023, under Regulation 28(1) of the SEBI Listing Regulations.
- Our Registered Office is located at DTJ-209, 2nd Floor, DLF Tower B-Jasola, Plot 11 Non-Hierarchical Commercial Centre, Jasola New Delhi – 110 025 Delhi, India.
- Our Corporate Office is located at P – 4/2 to 4/6, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida, Dist. Gautam Budh Nagar – 201 306, Uttar Pradesh, India,
- The CIN of the Company is L32109DL2003PLC119416.
- The website of our Company is www.pgel.in.
- The authorised share capital of our Company is ₹350,000,000 divided into 35,000,000 Equity Shares of ₹10 each.
- The Issue was authorised and approved by the Board pursuant to the resolution dated May 28, 2022, read with resolution dated August 12, 2022, and by the Members pursuant to the special resolution dated September 29, 2022. Our Company has been authorised to raise funds up to ₹ 5,000.00 million by way of issue of securities including the Equity Shares.
- In compliance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CRISIL Ratings Limited as the Monitoring Agency, for monitoring the utilisation of the proceeds in relation to the Issue. The Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.
- As of the date of this Placement Document, our Company has registered its logo under class 9 and class 11 of the Trademarks Act, respectively.
- Copies of our Memorandum of Association and Articles of Association were available for inspection between 9:30 am to 5:30 pm on any weekday (except Saturdays and public holidays) at our Corporate Office.
- Except as disclosed in this Placement Document, our Company has obtained all necessary consents, approvals and authorisations as may be required in connection with the Issue.
- There has been no material change in the financial or trading position of our Company since June 30, 2023, the date of the Unaudited Interim Condensed Consolidated Financial Statements prepared in accordance with applicable accounting standards included in this Placement Document, except as disclosed herein.
- Except as disclosed in this Placement Document, there are no material litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue. For further details, see “*Legal Proceedings*” on page 250.
- As on the date of this Placement Document, M/s S.S. Kothari Mehta & Company, Chartered Accountants, having Firm Registration No. 000756N is the statutory auditor of our Company
- No change in the control of our Company will occur consequent to the Issue.
- Our Company is in compliance with the minimum public shareholding requirements as required under the SEBI Listing Regulations and Rule 19A of the SCRR.
- The Floor Price is ₹ 1,641.09 per Equity Share, calculated in accordance with the provisions of Chapter VI of the SEBI ICDR Regulations, as certified by our Statutory Auditor, M/s S.S. Kothari Mehta & Company, Chartered Accountants. Our Company has offered a discount of ₹ 81.09 per Equity Share, equivalent to 4.94% on the Floor Price in accordance with the approval of our Board resolution dated May 28, 2022, read with resolution dated August 12, 2022, and the shareholders of the Company accorded through a special resolution dated September 29, 2022, and Regulation 176(1) of the SEBI ICDR Regulations.
- Our Company and the BRLMs accept no responsibility for statements made otherwise than in this Placement Document and anyone placing reliance on any other source of information, including our website, would be doing so at their own risk.
- Sanchay Dubey is the Company Secretary and Compliance Officer of our Company. His details are as follows:

**Sanchay Dubey**

Company Secretary and Compliance Officer  
PG Electroplast Limited  
DTJ-209, 2<sup>nd</sup> Floor, DLF Tower B-Jasola,  
Plot 11 Non-Hierarchical Commercial Centre,  
Jasola New Delhi – 110 025  
Delhi, India  
**Tel:** +91 120 2569323  
**E-mail:** investors@pgel.in

## DETAILS OF PROPOSED ALLOTTEES

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made at the sole and absolute discretion of our Company, in consultation with the BRLMs, to Eligible QIBs. The names of the proposed Allottees and the percentage of post-Issue capital that may be held by them is set forth below. These details of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, have been included in this Placement Document.

S. No.	Name of the proposed Allottees	Percentage of the post-Issue share capital held (%) <sup>(1)(2)#</sup>
1.	Nippon Life India Trustee Ltd - A/C Nippon India Small Cap Fund	2.13
2.	Pinebridge Global Funds - Pinebridge India Equity Fund	1.09
3.	Nippon Life India Trustee Ltd - A/C Nippon India Value Fund	1.07
4.	HSBC Global Investment Funds - Asia Ex Japan Equity Smaller Companies	0.86
5.	Abakkus Diversified Alpha Fund	0.74
6.	Kotak Mahindra Life Insurance Company Ltd.	0.74
7.	Societe Generale	0.62
8.	Societe Generale - ODI	0.62
9.	Morgan Stanley Asia (Singapore) Pte. - ODI	0.49
10.	Bajaj Allianz Life Insurance Company Ltd.	0.49
11.	Tata India Consumer Fund	0.39
12.	Pinebridge Global Funds - Pinebridge Asia Ex Japan Small Cap Equity Fund	0.37
13.	Kuwait Investment Authority Fund F238	0.37
14.	Tata Retirement Savings Fund-Moderate Plan	0.25
15.	Tata Retirement Savings Fund-Progressive Plan	0.25
16.	Bofa Securities Europe Sa - ODI	0.25
17.	Alchemy Emerging Leaders of Tomorrow	0.25
18.	Government Of Singapore - E	0.22
19.	Tata Business Cycle Fund	0.22
20.	ITI Balanced Advantage Fund	0.21
21.	Bank Of India Small Cap Fund	0.12
22.	BNP Paribas Arbitrage	0.12
23.	Optimix Wholesale Global Emerging Markets Share Trust	0.12
24.	Tokio Marine Life Insurance Singapore Ltd. - Par Pinebridge	0.08
25.	Aegon Investment Management B.V- Aegon Custody B.V. Re Mm Equity Small Cap Fund	0.07
26.	Ashika India Alpha Fund	0.05
27.	Tata Alternative Investment Fund-Tata Equity Plus Absolute Returns Fund	0.05
28.	Pinebridge International Funds-Acorns Of Asiabalanced Fund	0.05
29.	ITI Value Fund	0.04

(1) Based on beneficiary position as on August 31, 2023.

(2) Subject to Allotment of the Equity Shares in the Issue.

# The post-Issue shareholding (in percentage terms) of the proposed Allottees have been disclosed on the basis of their respective DP ID and Client ID.

## DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Placement Document are true and correct.

**Signed by:**

---

**Vishal Gupta**  
*Managing Director, Finance*

**Date:** September 1, 2023

**Place:** Supa, Ahmednagar

## DECLARATION

We, the Board of the Company, certify that:

- (i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;
- (ii) the compliance with the Companies Act, 2013 and the rules thereunder does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government;
- (iii) the monies received under the Issue shall be used only for the purposes and objects indicated in this Placement Document (which includes disclosures prescribed under Form PAS-4).

### SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

**Signed by:**

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**Vishal Gupta**  
*Managing Director, Finance*

I am authorized by the Board of the Company, *vide* resolution dated September 1, 2023 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed:

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**Vishal Gupta**  
*Managing Director, Finance*

**Date:** September 1, 2023

**Place:** Supa, Ahmednagar

**PG ELECTROPLAST LIMITED**  
**CIN: L32109DL2003PLC119416**

**Registered Office**

DTJ-209, DLF Tower-B, Jasola,  
Plot 11, Non-Hierarchical Commercial Centre,  
New Delhi-110025

**Corporate Office**

P-4/2 to 4/6, P-4/2 to 4/6, Site-B,  
UPSIDC Industrial Area,  
Surajpur, Greater Noida,  
Gautam Budh Nagar, Uttar Pradesh – 201306  
**Tel:** +91 114 1421 439  
**Email:** investors@pgel.in  
**Website:** www.pgel.in  
**CIN:** L32109DL2003PLC119416

**Contact Person:**

**Sanchay Dubey**

**Designation:** Company Secretary and Compliance Officer  
**Tel:** +91 120 2569323  
**E-mail:** investors@pgel.in  
**Address:** DTJ-209, DLF Tower-B, Jasola,  
Plot 11, Non-Hierarchical Commercial Centre,  
New Delhi-110025

**BOOK RUNNING LEAD MANAGERS**

**JM Financial Limited**

7th floor, Energy Appasaheb Marathe Marg Prabhadevi  
Mumbai, 400 025 Maharashtra, India

**PhillipCapital (India) Private Limited**

No. 1, 18th Floor, Urmi Estate, 95 Ganpatrao Kadam Marg,  
Lower Parel West, Mumbai 400013, Maharashtra, India

**STATUTORY AUDITORS OF OUR COMPANY**

**M/s. S.S. Kothari Mehta & Company, Chartered Accountants**

Plot No. 68, Okhla Industrial Area,  
Phase-III, New Delhi – 110020  
New Delhi, India

**LEGAL COUNSEL TO OUR COMPANY**

**Trilegal**

One World Centre  
10<sup>th</sup> Floor, Tower 2A and 2B  
Senapati Bapat Marg  
Lower Parel (West), Mumbai 400 013  
Maharashtra, India

**LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGERS**

**IndusLaw**

#1502B, 15<sup>th</sup> Floor, Tower – 1C,  
One World Centre,  
Senapati Bapat Marg,  
Lower Parel (West), Mumbai 400 013  
Maharashtra, India


**INTERNATIONAL LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGERS WITH RESPECT TO  
SELLING AND TRANSFER RESTRICTIONS**

**Hogan Lovells Lee & Lee**

50 Collyer Quay  
#10-01 OUE Bayfront  
Singapore - 049321  
Republic of Singapore

## APPLICATION FORM

“An indicative form of the Application Form is set forth below:”

 <p><b>PG Electroplast Limited</b></p> <p><i>(Incorporated in the Republic of India under the provisions of the Companies Act, 1956)</i></p> <p><b>Registered Office:</b> DTJ-209, 2nd Floor, DLF Tower B-Jasola, Plot 11, Non-Hierarchical Commercial Centre, Jasola, New Delhi – 110 025 Delhi, India</p> <p><b>Corporate Office:</b> P-4/2 to 4/6, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida, Dist. Gautam Budh Nagar – 201 306, Uttar Pradesh, India</p> <p><b>Telephone:</b> 91-11-41421439   <b>Facsimile:</b> +91 12025 69131</p> <p><b>Contact Person:</b> Sanchay Dubey, Company Secretary and Compliance Officer</p> <p><b>E-mail address:</b> investors@pgel.in   <b>Website:</b> https://www.pgel.in/</p> <p><b>CIN:</b> L32109DL2003PLC119416   <b>LEI:</b> 335800KCTBN8PT395N87   <b>ISIN:</b> INE457L01011</p>	<p><b>APPLICATION FORM</b></p> <p><b>Name of Bidder:</b> _____</p> <p><b>Form No:</b> _____</p> <p><b>Date:</b> _____</p>
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**QUALIFIED INSTITUTIONS PLACEMENT OF [●] EQUITY SHARES OF FACE VALUE ₹ 10 EACH (THE “EQUITY SHARES”) FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (“ISSUE PRICE”), INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE, AGGREGATING TO ₹ [●] MILLION UNDER CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE “SEBI ICDR REGULATIONS”) AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE “COMPANIES ACT”), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE “PAS RULES”), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER BY PG ELECTROPLAST LIMITED (THE “COMPANY”) (HEREINAFTER REFERRED TO AS THE “ISSUE”). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 1,641.09 AND THE COMPANY MAY OFFER A DISCOUNT ON THE FLOOR PRICE IN TERMS OF REGULATION 176(1) OF THE SEBI ICDR REGULATIONS AND IN ACCORDANCE WITH THE APPROVAL OF ITS SHAREHOLDERS.**

**Only Qualified Institutional Buyers (“QIBs”) as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which (i) are not, (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations or foreign exchange laws; or other applicable laws, or (b) which are not prohibited or debarred by any regulatory authority for buying or selling or dealing in securities or restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws; (c) hold a valid and existing registration under the applicable laws in India (as applicable); and (d) are eligible to invest in the Issue and submit this Application Form, and (ii) are residents in India or Eligible FPIs (as defined herein below) participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 (“FEMA Rules”), defined hereinafter or a multilateral or bilateral development financial institution eligible to invest in India under applicable law including the FEMA Rules; can submit this Application Form. The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or any state securities laws in the United States, and unless so registered, and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable U.S. state securities laws. You understand that the Equity Shares offered in the Issue are being offered and sold only outside the United States in “offshore transactions”, as defined in, and in reliance on, Regulation S under the Securities Act (“Regulation S”) and you represent that you were outside the United States when the offer to purchase the Equity Shares was made to you and you are currently outside the United States and that you are not acquiring or subscribing for the Equity Shares as a result of any “directed selling efforts” (as defined in Regulation S). You should note and observe the solicitation and distribution restrictions contained in the sections titled “Selling Restrictions” and “Transfer Restrictions and Purchaser Representations” beginning on pages 231 and 237, respectively in the accompanying preliminary placement document dated August 28, 2023 (the “PPD”).**

**ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THIS ISSUE, UNDER SCHEDULE II OF THE FEMA RULES, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. ALLOTMENTS MADE TO AIFS AND VCFS IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, INCLUDING THE FEMA RULES. PURSUANT TO FDI POLICY READ ALONG WITH PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA NON DEBT RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE, AS PRESCRIBED IN THE FEMA RULES AND SHALL HAVE TO BE IN CONFORMITY WITH THE APPLICABLE PROVISIONS OF THE FEMA RULES.. OTHER ELIGIBLE NON-RESIDENT QIBS SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.**

To,

**The Board of Directors**

PG ELECTROPLAST LIMITED  
DTJ-209, 2nd Floor, DLF Tower B-Jasola,  
Plot 11, Non-Hierarchical Commercial Centre, Jasola,  
New Delhi – 110 025 Delhi, India

Dear Sirs,

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, at the terms and price indicated below. We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the PPD and this Application Form. We confirm that we are an Eligible QIB as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations. We are not a promoter of the Company (as defined in the SEBI ICDR

STATUS (Please ✓)			
<b>FI</b>	Scheduled Commercial Banks and Financial Institutions	<b>AIF</b>	Alternative Investment Fund*
<b>MF</b>	Mutual Funds	<b>IF</b>	Insurance Funds
<b>FPI</b>	Eligible Foreign Portfolio Investors**	<b>NIF</b>	National Investment Fund
<b>VCF</b>	Venture Capital Funds	<b>SI-NBFC</b>	Systemically Important Non-Banking Financial Companies
<b>IC</b>	Insurance Companies	<b>OTH</b>	Others  (Please specify)

Total shares currently held by QIB or QIBs belonging to the same group or those who are under common control. For details of what constitutes “same group” or “common control”, see “Application Form” under Issue Procedure section of the PPD.

\* Sponsor and Manager should be Indian owned and controlled.

\*\*Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue

Regulations), or any person related to the promoters of the Company, directly or indirectly and this Application Form does not directly or indirectly represent the promoter or promoter group or persons related to the promoter. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with promoters or persons related to promoters of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company. We confirm that we are either an Eligible QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Non-Debt Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue.

We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**"). We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations. We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted a separate Application Form, and asset management companies of mutual funds have specified the details of each scheme for which the application is being made along with the Bid Amount and number of shares to be Allotted under each scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant authorisations. We note that the Company is entitled, in consultation with JM Financial Limited and PhillipCapital (India) Private Limited (the "**BRLMs**"), in their sole discretion, to accept or reject this Application Form without assigning any reason thereof.

We hereby agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, Placement Document and the CAN, when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of Application Form and the Bid Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Bid Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to the Bid/Issue Closing Date and such Bid Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the BRLMs; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allotted to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, or the listing of the Equity Shares does not occur in the manner described in the PPD, the Placement Document, the SEBI ICDR Regulations and other applicable laws, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We acknowledge and agree that (i) our names, address, contact details, PAN, bank account details and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, National Capital Territory of Delhi & Haryana at Delhi (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of the National Stock Exchange of India Limited and BSE Limited (together, the "**Stock Exchanges**"), and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the RBI and other applicable laws.

By signing and submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections "*Notice to Investors*", "*Representations by Investors*", "*Issue Procedure*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" sections of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the BRLM, each of whom is entitled to rely on, and is relying on, these representations and warranties in consummating the Issue.

By signing and submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section "*Risk Factors*" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the BRLM or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document, this Application Form, the confirmation of allocation note ("**CAN**"), when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Bid/Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the discretion of the Company, in consultation with the BRLMs, and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the BRLMs. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; and (9) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the



terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

By signing and submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares. We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB.

We acknowledge that the Equity Shares offered in the Issue have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. **By signing this Application Form and checking the applicable box above, we hereby represent, warrant, acknowledge and agree that we are located outside the United States and purchasing the Equity Shares in an 'offshore transaction' as defined in, and in reliance on, Regulation S and in compliance with the applicable laws of the jurisdiction where those offers and sales are made.**

<b>BIDDER DETAILS (in Block Letters)</b>	
<b>NAME OF BIDDER*</b>	
<b>NATIONALITY</b>	
<b>REGISTERED ADDRESS</b>	
<b>CITY AND CODE</b>	
<b>COUNTRY</b>	
<b>TELEPHONE NO.</b>	<b>FAX.</b>
<b>EMAIL ID</b>	
<b>FOR ELIGIBLE FPIs**</b>	SEBI FPI REGISTRATION NO. _____
<b>FOR MFs</b>	SEBI MF REGISTRATION NO. _____
<b>FOR AIFs***</b>	SEBI AIF REGISTRATION NO. _____
<b>FOR VCFs***</b>	SEBI VCF REGISTRATION NO. _____
<b>FOR SI-NBFC</b>	RBI REGISTRATION DETAILS _____
<b>FOR INSURANCE COMPANIES</b>	IRDAI REGISTRATION DETAILS _____
<p><i>*Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the Bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Issuer and the BRLMs.</i></p> <p><i>**In case you are an FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.</i></p> <p><i>***Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.</i></p>	

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under Form PAS-4 of the PAS Rules. For such information, the BRLMs will rely on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

<b>ESCROW ACCOUNT - BANK ACCOUNT DETAILS FOR PAYMENT OF AMOUNT THROUGH ELECTRONIC FUND TRANSFER REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER BY [2.00 PM] (IST), [DATE], [DAY]</b>	
<b>Name of the Account</b>	PG Electroplast Limited QIP Escrow Account, 2023
<b>Name of the Bank</b>	YES Bank Limited
<b>Address of the Branch of the Bank</b>	YES Bank Limited, Ground Floor, Mayank Arcade, Dadri Main Road, Surajpur, Noida, Uttar Pradesh- 201306
<b>Legal Entity Identifier Code</b>	335800KCTBN8PT395N87
<b>Account Type</b>	Escrow Account
<b>Account Number</b>	002581000000073
<b>IFSC</b>	YESB0000025
<b>Tel No.</b>	+91 98118 73244
<b>E-mail</b>	pavas.joshi@yesbank.in

The Bid Amount should be transferred pursuant to the Application Form. All payments must be made only by way of electronic funds transfer, in favour of "PG Electroplast Limited QIP Escrow Account 2023". Payment of the entire Bid Amount should be made along with the Application Form on or before the closure of the Bid/Issue Period, i.e., prior to the Bid/Issue Closing Date. **The payment for subscription to the Equity Shares Allotted in the Issue shall be**

made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.

DEPOSITORY ACCOUNT DETAILS											
Depository Name(Please <input type="checkbox"/> )	National Security Depository Limited					Central Depository Services (India) Limited					
Depository Participant Name											
DP – ID	I	N									
Beneficiary Account Number											
(16-digit beneficiary account. No. to be mentioned above)											
The Demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. <b>However, for the purpose of refund, if any, only the bank details as mentioned below, from which remittance towards subscription has been made, will be considered.</b>											

The Bidders are responsible for the accuracy of the bank account details mentioned below and acknowledge that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank account details provided by them. The Company and the BRLMs shall not be liable in any manner for refunds that are not processed due to incorrect bank account details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	
NO. OF EQUITY SHARES BID		PRICE PER EQUITY SHARE (RUPEES)	
(In figures)	(In words)	(In figures)	(In words)
BID AMOUNT (RUPEES)			
(In Figures)		(In Words)	

DETAILS OF CONTACT PERSON			
NAME			
ADDRESS			
TEL. NO.		FAX NO.	
EMAIL			

OTHER DETAILS		ENCLOSURES ATTACHED	
PAN*		Attested/ certified true copy of the following: <ul style="list-style-type: none"> <li>• Copy of PAN Card or PAN allotment letter</li> <li>• Copy of FPI Registration Certificate /MF Registration certificate / SEBI certificate of registration for AIFs/VCF/SI-NBFC/IC/IF</li> <li>• Certified copy of the certificate of registration issued by the RBI as an SI-NBFC/ a Scheduled Commercial Bank</li> <li>• Copy of notification as a public financial institution</li> <li>• FIRC</li> <li>• Copy of IRDAI registration certificate</li> <li>• Intimation of being part of the same group</li> <li>• Certified true copy of power of attorney</li> <li>• Other, please specify</li> </ul>	
Date of Application			
Signature of Authorised Signatory (may be signed either physically or digitally)**			

\*It is to be specifically noted that the Bidder should not submit the GIR Number or any other identification number instead of the PAN as the applications are liable to be rejected on this ground, unless the Bidder is exempted from the requirement of obtaining a PAN number under the Income-tax Act, 1961.

\*\*A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practical.

\*\*\* The Application Form is liable to be rejected if any information provided is incomplete and / or inadequate.

Note:

- (1) Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD and PD, unless specifically defined herein.
- (2) The application form is liable to be rejected if any information provided is incomplete or inadequate at the discretion of the Company in consultation with the BRLMs. The duly filed Application Form along with all enclosures shall be submitted to the BRLMs either through electronic form at the email mentioned in the PPD or through physical deliver at the address mentioned in PPD.
- (3) This Application Form, the PPD and the Placement Document sent to you/ be sent to you, either in physical form or electronic form or both, are specific to you and you may not distribute or forward the same and are subject to disclaimer and restrictions contained in or accompanying these documents.

(Note: The format of the Application Form included herein above is indicative and for the illustrative purposes only and no Bids in this Issue can be made through the sample Application Form. The Company, in consultation with the BRLMs, shall identify Eligible QIBs and circulate serially numbered copies of this Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of this Preliminary Placement Document and the Application Form and not on the basis of the indicative format above.)