

# PG ELECTROPLAST LIMITED



<http://www.pgel.in>



**15<sup>th</sup> Annual Report**  
**2016-2017**

**PG Electroplast Limited (CIN: L32109DL2003PLC119416)**

**Registered Office** : DTJ209,

DLF Tower B - Jasola,

New Delhi - 110025

**Email:** investors@pgel.in / info@pgel.in

**Telephone No:** 91 - 011 - 41421439

**Corporate Office** : P-4/2 to 4/6,

Site B, UPSIDC Industrial Area,

Surajpur, Greater Noida, U.P. - 201306

**Website:** www.pgel.in

**Tel.:** 91 - 120 - 2569323

**Fax No:** 91 - 120 - 2569131

### Board of Directors:

Name	DIN	Designation
Mr. Promod Gupta	00181800	Managing Director
Mr. Anurag Gupta	00184361	Whole Time Director
Mr. Vishal Gupta	00184809	Whole Time Director
Mr. Vikas Gupta	00182241	Whole Time Director
Mr. Devendra Jha	03076528	Independent Director
Mr. Sharad Jain	06423452	Independent Director
Mr. Ayodhya Prasad Anand	06808974	Independent Director
MrsRita Mohanty	07081546	Independent Director

### Management:

Name	Designation
Mr. Bhawa Nand Choudhary	Chief Operating Officer
Mr. K. A. Khandelwal	Chief Financial Officer
Mr. Rahul Kumar	Company Secretary

### Statutory Auditors:

M/s Chitresh Gupta & Associates

Chartered Accountants

### Banker:

State Bank of India

HDFC Bank

### Registrars & Share Transfer Agent:

Karvy Computershare Pvt. Ltd.,

46, Avenue 4, Street No-1 Banjara Hills,

Hyderabad - 500034

Email: einward.ris@karvy.com

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**PG Electroplast Limited**

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Tel No: +91 -120-2569323

Email: [investors@pgel.in](mailto:investors@pgel.in)

Fax No: +91 -120-2569131

**NOTICE OF THE 15<sup>TH</sup> ANNUAL GENERAL MEETING**Website: [www.pgel.in](http://www.pgel.in)

NOTICE is hereby given that the 15<sup>th</sup> ANNUAL GENERAL MEETING of the shareholders of PG ELECTROPLAST LIMITED (the "Company") will be held on Tuesday, 26<sup>th</sup> day of September, 2017 at 11:30 A.M at Auditorium, Ghalib Institute, Aiwan-E-Ghalib Marg, New Delhi-110002 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2017, the report of the Board of Directors and Auditors thereon.
2. To re-appoint Mr. Anurag Gupta (DIN- 00184361) as a Director, who retires by rotation and, being eligible, offers himself for re-appointment.
3. **To appoint Auditors of the Company** and fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

**"RESOLVED THAT** pursuant to provisions of Section 139 & 142 of the Companies Act, 2013 (the "Act") read with Companies (Audit and Auditors) Rules, 2014 and other applicable provisions (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s Chitresh Gupta & Associates, Chartered Accountants, Delhi, (Firm Registration No. 017079N); be and are hereby appointed as Statutory Auditors of the Company from the conclusion of this 15<sup>th</sup> Annual General Meeting till the conclusion of 19<sup>th</sup> Annual General Meeting of the Company (subject to ratification of the appointment at every Annual General Meeting, if required by Law for the time being in force), on such remuneration as shall be fixed by the Board of Directors of the company."

**SPECIAL BUSINESS:**

4. **TO APPROVE/RATIFY REMUNERATION OF THE COST AUDITORS FOR THE FINANCIAL YEAR ENDING ON 31<sup>ST</sup> MARCH, 2018** and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

**"RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and other applicable provisions, if any, the Shareholders hereby ratify the approved remuneration of Rs. 3,00,000/- (Rupees Three Lakh Only) plus applicable taxes and reimbursement of out of pocket expenses to be paid to M/s Amit Singhal & Associates, (Firm Registration No. 101073), Cost Accountants, to conduct audit of the cost accounting records of the Company, for the financial year ending 31st March, 2018, as approved by the Board of Directors on recommendation of the

Audit Committee of the Company,.”

Date: 26/08/2017

Place: Greater Noida

By Order of Board of Directors  
Of PG Electroplast Limited

(Rahul Kumar)

Company Secretary

Membership No. A32729

## NOTES:

### 1. Appointment of Proxy

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS ENCLOSED WITH THIS NOTICE.

### 2. Restriction for appointing proxy

A MEMBER CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINTS A SINGLED PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY OF ANY OTHER PERSON OR SHAREHOLDERS.

### 3. Appointment of Representative

Corporate Members intending to send their authorized representatives to attend the Annual General Meeting are requested to send a duly certified copy of their Board Resolution authorizing their representative to attend and vote at the Annual General Meeting along with specimen signature.

### 4. Appointment of Statutory Auditors

The present Statutory Auditors of the Company, M/s Chitresh Gupta & Associates, Chartered Accountants, Delhi, having Firm Registration No. 017079N, were appointed as the Statutory Auditors in Casual Vacancy for the Financial Year 2011-12. After that they were appointed as Statutory Auditors at respective Annual General Meetings (AGM). At the 12<sup>th</sup> AGM held on 11<sup>th</sup> August 2014, they were appointed again to hold the office from the conclusion of 12<sup>th</sup> Annual General Meeting till the conclusion of 15<sup>th</sup> Annual General Meeting of the Company to be held in the year 2017 and this appointment had been duly ratified by the Share holders of the Company at AGMs held in subsequent years. Accordingly M/s Chitresh Gupta & Associates, Chartered Accountants hold office till the conclusion of ensuing Annual General Meeting of the Company.

As per provisions of the Companies Act 2013, no listed company shall appoint or re-appoint an Audit firm as Auditors for more than two terms of five consecutive years. M/s Chitresh Gupta & Associates has been associated as Auditors for last six financial years. Thus the Board proposes the appointment of M/s Chitresh Gupta & Associates as the Company's Statutory Auditors for a further period of four years to hold office

from 15<sup>th</sup> AGM to 19<sup>th</sup> AGM, which shall be held in year 2021 (subject to ratification by members at every subsequent AGMs, if required under prevailing Laws at that time).

**5. Attendance slip**

Members/proxies are requested to produce the Attendance Slip duly signed as per the specimen signature recorded with the Company/Depository Participant for admission to the meeting hall. Members, who hold shares in de-materialized form, are requested to bring their DPI.D. and Client I.D

No(s) for easier identification of attendance at the meeting. Attendance slip and proxy slip are annexed hereto.

**6. Explanatory Statement:**

The Explanatory Statements with respect to special business to be transacted at the meeting are annexed hereto.

**7. E Voting**

The Company is pleased to provide e-voting facility to enable Shareholders to exercise their right to vote electronically through website <https://evoting.karvy.com>, from a place other than place of the meeting. The Company has appointed Karvy Computershare Pvt Ltd. as e-voting agency. **The remote e-voting shall start on 22/09/2017 at 10:00 A.M. & close on 25/09/2017 at 5:00 PM.** Remote E-voting shall not be allowed beyond the said time & date.

The E-Voting event number, User-ID and password along with instructions for e-voting are provided in notice of E-Voting, being sent along with the Notice of this Annual General Meeting. Already registered users on website "<https://evoting.karvy.com>" may use existing log-in credentials.

**8. Cut-off date for voting Rights:**

During the period when facility for remote e-voting is provided, the member of the Company, holding shares either in physical form or dematerialized form, as on 20/09/2017 may opt for remote e-voting. Once the vote on resolution is cast by the member, he shall not be allowed to change it subsequently or cast vote again.

**9. Voting at the meeting:**

The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

**The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.** In case of joint holders attending the meeting, only such joint holder, who is higher in the order of name, will be entitled to vote.

**10. Scrutinizers**

The Company has appointed M/s RSJ Associates, Practicing Company Secretary as Scrutinizers to scrutinize the voting as well as remote e-voting process in a transparent manner.

The Scrutinizer shall immediately after conclusion of voting at AGM, first count the vote thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. He shall handover Scrutinizer's Report to the Chairman or to any other person authorized by the Chairman in this regard.

#### **11. Instructions for E Voting:**

- i. Use the following URL for e-voting: <https://evoting.karvy.com>
- ii. Enter the login credentials, i.e., user id and password mentioned in your email/notice. Your Folio No/DP ID Client ID will be your user ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and Password for casting your votes.
- iii. After entering the details appropriately, click on LOGIN.
- iv. You will reach the Password change menu, wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- i. You need to login again with the new credentials.
- iii. On successful login, the system will prompt you to select the EVENT, i.e., PG Electroplast Limited.
- iv. On the voting page, the number of shares (which represents the number of votes) as held by the member as on the cutoff date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, then enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR'/'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.
- v. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- vi. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- vii. Corporate/Institutional Members (i.e., other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board resolution/authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the scrutinizer through e-mail:[csvishalrai@gmail.com](mailto:csvishalrai@gmail.com). They may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'Corporate Name\_EVENT No.'
- viii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for members and e-voting User Manual available at the 'download' section of <https://evoting.karvy.com> or call Karvy Computershare Pvt. Ltd. on 1800 345 4001 (toll free).

#### **12. Login ID and Password to access E voting Facility**

Any person who acquires shares of the Company after dispatch of this Notice and holds shares as on the

cut-off date i.e., as on 20/09/2017, may obtain login ID and password by sending a request to [evoting@karvy.com](mailto:evoting@karvy.com) with a copy [investors@pgel.in](mailto:investors@pgel.in) by mentioning her / his folio number or DP ID and Client ID. Alternatively they may contact at toll free Number of Our E voting Agency provided at their website.

If the member is already registered with Karvy for E-voting, he can use his existing user ID & password for casting the vote through remote E Voting.

**13. Results of Voting**

The results of remote e-voting and poll at Annual General Meeting and consolidated result will be announces on 27/09/2017 and the resolutions proposed thereat will be deemed to be passed on the date of the AGM, subject to receipt of requisite number of votes. Scrutinizer's report along with consolidated results shall be placed on website of the company [www.pgel.in](http://www.pgel.in) & website of e-voting agency <https://evoting.karvy.com> and communicated to the Stock Exchanges i.e. National Stock Exchange of India Ltd. and BSE Ltd.

**14. Annual report:**

Electronic copy of Annual Report for year 2016-17 and Notice of the Annual General Meeting of the Company are being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in the permitted mode.

**15. Closure of Register of Member:**

The Register of Members and Share Transfer Books shall remain closed from 20/09/2017 to 26/09/2017 (both days inclusive) for the purpose of Annual General Meeting.

**16. Dividend:** The Board of Directors of the Company has not recommended any dividend.

**17. Registration of E-mail id for correspondence:**

Members, who have not registered their e-mail address so far, are requested to register their e-mail for receiving all communication including annual report, notices, circulars etc. through email.

Members holding shares in D-mat form may intimate the e-mail to their depository participants & Members holding shares in physical form are requested to address all correspondence concerning the registration of transfers, transmission, sub-division, consolidation of shares or any other related matters and/or any change in address or updation thereof to the Company/RTA-Karvy Computershare Pvt. Ltd.

**18. Availability of Annual Report & Notice on website**

Members may also note that the Notice of the 15<sup>th</sup> Annual General Meeting and the Annual Report for 2016-17 will also be available on the Company's website [www.pgel.in](http://www.pgel.in). The physical copies of the aforesaid documents will also be available at the Company's Registered Office in New Delhi for inspection during (01.00 PM to 3.30 PM) on Monday to Friday. For any communication, the shareholders may also send requests to the Company's investor email id: [investors@pgel.in](mailto:investors@pgel.in). The notice will also be available on E-

Voting Agency website <https://evoting.karvy.com>.

**19. Inspection**

The Register of Directors' & Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 & the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection at the venue of AGM.

**20.** Members desiring any information as regards to the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the meeting.

**21.** The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to RTA-Karvy Computershare Pvt. Ltd.

**22.** Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares for ease of portfolio management.

**ANNEXURE TO NOTICE: EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:****Item No. 4:**

The Board of Directors of the Company has appointed M/s Amit Singhal & Associates, Cost Accountants (Firm Registration No: 101073), as Cost Auditors of the Company to audit cost records for the financial year ending on 31<sup>st</sup> March, 2018. Remuneration payable to M/s Amit Singhal & Associates, Cost Auditors of the Company for the financial year ended 31<sup>st</sup> March, 2018, was recommended by the Audit Committee to the Board of Directors and subsequently, was considered and approved by the Board of Directors at its meeting held on 26<sup>th</sup> August 2017.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company. Accordingly consent of the members is sought for passing an ordinary resolution for approval of remuneration payable to Cost Auditors as set out at item no.4 of the notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives is interested or concerned in the said respective resolution for their appointment.

Date: 26/08/2017  
Place: Greater Noida

**By Order of Board of Directors  
of PG Electroplast Limited**

(Rahul Kumar)  
**Company Secretary**  
Membership No.-A32729



**Directors' Report****DEAR MEMBERS,**

Your Directors have pleasure in presenting the 15<sup>th</sup> Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended March 31, 2017.

**1. Financial Highlights:**

The financial statements of the Company have been prepared in accordance with the Accounting Standards read with Companies (Accounts) Rules, 2006.

**(Rupees in Lakh)**

	<b>FY 2016- 17</b>	<b>FY 2015 - 16</b>
Revenue from operations (net)	36,709.61	26,025.03
Other income	233.20	314.17
Profit After tax	372.47	190.56
EPS	2.27	1.16
Total Cash & cash Equivalent	422.45	56.87
Free Cash Flow per share	2.57	0.35

**2. PERFORMANCE OVERVIEW:**

Growth in the finished goods like set top Box, Air Cooler and Plastic part of AC, Refrigerators, Washing machines, Automotive, Bathroom Fittings continued this year also. Performance of some new manufacturing facilities started by the Company during the year like mobile hand set, Ceiling Fan parts has also been encouraging. However there was a decline in the sales of Kitchen appliances and Solar Lamps. The combined effect of these factors was that Earnings before Depreciation/amortization expense & Finance Cost rose up by 12.87% as compared to previous year.

Compared to the previous year, Depreciation and amortization (including losses on disposals) increased by 5.81% to Rs. 10.28 Crore, reflecting higher capital expenditure over the last year. Cost of Raw Material & Components consumed increased by 43.51% proportionate to hike in Revenue from Operations by 41.56%. Other Income has decreased by 25.77% and other expenditure increased by 28.73%.

**3. PROJECTS & EXPANSION PLAN:**

During the year the Company has incurred Rs. 41.47 crores on capital expenditures. We have installed several new injection moulding machines in our factories and increased covered area of existing factories by constructing new buildings/floors. However operations at Roorkee unit have now been transferred to Unit I.

**4. DIVIDEND:**

The Board of Directors have not recommended any dividend because of the carried over previous losses.

**5. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

In accordance with the provisions of the Companies Act 2013, Mr. Anurag Gupta, Director of the Company will retire by rotation at the ensuing AGM and being eligible, offer himself for re-appointment.

During the reporting year, Mr. Promod Gupta (managing Director), Mr. Anurag Gupta (Whole Time Director), Mr. Vikas Gupta (Whole Time Director) and Mr. Vishal Gupta (Whole Time Director) have been re-appointed for another term of term of three years with effect from 15<sup>th</sup> July 2016. There has been no other change in composition of Board of Directors during the year.

None of the Directors have incurred any disqualification on account of non-compliance with any of the provisions of the Act. During the year, non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees for the purpose of attending meetings of the Company.

The Company has received declarations from each of the Independent Directors confirming that he/she meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and there has been no change in the circumstances which may affect their status as independent director during the year. The independent directors have also confirmed that they have complied with the Company's code of conduct.

There were no changes in the Key Managerial Personnel of the Company during the year.

MEETINGS OF BOARD OF DIRECTORS, AUDIT COMMITTEE ETC.

For details of the Meetings of the Board and its Committees, please refer to the Report on Corporate Governance, which forms part of this Report as Annexure I.

**6. BOARD EVALUATION AND FAMILIARIZATION PROGRAMME:**

The Board has carried out the annual performance evaluation of its own performance, its Committees and Individual Directors pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The manner in which the evaluation has been carried out has been provided in the Corporate Governance Report.

The details of programme for familiarization of Independent Directors of your Company are available at webpage <http://www.pgel.in/investor.aspx>.

**7. CORPORATE GOVERNANCE REPORT & MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

Corporate Governance Report and Management Discussion & Analysis Report as stipulated under SEBI(Listing Obligation & Disclosure Requirements) 2015, which forms integral part of this report, are presented as Annexure I & II respectively. Compliance certificate on corporate Governance, issued by M/s RSJ Associates, Practicing Company Secretary also forms a part of the said Corporate Governance Report.

**8. REMUNERATION POLICY:**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy on remuneration of Directors and Senior Management Employees. The remuneration policy is attached as 'Annexure III' to this report.

**9. DIRECTORS RESPONSIBILITY STATEMENT:**

The Board of Directors, to the best of their knowledge and belief, confirm that:

- a) in the preparation of the annual accounts of Financial Year 2016-17, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis; and
- e) the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**10. RISK MANAGEMENT & INTERNAL CONTROL SYSTEMS:**

The Company has a well-established Risk Management framework in place for identification, evaluating and management of risks, including the risks which may threaten the existence of the Company. In line with your Company's commitment to deliver sustainable value, this framework aims to provide an integrated and organized approach for evaluating and managing risks. Regular exercise has been carried out to identify, evaluate, manage and monitor the risks.

Your Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. The Company has in place adequate controls, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information. The internal controls cover operations, financial reporting, compliance with applicable laws and regulations, safeguarding assets from unauthorized use and ensure compliance of corporate policies. Internal controls are reviewed periodically by the internal auditors, and are subject to management reviews with significant audit observations and follow up actions reported to the Audit Committee. The Audit Committee actively reviews the adequacy and effectiveness of internal control systems and suggests improvements for strengthening them in accordance with the changes in the business dynamics, if required.

**11. STATUTORY AUDITORS:**

The present Statutory Auditors of the Company, M/s Chitresh Gupta & Associates, Chartered Accountants, Delhi, having Firm Registration No. 017079N, were appointed as the Statutory Auditors in Casual Vacancy for the Financial Year 2011-12. After that they were appointed as Statutory Auditors at respective Annual General Meetings (AGM). At the 12<sup>th</sup> AGM held on 11<sup>th</sup> August 2014, they were appointed again to hold the office from the conclusion of 12<sup>th</sup> Annual General Meeting till the conclusion of 15<sup>th</sup> Annual General Meeting of the Company to be held in the year 2017 and this appointment had been duly ratified by the Share holders of the Company at AGMs held in subsequent years. Accordingly M/s Chitresh Gupta & Associates, Chartered Accountants hold office till the conclusion of ensuing Annual General Meeting of the Company.

As per provisions of the Companies Act 2013, no listed company shall appoint or re-appoint an Audit firm as Auditors for more than two terms of five consecutive years. M/s Chitresh Gupta & Associates has been associated as Auditors for last six financial years. Thus the Board proposes the appointment of M/s Chitresh Gupta & Associates as the Company's Statutory Auditors for a further period of four years to hold office from 15<sup>th</sup> AGM to 19<sup>th</sup> AGM, which shall be held in year 2021 (subject to ratification by members at every subsequent AGMs, if required under prevailing Laws at that time).

M/s Chitresh Gupta & Associates, Chartered Accountants have given consent to be re-appointed as Statutory Auditors of the Company. They have further confirmed that the said appointment, if made, would be within prescribed limits under section 141(3)(g) of the Companies Act 2013 and they are not disqualified for appointment.

The Statutory Auditor's Report on Financial Statements for the year ended on 31<sup>st</sup> March 2017 does not contain any qualification, reservation, adverse remarks or disclaimer.

**12. SECRETARIAL AUDIT:**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s RSJ Associates, Practicing Company Secretary, for conducting secretarial audit of Company for the financial year 2016-17. Their report is annexed with this report in Annexure IV. The Secretarial auditor's report does not contain any qualification, reservation, adverse remarks or disclaimer except regarding authorization under E-waste Management Rules 2016 (Applicable w.e.f. 01.10.2016), for which Company has been communicating with concerned department of Pollution Control Board. The company has obtained consent from Maharashtra Pollution Control Board for Assembly of Mobile phones, Electrical and electronic goods vide certificate Dated 10/02/2016. Further they have written about recent orders passed by Honorable Securities Appellate Tribunal and Adjudicating Officer of SEBI in matter of the Company. Please refer para 23 & 24 for information on these cases.

**13. COST AUDITORS:**

The Board of Directors have appointed M/s Amit Singhal & Associates, Cost Accountants, having Firm Registration Number: 101073, as Cost Auditors to audit the cost records of the financial year 2017-18 and recommends ratification of their remuneration by the shareholders at the ensuing annual general meeting.

**14. CORPORATE SOCIAL RESPONSIBILITY:**

The Company does not falls under criteria provided for CSR under Section 135 of the Companies Act 2013 & rules made there under. Thus, the Company is not required to constitute a CSR committee. However, the Company undertakes to act in a socially responsible manner and serve the society at large.

**15. VIGIL MECHANISM:**

The Company has established a Vigil Mechanism / Whistle Blower Policy. All Employees of the Company and various stakeholders of the company are eligible to make Protected Disclosures in writing or through mail under the Policy in relation to matters concerning the Company. The Vigil Mechanism or whistle blower policy may be accessed at web-link

<http://www.pgel.in/PDF/VigilMechanismWhistleBlowerPolicy.pdf>.

**16. PARTICULARS OF CONTRACTS OR ARRANGEMENT MADE WITH RELATED PARTIES:**

During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with SEBI (Listing Obligation & Disclosure Requirements) 2015 & policy of the Company.

All related party transactions entered into during the year under review, by your Company, were approved by the Audit Committee. Prior omnibus approval is obtained for related party transactions which are repetitive in nature and/or entered in ordinary course of business and at arm's length. There are no materially significant related party transactions that may have potential conflict with interest of the Company at large.

The policy on materiality of Related Party Transactions and policy on dealing with Related Party Transactions are available at web-link <http://www.pgel.in/PDF/RelatedPartyTransactionsPolicy.pdf>.

The particulars of every contract or arrangements entered into by the Company with related parties referred to in section 134 of the Companies Act are disclosed in form AOC-2 as Annex V.

**Justification of transactions under sub-section (2) of section 188 of the Companies Act, 2013:-**

During the year Mr. Pranav Gupta, relative of Directors, has been appointed as Manager in the Company to look after operations in Unit III of the Company. He possesses PGDBA from Amity University.

To meet the increasing demand of factory space, the Company has purchased a property F-20 admeasuring plot area 1000 sq. mtrs. situated at Site B, UPSIDC Industrial Area, Surajpur, Greater Noida, UP. This plot is adjacent to Factory of Unit III.

Registered office of the Company is taken on rent from Mrs. Sudesh Gupta, Relative of Directors. The Company has leased small unutilized portion of the factory of Unit 1 to PG Infotel Pvt. Ltd. to earn income from idle space. All the above transactions took place at prevalent market rate.

**17. SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANY:**

Your Company does not have any subsidiary, joint venture or associate Company. During the year under review, no company became or ceased to be subsidiary of the Company.

**18. PARTICULARS OF LOAN GIVEN, INVESTMENTS MADE, GUARANTEE GIVEN AND SECURITIES PROVIDED UNDER SECTION 186 OF THE COMPANIES ACT, 2013:**

The Company has not given any loan or guarantee, has not made any investment & provided any securities under section 186 of the Companies Act, 2013 during the financial year 2016-17.

**19. EXTRACT OF ANNUAL RETURN:**

In terms of provisions of Section 92, 134(3)(a) of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014 the extract of the Annual Return in form MGT 9 is annexed with this report as Annexure VI.

**20. PARTICULARS OF EMPLOYEES:**

The disclosure pertaining to remuneration and other details of directors and employees as required under section 197(12) of the Companies Act 2013 read with Rule (5) of the Companies (Appointment and remuneration of Managerial Personal) Rules, 2014 and the amendment thereof have been provided in the

Annexure VII forming part of this report.

### 21. DEPLOYMENT OF IPO PROCEEDS(VIDE PROSPECTUS DATED 14/09/2011):

Given below are the details of utilization of IPO proceeds as on 31<sup>st</sup> March 2017:

(Rs./Lacs)

Particulars	Up to 31.03.2017	As mentioned in the prospectus
Proceeds from IPO	12,064.50	12,064.50
Less utilization		
Issue related expenses (net of reimbursements)	993.39	900.74
Expansion of manufacturing facility under Phase II	5,977.05	5,114.29
Capital Expenditure (Building, Plant & Machinery)	1,040.66	0.00
General Corporate Purpose	0	2,139.47
Repayment of Loans	2,274.44	2,410.00
Working Capital	1,778.96	1,500.00
<b>Total Expenditure</b>	<b>12,064.50</b>	<b>12,064.50</b>

For more details please refer point 5 to Notes to Account -26.

### 22. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING & OUTGO:

#### (A) Conservation of Energy:

- In our Endeavour to conserve energy, the Company put efforts on continuous basis for optimum use fuels & power.
- All shop floors where manufacturing process are being done, has started LED highbay lights which reduce the energy cost about 60%.
- The Company has purchased several Injection Moulding Machines which are using Servo-Hybrid Technologies. Injection Moulding Machines consume very high power however Servo-Hybrid Technologies save energy cost up to 60%.
- The Company have installed variable frequency driver in all our electric motors, which help to maintain better power factor on regular basis.
- The Company tries to maintain power factor close to 1.
- The Company has installed turbo ventilation systems on all its roofs which decreases the need of using exhaust fans.
- The Company uses invertors' technology in compressor in AC plant, which controls the speed of the compressor motor, so as to continuously regulate the temperature and reduce energy consumption.
- All the street lights & main machine flow highbay has been converted into LED.

#### (B) Technology absorption:

- In manufacturing lines, Bigger Moulding Machines are fitted with automatic conveyor belt system line thereby reducing cost of production & enhance product quality.
- The Company has stated using injection moulding machine with servo drive technology
- The Company has purchased some PCB & SMT assembly & automation machines.
- The Company has also installed Blow Molding Equipment.
- The Company is installing industrial robots on its injection moulding machines in order to reduce manpower cost.

These initiatives help the Company to manufacture long lasting, cheaper and compatible products.

*The expenditure incurred on Research and Development:Rs. 27.13 Lakh.*

**(C) Foreign exchange earnings and Outgo-**

The information in this regard is provided in point 8 & 9 of Note no 26-other notes on Account.

**23. SIGNIFICANT & MATERIAL REGULATORY ORDERS:**

Honorable Securities Appellate Tribunal (SAT) has passed an order on August 30, 2016 in matter of appeal, challenging order of SEBI dated March 11, 2016, filed by the Company. SEBI issued said order in the matter of alleged irregularities in Initial Public Offer of the Company in the period August 2011 to September 2011.

However vide above said order Tribunal has reduced the period of debarment from the securities market of ten years imposed upon the Company and promoter Directors, to seven years and has stated that the Company shall be at liberty to use the money lying in the escrow account for the objects of the IPO as per law. Further Hon'ble SAT has not found merit in the allegations of PFUTP Regulations by the Company and its directors, However certain charges of Non-disclosure were upheld by Hon'ble SAT.

**24. MATERIAL CHANGE & COMMITMENT OCCURRED BETWEEN END OF FINANCIAL YEAR & THE DATE OF REPORT:**

There has been no change and commitment affecting the financial position of the Company between 31<sup>st</sup> March 2017 and date of this report except following:-

An adjudication order dated August 2, 2017 has been passed by Adjudicating officer (AO) of SEBI in the matter of alleged irregularities in Initial Public Offer of the Company in the period August 2011 to September 2011 for issue of 57,45,000 equity shares of face value 10/- each through 100% book building process.

In this matter a show cause Notice dated September 11, 2013 was issued under rule 4 of SEBI (Procedure for holding inquiry and imposing penalties by Adjudicating Officer) Rules 1995 read with section 15I(2) of SEBI Act 1992. SEBI initiated adjudication proceedings under the Act to inquire into and adjudge the alleged violations of certain provisions/Section/regulation of the SEBI Act, 1992; SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulation, 2003 (PFUTP Regulations); SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (ICDR Regulations) by the Company and its directors namely, Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta.

Now, vide order dated August 2, 2017 Adjudicating officer of SEBI has imposed monetary penalties of Rupees One Crore on the Company and Rupees One Crore on each of four directors (mentioned in above paragraph) for the violation of ICDR Regulations. AO has also imposed penalty on 26 entities for violation of the provisions of Section 11C(2) and (3) of the SEBI Act, 1992, they are not related to PG Electroplast Limited. As regards the violation of the provisions of PFUTP Regulations by the Company and its directors, AO find that the Hon'ble SAT (Order dated August 30, 2016) has not found any merit in the said allegations.

**25. OTHER DISCLOSURE:**

The Board of Directors states that no disclosure or reporting is required in respect of the following items as there were no transactions/events on these items during the year under review:

- a) Details related to deposits covered under chapter V of the Companies Act 2013,
- b) Details of frauds reported by the Auditors under section 143(12),
- c) Issue/redemption of any kind of share or debenture,
- d) Amount transferred to Reserve,



- e) Complaints received under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) act, 2013
- f) Amount required to be transferred to Investor Education and Protection Fund (IEPF), as Company did not have any funds lying unpaid or unclaimed for a period of seven years. Engineering

#### ACKNOWLEDGMENT

The Directors express their sincere appreciation for the invaluable contribution made by the Company's employees which made it possible for the Company to achieve its goals. They also thank their valued shareholders, bankers and customers, suppliers, business associates for their continuous support.

**For and on Behalf of Board of Directors of PG Electroplast Limited**

Date: 26/08/2017  
Place: Greater Noida

**(Mr. Promod Gupta)**  
**Managing Director**

DIN: 00181800  
B-15, Kalindi Colony, Delhi -110064

**(Mr. Vishal Gupta)**  
**Whole Time Director**

DIN: 00184809  
B-15, Kalindi Colony, Delhi -110065

#### Annexure I

### REPORT ON CORPORATE GOVERNANCES

#### For the year 2016-17

[Pursuant to regulation 34(3) and Schedule V(C) of the SEBI (Listing Obligation and Disclosure Obligations Requirements) Regulation 2015]

#### 1) COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company believes that creation of a climate which emphasizes good governance principles and deployment of a good corporate governance culture are keys for sustainable development. Key aspect of the Company's corporate governance philosophy includes continuous strives to attain higher levels of consistency of the policies of the Company, accountability of managers and the Board of Directors, transparency of corporate structures and operations, corporate responsibility towards stakeholders and Open and honest manner in which the Company run.

Judgement or decisions of the boards are regulated by Corporate Governance principle to ensure that there is sufficient disclosure about the decision making processes and performance of the boardsto enable the stakeholders to make proper judgments, particularly with respect to how the board members fulfill their duty of loyalty and duty of care in providing guidance and oversight to the management.

Our business culture and practices are founded upon a common set of values that govern our relationships with customers, employees, stakeholders, suppliers and the communities in which we operate.

Your Company confirms compliance to the Corporate Governance requirements as specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred to as 'Listing Regulations'], the details of which for the Financial Year ended March 31, 2017 is as set out hereunder:

#### 2) BOARD OF DIRECTORS:

***Composition & Category of Director, their attendance in Board Meetings/last AGM and Number of other Board/committees in which he is a member:***

As on 31<sup>st</sup> March 2017, the Board of Directors comprises of eight (8) Directors, out of which there are four (4) Non-executive Independent Directors including one women Director. The Chairman is an Executive Director (MD) and a promoter of the Company. There are three whole time promoter Directors in the



Company. The Company has equal number of Executive and Non-Executive Independent Directors. The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as specified under Section 149 (6) of the Companies Act, 2013 and they are qualified to act as Independent Directors under regulation 16(1)(b) of SEBI (LODR) Regulations 2015. None of the Directors on the Board is a member of more than 10 committees or act as chairman of more than 5 committees across all public limited companies in which he/she is a Director. Further None of Directors in the Company are independent Directors of more than seven listed entities and none of whole time Directors are independent director of any listed Company.

There were five (5) Board meeting held during the Financial 2016-17 on following dates:

1) 21<sup>st</sup> May 2016, 2) 5<sup>th</sup> August 2016, 3) 21<sup>st</sup> September 2016, 4) 11<sup>th</sup> November 2016 and 5) 13<sup>th</sup> February 2017. Further a few resolutions were passed through circulation on 15<sup>th</sup> July 2016.

Following Table sets forth detailed information on the composition of the Board, their attendance records, no of Directorship, committee chairmanship and membership held by them in other public companies etc.:

Category	Name & Position	No of Board Meeting attended	Attendance at the last AGM	No of directorship in other Company	No of Committee membership in other Company	No of Committee Chairmanship in other Company	No of shares held by Non-Executive Directors
Promoter, executive	Mr. Promod Gupta	5	Yes	2 (0 public Company)	0	0	NA
	Mr. Anurag Gupta	5	Yes	4 (1 Public Company)	0	0	NA
	Mr. Vishal Gupta	5	Yes	4 (0 public Company)	0	0	NA
	Mr. Vikas Gupta	4	Yes	4 (1 Public Company)	0	0	NA
Independent Non-Executive	Mr. Devendra Jha	5	Yes	1 (0 public Company)	0	0	0
	Mr. Sharad Jain	5	Yes	0	0	0	0
	Mr. Ayodhya Prasad Anand	4	Yes	0	0	0	0
	Dr. Rita Mohanty	4	Yes	0	0	0	0

Disclosure of relationship with other Directors: Except Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vikas Gupta and Mr. Vishal Gupta, who are related to each other as family members, no other Directors are related to each other.

Web link of familiarization program: The details of model of familiarization program are available on link <http://www.pgel.in/PDF/FamiliarisationProgramforIndependentDirectors.pdf>.

### 3) AUDIT COMMITTEE:

**Brief term of reference:** The Audit Committee shall have powers to investigate any activity within its terms of reference, to obtain outside legal or other professional advice etc. The role of the Audit Committee includes Oversight of the company's financial reporting process and the disclosure of its financial information; Recommendation for appointment, remuneration and terms of appointment of auditors of

the company; Examining/Reviewing with the management the annual financial statements and auditor's report thereon before submission to the board for approval; Reviewing with the management the quarterly financial statements before submission to the board for approval; Reviewing with the management, the statement of uses / application of funds raised through an issue; Approval or any subsequent modification of transactions of the company with related parties; Reviewing the adequacy of internal audit/control function, Discussion with internal auditors of any significant findings; Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern; and to **mandatorily review the following information:**

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions submitted by management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee

**Composition of Audit Committee, details of Meeting & attendance of Directors:** The composition of the Audit Committee meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. As on March 31, 2017, the Audit Committee comprises of four members, of which three members, including the Chairman, are Independent Directors and one Member is a Non-Executive Director. The Company Secretary acts as the Secretary to the Committee. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on 21st September 2016.

**Meeting:** During the year 2016-17, four (4) meetings of the Audit Committee took place on following dates:-1) 21<sup>st</sup> May 2016, 2) 5<sup>th</sup> August 2016, 3) 11<sup>th</sup> November 2016 and 4) 13<sup>th</sup> February 2017.

The **composition** of the Audit Committee and the **attendance** of the members at the meetings held during the year are as under:

Name of Members	Status in Committee	Category	No. of Meeting Attended
Mr. Sharad Jain	Chairman	Non-Executive Independent Director	4
Mr. DevendraJha	Member	Non-Executive Independent Director	4
Mr. Ayodhya Prasad Anand	Member	Non-Executive Independent Director	3
Mr. Vishal Gupta	Member	Executive Director	4

During the year 2016-17, all recommendations made by Audit Committee were accepted by the Board.

#### 4) **NOMINATION AND REMUNERATION COMMITTEE**

**The terms of reference of the Remuneration Committee** include formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees; Formulation of criteria for evaluation of Independent Directors and the Board; Devising a policy on Board diversity & Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

The composition of the Committee meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. As on March 31, 2017, Committee comprises of three Non-Executive Independent Directors, including the Chairperson and One Managing Director. The Company

Secretary acts as a secretary to the Committee

The composition of the Nomination & Remuneration Committee as at 31<sup>st</sup> March 2017 and attendance of each member at the Committee Meetings are as given below:

Name of Director	Category	Status in Committee	Attendance in Meeting
Mr. Devendra Jha	Independent Director	Chairman	3
Mr. Ayodhya Prasad Anand	Independent Director	Member	2
Dr. Rita Mohanty	Independent Director	Member	2
Mr. Promod Gupta	Managing Director	Member	3

Three meeting of the Committee took place during the year on dates- 21<sup>st</sup> May 2016, 5<sup>th</sup> August 2016 and 13<sup>th</sup> February 2017.

### Performance evaluation criteria for Independent Directors:

The Non-Executive Directors are evaluated on the basis of the following criteria: Whether they-

- a) act objectively and constructively while exercising their duties;
- b) exercise their responsibilities in a bona fide manner in the interest of the company;
- c) devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- d) do not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- e) refrain from any action that would lead to loss of his independence;
- f) inform the Board immediately when they lose their independence;
- g) assist the company in implementing the best corporate governance practices;
- h) strive to attend all meetings of the Board of Directors and the Committees;
- i) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- j) strive to attend the general meetings of the company;
- k) keep themselves well informed about the company and the external environment in which it operates;
- l) do not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- m) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest;
- n) abide by Company's Memorandum and Articles of Association, company's policies and procedures including code of conduct, insider trading guidelines etc.

## 5. REMUNERATION TO DIRECTORS

During the year, non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees for the purpose of attending meetings of the Company.

Non-executive Directors are paid only for sitting fees for attending meetings of the Company. The sitting fees are decided by the Board of Directors from time to time.

Detail of remuneration/sitting fees paid to Directors for the Financial Year ended 31<sup>st</sup> March 2017 has been provided in following tables:

**a. Remuneration to Chairman-cum-Managing Director and Whole-Time Directors: (Rs/lacs)**

Name of the Directors	Salary and Perquisites	Bonus/Commission/ Stock Option/Performance Linked Incentive	Total
Mr. Promod Gupta	54.48	Nil	54.48
Mr. Anurag Gupta	54.48	Nil	54.48
Mr. Vishal Gupta	54.48	Nil	54.48
Mr. Vikas Gupta	54.48	Nil	54.48
<b>Total</b>	<b>217.92</b>		<b>217.92</b>

**b. Remuneration to Non-Executive Directors (Rs/lacs)\***

Name of the Directors	Mr. Sharad Jain	Mr. DevendraJha	Mr. Ayodhya Prasad Anand	Dr. Rita Mohanty	Total Sitting Fees
Sitting Fees	1.425	1.350	1.125	0.90	4.80
Other	0	0	0	0	0

*\*Non Executives Directors are paid only setting fees.*

**6. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

Companies' Stakeholders Relationship comprises of three members.

- a. Mr. Sharad Jain (Chairman, Non-Executive Independent Director),
- b. Mr. Promod Gupta and
- c. Mr. Vishal Gupta.

Status of Investors' Complaints received/resolved is as follows:

Pending at the Beginning of the Year	Total Received & Redressed	Pending at the End of the Year
0	4	0

Name and Designation of Compliance Officer: Mr. Rahul Kumar, Company Secretary is the Compliance Officer of the Company and can be contacted at: Email ID: [rahul@pgel.in](mailto:rahul@pgel.in)

Mailing Address: PG Elelctroplast Limited, P-4/2 to 4/6, Site B, UPSIDC Industrial Area, Surajpur, Greater Noida, PIN-201306

Dedicated e-mail ID to redress investor grievances: [investoes@pgel.in](mailto:investoes@pgel.in)

**6A. OTHER COMMITTEES OF BOARD:**

The Board of the Company has two more Committees, namely IPO Committee and Executive Committee. Both these Committee comprised of four members - Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vishal Gupta, and Mr. Vikas Gupta

Board has delegated certain powers to Executive Committee, permitted as per provisions of the Companies Act 2013, to exercise such power of Board, as and when required, between periods of two Board Meetings. All matters transacted in the meeting of Executive Committee during the year were ratified by the Board of Directors in their next meeting.

**7. GENERAL BODY MEETINGS**

(i) Location & time of last Three Annual General Meetings:

	<b>Date and Time</b>	<b>Location</b>	<b>Special Resolution</b>
14 <sup>th</sup> Annual General Meeting	21.09.2016 at 11:00 A.M.	Auditorium, New Delhi YMCA Tourist Hostel, Jai Singh Road, New Delhi-110 001	Four
13 <sup>th</sup> Annual General Meeting	26.09.2015 at 11:00 A.M.	Auditorium, New Delhi YMCA Tourist Hostel, Jai Singh Road, New Delhi-110 001	Nil
12 <sup>th</sup> Annual General Meeting	11.08.2014 at 10.30 A.M.	Guru Kirpa Farms, Palla -Bakhtawarpur Road, G.T. Karnal Road, Village -Alipur, Delhi -110 036	Seven
11 <sup>th</sup> Annual General Meeting	30.09.2013 at 10:30 A.M.	Guru Kirpa Farms, Palla -Bakhtawarpur Road, G.T. Karnal Road, Village -Alipur, Delhi -110 036	Five

### Brief description of Special Resolutions passed in last three AGMs:

#### 14<sup>th</sup> Annual General Meeting:

1. Re-appointment and remuneration to Sh. Promod Gupta as Managing Director of the Company.
2. Re-appointment and remuneration to Sh. Anurag Gupta as Whole Time Director of the Company.
3. Re-appointment and remuneration to Sh. Vikas Gupta as whole time director of the Company.
4. Re-appointment and remuneration to Sh. Vishal Gupta as Whole Time Director of the Company.

#### 13<sup>th</sup> Annual General Meeting: NIL

#### 12<sup>th</sup> Annual General Meeting:

1. To approve overall borrowing limit up to Rs. 300 crore.
2. To authorize board to create charge over properties of the Company in respect of borrowings.
3. To approve remuneration of Mrs. Sudesh Gupta, who holds office/place of profit in the Company.
4. To approve remuneration of Mrs. Neelu Gupta, who holds office/place of profit in the Company.
5. To approve remuneration of Mrs. Nitasha Gupta, who holds office/place of profit in the Company.
6. To approve remuneration of Mrs. Sarika Gupta, who holds office/place of profit in the Company.
7. To approve related party transactions.

(ii) Special Resolution passed through Postal Ballot: No special resolution was passed during last year through postal ballot.

(iii) Special Resolution proposed to be conducted through postal ballot: No such resolution is proposed to be conducted through postal ballot.

## 8. MEANS OF COMMUNICATION

### (i) Quarterly results:

The quarterly results of the Company are announced within 45 days of completion of each quarter & within 60 days of completion of March Quarter. The said information was sent to the concerned stock exchanges- BSE & NSE immediately after approval from the Board and published on the Website of the Company, Newspapers, and Website of Stock Exchanges-BSE & NSE.

### (ii) Newspapers wherein results normally published:

All Quarterly Results of the Company are normally published in 'Financial Express' and 'Jansatta'.

### (iii) Website, where results are displayed:

Results are displayed on the Company's website [www.pgel.in](http://www.pgel.in) shortly after its submission to Stock Exchanges.

(iv) News Releases and Presentations to Institutional Investors/Analysts:

The annual/quarterly results of the Company, shareholding pattern, the official news releases, notifications to the stock exchanges and the presentations made by the Company to analysts and institutional investors, if any, are regularly posted on its website [www.pgel.in](http://www.pgel.in).

### 9. GENERAL SHAREHOLDERS INFORMATION:

- AGM: Date, time & Venue: 26<sup>th</sup> September 2017 at 11:30 AM at Auditorium, Ghalib Institute, Aiwan-E-Ghalib Marg, New Delhi-110002
- Financial Year : April 01 to March 31
- Dividend payment date: Dividend has not been declared by the Board.
- Name & Address of Stock Exchange: Equity shares are listed on BSE & NSE.

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400001	National Stock Exchange of India Ltd., Exchange Plaza, C -1, Block G, BandraKurla Complex, Bandra (E), Mumbai – 400 051
Board of Directors does hereby confirm that the Listing fees for the financial year 2016-17 & 2017-18 have been paid.	

- Stock Code:** **ISIN No. INE457L01011,**  
Scrip Code in BSE:-533581, Scrip Symbol in NSE:- PGEL
- Market Price Data: Monthly High & Low of Stock Prices (in /share) of the Company in BSE & NSE during each month in financial year Ended March 31, 2017 are as under:

Month	NSE		BSE	
	High Price	Low Price	High Price	Low Price
Apr - 16	137.40	117.00	137.90	116.70
May - 16	130.00	111.60	135.00	111.65
Jun - 16	185.65	104.25	185.00	107.00
Jul - 16	189.95	147.60	188.80	147.05
Aug - 16	199.70	153.50	199.70	154.05
Sep - 16	175.00	142.40	175.00	148.50
Oct - 16	190.70	152.00	190.00	153.60
Nov - 16	186.90	122.80	184.65	123.00
Dec - 16	160.00	125.20	159.50	125.00
Jan - 17	190.00	130.70	189.50	130.20
Feb - 17	209.00	155.00	210.00	148.00
Mar - 17	208.90	170.50	209.00	169.00

**g) Performance in comparison to broad based indices: (with S&P BSE CONSUMER DURABLES)**

Month	S&P BSE consumer durables Index Closing	PGEL Share Closing	% change in closing value of S&P BSE consumer durables Index w.r.t. previous month	% change in closing value of PGEL share w.r.t. previous month
Apr-16	11787.17	118.2	2.67	1.46
May-16	11761.37	112.5	-0.22	-4.82
Jun-16	11973.11	175.6	1.80	56.09
Jul-16	12404.71	182.1	3.60	3.70
Aug-16	12485.32	157.45	0.65	-13.54
Sep-16	12548.56	152.35	0.51	-3.24
Oct-16	12927.42	185.5	3.02	21.76
Nov-16	11278.54	136.9	-12.75	-26.20
Dec-16	11237.12	130.75	-0.37	-4.49
Jan-17	12625.91	161.5	12.36	23.52
Feb-17	13778.67	182.9	9.13	13.25
Mar-17	15257.34	183.85	10.73	0.52

**h) Registrar & Share Transfer Agent:**

KARVY COMPUTERSHARE PRIVATE LIMITED

Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad

- 500 032; Tel:-040 - 6716 1562; Email:-[einward.ris@karvy.com](mailto:einward.ris@karvy.com)

**i) Share Transfer System:**

Entire physical share transfer activities are carried out by M/s Karvy Computershare Private Limited, Registrar and Transfer Agents of the Company. Applications for transfer of shares held in physical form are received at the office of the Registrar and Share Transfer Agents of the Company. Share transfers are approved by Authorized persons as authorized/empowered in the meeting of Stakeholders Relationship Committee and all valid transfers are processed within 15 days from the date of receipt. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities and files a copy of the said certificate with the Stock Exchanges.

**j) Distribution of shareholding as on 31<sup>st</sup> March 2017:**

S. no	Category	No of Shareholders	% to holders	No of Shares held	% Amount
1	1 - 5000	2,029	83.74	1,60,663	0.98
2	5001 - 10000	125	5.16	1,00,733	0.61
3	10001 - 20000	72	2.97	1,07,778	0.66
4	20001 - 30000	28	1.16	71,854	0.44
5	30001 - 40000	27	1.11	95,252	0.58
6	40001 - 50000	24	0.99	1,13,710	0.69
7	50001 - 100000	33	1.36	2,39,137	1.46
8	100001 & ABOVE	85	3.51	1,55,25,205	94.58
	<b>Total:</b>	2,423	100.00	1,64,14,332	100.00

- k) **Dematerialization of shares and liquidity:** The Company has arrangements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for Dmat facility. As on 31<sup>st</sup> March 2017, out of 1,64,14,332 shares of the Company, 51 shares are in physical form. Rests of shares are in dematerialized form.

CONTROL REPORT AS ON 31/03/2017				
Sno	Description	No o f Holders	Shares	% To Equity
1	PHYSICAL	51	51	0.00
2	NSDL	1,327	1,33,02,150	81.04
3	CDSL	1,045	31,12,131	18.96
	<b>Total:</b>	<b>2,423</b>	<b>1,64,14,332</b>	<b>100.00</b>

- l) **Outstanding GDR/ADR/Warrants or any Convertible Instruments, conversion dates and likely impact on equity:** Company has not issued any GDR/ADR/Warrants or any Convertible Instruments till date.
- m) **Commodity price risk or foreign exchange risk and hedging activities:** The Company has not taken any hedging contracts for commodity price risks during the period. Foreign exchange risks for the Company arise from the payment obligations arising from import of raw material/capital goods etc.
- n) **Plant Locations: Company has 5 (Five) Manufacturing Plants:**

P-4/2 to 4/6, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida, District GautamBudh Nagar, Uttar Pradesh, India, Pin – 201 306	Khasra No. 268 & 275, 15th Milestone, Roorkee - Dehradun National Highway-73 Vill: Raipur, Pargana: Bhagwanpur, Tehsil - Roorkee, Distt. Haridwar, U ttrakhand, India, Pin – 247 667
E-14 & 15, Site - B, UPSIDC Industrial Area, Surajpur, Greater Noida, District GautamBudh Nagar, Uttar Pradesh, India, Pin – 201 306	Plot No. A-20/2 SupaParner MIDC Industrial Area, City - Supa, Taluka - Parner, District: Ahmednagar Maharastra, India, Pin – 414 301
I-26 & 27, Site C, UPSIDC Industrial Area, Surajpur, Greater Noida, District GautamBudh Nagar, Uttar Pradesh, India, Pin – 201306	

- o) **Address for correspondence:**  
 P-4/2 to 4/6, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida, District Gautam Budh Nagar, Uttar Pradesh, India, Pin – 201 306  
 Tel No: +91-120-2569323; Fax No: +91-120-2569131

### 11. Other Disclosures:

- i. **Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large:** None of the related party transaction held during the year was materially significant related party transaction as defined in explanation of regulation 23 (1) of Listing Regulations. None of the transactions with any of the related parties were in conflict with the interest of the Company. Suitable disclosures of such transactions have been made in the notes to financial



Statements.

**ii. Details of non-compliance by the company, penalties, and strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:**

SEBI has passed an order on 11.03.2014 in the matter of IPO of the company and has restricted the Company and its promoter directors from raising funds from/dealing in securities market for 10 years w.e.f. 28.12.2011 and directed to take urgent and efficient measure to recover all money recoverable on account of investments in ICDs, contract for purchase of land etc and the Company has been filing its report on recovery of funds with SEBI regularly. The Company had filed an appeal with honorable Securities Appellate Tribunal (SAT) against this order. SAT has pronounced order on 30.08.2016. Copy of order this is available at SAT website on following link:

[http://sat.gov.in/english/pdf/E2016\\_JO2014144.PDF](http://sat.gov.in/english/pdf/E2016_JO2014144.PDF)

Further Adjudicating officer of SEBI has also passed an order on 2<sup>nd</sup> August 2017. Please refer para 24 of the Board Report for more details.

**iii. Whistle Blower Policy / Vigil Mechanism and affirmation that no personnel has been denied access to the audit committee:** The Company has established a Vigil Mechanism/ Whistle Blower Policy to provide a channel to the employees and Directors to report to **the Whistle Officer**/Chairman of the Audit Committee about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or legal or regulatory requirements or incorrect or misrepresentation of any financial statements and reports or any irregularities within the Company etc; and to protect employees wishing to raise a concern about any irregularities within the Company.

This Policy intends to cover serious concerns that could have grave impact on the operations and performance of the business of the Company and malpractice and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees. This policy has been posted on the website of the Company at <http://www.pgel.in/PDF/VigilMechanismWhistleBlowerPolicy.pdf>. **We, Directors of the Company, affirm that no personnel have been denied access to the Audit Committee.**

**iv. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause:** The Company has complied with mandatory requirements.

**v. Web link where policy for determining 'material' subsidiaries is disclosed:**  
<http://www.pgel.in/PDF/Policyonmaterialsubsidiary.pdf>.

**vi. web link where policy on dealing with related party transactions is disclosed:**  
<http://www.pgel.in/PDF/RelatedPartyTransactionsPolicy.pdf>.

**vii. Commodity price risk/hedging:** N.A.

- 12. Non-compliance of any requirement of corporate governance report:** There are no instances of non-compliance of any requirements of corporate governance report as mentioned in sub para (2) to (10) of para C of schedule V.

**13. Discretionary requirements of Corporate Governance:**

- a) Audit Report/Limited review report on every published financial statements of the Company during the year does not contains any modified opinion.
- b) The Internal Auditors are authorized to report directly to the Audit Committee.

**14. Compliance of corporate governance requirements & Compliance Certificate:**

The Company is in full compliance with all the mandatory requirements of Corporate Governance as specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations. The Company has obtained a certificate affirming the compliances of conditions of corporate governance from M/s RSJ Associates, Practicing Company Secretary and the same is appended as an Annexure to this Report.

**15. Disclosure with respect to demat suspense account/unclaimed suspense account:** None of the shareholder's shares are lying in the suspense account and hence no disclosure is required under Schedule V of Part F of Listing Regulations, 2015.**16. Declaration Regarding Compliance by Board Members and Senior Management Personnel with the Code of Conduct**

This is to confirm that the Company has adopted Code of Conduct for its Board Members including Independent Directors and Senior Management. This Code is posted on the Company's website.

I confirm that the Company has in respect of the financial year ended 31<sup>st</sup> March, 2017, received from the senior management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

**For PG Electroplast Limited**

Date: 26/08/2017  
Place: Greater Noida

**(Mr. Promod Gupta)**  
**Managing Director**

DIN: 00181800

B-15, Kalindi Colony, Delhi - 110064

**(Mr. Vishal Gupta)**  
**Whole Time Director**

DIN: 00184809

B-15, Kalindi Colony, Delhi - 110065

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE:**

To the Members

**PG Electroplast Limited**

DTJ209, DLF Tower B, Jasola,  
New Delhi-110025

We have examined the compliance of conditions of corporate governance by PG Electroplast Limited, for the year ended on 31st March, 2017 as stipulated in (i) Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D & E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restriction on use

The certificate is addresses and provided to the members of the company solely for the purpose to enable the company to comply with the requirements of the Listing Regulations, and it should not be used by any other person or for any other purpose.

**Place: New Delhi**

**Date: 26.08.2017**

**For RSJ Associates  
Company Secretaries**

Vishal Rai  
Partner  
RSJ Associates  
FCS No. 6238  
CP No. 6452

**CEO & CFO Certification:** The Managing Director & the Director-Finance have given annual certificate on financial reporting & internal controls to the Board in term of regulation 17(8) of the Listing regulations. This certificate is published in this report.

**Compliance Certificate  
(Under Regulation 17(8) of SEBI(LODR) Regulations, 2015)**

**We certify that**

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that We have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and We have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which We are aware and the steps We have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee:
- 1) significant changes in internal control over financial reporting during the year, (No such change occurred during the year)
  - 2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements (there is no significant change in accounting policy during the year); and
  - 3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting (there is no such instances of significant fraud came into knowledge of the Company).

For **PG Electroplast Limited**

**Managing Director**

Date: 15.05.2017

Place: Greater Noida

For **PG Electroplast Limited**

**Whole time Finance Director**

For **PG Electroplast Limited**

**Cheif Financial Officer**

## Management Discussion & Analysis Report

### 1. PG Electroplast Limited- An overview

The Company is an Electronic Manufacturing Service (EMS) provider for Original Equipment Manufacturer of consumer electronics products and automotive parts. Our diversified portfolio includes:-

- Molding division: Main products are parts of Air-Conditioners, Air Coolers, Washing Machines, Refrigerators, ceiling fan parts, Automobile parts, Sanitary ware products etc.,
- Electronics Division: Main products are printed circuit board assemblies for LED TVs, Set Top boxes, energy meters, home theatre systems, etc.
- Complete products: Assembly/manufacturing of kitchen appliances like Juicer, Mixer, flask, Choppers, Solar Lamps, Water Purifiers, Set Top Boxes, mobile hand sets and Air Coolers, and
- Tooling Division: Design & development of moulds for various products.

The Company has following major state-of-the-art manufacturing facilities, meeting the quality requirements of our customer including global brands.

Manufacturing facilities	Products
P-4/2 to 4/6, Site B, UPSIDC, Surajpur, Greater Noida, Uttar Pradesh	Set top box, solar lamp, Plastic parts of Refrigerators, washing machines, air conditioners, Air cooler, Automotive, Bathroom Fittings, PCB, LED TV
E-14 & 15, F -20, Site B, UPSIDC, Surajpur, Greater Noida, Uttar Pradesh	Plastic parts of Refrigerators, washing machines, air conditioners, Automotive, Bathroom Fittings, set top box
I-26 & 27, Site C, UPSIDC, Surajpur, Greater Noida, Uttar Pradesh	Tools/Moulds, Bathroom fittings
Plot No. A-20/2, SupaParner MIDC Industrial Area, Ahmednagar Maharashtra,	Air cooler, Mobile handsets, Plastic parts of Refrigerators, washing machines, air conditioners, Automotive, electrical plastic parts, set top box

The Company has significantly expanded its production capacity during the Financial Year 2016-17. It has also expanded factory area in Unit 1, 3 & Unit 4 and installed several new machines.

The Company derives its revenue primarily from the sale of Plastic parts of consumer durable products, home appliances & automotive parts.

### 2. Industry structure & development

Electronics industry is among the largest and fastest growing manufacturing Industry in the world. According to a research, the total Electronics Equipment Production of the world during the year 2014 was estimated to be around US\$ 2.0 trillion. Out of which production of communication equipment was 21.7 % and Consumer Electronics was 12.6 %. Over the years, production bases of Consumer electronics/durables goods have shifted from United State of America and European union to Asia and the latter's share in global production has increased to over 60%.

Currently India's share in the world production in this industry is very low. Furthermore, OEM [Original Equipment Manufacturing] and local component suppliers are still in infancy in India. Most of the OEM is confined to last-mile assembly indicating that the industry remains in the early stages of development. On the other hand India is set to become one of top ten largest consumer durables market in the world. Increasing product awareness, affordable pricing, innovative products and the high disposable incomes

have aided in the strong growth in the consumer electronics market in India. Replacement cycle for consumer Electronics/durable goods is also observed as key factor for sustained demand in urban areas. The existing low penetration rates and the increasing usage of consumer durables have catapulted rural areas to the high demand generating segment. This situation presents immense opportunity for the growth of the domestic industry.

In recent years, specifically after “Make in India” initiatives, several branded companies operating and selling products under their respective brands in these segments have increasingly outsourced the manufacturing of their products to EMS providers in India. Favorable Government policies & fiscal reforms initiatives in recent years along with the changing dynamics in global manufacturing landscape have shifted the focus onto India for being a preferred destination for electronics manufacturing investments.

Implementation of GST may bring benefits for domestic manufacturers of electronic components as cost of manufacturing will be brought down. Moreover with implementation of GST, multiple taxes and cascading effects of taxes will be eliminated. Further Industry will also be saving expenses incurred in warehousing and logistics which stood at approximately 5-8% of operational cost. However there are a few cases of inverted duty structure which may be detrimental to local component industry.

### 3. Opportunities and threats:

With the “Make in India” initiative of Government and shifting of manufacturing base to India, Our Country has the potential to emerge as the manufacturing destination in the future and with the right impetus, the consumer durables sector can repeat the success of Indian IT companies. Government has taken several initiatives to assist electronics industry in India. Viz certain tax and tariff concessions applying to specific products; Miscellaneous schemes to promote domestic industry:-Modified Special Incentive Package Scheme (MSIPS), Electronic Manufacturing Clusters (EMCs), Investment allowances and deductions (Additional depreciation);Schemes to promote innovation and Schemes aimed at skill development etc. Opportunities for this industry are bright because of rapid urbanization, unexploited rural market, increase in purchasing power of consumer, Easy availability of Finance.

For Our Company being services EMS provider for OEMs, Investment by Foreign OEMs as well Domestic OEMs in India in this sector may prove a major growth factor.

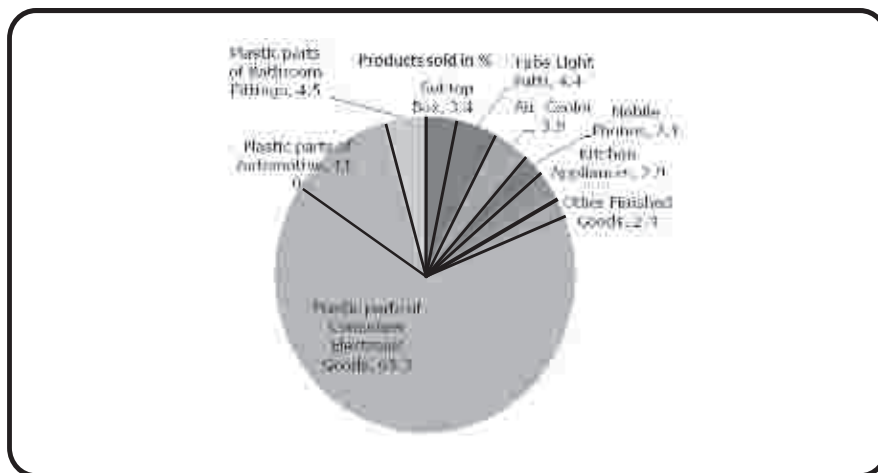
However Indian EMS market comprises of global EMS companies with operations in India, large Indian EMS companies and mid/small Indian EMS companies. Moderate competition is increasing among a few top companies. Competition from Local vendors & effect of Imports on Finished Goods Manufactures demands for more cost optimization & innovation/acquisition of updated technologies.

### 4. Product wise performance:

The Company always aims to enrich its product mix with different products across different customers & industries. Because of this strategy, the Company is in process of diversifying its portfolio. A summary on performance of different portfolios is as follows:

- a. Plastic parts of Consumer Electronics Goods: Plastic parts of Consumer Electronics Goods (Air Conditioners, Light, Washing Machines, Refrigerator, Air Cooler, ceiling Fan parts etc.) comprises of 65.32% of the product portfolio. Sale volume of such product has recorded & increase of 34.78% in comparison to FY 2015-16.
- b. Plastic parts of Automotive: Plastic parts of Automotive comprises of 11.03% of the product portfolio. This product has recorded increase in sale volume of 35.65% in comparison to FY 2015-16.

- c. Plastic parts of Bathroom Fittings: Plastic parts of Bathroom Fittings comprises of 4.53% of the product portfolio. This product has recorded increase in Sale volume of 156.58% in comparison to FY 2015-16.
- d. Air Cooler: Air Cooler comprises of 3.88% of the product portfolio. The sale of Cooler has also grown.
- e. Set Top Boxes: Set Top Boxes comprises of 3.42% of the product portfolio. This product has recorded increase in Sale volume of 66.47% in comparison to FY 2015-16.
- f. Tube Light Patti: This product comprises of 4.40% of product portfolio. This product has recorded increase in Sale volume of 84.27% in comparison to FY 2015-16. but now company has stopped manufacturing of this product.
- g. Mobile Handset: The Company has started production of mobile handset. Sale volume of this product



### 5. Outlook

For the medium to long term, the outlook is positive for Industry, considering the rise in affordability levels (combination of increasing disposable incomes and the reduction in prices), and the existing low household penetration base for consumer durables. The growth prospects for individual items would, however, depend on specific demand drivers. This industry is characterized by rapidly changing technologies, continuous improvement in products and demand supply equation.

Thus for Company use of technological developments and cost effectiveness would be an important factor for future development. The company has been providing end-to-end support to its OEMs beyond contract manufacturing for some products. It is sign of progressive growth of the Company. Further the Company always strives to enhance its product mix and client base to diversify risks.

### 6. Risks & concerns

- Outcome of litigations: Conclusion of the litigation pending against the company/Promoters can have a critical bearing on its operation going forward. Updates on litigation pending before SEBI, have been provided in 23 and 23 of Director's Report.
- Dependence on key customers: We are dependent on certain key customers for a substantial portion of our revenue. Adverse relationship with any of these key customers may affect our operations. Thus Company has dependence on business plans and performance of its key customers . However, The Company has been putting efforts towards diversification of its product portfolio across industry segments and customers.

- **Changing Consumer Demands:** The Company need to be customer focused. Demand has a tendency to fluctuate rapidly. Additionally, demand can fluctuate cyclically and with economic volatility. The success and profitability of the Company is heavily dependent on how effective it is at addressing the changing demands of customers.
- **Shrinking Operating Margins:** With global competition, companies are faced with the challenge of meeting global price points. This creates additional pressure, as manufacturers need to ensure the delivery of high quality products while finding innovative ways to cut costs.
- Being EMS, Company's Key customers continuously seek to reduce cost. Therefore, our ability to be cost efficient is a critical factor in being preferred by our customers.

**7. Internal Control System and their adequacy:**

The Company has implemented ERP software for better and effective management of planning, purchase, store, production, sale, dispatch, accounting & finance. This will also help the management to have necessary internal Check systems in place. The internal Audit also helps the management in identifying the weaknesses in the existing systems.

**8. Financial Performance & Operational Performance:**

The Company's revenue from operation in FY 2016-17 increased by 40.26% from Rupees 260.25 crore to Rupees 367.10 Crore primarily due to increase in sales volume by 41.56%. Compared to the previous year, Depreciation and amortization (including losses on disposals) increased by 5.81% to Rs. 10.28 Crore, reflecting higher capital expenditure during the year. Cost of Raw Material & Components consumed increased by 43.51% proportionate to hike in Revenue from Operations by 41.56%. Other Income has decreased by 25.77% and other expenditure increased by 28.73%.

The Company has adopted "Process Excellence approach" to focus on process improvement, ongoing business process management and continuous improvement in overall operations. The Management understands that business processes are fundamental to every company's performance and its ability to successfully execute their business strategy. Thus during the year, special focus were emphasized on installation of several New Machines with upgraded technologies, retention of right people, Proper supporting structures etc.

Further Key Performance Indicators (KPIs) reporting set up by the Company help it to measure how effectively the Company is achieving its business objectives and optimizing Company's most valuable asset and major expense.

**9. Material development in Human Resources/Industrial Relations front, including number of people employed.**

The Company's management believes human resources are its biggest asset. The Company continuously reviews HR policies and practices and carries out necessary improvements to attract and retain best talent and build intellectual capital. Continuous nurturing of talent and helping employees in their career aspirations is one of the biggest challenges addressed through several discussions, which has resulted in people being respected, their performance being rewarded and aiding employees in realising their potential. The Company continued to enjoy healthy industrial relations during the year.



**EXTRACT OF NOMINATION AND REMUNERATION POLICY****General Appointment Criteria for Directors/KMP/SMP:**

Enhancing the competencies of the Board and attracting as well as retaining talented employees for role of KMP/a level below KMP are the basis for the Nomination and Remuneration Committee to select a candidate for appointment to the Board. When recommending a candidate for appointment, the Nomination and Remuneration Committee has regard to:

- assessing the appointee against a range of criteria which includes but not be limited to qualifications
- skills, regional and industry experience, background and other qualities required to operate successfully in the position, with due regard for the benefits from diversifying the Board;
- the extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing directors and enhance the efficiencies of the Company;
- the skills and experience that the appointee brings to the role of KMP/Senior Official and how an appointee will enhance the skill sets and experience of the Board as a whole;
- the nature of existing positions held by the appointee including directorships or other relationships and the impact they may have on the appointee's ability to exercise independent judgment;

Personal specifications:

- ❖ Experience of management in a diverse organization;
- ❖ Excellent interpersonal, communication and representational skills;- Demonstrable leadership skills;
- ❖ Commitment to high standards of ethics, personal integrity and probity;
- ❖ Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace;
- ❖ Having continuous professional development to refresh knowledge and skills.

**Additional Criteria for Appointment of Independent Directors:** The Committee shall consider qualifications for Independent Directors as mentioned in herein earlier under the head 'Definitions' and also their appointment shall be governed as per the provisions of clause 49 of the Listing Agreement (as amended from time to time ) and Companies Act, 2013.

**Removal:** Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations or any other reasonable ground, the Committee may recommend to the Board for removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations

**Criteria for Evaluation of Directors and the Board:** Following are the Criteria for evaluation of performance of Independent Directors and the Board:

1. Executive Directors: The Executive Directors shall be evaluated on the basis of targets / Criteria given to executive Directors by the board from time to time
2. Non-Executive Director: The Non-Executive Directors shall be evaluated on the basis of the following criteria i.e. whether they:
  - (a) act objectively and constructively while exercising their duties;
  - (b) exercise their responsibilities in a bona fide manner in the interest of the company;
  - (c) devote sufficient time and attention to their professional obligations for informed and balanced decision

making;

- (d) do not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (e) refrain from any action that would lead to loss of his independence
- (f) inform the Board immediately when they lose their independence,
- (g) assist the company in implementing the best corporate governance practices.
- (h) strive to attend all meetings of the Board of Directors and the Committees;
- (i) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (j) strive to attend the general meetings of the company;
- (k) keep themselves well informed about the company and the external environment in which it operates;
- (l) do not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (m) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.
- (n) abide by Company's Memorandum and Articles of Association, company's policies and procedures including code of conduct, insider trading guidelines etc.

**Policy on Board diversity:** The Board of Directors shall have the optimum combination of Directors from the different areas / fields like production, Management, Quality Assurance, Finance, Sales and Marketing, Supply chain, Research and Development , Human Resources etc or as may be considered appropriate. The Board shall have at least one Board member who has accounting or related financial management expertise and at least three members who are financially literate.

**Remuneration:** The guiding principle is that the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, Key Management Personnel and other senior officials. The Directors, Key Management Personnel and other senior official's salary shall be based & determined on the individual person's skills, responsibilities, performance, salary in industry and in accordance with the limits as prescribed statutorily, if any.

The Nominations & Remuneration Committee will recommend the remuneration for Directors, KMPs and Senior Officials of the Company taking into account factors it deems relevant, including but not limited to market, business performance and practices in comparable companies, having due regard to financial and commercial health of the Company as well as prevailing laws and government/other guidelines. The Committee shall consult the Chairman of the Board as it deems appropriate. Remuneration of the Chairman to be recommended by the Committee to the Board of the Company.

The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals. Beside the above criteria Committee shall also consider following points:

1. **Director/ Managing Director:** Remuneration/ compensation/ commission etc to be paid to Director/ Managing Director etc shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.
2. **Non-executive Independent Directors:** The Non- Executive Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that

the amount of such fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The Independent Directors shall not be entitled to any stock option.

3. **KMPs / Senior Management Personnel etc:** The Remuneration to be paid to KMPs/ Senior Management Personnel shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.
4. **Directors' and Officers' Insurance:** Where any insurance is taken by the Company on behalf of its Directors, KMPs/ Senior Management Personnel etc. for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

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Annexure IV

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**For The Financial Year Ended On 31st March,2017**

[Pursuant to section 204(1) of the Companies Act,2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
PG Electroplast Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by PG Electroplast Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliance and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, and subject to our separate letter attached as **Annexure – I**; We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by PG Electroplast Limited for the financial year ended on 31st March,2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder and the applicable provisions of the Companies Act, 1956;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 55A;
- (iv) Foreign Exchange Management Act,1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'). :-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

The other laws, as informed and certified by the management of the Company which is specifically applicable to the Company based on their industry are:

1. Water (Prevention and Control of Pollution) Act, 1961
2. Air (Prevention and Control of Pollution) Act, 1974
3. The Environment (Protection) Act, 1986

**We have also examined compliance with the applicable clauses of the following:**

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with the Stock Exchange/ Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable.

**We further report that, there were no events/actions in pursuance of:**

- (a) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
- (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
- (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to following observations:

a. Order has been passed by the Adjudicating Officer of Securities & Exchange Board of India vide order dated 02.08.2017 in the matter of the Company in exercise of the powers conferred under Section 15-I (2) of the SEBI Act read with Rule 5 of the Adjudication Rules disposing the violation alleged under SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations and imposing monetary penalties of Rs One Crore on the company and Rs. One Crore on each of the four directors of the company for the violation of ICDR Regulations and penalize other 26 entities for violation of the provisions of Section 11C (2) and (3) of the SEBI Act, 1992.

b. Order was passed by the Securities & Exchange Board of India vide its order dated 11.03.2014 in the matter of the Company in exercise of the powers conferred under section 11(1), 11(4), 11(B) and 11(A) of the Securities & Exchange Board of India Act, 1992. The Company had filed an appeal against the said Order before the Securities Appellate Tribunal. The Honorable SAT has passed an order on 30/08/2016 in respect of the said appeal. By this order Tribunal has reduced the period of debarment from the securities market of ten years, imposed upon the Company and promoter Directors, to seven years and stated that the company shall be liberty to use the money lying in the escrow account for the objects of the IPO as per law.

**We further report that** the Company is required to be registered under E-Waste (Management) Rules, 2016 as one of the activities of the Company is assembling the Mobile Phones and its accessories.

However the Company has not been registered under this Rules during the financial year ended on 31st March, 2017.

**We further report that** The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Director during the financial year ended on 31<sup>st</sup> March, 2017.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent atleast seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**We further report that** based on the information provided and the representations made by the company and also on the review of the compliance reports of Company Secretary taken on record by the Board of Directors of the Company, in our opinion, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines etc having a major bearing on the company's affairs.

Place: New Delhi  
Date: 26.08.2017

**For RSJ Associates  
Company Secretaries**  
Vishal Rai, Partner  
FCS 6238  
C P No.: 6452

***This report is to be read with our letter of even date which is annexed as Annexure- I and forms an integral part of this report.***

***'Annexure I'***

To  
The Members  
PG Electroplate limited  
Our report of even date is to be read along with this letter which states as follows:

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on the se secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of compliance by the company of applicable General Laws including labour laws, financial laws like direct and indirect laws and maintenance of financial records and books of accounts, since the same have been subject to review by statutory financial audit and other designated professionals. Further, as confirmed by the Management of the Company, no other specific Act is applicable to Company including the Environmental Laws other than mentioned in the Report.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: New Delhi  
Date: 26.08.2017

**For RSJ Associates  
Company Secretaries**  
Vishal Rai, Partner  
FCS 6238  
C P No.: 6452

### Annexure V

#### FORM NO. AOC.2 (Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length basis:** There were no contracts or arrangements or transactions entered into the year ended 31<sup>st</sup> March 2017, which were not at arm's length basis.

#### 2. Details of all contracts or arrangement or transactions at arm's length basis

Nature of Contract	Party Name	Approval of Board	Approval in General Meeting	Approved limit of transaction, if any	Transaction in brief	Advance paid	Transaction Value in Rs./Lakh (Annual)
<b>Advance against purchase of Land</b>	M/s Promod Gupta (Proprietor)	Authorisation in BM held on 13/02/2017	N.A.	not exceeds Rupees One Crore	Purchase of F-20 in site B [1000 sq. mtr], UPSIDC indl Area, G. Noida	Rupees 77 Lacs	77
<b>leasing property of any kind</b>	Mr. Vishal Gupta	Transaction is part of ongoing lease deed 06/11/2009 for 30 years (Rent paid for Roorkee Factory)				--	0.15
	Mrs. Sudesh Gupta	Renewed vide Board approval on 05/08/2017	N.A.	monthly rent Rs. 1.35 lakh plus applicable taxes & maintenance charges	Rent paid for Registered office at Jasola	Rs. 4.50 Lakh	18.61
	PG Infotel Pvt Ltd	Renewed vide Board approval on 13/02/2017. Now leased area reduced to 4166 sq. ft. Original agreement approved on 13/02/2016.	N.A.	monthly rent Rs. 25,000 plus applicable taxes & maintenance charges	Rent received for factory space given on rent		18.80
	M/s PG Electronics	Transaction is part of ongoing lease deed 06/11/2009 for 30 years (Rent paid for Roorkee Factory)				--	0.60
<b>Related party appointment to office or place of profit</b>	Mrs. Sudesh Gupta	10-06-2014	11-08-2014	Rs. 2.50 lakh per month	She is a relative of Director & is holding office in the Company as an employee	--	27.51
	Mrs. Neelu Gupta	10-06-2014	11-08-2014	Rs. 2.50 lakh per month		--	27.51
	Mrs. Sarika Gupta	10-06-2014	11-08-2014	Rs. 2.50 lakh per month		--	27.51
	Mrs. Nitasha Gupta	10-06-2014	11-08-2014	Rs. 2.50 lakh per month		--	27.51
	Pranav Gupta	13-02-2017	NA	Upto 2.50 lakh per month	He is a Manager in the Company		1.50

**Form No. MGT-9  
EXTRACT OF ANNUAL RETURN**

As on the Financial Year ended on 31.03.2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rules 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

(i)	CIN	L32109DL2003PLC119416
(ii)	Registration Date	17 <sup>th</sup> March 2003
(iii)	Name of the Company	PG Electroplast Limited
(iv)	Category/Sub-Category of the Company	Company limited by Shares/Indian Non-Government Company
(v)	Address of the Registered Office & Contact details	DTJ209, 2 <sup>nd</sup> Floor, DLF Tower B -Jasola, Jasola, New Delhi-110025; Email: <a href="mailto:info@pgel.in">info@pgel.in</a>
(vi)	Whether a listed Company	Yes (Listed at BSE & NSE)
(vii)	Name, Address and contact details of Registrar and Transfer Agent, if any:	Karvy Computershare Pvt. Ltd, Karvy Selenium Tower B, Plot 31 -32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 Email: <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All business activities contributing 10% or more of the total turnover of the Company shall be treated:-

Sl. No.	Name and description of main products/service	NIC code-2008 of product/service	% of total turnover of the Company
1	Plastic Parts of Air Conditioners	28192	22.02
2	Plastic Parts of Refrigerator	27501	21.74
3	Plastic Parts of Washing Machines	27501	13.61
4	Plastic Parts of Automotive	29303	10.36

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:** No such Company exists as on 31.03.2017

**IV. SHAREHOLDING PATTERN:**

**(i) Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01/04/2016)				No. of Shares held at the end of the year (as on 31/03/2017)				% change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
<b>A. Promoter</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	10669332	0	10669332	65	10669332	0	10669332	65	0
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other..	-	-	-	-	-	-	-	-	-
<b>Sub Total (A)(1)</b>	10669332	0	10669332	65	10669332	0	10669332	65	0
<b>(2) Foreign</b>									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other.	-	-	-	-	-	-	-	-	-
<b>Sub Total (A)(2)</b>	0	0	0	0	0	0	0	0	N.A.
<b>Total Shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	10669332	0	10669332	65	10669332	0	10669332	65	0
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central Govt(s)	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	25106	0	25106	0.15	0.15
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Other (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub Total (B)(1):</b>	-	-	-	-	-	-	-	-	-
<b>2. Non Institutions</b>									
a) Bodies Corporate									
i) Indian	2309549	0	2309549	14.07	2099607	0	2099607	12.79	-1.28
ii) Overseas									
b) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs. 1 lakh	642038	51	642089	3.91	628693	51	628744	3.83	-0.08
ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh	2237559	0	2237559	13.63	2561071	0	2561071	15.61	1.98
c) Others (Specify)									
Clearing Member	110113	0	110113	0.67	23553	0	23553	0.14	-0.65
Non Resident Indians	445690	0	445690	2.72	406915	0	406915	2.47	-0.24
<b>Sub-total(B)(2)</b>	5744949	51	5745000	35.00	5719843	51	5719894	34.85	0
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	5744949	51	5745000	35.00	5744949	51	5745000	35.00	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	16414281	51	16414332	100	16414281	51	16414332	100	0



### (ii) SHAREHOLDING OF PROMOTERS

S.N.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of year			% Change in shareholding during the year
		No of Shares	% of total Shareholding	% of shares pledged, encumbered to total shares	No of Shares	% of total Shareholding	% of shares pledged, encumbered to total shares	
1.	Mr. Promod Gupta	40,16,166	24.47	N.A.	40,16,166	24.47	0.00	0
2.	Mr. Anurag Gupta	15,14,222	9.22	N.A.	15,14,222	9.22	N.A.	0
3.	Mr. Vikas Gupta	20,70,722	12.62	N.A.	20,70,722	12.62	N.A.	0
4.	Mr. Vishal Gupta	20,75,012	12.64	N.A.	20,75,012	12.64	N.A.	0
5.	Mrs. Neelu Gupta	6,15,000	3.75	N.A.	6,15,000	3.75	N.A.	0
6.	Mrs. Sudesh Gupta	2,65,500	1.62	N.A.	2,65,500	1.62	N.A.	0
7.	Mrs. Nitasha Gupta	58,500	0.36	N.A.	58,500	0.36	N.A.	0
8.	Mrs. Sarika Gupta	54,210	0.33	N.A.	54,210	0.33	N.A.	0
	<b>Total</b>	1,06,69,332	65.00		1,06,69,332	65.00		

**(iii) Change in Promoters' Shareholding:** There has not been any change taken place in promoter's shareholding (either in Number or in percentage) during the financial year 2016-17.

### (iv) Shareholding Pattern of top ten Shareholders as on 31/03/2017:

Sl. No.	For each of top 10 shareholders (other than Directors, promoters and holders of GDRs and ADRs)	Shareholding at the beginning of year		Date	Change in Shareholding	Reason	Shareholding at the end of year	
		No. of Shares	% of Total Shareholding				No. of Shares	% of Total Shareholding
1	Ajay Surendrabhai Patel	6,04,421	3.68	---	NA	---	6,04,421	3.68
2	Sunita Sarwankumar Saraf	0	0.00	13.05.16.	*101153			
	* Shares held on BENPOS date 13.05.16. From BENPOS date 20.05.16 this person become one of top 10 shareholders based on no. of shares held.			20.05.16	1,45,754	Market purchase		
				10.06.17	4,904	Market purchase		
				17.06.17	5,632	Market purchase		
				24.06.16	9,295	Market purchase		
				30.06.16	22,787	Market purchase		
				01.07.16	6,845	Market purchase		
				08.07.16	5,562	Market purchase		
				31.03.17	1,068	Market purchase	3,03,000	1.85
3	Ashit Mehta	2,93,500	1.79	---	NA	---	2,93,500	1.79
4	Alok Knit Exports Private Limited	2,51,926	1.53	---	NA	---	2,51,926	1.53
5	Sawwankumar Devidutt Saraf HUF	0	0	20.05.16	1,51,972	Market purchase		
				24.06.16	23,373	Market purchase		
				15.07.16	50,500	Market purchase		
				22.06.16	5,000	Market purchase	2,30,845	1.41

6	Prabhudas Lilladher Private Limited  * Shares held on BENPOS date 28.10.16. From BENPOS date 04.11.17 this person become one of top 10 shareholders based on no of shares held.	250	0.00						
				28.10.16	*1,22,500	*			
				04.11.16	500	Market purchase			
				09.12.16	1	Market purchase			
				16.12.16	-1	Market sell			
				06.01.17	-500	Market sell			
				20.01.17	28,500	Market purchase			
				27.01.17	-500	Market sell			
				17.02.17	59,350	Market purchase			
				24.02.17	-200	Market sell			
				03.03.17	500	Market purchase			
		10.03.17	-4,650	Market sell		2,05,500	1.25		
7	EL Dorado Biotech Private Limited	0	0.00	27.01.17	2,00,000	Market purchase	2,00,000	1.22	
8	Arcadia Share & Stock Brokers Pvt Ltd	2,53,001	1.54	22.04.16	-10,500	Market sell			
				07.07.16	-1	Market sell			
				29.07.16	-40,000	Market sell			
				05.08.16	-100	Market sell			
				30.09.16	1,460	Market purchase			
				14.10.16	-50	Market sell			
				28.10.16	-1,235	Market sell			
				09.12.16	-65	Market sell			
				10.02.17	-2,02,260	Market sell			
				17.02.17	-250	Market sell			
				24.02.17	39,000	Market purchase			
				03.02.17	400	Market purchase			
				17.03.17	-19,930	Market sell			
		31.03.17	1,59,090	Market purchase		1,78,560	1.09		
9	Nilam Samir kumar Shah	31,000	0.19		-500	Market sell			
				24.02.17	-238	Market sell			
				17.03.17	-500	Market sell			
				24.03.17	59,293	Market purchase			
				31.03.17	82,000	Marketpurchase		1,71,055	1.04
10	Excel Mercantile Private Limited	1,22,803	0.75	---	NA	---	1,22,803	0.75	

Note: The changes in the shareholding in the above shareholders were due to buying/ selling of shares through Stock Exchange by the shareholders. Hence date wise increase/decrease prior to the date when they were not belonging to top 10 % shareholders are not indicated here. The Company has not allotted any share or issued bonus/sweat equity share during the year.

### (v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of top 10 shareholders	Shareholding at the beginning of year		Date	Increase / Decrease in Shareholding	Cumulative Shareholding during the year	
		No. of Shares	% of Total Shareholding in the Company			No. of Shares	% of Total Shareholding in the Company
1	Mr. Promod Gupta	40,16,166	24.47	NA	No Change	40,16,166	24.47
2	Mr. Anurag Gupta	15,14,222	9.22	NA	No Change	15,14,222	9.22
3	Mr. Vikas Gupta	20,70,722	12.62	NA	No Change	20,70,722	12.62
4	Mr. Vishal Gupta	20,75,012	12.64	NA	No Change	20,75,012	12.64
5	Mr. Sharad Jain	0	0.00	NA	No Change	0	0.00
6	Mr. DevendraJha	0	0.00	NA	No Change	0	0.00
7	Mr. A. P. Anand	0	0.00	NA	No Change	0	0.00
8	Dr. Rita Mohanty	0	0.00	NA	No Change	0	0.00
Key Managerial Personnel other than Directors							
1	Mr. K. A. Khandelwal	0	0.00	02.06.16	250 (Market Purchase)	250	0.0015
2	Mr. Rahul Kumar	0	0.00	NA	No Change	0	0.00

### VI. INDEBTEDNESS: (Indebtness of the company including interest outstanding/ accrued but not due for payment) (Rs. in crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
<b>Indebtedness at the beginning of the financial year</b>				
(i) Principal Amount	44.98	38.33	0	83.31
(ii) Interest due but not paid	0	0	0	0
(iii) Interest accrued but not due	0.2	0	0	0.20
Total [(i) + (ii) + (iii)]	45.18	38.33	0	83.51
<b>Change in Indebtedness during the financial year</b>				
Addition	592.48	178.71	0	771.19
Reduction	578.09	164.71	0	742.80
Net Change	14.39	14.00	0	28.39
<b>Indebtedness at the end of the financial year</b>				
(i) Principal Amount	59.37	52.33	0	111.70
(ii) Interest due but not paid	0	0	0	0
(iii) Interest accrued but not due	0.38	0	0	0.38
Total [(i) + (ii) + (iii)]	59.75	52.33	0	112.08

### VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL(Rs. in Lakh):

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. in Lakh)

S.N	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Mr. Promod Gupta	Mr. Anurag Gupta	Mr. Vishal Gupta	Mr. Vikas Gupta	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) & 17(3) of the Income-tax Act, 1961	54.48	54.48	54.48	54.48	217.92
	(b) Value of perquisites under section 17(2) Income-tax Act, 1961	0	0	0	0	0
2	Stock option	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0
4	Commission	0	0	0	0	0
5	Other, Please specify	0	0	0	0	0
	<b>Total</b>	54.48	54.48	54.48	54.48	217.92
	Ceiling as per the Act	120.00*	120.00*	120.00*	120.00*	

\* As per Section II, part II of schedule V of the Companies Act 2013.

#### B. REMUNERATION TO OTHER DIRECTORS:

(Rs. in Lakh)

S.N	Particulars of Remuneration	Name of Directors				Total
		Mr. Sharad Jain	Mr. Devendra Jha	Mr. Ayodhya Prasad Anand	Dr. Rita Mohanty	
1	Independent Directors					
	• Fee for attending Board/committee meetings	1.425	1.350	1.125	0.90	4.80
	• Commission	0	0	0	0	0
	• Others	0	0	0	0	0
	<b>Total (1)</b>	1.425	1.350	1.125	0.90	4.80
2	Other Non-Executive Directors	All Non -Executive Directors are Independent Directors & their remuneration are given in point 1 above				
	<b>Total B (1+2)</b>	1.425	1.350	1.125	0.90	4.80
	<b>Total Managerial Remuneration</b>					<b>222.72</b>
	Overall Ceiling as per the Act	The Company had inadequate profit thus paying remuneration as per provision of Schedule V, where yearly remuneration of Rs. 120 lacs is permissible to any managerial personnel after approval of Shareholders.				

#### C. Remuneration to key managerial personnel other than MD/Manager/WTD:

(Rs. in Lakh)

S.N.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		K A Khandelwal	Rahul Kumar	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1), (3) of the Income -tax Act, 1961 & other	23.25	4.51	27.76
	(b) Value of perquisites under section 17(2) Income-tax Act, 1961	0	0	0
2	Stock option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
5	Other, Please specify	0	0	0
	<b>Total</b>	23.25	4.51	27.76

## VIII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES DURING FY 2016-17:

There were no penalties/punishment/compounding of offences for the breach of any sections of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

### Annexure VII

## DISCLOSURE RELATED REMUNERATION REQUIRED UNDER RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONAL) RULES 2014

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:

Name	Ratio	
Mr. Promod Gupta	35.31	1. The median remuneration of employees of the Company was 1,54,258.08/- per annum. 2. For this purpose, Sitting Fees paid to the Directors & remuneration to Executive Directors has not been considered as remuneration.
Mr. Anurag Gupta	35.31	
Mr. Vishal Gupta	35.31	
Mr. Vikas Gupta	35.31	

(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Name	Designation	% increase in remuneration
Mr. Promod Gupta	Managing Director	36.79
Mr. Anurag Gupta	Whole Time Director	36.79
Mr. Vishal Gupta	Whole Time Director	36.79
Mr. Vikas Gupta	Whole Time Director	36.79
Mr. K. A. Khandelwal	Chief Financial Officer	19.84
Mr. Rahul Kumar	Company Secretary	36.72

- (iii) The percentage increase in the median remuneration of employees in the financial year: 24.90%
- (iv) The number of permanent employees on the rolls of company as on 31/03/2017: 780
- (v) There are no exceptional circumstances for increase in the managerial remuneration;
- (vi) Affirmation: It is hereby confirmed that Remuneration paid is as per the remuneration policy of the Company.
- (vii) Name of the top ten employees (other than whole time directors) in terms of the remuneration drawn:

Name	Designation
Mr. BhawaNandChoudhary	Chief Operational Officer
Mr. K. A. Khandelwal	Chief Financial Officer
Mrs. Sudesh Gupta	Senior Manager
Mrs. Neelu Gupta	Senior Manager
Mrs. Sarika Gupta	Senior Manager
Mrs. Nitasha Gupta	Senior Manager
Mr. Jitendra Rana	Factory Head - unit II
Mr. Ram Kumar	AGM - Works
Mr. Vikas Koul	AGM - Works
Mr. Tarlok Singh Thakur	DGM - Project

- (viii) There was no employee in the Company, who was in receipt of remuneration for the year 2016-17, in excess of or equal to Rupees One Crore and Two Lakh or Rupees Eight Lakh and Fifty Thousand in any month. Further there was no employee who was getting remuneration in excess of or equal to Rupees Sixty Lakh in that year or Rupees Five Lakh in any month during the FY 2016-17.

**INDEPENDENT AUDITOR'S REPORT**

To the Members of  
**PG ELECTROPLAST LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **PG ELECTROPLAST LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there-under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2017;
- (b) in the case of the Statement of Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section(11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report 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.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2017 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - g) 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:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 25A to the financial statements;
    - ii. The Company 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 Company.
    - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 26(10).

Date: 15<sup>th</sup> May 2017

Place of Signature: Greater Noida, U.P.

For and on behalf of

**Chitresh Gupta & Associates**

Chartered Accountants

Firm Registration No.: 017079N

**CA. Chitresh Gupta**

Partner

Membership no.: 098247

### Annexure A to Independent Auditor's Report

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

1. a. The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. According to the information and explanations given to us, all fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. As explained to us, the inventories except goods in transit have been physically verified by the management at reasonable intervals during the year or at year end at all locations of the company. The discrepancies noticed on verification between the physical stocks and book records, which in our opinion were not material, have been properly dealt with in the books of account.
3. According to information and explanations given to us and on the basis of our examination of the books of account, the company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the paragraph 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the order is not applicable to the Company.
4. In our opinion and according to information and explanations given to us, the company has not given any loans, made investments, give guarantees or security during the year which is covered under provisions of section 185 and 186 of the Act. Accordingly, the paragraph 3 (iv) of the order is not applicable to the Company.
5. According to information and explanations provided by the management, we are of the opinion that the Company has not accepted any deposits from public covered under section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there-under. Accordingly, the paragraph 3 (v) of the order is not applicable to the Company.
6. We have broadly reviewed the cost records maintained by the Company in respect of products where



pursuant to section 148(1) of the Companies Act, 2013, the maintenance of cost records has been prescribed and are of the opinion that prima-facie the prescribed cost records have been maintained. However, we are not required to carry out and have not carried out a detailed examination of the records with a view to determine whether they are accurate and complete.

7. (a) According to the information and explanations given to us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect provident fund, employees state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess were in arrear as at 31<sup>st</sup> March 2017 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, and on the basis of our examination of the books of accounts, there are no dues of Central sales-tax and value added tax which have not been deposited on account of any dispute. According to the information and explanations given to us, the following dues of duty of excise, duty of custom and service tax has not been deposited by the company on account of dispute:

Name of the Statute	Nature of Dues	Amount (Rs)	Year to which amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	7,65,73,219	2008-09 to 2011-12	Supreme Court
Central Excise Act, 1944	Excise Duty	6,25,926	October 2014 to March 2015	The company is in the process of filing appeal to Commissioner (Appeals)
Customs Act, 1962	Anti-Dumping Duty	7,38,54,123	2010-11	The company is in the process of filing appeal to CESTAT
Finance Act, 1994	Service Tax	3,98,857	July 2012 to August 2013	The company is in the process of filing appeal to Commissioner (Appeals)

8. Based on our audit procedures and on the information and explanations given to us, the Company did not have any outstanding debentures or loans or borrowings from Government during the year. Further, Company has not defaulted in repayment of loans or borrowings to financial institution or to banks as on balance sheet date.
9. During the year ended 31<sup>st</sup> March 2012, the company has raised Rs 120.65 crores through initial public offer. The amount raised has been utilized for the objects as mentioned in the prospectus read with amended objects as approved by the Board of Directors as per the powers given in 10<sup>th</sup> Annual General Meeting of the company held on 12<sup>th</sup> September 2012. Further, no amount has been remained unutilized

as on 31<sup>st</sup> March 2017 [refer note no. 26 (5) to Balance Sheet]

Based on our audit procedures and according to information and explanations given by the management, the term loans were applied for the purpose for which they were obtained.

10. During the course of our examination of the books and records of the Company carried out in accordance with generally accepted auditing practice in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have been informed of such case by the management.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the provisions of section 197 read with Schedule V of the Companies Act, 2013.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For and on behalf of

**Chitresh Gupta & Associates**

Chartered Accountants

Firm Registration No.: 017079N

**CA. Chitresh Gupta**

Partner

Membership no.: 098247

Date: 15<sup>th</sup> May 2017

Place of signature: Greater Noida, U.P.

**Annexure - B to the 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 Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the 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 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both 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 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 and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 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 Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

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 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 (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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 to future periods are subject to the risk that the internal financial control over financial reporting 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 Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the 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.

For and on behalf of

**Chitresh Gupta & Associates**

Chartered Accountants

Firm Registration No.: 017079N

**CA. Chitresh Gupta**

Partner

Membership no.: 098247

Date: 15<sup>th</sup> May 2017

Place of signature: Greater Noida, U.P.



### PG ELECTROPLAST LTD

Balance Sheet as at 31st March, 2017

#### EQUITY AND LIABILITIES

##### Shareholders' funds

Share capital

Reserves and surplus

##### Non-current liabilities

Long-term borrowings

Long-term provisions

##### Current liabilities

Short-term borrowings

Trade payables

- Total outstanding dues of micro enterprises and small enterprises

- Total outstanding dues of creditors other than micro enterprises and small enterprises

Other current liabilities

Short-term provisions

#### Total

#### ASSETS

##### Non-current assets

Fixed assets

Tangible assets

Intangible assets

Capital work-in-progress

Deferred tax assets (Net)

Long-term loans and advances

Other non-current assets

##### Current assets

Inventories

Trade receivables

Cash and bank balances

Short-term loans and advances

Other current assets

#### Total

Significant Accounting Policies

Contingent Liability and Commitments

Other Notes on Accounts

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date

#### For Chitresh Gupta & Associates

Firm registration number: 017079N

Chartered Accountants

CA. Chitresh Gupta

Partner

Membership no.: 098247

Place: Greater Noida, U.P.

Date: 15th May 2017

Notes	Amount (Rs.)	
	As at	
	31st March, 2017	31st March, 2016
3	164,143,320	164,143,320
4	1,069,301,068	1,032,053,745
	<b>1,233,444,388</b>	<b>1,196,197,065</b>
5	484,321,977	421,990,088
7	20,847,062	19,413,590
	<b>505,169,039</b>	<b>441,403,678</b>
8	477,322,754	333,756,474
9.1	8,474,038	16,295,563
9.2	736,055,813	607,282,925
10	334,033,098	244,065,819
7	6,670,879	5,682,916
	<b>1,562,556,582</b>	<b>1,207,083,697</b>
	<b>3,301,170,009</b>	<b>2,844,684,440</b>

11	1,622,666,188	1,456,489,369
11	7,703,760	7,137,593
11	27,221,718	11,554,402
6	8,000,000	8,000,000
12	61,658,975	58,808,109
13.1	372,983	80,297,321
	<b>1,727,623,624</b>	<b>1,622,286,794</b>
14	631,296,206	458,712,339
13.2	674,865,073	540,564,565
15	42,245,200	5,687,183
12	184,953,648	169,883,918
13.1	40,186,258	47,549,641
	<b>1,573,546,385</b>	<b>1,222,397,646</b>
	<b>3,301,170,009</b>	<b>2,844,684,440</b>

2

25

26

For and on behalf of the board of directors

(Promod Gupta)  
Managing Director  
DIN-00181800

(Vishal Gupta)  
Executive Director  
DIN-00184809

(Rahul Kumar)  
Company Secretary

(K.A. Khandelwal)  
Chief Financial Officer

### PG ELECTROPLAST LTD

#### Statement of Profit and loss for the Year ended 31st March, 2017

Notes	Amount (Rs.)	Amount (Rs.)
	31st March, 2017	31st March, 2016
<b>INCOME</b>		
Revenue from operations (gross)	4,078,483,782	2,898,619,695
Less: excise duty	(407,522,297)	(296,116,902)
Revenue from operations (net)	3,670,961,485	2,602,502,793
Other income	23,319,839	31,416,779
<b>Total revenue (I)</b>	<b>3,694,281,324</b>	<b>2,633,919,572</b>
<b>EXPENSES</b>		
Cost of Raw Material & Components consumed	2,613,707,906	1,821,293,216
Purchase of traded goods ( including input cleared as such)	177,968,747	139,575,171
Changes in inventories of finished goods, work in - progress	19,023,670	(47,599,850)
Employee benefits expense	326,901,383	261,562,586
Finance costs	100,086,304	96,542,652
Depreciation and amortization expense	102,825,735	97,180,709
Other expenses	314,890,471	244,599,137
<b>Total Expenses (II)</b>	<b>3,655,404,216</b>	<b>2,613,153,621</b>
<b>Profit before exceptional and extraordinary items and tax (I-II)</b>	<b>38,877,108</b>	<b>20,765,951</b>
Prior period expenses (Net)	1,629,786	1,710,300
<b>Profit before tax</b>	<b>37,247,322</b>	<b>19,055,652</b>
<b>Tax expenses:</b>		
Current tax	-	-
Deferred tax	-	-
<b>Total tax expense</b>	<b>-</b>	<b>-</b>
<b>Profit for the year</b>	<b>37,247,322</b>	<b>19,055,652</b>

Earning per equity share [Refer Note No. 26(1)]

[nominal value of equity share Rs 10 /- each]

Basic and Diluted earning per share

2.27

1.16

Significant Accounting Policies

2

Contingent Liability and Commitments

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Other Notes on Accounts

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The accompanying notes are an integral part of the Financial Statements.

As per our report of even date

**For Chitresh Gupta & Associates**

Firm registration number: 017079N

Chartered Accountants

CA. Chitresh Gupta

Partner

Membership no.: 098247

Place: Greater Noida, U.P.

Date: 15th May 2017

For and on behalf of the board of directors

(Promod Gupta)  
Managing Director  
DIN-00181800

(Vishal Gupta)  
Executive Director  
DIN-00184809

(Rahul Kumar)  
Company Secretary

(K.A. Khandelwal)  
Chief Financial Officer

### PG ELECTROPLAST LTD

Cash Flow Statement for the year ended 31st March 2017

	31st March,2017	31st March,2016
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	37,247,322	19,055,652
<b>Adjustment for:</b>		
Depreciation/amortization	102,825,735	97,180,709
Loss on sale of fixed assets	407,807	642,564
Profit on sale of fixed assets	(1,935,287)	(1,591,759)
Provision for Doubtful recoveries	7,500,000	
Misc balances written off	1,129,400	6,815,238
Provision for doubtful debts	2,075,000	370,255
Provision for doubtful advance to suppliers & capital advance	1,235,000	487,796
Liabilities written back	(271,999)	(8,341,412)
Interest expense	99,024,212	95,451,471
Interest income	(4,041,779)	(7,775,026)
Operating profit before working capital changes	<b>245,195,411</b>	<b>202,295,488</b>
<b>Movements in working capital :</b>		
Increase/(decrease) in trade Payables	120,951,363	200,568,819
Increase/(decrease) in Long - term provisions	1,433,472	7,624,826
Increase/(decrease) in Short - term provisions	987,963	(253,742)
Increase/(decrease) in Other Current Liabilities	10,424,345	23,659,305
Decrease/(Increase) in trade receivables	(136,375,509)	(96,838,752)
Decrease/(Increase) in inventories	(172,583,867)	(126,204,315)
Decrease / (increase) in Long - term loans and advances	134,938	(1,921,187)
Decrease / (increase) in Short - term loans and advances	(2,885,244)	11,918,281
Cash generated from / (used in) operations	67,282,872	220,848,722
Direct taxes ( paid ) /refund	(6,218,630)	(9,225,004)
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>61,064,242</b>	<b>211,623,718</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets, including intangible assets, CWIP	(300,441,551)	(100,386,491)
Proceeds from sale of fixed assets	5,452,137	9,319,699
Redemption/Maturity of Bank Deposit having maturity more than 3 months	79,424,758	16,402,778
Interest received	4,404,744	30,283,192
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(211,159,912)</b>	<b>(44,380,822)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long-term borrowings	224,187,445	129,576,225
Repayment of long-term borrowings	(83,830,067)	(125,048,322)
Short-term borrowings (Net)	143,566,281	(71,286,549)
Interest paid	(97,269,972)	(95,902,807)
<b>Net cash flow from/(used in) in financing activities (C)</b>	<b>186,653,687</b>	<b>(162,661,453)</b>
Net increase/(decrease) in cash and cash equivalents (A + B + C)	36,558,017	4,581,443
Cash and cash equivalents at the beginning of the year	5,687,183	1,105,740
<b>Cash and cash equivalents at the end of the year</b>	<b>42,245,200</b>	<b>5,687,183</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	723,005	761,079
With banks:		
-on current account	22,873,015	4,926,104
-on deposit account	18,649,180	-
<b>Total cash and cash equivalents (refer note no. 15)</b>	<b>42,245,200</b>	<b>5,687,183</b>

#### NOTES

Figures in negative/brackets shows Cash outflow

As per our report of even date

**For Chitresh Gupta & Associates**

Firm registration number: 017079N

Chartered Accountants

CA. Chitresh Gupta

Partner

Membership no.: 098247

Place: Greater Noida, U.P.

Date: 15th May 2017

For and on behalf of the board of directors

(Promod Gupta)

DIN-00181800

(Vishal Gupta)

DIN-00184809

(Rahul)

Company Secretary

(K.A.Khandelwal)

Chief Financial Officer



**Notes to the financial statements for the year ended 31 March 2017****1 Background**

PG Electroplast Limited is an Electronic Manufacturing Services (EMS) provider for original Equipment Manufacturers (OEMs) of consumer electronic products in India. The Company manufacture and / or assemble a comprehensive range of consumer electronic components and finished products such as Kitchen Appliances, air conditioners (ACs) sub- assemblies, water purifiers and compact Fluorescent Lamps (CFL), Solar Lantern, Washing Machine for third parties. As backward integration, the company also do plastic injection moulding and manufacture Printed Circuit Boards (PCB) assemblies for CTVs, LCD & LED and CFL

**2 Statement of Significant Accounting Policies****i) Basis of Preparation**

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006, which continue to apply under Section 133 of the Companies Act, 2013, ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 1956, to the extent applicable and guidelines issued by the Securities and Exchange Board of India (SEBI).

**ii) Use of Estimates**

The preparation of financial statements in conformity with GAAP requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenue and expenses, assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

All assets and liabilities have been classified as Current or Non-Current as per the criteria set out in the Schedule III to Companies Act, 2013.

**iii) Revenue Recognition**

- (a) Sale of goods: Sales are recognised when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognised net of trade discounts, rebates and sales tax/ value added tax. The excise duty recovered is presented as a reduction from gross turnover. Sales returns are recognised on receipt of finished goods in the factory.
- (b) Sale of Services: In contracts involving the rendering of services, revenue is measured using the proportionate completion method and are recognised net of service tax.
- (c) Interest income is recognized on accrual basis.

**iv) Tangible Fixed Assets and Depreciation**

- (a) Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying fixed assets upto the date the assets are ready for use. Where the acquisition of fixed assets are financed through long term foreign currency loans (having a term of 12 months or more at the time of their origination) the exchange differences on such loans are added to or subtracted from the cost of such fixed assets. In respect of new projects, all cost including borrowing cost incurred upto the date of commencement of commercial production or when related asset is put to use are capitalised.
- (b) Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
- (c) Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets are recognised in the Statement of Profit and Loss.

### v) Depreciation

- (a) The depreciation on assets acquired/sold/discarded/demolished during the year is provided from/upto the month the asset is commissioned/sold or discarded.
- (b) Depreciation on Tangible Fixed Assets has been provided on Straight Line Method( SLM) based on 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.
- (c) Lease hold land is amortized over the period of Lease.

### vi) Intangible Assets

- (a) Intangible assets are recognised as per the criteria specified in the Accounting Standard (AS) 26 "Intangible Assets" and are amortised on straight line basis as follows:

	Period of Amortisation
Computer Software	6 year
Product Development	10 year

### vii) Inventories

Raw material, components, stores and spares are valued at lower of cost and net realisable value. However, materials and other items held for use in 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. Cost of raw materials , components and stores and spares is determined using the first-in, first-out (FIFO) method.

Work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials, labour and related production overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated cost necessary to make the sale.

### viii) Investments

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision is made for diminution in value, if such diminution is, in the opinion of the management, other than temporary in nature.

### ix) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or Production of qualifying assets are capitalized as part of the cost of such assets. A Qualifying assets is one that necessarily taken substantial period time to get ready for its intended use.

### x) Employee Benefits

#### (a) Short Term Employee Benefits

All employee benefits payable within twelve months after the end of the period in which the employee render the related services are classified as short term employee benefits and are recognised as expense in the period in which the employee renders the related service. The company recognises the undiscounted amount of short term employee benefits expected to be paid in exchange of services rendered as a liability.

#### (b) Long Term Employee Benefits

##### Defined Contribution Plan

Defined contribution plans are retirement benefit plans under which the Company Pays fixed contribution to separate entities (funds) or financial institutions or state managed benefit schemes. The Company's contribution to defined contribution plans is recognized in the Profit & Loss account in the financial year to which they relate.

The Company operates the following defined contribution plan.

- Provident Fund Plan & Employee Pension Scheme.

The Company makes specified monthly contributions towards Employee Provident Fund/Employee Pension Scheme to fund administered and managed by the Government of India.

- Employee State Insurance

The Company makes specified monthly contributions towards Employees State Insurance Scheme.

(c) Defined benefit plan

Defined benefit plans are retirement benefit plans under which the Company pays certain defined benefits to the employees at the time of their retirement/resignation/death based on rules framed for such schemes. Company operates following defined benefit plans:

• **Gratuity**

The Company provides for gratuity obligations through a defined benefit retirement plans (the 'Gratuity Plan'). The Gratuity Plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee salary and years of employment with the Company. The company provides for its liability under the Gratuity Plan based on actuarial valuation.

• **Earned Leaves**

The Company provides for the liability at year end on account of unavailed accumulated leaves on the basis of actuarial valuation

**xi) Foreign Currency Transactions**

**Initial Recognition**

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**Subsequent Recognition**

All monetary assets and liabilities in foreign currency are restated using the exchange rate prevailing at reporting date.

**Exchange Differences**

The Company has opted to avail the choice provided under paragraph 46A of AS-11 "The Effect of Changes in Foreign Exchange Rates" inserted vide Notification dated December 29, 2011. Consequently, Exchange differences arising on long-term foreign currency monetary items related to acquisition of depreciable capital asset added to or deducted from the cost of the asset and depreciated over the remaining useful life of the asset. For this purpose, the company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination.

All other exchange differences are recognised as income or expenses in the period in which they arise.

**xii) Government Grants**

The Company is entitled to various incentives from government authorities in respect of manufacturing units located in developing regions. The Company accounts for its entitlement on accrual basis.

Government Grants receivable in nature of promoter's contribution i.e. by way of its contribution towards total capital outlay under a government scheme, such grants are credited to Capital Reserve and treated as a part of Shareholder's funds.

**xiii) Current and deferred tax**

- (a) Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current Tax on income is determined on the basis of taxable income computed in accordance with the applicable provisions of the Income Tax Act, 1961.

(b) Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised except in case of unabsorbed depreciation or carry forward of losses under Income Tax Act, 1961, deferred tax asset is recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the company reassesses unrecognised deferred tax assets, if any.

**xiv) Lease Accounting**

Operating lease payments are recognized as an expense in the Profit and Loss account on accrual basis.

**xv) Impairment of Assets**

Impairment of individual assets / cash generating unit (a group of assets that generates identified independent cash flows) is identified using external and internal sources of information and impairment loss if any, is determined and recognised in accordance with the Accounting Standard (AS) 28 "Impairment of Assets".

**xvi) Segment Reporting**

The company operates in a single segment of Electronics goods and components and therefore the disclosure requirements as per Accounting Standard 17 "Segment Reporting" is not applicable to the company.

**xvii) Provisions, Contingent liabilities and Contingent Assets**

Provisions: Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

Contingent Assets : Contingent assets are neither recognised nor disclosed.

**xviii) Cash and Cash Equivalents**

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, fixed deposits and other short term highly liquid investments where the original maturity is three months or less that readily convertible into known amount of cash and which are subject to an insignificant risk of change in value.

**xix) Earnings Per Share**

The Basic and Diluted Earnings Per Share ("EPS") is computed by dividing the net profit after tax for the year by weighted average number of equity shares outstanding during the year.

### PG ELECTROPLAST LTD

#### Notes to Financial Statements for the year ended 31st March, 2017

The previous year figures have been regrouped/ reclassified, wherever necessary to conform to the current year presentation.

### 3 SHARE CAPITAL

#### Authorized shares

2,50,00,000 (Previous Year 2,50,00,000) equity shares of Rs.10/- each

#### Issued, Subscribed and Paid-up shares

1,64,14,332 (Previous year 1,64,14,332) equity shares of Rs.10/- each

#### Total

As at 31st March,2017	As at 31st March,2016
250,000,000	250,000,000
164,143,320	164,143,320
<b>164,143,320</b>	<b>164,143,320</b>

### 3.1 Reconciliation of the shares outstanding at the beginning and at the end of the year

#### Equity shares:

At the beginning of the year

Issued during the year

**Outstanding at the end of the year**

As at 31st March, 2017		As at 31st March, 2016	
No of shares	Amount (Rs.)	No of shares	Amount (Rs.)
16,414,332	164,143,320	16,414,332	164,143,320
<b>16,414,332</b>	<b>164,143,320</b>	<b>16,414,332</b>	<b>164,143,320</b>

### 3.2 Terms/rights attached to equity shares

The company 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. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the company, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

### 3.3 Details of shareholders holding more than 5% shares in the company is set out below:

#### Name of Shareholder

Equity shares of Rs.10 each fully paid

Mr. Promod Gupta

Mr. Anurag Gupta

Mr. Vishal Gupta

Mr. Vikas Gupta

Name of Shareholder	As at 31st March, 2017		As at 31st March, 2016	
	No of shares	% holding	No of shares	% holding
Mr. Promod Gupta	4,016,166	24.47%	4,016,166	24.47%
Mr. Anurag Gupta	1,514,222	9.22%	1,514,222	9.22%
Mr. Vishal Gupta	2,075,012	12.64%	2,075,012	12.64%
Mr. Vikas Gupta	2,070,722	12.62%	2,070,722	12.62%

### 4 Reserves and surplus

#### Security Premium

Balance as per the last financial statements

**Closing Balance**

As at 31st March,2017	As at 31st March,2016
1,091,031,706	1,091,031,706
<b>1,091,031,706</b>	<b>1,091,031,706</b>

#### Capital Reserve

Balance as per the last financial statements

Less: Deduction during the year \*

**Closing Balance**

364,695	2,256,402
-	1,891,707
<b>364,695</b>	<b>364,695</b>

\* represents Central Capital Investment subsidy written off in respect of Roorkee Unit

#### Surplus/(Deficit) in the statement of profit and loss

Balance as per last financial statements

Profit for the year

**Net deficit in the statement of profit and loss**

**Total reserves and surplus**

(59,342,656)	(78,398,307)
37,247,323	19,055,651
<b>(22,095,333)</b>	<b>(59,342,656)</b>
<b>1,069,301,068</b>	<b>1,032,053,745</b>

### 5 Long-term borrowings

#### Secured

##### Term Loan:

##### From banks:-

- Working Capital Term Loan ( WCTL) from SBI
- Term Loan from SBI
- Term Loan from HDFC Bank Ltd.
- Vehicle loans from Banks

##### From Others:-

- Term Loan from Aditya Birla Finance Ltd.

##### Loan against Property

- Religare Finvest Limited

##### Vehicle Loans

- Cholamandalm Investment & Finance Ltd
- Tata Motors Finance Ltd

#### Unsecured

- Unsecured loans from directors
- Deferred Payment against P&M

#### **Total**

Non-Current portion	Current maturities	Non-Current portion	Current maturities
As at 31st March,2017	As at 31st March,2017	As at 31st March,2016	As at 31st March,2016
60,500,000	60,000,000	120,500,000	50,000,000
76,786,056	24,000,000		
49,880,000	13,920,000		
6,346,778	3,835,710	2,203,257	2,112,879
16,292,993	3,555,322		
67,334,730	4,974,176	72,308,900	4,383,855
1,394,685	1,495,946	749,127	689,534
1,786,735	1,456,889	3,243,624	1,294,533
204,000,000	-	221,500,000	-
-	42,112,811	1,485,180	18,844,564
<b>484,321,977</b>	<b>155,350,854</b>	<b>421,990,088</b>	<b>77,325,365</b>

#### The above amount includes :

Secured borrowings

Unsecured borrowings

Amount disclosed under the head "other current liabilities"( refer note no.10)

#### **Net amount**

280,321,977	113,238,043	199,004,908	58,480,801
204,000,000	42,112,811	222,985,180	18,844,564
484,321,977	155,350,854	421,990,088	77,325,365
	155,350,854		77,325,365
<b>484,321,977</b>	<b>-</b>	<b>421,990,088</b>	<b>-</b>

#### 5.1 Term Loan from State Bank of India

a. WCTL & TL from State Bank of India are secured by way of first hypothecation and mortgage charge over entire fixed assets & moveable assets present and future including Equitable Mortgage of Land and Building situated at plot no- P-4/2, 4/3, 4/4, 4/5,4/6 ,E-14 & E-15 ,site-B, UPSIDC Industrial Area , Surajpur, Greater Noida of Company & Personal guarantee of directors i.e Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vikas Gupta and Mr. Vishal Gupta and;

b. Collateral Security:- Second charge on entire current assets of Unit I , II & III of the company and;

c. Mortgage of leasehold rights for 29 years (valid upto May 2036) of factory land measuring 11370 sq.mtr of PG Electronics(Partnership firm) & of land measuring 3390 sq mtr. of Sh. Vishal Gupta at village- Raipur, Pargana Bhagwanpur, Roorkee and;

d. Guarantee of PG Electronics ( Partnership Firm)

e. Outstanding working capital term loan of Rs 12,05,00,000 (previous year Rs.17,05,00,000) as on reporting date is repayable in monthly instalments @ 50,00,000 2017-18 & 2018-19 & balance Rs. 5,00,000 on 31.03.2019 alongwith interest at the rate of 12.65% p.a. ;

f. Outstanding Term loan of Rs.10,07,86,056 ( Previous year Nil ) as on reporting date is repayable on monthly instalments of Rs 20,00,000 alongwith interest at the rate of 12.65% p. a.

#### 5.2 Term Loan from HDFC Bank Limited

a. Term loans from HDFC Bank Limited are secured by way of exclusive charge over land, Building, Plant & Machinery at I-26 & I-27, Site-C, UPSIDC Industrial Area, Surajpur , Greater Noida, U.P. & at specific Plant & machineries installed at A-20/2, MIDC Supa, District-Ahmednagar Maharashtra & Personal Guarantee of directors i.e. Mr.Promod Gupta, Mr.Anurag Gupta, Mr. Vikas Gupta and Mr. Vishal Gupta and;

b. Outstanding term loan of Rs 6,38,00,000 is repayable in 55 monthly instalments of Rs 11,60,000/- w.e.f 10.04.2017 alongwith interest @ 10.75% p. a.

#### 5.3 Term Loan from Aditya Birla Finance Limited (ABFL)

Term loan 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 property No. 11/T-A/L-2/2nd floor A-41, Sector-62, Noida owned by TV Palace ( Partnership firm) in which directors are partners.

c. Guaranteed by promoter directors i.e Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta .

#### 5.4 Loan against property ( LAP) from Religare Finvest Limited

a. LAP from Religare Finvest Limited is secured by way of exclusive charge over land & Building at A-20/2. MIDC Supa, District-Ahmednagar Maharashtra & Personal Guarantee of directors i.e. Mr.Promod Gupta, Mr.Anurag Gupta, Mr. Vikas Gupta and Mr. Vishal Gupta and;

b. The outstanding amount of loan alongwith interest @11.25% is repayable in 95 monthly instalments of Rs 11,56,206 each ( including interest).

- 5.5** Unsecured loans from directors of Rs 20,65,00,000 (previous year Rs 22,15,00,000) was given by directors on long term basis and are interest free.
- 5.6** Deferred payment against plant & machinery represents :
- a. the outstanding amount of Rs. 14,59,206 ( of USD 22,200) (Previous year Rs. 2,03,29,744 payable in 8 EMI of USD 27323 each ,11 EMI of USD 1701 each and 6 EQI of USD 11,100 each) which is payable in 2 EQI of USD 11100 w.e.f. 15.5.2017 in respect of plant & machinerles purchased on credit without interest.
- b. Outstanding amount of Rs 4,06,53,605 ( Previous year Nil) payable in 4 monthly instalment of Rs 58,93,924 w.e.f 16.5.2017 and Rs 54,86,761 on 16.09.2017, Rs 49,01,669 on 16.10.2017, Rs.46,82,935 on 16.11.2017 & Rs 20,06,544 on 16.12.2017 in respect of indogeneous plant & machinerles purchased on credit without interest.

- 5.7** Vehicle loans: The terms of repayment and security of vehicle loan are as follows :

Name of the Bank/Others	Rate of Interest	Term Loan Outstanding		Repayment of Term Loan Outstanding	Nature of Security
		31.03.2017	31.03.2016		
1. HDFC Bank Ltd.	8.80 % to 10.90 %	8,510,340	1,366,499	In EMI ranging from 17 to 36 Months ( 4 to 29 months )	Secured by hypothecation of vehicle acquired under the respective vehical loans
2. Axis Bank Ltd.	11.40%	-	171,829	In EMI of 0 Month ( 10 months )	
3. YES Bank Ltd.	11.15%	1,672,148	2,777,808	In EMI of 16 Months ( 28 months )	
4. Cholamandalam Investment & Finance Ltd.	12.50%	2,890,631	1,438,661	In EMI ranging from 9 to 30 Months ( 21 to 30 months )	
R. Tata Motors Finance Limited	11.95%	3,243,624	4,538,157	In EMI of 25 Months ( 37 months )	
<b>TOTAL- Vehicle Loans</b>		<b>16,316,743</b>	<b>10,292,954</b>		

**6 Deferred tax liability**

Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting

**Gross deferred tax liability**

**Deferred tax assets**

Disallowance under section 43B of the Income Tax Act, 1961  
Provision for Doubtful Debts  
Carried forward loss and unabsorbed depreciation

**Gross deferred tax assets**

**Deferred Tax (net)**

As at 31st March,2017	As at 31st March,2016
194,265,182	180,802,094
194,265,182	180,802,094
1,871,269	10,997,310
6,839,212	3,743,846
193,554,701	174,060,938
202,265,182	188,802,094
8,000,000	8,000,000

**7 Provisions**

**Provision for employee benefits**

Provision for gratuity [refer note no. 26(2)]

Provision for leave benefits [refer note no. 26(2)]

Labour Welfare Fund

**Total**

Non-Current	Current	Non-Current	Current
As at 31st March,2017	As at 31st March,2017	As at 31st March,2016	As at 31st March,2016
13,505,850	2,808,345	11,943,384	2,548,519
7,341,212	3,862,534	7,470,206	3,134,397
-	-	-	-
<b>20,847,062</b>	<b>6,670,879</b>	<b>19,413,590</b>	<b>5,682,916</b>

**8 Short-term borrowings**

**Secured**

Working capital loans are repayable on demand from banks:-

- Cash Credit Limit from State Bank of India

- Overdraft from State Bank of India

**Total Secured**

**Unsecured**

Bill discounting from banks:-

- HDFC Bank Ltd.

Bill discounting from Other:-

-Aditya Birla Finance Ltd.

-Tata Capital Financial Services Limited

Unsecured loans from Directors & their Relatives

**Total Unsecured**

**Total**

As at 31st March,2017	As at 31st March,2016
157,977,711	170,706,551
42,127,797	21,562,599
<b>200,105,508</b>	<b>192,269,150</b>
199,860,672	99,987,468
-	-
60,469,940	39,256,856
14,295,569	-
2,591,065	2,243,000
<b>277,217,246</b>	<b>141,487,324</b>
<b>477,322,754</b>	<b>333,756,474</b>

### 8.1 Cash Credit Limit from State Bank of India

a. Secured against first exclusive charge on the entire current assets of unit-I & III at Greater Noida & unit-II at Roorkee of the company including goods in transit, debtors.  
b. Collateral Security : Extention of first charge on assets mortgaged under WCTL & TL facility from State Bank of India as per clause no 5.1(a), (c) & (d).

c. Personal Guarantee: Secured by Personal Guarantee of directors i.e. Mr.Promod Gupta, Mr.Anurag Gupta, Mr. Vikas Gupta and Mr. Vishal Gupta and guarantee of PG Electronics.

### 8.2 Overdraft from State Bank of India is secured against term deposits.

### 8.3 Bill discounting from HDFC Bank are guaranteed by promoter directors i.e Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta.

### 8.4 Bill discounting from Aditya Birla Finance Limited (ABFL)

a. Primary Security: Master letter arrangement from SMR Automotives System India Ltd.

b. Guaranteed by promoter directors i.e Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta .

### 8.5 Bill discounting from Tata Capital Financial Services Limited (TCFSL)

a. Primary Security: Master letter arrangement given to Voltas Limited

b. Guaranteed by promoter directors i.e Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta .

## 9 Trade Payables

Trade payables [Refer note no.26(6)]

#### Acceptances:

Letter of Credit from State Bank of India

Foreign letter of credit Payable

#### Total

### 9.1 -Total outstanding dues of micro enterprises and small enterprises

-Total outstanding dues of creditors other than micro enterprises and small

### 9.2 enterprises

As at	As at
31st March,2017	31st March,2016
576,065,625	446,962,470
-	-
168,464,226	154,114,084
-	22,501,934
<b>744,529,851</b>	<b>623,578,488</b>
8,474,038	16,295,563
736,055,813	607,282,925
<b>744,529,851</b>	<b>623,578,488</b>

## 10 Other Current liabilities

Current maturities of long-term borrowings (Refer note no. 5)

Interest accrued and due on borrowings

Advance from customers

Expenses payable

Capital goods Creditors

Expenses Creditors

Security from service provider

Wages & salary payable

Other Current liabilities \*

#### Statutory dues:-

- Excise duty payable on finished goods

- Service tax payable

- TDS payable

- TCS payable

- ESI Payable

- PF payable

- Ex Gratia Payable

- Bonus payable

- CST,WCT & VAT payable

- Professional tax payable

#### Total

As at	As at
31st March,2017	31st March,2016
155,350,854	77,325,365
3,799,338	2,045,097
55,702,061	57,485,888
8,112,360	8,949,833
15,448,144	15,412,941
30,198,610	27,341,338
3,409,240	100,000
17,948,289	15,731,132
1,629,932	836,870
-	-
4,903,762	4,061,913
530,635	392,407
3,126,410	2,816,149
8,117	7,584
304,132	347,145
2,283,295	1,946,394
4,224,525	4,129,765
11,799,628	8,165,175
15,219,066	16,939,823
34,700	31,000
<b>334,033,098</b>	<b>244,065,819</b>

\* Other current liabilities includes book overdraft for Rs. 12,41,082 ( Previous year Rs 2,33,895/-) due to excess cheques issued.



11 Fixed Assets		Gross Block				Depreciation				Net Block			
Sl. NO.	Description	As at 01-04-2016	Additions	Sale/ Disposals	As at 31-03-2017	As at 01-04-2016	For the year	Disposals/(adj) ustment	As at 31-03-2017	As at 31-03-2017	As at 31-03-2016		
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		
a)	<b>Tangible assets</b>												
	Land -Leasehold	50,848,177	-	-	50,848,177	3,838,741	633,767	-	4,472,508	46,375,669	47,009,436		
	Buildings	535,731,424	34,486,587	-	570,224,010	80,536,381	17,415,050	-	97,951,430	472,272,580	455,201,043		
2	Plant and machinery	1,250,691,654	205,593,038	4,867,143	1,451,417,549	358,972,833	69,179,801	1,213,183	426,939,451	1,024,478,098	891,718,821		
3	Electric installation	48,677,217	3,346,928	-	52,024,145	21,209,899	5,225,115	3,162	26,431,852	25,592,293	27,467,319		
4	Furniture and fixtures	13,595,835	6,785,263	-	20,381,097	5,862,690	1,482,232	-	7,344,922	13,036,175	7,733,145		
5	Vehicles	42,867,632	14,504,734	645,967	56,726,399	18,715,610	5,349,012	372,108	23,692,515	33,033,885	24,152,022		
6	Office equipment	13,336,829	6,592,604	-	19,929,433	10,129,245	1,922,700	-	12,051,945	7,877,487	3,207,584		
7	<b>Total-Tangible assets</b>	<b>1,955,754,768</b>	<b>271,309,154</b>	<b>5,513,110</b>	<b>2,221,550,810</b>	<b>499,265,399</b>	<b>101,207,678</b>	<b>1,588,453</b>	<b>598,884,623</b>	<b>1,622,666,187</b>	<b>1,456,489,370</b>		
	Previous Year	1,805,999,520	160,687,204	10,931,957	1,955,754,768	406,121,092	95,705,758	2,561,452	499,265,398	1,456,489,369	1,399,878,427		
b)	<b>Intangible assets</b>												
	Product Development	10,033,950	1,024,500	-	11,058,450	4,178,850	1,049,427	-	5,228,277	5,830,713	5,855,100		
	Computer Software	2,940,320	1,159,724	-	4,100,044	1,657,827	568,629	-	2,226,456	1,873,387	1,282,493		
	<b>Total-Intangible assets</b>	<b>12,974,270</b>	<b>2,184,224</b>	<b>-</b>	<b>15,158,494</b>	<b>5,836,677</b>	<b>1,618,056</b>	<b>-</b>	<b>7,454,733</b>	<b>7,703,760</b>	<b>7,137,593</b>		
	Previous Year	12,642,728	331,542	-	12,974,270	4,361,726	1,474,951	-	5,836,677	7,137,593	8,281,001		
C)	<b>Capital Work- in- Progress Tangible Assets</b>												
	Previous Year	11,554,402	141,215,963	125,546,646	27,221,720	-	-	-	-	27,221,718	11,554,402		
d)	<b>Intangible Asset under development</b>												
	previous year	-	-	-	-	-	-	-	-	-	-		
	<b>Total-Current Year</b>	<b>1,980,283,440</b>	<b>414,709,340</b>	<b>131,061,756</b>	<b>2,263,931,025</b>	<b>505,102,076</b>	<b>102,825,734</b>	<b>1,588,453</b>	<b>606,339,356</b>	<b>1,657,591,665</b>	<b>1,475,181,364</b>		
	<b>Total-Previous Year</b>	<b>1,879,590,402</b>	<b>206,983,945</b>	<b>106,290,908</b>	<b>1,980,283,439</b>	<b>410,482,819</b>	<b>97,180,709</b>	<b>2,561,452</b>	<b>505,102,075</b>	<b>1,475,181,364</b>	<b>1,469,107,583</b>		

### 12 Loans and advances

#### Unsecured, considered good

	Non-Current As at 31st March,2017	Current As at 31st March,2017	Non-Current As at 31st March,2016	Current As at 31st March,2016
Capital advances	23,387,528	-	12,071,469	-
Security deposit	14,143,719	6,032,250	12,155,052	6,032,250
<b>Advance Recoverable in Cash or Kinds:</b>				
Income tax	24,127,728	14,548,885	32,457,983	-
Advance to trade suppliers	-	81,684,536	-	89,596,742
Advance for expenses	-	4,194,450	-	5,466,999
Advance Recoverable	-	1,009,143	-	728,214
<b>Other Loans and Advances:</b>				
Prepaid expenses	-	6,509,957	-	5,433,389
Loans to employees	-	2,299,369	-	1,621,055
Balances due from Statutory Authorities	-	68,675,058	2,123,605	61,005,269
	<b>61,658,975</b>	<b>184,953,648</b>	<b>58,808,109</b>	<b>169,883,918</b>

#### Unsecured, considered doubtful

	Non-Current As at 31st March,2017	Current As at 31st March,2017	Non-Current As at 31st March,2016	Current As at 31st March,2016
Advance to trade suppliers	3,816,968	-	-	2,731,968
Capital Advances	843,484	-	693,484	-
	<b>4,660,452</b>	<b>-</b>	<b>693,484</b>	<b>2,731,968</b>
Less: Provision for doubtful advance to suppliers & Capital Advances	4,660,452	-	693,484	2,731,968
	<b>61,658,975</b>	<b>184,953,648</b>	<b>58,808,109</b>	<b>169,883,918</b>

### 13 Trade receivables and other assets

#### 13.1 Other assets

#### Unsecured, considered good

	Non-Current As at 31st March,2017	Current As at 31st March,2017	Non-Current As at 31st March,2016	Current As at 31st March,2016
Interest accrued on investments (ICD)		39,268,205	-	46,768,205
Interest accrued on Deposits	372,983	-	872,564	-
Interest accrued on other	-	918,053	-	781,436
Margin money / FDR with banks originally more than twelve months [refer note no. 15]	-	-	79,424,757	-
	<b>372,983</b>	<b>40,186,258</b>	<b>80,297,321</b>	<b>47,549,641</b>

#### Unsecured, considered Doubtful

	Non-Current As at 31st March,2017	Current As at 31st March,2017	Non-Current As at 31st March,2016	Current As at 31st March,2016
Interest accrued on investments (ICD)	7,500,000	-	-	-
Less: Provision for Doubtful Interest	7,500,000	-	-	-
<b>Total</b>	<b>372,983</b>	<b>40,186,258</b>	<b>80,297,322</b>	<b>47,549,641</b>

#### 13.2 Trade receivables

#### Outstanding for a period exceeding six months from the date they are due for payment

	Non-Current As at 31st March,2017	Current As at 31st March,2017	Non-Current As at 31st March,2016	Current As at 31st March,2016
- Unsecured Considered good		54,860,036		48,152,397
- Unsecured Considered Doubtful		9,972,920		7,897,920
		64,832,956		56,050,317
Less: Provision for Doubtful Debts		9,972,920		7,897,920
		54,860,036		48,152,397
<b>Other receivables ( Unsecured ,considered good)</b>		<b>620,005,037</b>		<b>492,412,168</b>
<b>Total</b>	<b>-</b>	<b>674,865,073</b>		<b>540,564,565</b>

#### Trade receivables include:

Dues from partnership firm in which the Company's directors are partners

M/S PG Electronics

Current	
As at 31st March,2017	As at 31st March,2016
-	8,364
-	8,364

### 14 Inventories (valued at lower of cost and net realizable value)

	As at 31st March,2017	As at 31st March,2016
Raw materials and components	496,689,390	345,947,566
Stock in transit -raw materials	42,962,367	3,152,441
Work-in-progress	42,984,291	65,174,339
Finished goods	44,363,246	40,355,019
Consumable Stores & spares	3,212,783	3,335,299
Other- diesel	1,084,129	747,675
<b>Total</b>	<b>631,296,206</b>	<b>458,712,339</b>

### 15 Cash and bank balances

	Non-Current As at 31st March,2017	Current As at 31st March,2017	Non-Current As at 31st March,2016	Current As at 31st March,2016
<b>Cash and Cash Equivalents</b>				
- Balance with bank in current accounts	-	22,873,015	-	4,926,104
- Cash in hand	-	723,005	-	761,079
<b>Total (A)</b>	-	23,596,020	-	5,687,183

#### Other bank balances

Balance under lien/margin/kept as security etc:

- Margin money originally maturity more than 12 months \*

- Margin money originally maturity more than 3 months & upto 12 months \*

Other balances

- Standard Chartered bank -Escrow a/c, Gurgaon \*\*

- Fixed deposit in Escrow a/c with SCB \*\*

#### Total (B)

#### Total(A+B)

Amount disclosed under margin money / fixed deposit originally more than 12 months shown under non-current assets (refer note no. 13.1)-( C )

#### Total (A+B-C)

	-	-	5,921,368	-
	-	18,649,180	13,149,279	-
	-	-	-	-
	-	-	154,110	-
	-	-	60,200,000	-
<b>Total (B)</b>	-	18,649,180	79,424,757	-
<b>Total(A+B)</b>	-	42,245,200	79,424,757	5,687,183
	-	-	79,424,757	-
<b>Total (A+B-C)</b>	-	42,245,200	-	5,687,183

\* Margin money deposits with SBI given as security against non-fund based limits and overdraft .

\*\* Withdrawal from Escrow a/c with SCB are subject to SEBI approval [refer note no. 26(5)]

16 Revenue from Operations	Year ended	Year ended
	31st March, 2017	31st March, 2016
<b>Sale of Products:</b>		
- Finished goods	3,830,672,682	2,709,958,734
- Traded goods (Including Input cleared as such)	213,584,108	167,602,184
<b>Income from services</b>	22,503,019	15,224,571
<b>Other operating revenue:</b>		
- Scrap sales	11,723,973	5,834,206
<b>Revenue from operations (gross)</b>	<b>4,078,483,782</b>	<b>2,898,619,695</b>
Less: Excise duty	(407,522,297)	(296,116,902)
<b>Revenue from operations (net)</b>	<b>3,670,961,485</b>	<b>2,602,502,793</b>

16.1 Details of Products Sold	Year ended	Year ended
	31st March, 2017	31st March, 2016
<b>Finished goods sold</b>		
Set top Box	131,128,186	78,767,653
Tube Light Patti	168,404,374	91,390,319
Solar Lamp	1,327,482	17,648,159
Water Purifier	-	13,155,369
Air Cooler and Air Cooler Parts	148,721,111	1,350,878
Chasis For Ctv	-	54,736,263
Kitchen Appliances(JMG,Chopper etc.)	112,218,269	155,268,195
Sub Assembly / Assembly	83,447,140	61,862,096
Mobile Handset	80,046,490	-
Electrical Parts	6,943,138	-
<b>Plastic Parts</b>		
Air Conditioners	897,974,175	561,846,595
Light	1,354,942	22,004,718
Washing Machine	555,280,404	658,001,690
Refrigerator	886,698,790	597,092,525
Automotive	422,461,076	311,438,680
Air Cooler	-	1,387,142
Bathroom fitting	173,643,406	67,675,733
Electronics Plastic Parts	5,728,244	-
Set top Box Parts	53,834,059	-
Electrical Plastic Parts	17,604,044	-
Ceiling Fan Parts	83,192,678	-
Other	664,674	16,332,719
<b>Total</b>	<b>3,830,672,682</b>	<b>2,709,958,734</b>

16.2 Traded good sold (including Input cleared as such)	Year ended	Year ended
	31st March, 2017	31st March, 2016
Plastic Granuals	143,693,658	152,905,787
Electronic Components	5,364,209	12,359,598
Electrical Components	13,925,690	-
Moulds	35,140,003	-
Kitchen Appliances	4,113,363	-
Refrigerator Components	566,992	-
Air Cooler Components	1,828,612	-
Packing Material	6,367,871	2,033,411
Others	2,583,711	303,388
<b>Total</b>	<b>213,584,108</b>	<b>167,602,184</b>

16.3	Details of services rendered	Year ended	Year ended
		31st March, 2017	31st March, 2016
	Job Work Charges	11,288,599	7,585,323
	Repair Of Moulds	11,214,420	7,639,248
	<b>Total</b>	<b>22,503,019</b>	<b>15,224,571</b>

17	Other income	Year ended	Year ended
		31st March, 2017	31st March, 2016
	Interest on Bank deposits	3,020,798	6,078,945
	Interest on others	1,020,980	1,696,080
	PSI Incentive 2007 from MIDC *	16,828,530	13,703,659
	Liabilities/Excess provision written back to the extent no longer required	271,999	8,341,412
	Profit on sale of fixed assets	1,935,287	1,591,759
	Miscellaneous income	242,245	4,924
	<b>Total</b>	<b>23,319,839</b>	<b>31,416,779</b>

\* The Company has recognized the incentive under Packaged Scheme of Incentives issued by Government of Maharashtra for the promotion of industrial investment in the State.

18	Cost of raw material & components consumed	Year ended	Year ended
		31st March, 2017	31st March, 2016
	Inventory at the beginning of the year	345,947,566	265,896,726
	Add: Purchases	2,949,217,935	2,050,842,779
	Less: Discount received from suppliers	6,799,458	9,923,552
	Less: Cost of goods traded (Including Input cleared as such)	177,968,747	139,575,171
		3,110,397,296	2,167,240,782
	Less: Inventory at the end of the year	496,689,390	345,947,566
	<b>Cost of raw material &amp; components consumed</b>	<b>2,613,707,906</b>	<b>1,821,293,216</b>

18.1	Details of raw material & components consumed	Year ended	Year ended
		31st March, 2017	31st March, 2016
	Plastic Granules	1,480,245,900	1,148,474,435
	Electronics & Electricals Components	504,109,250	210,820,196
	Packing Material	135,005,783	-
	Motor AC & DC ( Ref. AC & Cooler)	145,584,142	-
	Parts for Kitchen Appliances	66,424,605	89,300,864
	Other	282,338,226	372,697,721
	<b>Total</b>	<b>2,613,707,906</b>	<b>1,821,293,216</b>

18.2	Details of inventory	Year ended	Year ended
		31st March, 2017	31st March, 2016
	<b>Raw materials</b>		
	Plastic Granules	224,607,662	181,046,955
	Parts for Kitchen Appliances	-	6,026,276
	Electronics & Electricals Components	86,197,257	85,550,657
	Other	185,884,471	73,323,678
	<b>Total</b>	<b>496,689,390</b>	<b>345,947,566</b>

18.3	Details of cost of traded goods (including input cleared as such)	Year ended	Year ended
		31st March, 2017	31st March, 2016
	Plastic Granules	118,788,185	126,029,499
	Electronics Components	4,506,798	11,494,426
	Electrical Components	11,166,901	-
	Moulds	30,538,938	-
	Parts for Kitchen Appliances	3,496,359	-
	Refrigerator Components	481,943	-
	Air Cooler Components	1,554,320	-
	Packing Material	5,300,598	1,780,716
	Others	2,134,705	270,530
	<b>Total</b>	<b>177,968,747</b>	<b>139,575,171</b>

19	Changes in inventories of finished goods, work in -progress	Year ended	Year ended
		31st March, 2017	31st March, 2016
	<b>Inventories at the end of the year</b>		
	Work-in-progress	42,984,291	65,174,339
	Finished goods	44,363,246	40,355,019
	<b>Total</b>	<b>87,347,537</b>	<b>105,529,358</b>
	<b>Inventories at the beginning of the year</b>		
	Work-in-progress	65,174,339	31,645,785
	Finished goods	40,355,019	24,329,965
	<b>Total</b>	<b>105,529,358</b>	<b>55,975,750</b>
	(Decrease)/Increase of excise duty on inventory	841,849	1,953,758
	<b>Changes in inventories</b>	<b>19,023,670</b>	<b>(47,599,850)</b>

19.1 Finished goods	Year ended	Year ended
	31st March, 2017	31st March, 2016
CFL	-	84,576
Solar Lamp	897,012	-
Setup Box	6,438,845	-
Air Coolers	12,622,577	105,116
Kitchen Appliances	-	3,713,216
<b>Plastic Parts:-</b>		
Air Conditioners	4,907,773	12,473,602
Washing Machine	2,365,781	1,736,572
Refrigerators	9,100,091	8,325,438
Automotive	4,708,954	1,357,094
Fan Plastic Parts	359,751	-
Set top Box	230,472	8,214,580
Kitchen Appliances Plastic Parts	1,006,704	-
Light	446,306	1,349,925
Bath Room Fitting Parts	213,888	576,238
Other	1,065,092	2,418,662
<b>Total</b>	<b>44,363,246</b>	<b>40,355,019</b>

19.2 Work In Progress	Year ended	Year ended
	31st March, 2017	31st March, 2016
<b>Plastic Parts</b>		
Air Conditioners	20,214,992	41,607,528
Washing Machine	4,656,010	5,028,742
Refrigerators	6,538,031	2,963,354
Automotive	5,196,080	6,741,187
Bath Room Fitting Parts	2,684,179	7,607,319
Fan Plastic Parts	1,814,400	-
Set Top Box	389,320	-
Mobile Charges Parts	289,995	-
Other	1,201,284	1,226,209
<b>Total</b>	<b>42,984,291</b>	<b>65,174,339</b>

20 Employee benefit expense	Year ended	Year ended
	31st March, 2017	31st March, 2016
Salaries, wages and bonus	290,836,446	229,279,659
Contribution to provident and other fund	15,066,598	13,322,120
Leave encashment [refer note no. 26(2)]	4,293,079	4,059,997
Gratuity expense [ refer note no. 26(2)]	4,869,900	6,296,702
Employee Benefits	11,835,360	8,604,108
<b>Total</b>	<b>326,901,383</b>	<b>261,562,586</b>

21 Finance costs	Year ended	Year ended
	31st March, 2017	31st March, 2016
Interest to Bank	50,714,232	56,902,032
Interest to Other	365,088	1,224,523
Interest On Car Loan	1,105,517	1,122,612
Bank charges, Commission & Processing Fees	47,901,467	37,293,485
<b>Total</b>	<b>100,086,304</b>	<b>96,542,652</b>

22	Depreciation and amortization expenses	Year ended	Year ended
		31st March, 2017	31st March, 2016
	Depreciation on tangible assets	101,207,678	95,705,758
	Amortisation on intangible assets	1,618,057	1,474,951
	<b>Total</b>	<b>102,825,735</b>	<b>97,180,709</b>

23	Other expenses	Year ended	Year ended
		31st March, 2017	31st March, 2016
	Consumption of consumable stores and spares	19,785,603	14,824,011
	Power and fuel	114,884,617	97,371,565
	Sub-contracting expenses	27,724,485	16,688,145
	Freight and forwarding charges	50,895,441	34,649,070
	Hiring charges of machinery , DG set	242,500	-
	Rent	1,700,000	2,398,000
	Rates and taxes ( Service tax paid, ROC & Reversal of ITC )	2,571,455	2,583,662
	Insurance	2,202,750	1,942,005
	Repairs -Plant and machinery	27,055,316	25,521,501
	Repairs Buildings	1,605,690	1,990,646
	Repairs - Others	2,659,939	3,120,909
	Travelling and conveyance	10,483,615	9,214,411
	Vehicle running & maintenance	5,881,195	5,922,881
	Communication costs	2,441,204	2,359,447
	Printing and stationery	1,315,062	1,138,161
	Security Guard expenses	6,573,248	1,014,119
	Legal and professional fees	11,022,804	6,646,908
	Payment to auditor (Refer details below)	1,465,125	1,320,544
	Payment to cost auditor	300,000	310,875
	Directors sitting fees	480,000	472,500
	Exchange differences (net)	(415,923)	1,152,841
	Loss on sale of fixed assets	407,806	642,564
	Late delivery charges paid to customers	918,551	(858,519)
	Provision for Doubtful Debts	2,075,000	370,255
	Provision for Doubtful recoveries	7,500,000	-
	Provision for doubtful advance to suppliers & Capital advances	1,235,000	487,796
	Misc. Balance Written off	1,129,400	6,815,238
	Miscellaneous expenses	10,750,588	6,499,602
	<b>Total</b>	<b>314,890,471</b>	<b>244,599,137</b>

Details of payment to auditor are as under:	Year ended	Year ended
	31st March, 2017	31st March, 2016
<b>As auditor:</b>		
Audit fee	326,812	336,125
Tax audit fee	77,813	77,719
Limited review	996,000	828,500
For others	64,500	78,200
<b>Total</b>	<b>1,465,125</b>	<b>1,320,544</b>



24 Prior period expenses	Year ended	Year ended
	31st March, 2017	31st March, 2016
- Discount on sales	144,706	-
-Rate difference on Purchases	44,038	120,368
-Annual Membership Fee	4,750	-
- Repair & Maintenance	133,006	204,590
-Rate & Taxes	20,684	125,396
- Staff Welfare Expenses	7,200	-
- Testing & trial charges	102,294	-
- Professional charges	385,085	679,967
- Frieght Charges	705,142	492,796
- Other expenses	82,881	87,183
<b>Total</b>	<b>1,629,786</b>	<b>1,710,300</b>

### 25 Contingent liabilities and Commitments

#### A Contingent liability ( to the extent not provided for)

Claims against the company not acknowledged as debts ( excluding interest & penalty )

- a) Central Excise (FY 2008-09 to 2011-12) (see note (i) below)
- b) Other Central excise & service tax matters
- c) Anti Dumping Duty [see note (ii) below]

Bank Guarantees given to Customers

Bills discounted under LC with State Bank of India

Bills discounted without LC with IDBI Bank

#### Total

Amount (Rs.)	
As at	As at
31st March, 2017	31st March, 2016
76,573,219	76,573,219
1,024,783	-
73,854,123	73,854,123
1,500,000	500,000
-	22,799,595
-	26,555,299
<b>152,952,125</b>	<b>200,282,236</b>

i) Excise department has issued show cause notice dated 22nd Dec., 2011 for Rs 7,65,73,219 /- in respect of CTV sold to ELCOT, Tamilnadu ( 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 Company 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. Case is pending before Supreme Court for decision.

ii) The Directorate of Revenue Intelligence ( Delhi Zonal Unit), New Delhi of Custom Department had conducted a search on 8.03.2011 and issued show cause notice (SCN) no. 29/2015 dated 29.05.2015 (received on 2.06.2015) mentioning why Anti-Dumping Duty of Rs 7,38,54,123 excluding interest & penalty should not be levied in respect of import of Colour Picture Tubes (CPT) from M/s Chungwa Picture Tubes, Malasiya during the period of May 2010 to Dec 2010. The Company has deposited Rs 145,00,000 during the year 2010-11 & 2011-12 under protest. The Delhi High court has quashed the show cause notices in similar cases named as Mangli Impex Ltd & others. Accordingly the Company has filed the writ Petition before Delhi High Court to quash the show cause notice. Delhi High Court has directed the matter to Principal Commissioner ,Custom, Dadri to adjudicate the matter in the light of judgment given in Mangli Impex Ltd. The Delhi High court order has been stayed by Supreme Court. Accordingly ,the Principal Commissioner Customs has confirmed the demand of Rs 738,54,123 along with interest and penalty. The company is in process of filing the appeal before CESTAT Allahabad.

iii) The company was under process of investigation, as per SEBI ad-interim Order No. WTM/PS/IVD-ID5/42/2011/DEC dated 28-12-2011, in exercise of powers conferred upon SEBI under section 19 of the Securities and Exchange Board of India Act, 1992 read with section 11(1), 11(4), 11A and 11B of the said Act, SEBI has issued certain directions for the company/ directors/ other entities to comply with. Subsequently, the company has received the final order dated 11.03.2014 and in exercise of powers conferred under section 11(1), 11(4), 11(B) and 11(A) of the SEBI Act. On appeal, with Securities Appellate Tribunal ( SAT), the SAT has passed the order dated 30.08.2016 and modified the order of whole time member by reducing the ban period from ten to seven years, allowing the use of escrow funds as per objects of the IPO and exonerating various charges of Prohibition of Fraudulent & Unfair Trade Practices (PFUTP) and disclosures.

The company has received show cause notice dated 11.09.2013 under rule 4 of SEBI (Procedure for holding Inquiry and Imposing penalties by Adjudicating officer ) Rule 1995 read with Section 15-I of the SEBI Act, 1992 for imposing penalty under section 15HA & 15HB. The company has filed the reply on 16.12.2013 and personal hearing was held on 6.10.2015 and 1.12.2016. Order is awaited. In view of the uncertainty of the ultimate outcome, the impact, if any, cannot be presently ascertained.

### B Commitments

Estimated amount of contracts remaining to be executed on Capital account and not provided for (Net of advances)

Amount (Rs.)	
As at	As at
31st March 2017	31st March 2016
5,567,613	12,773,024
<b>5,567,613</b>	<b>12,773,024</b>

### 26 Other Notes on Accounts

#### 1 Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

##### Numerator for earning per share

Profit before taxation

Less : Provision for deferred tax and income tax

Profit after tax

##### Denominator for earning per share

Weighted average number of equity shares outstanding during the period

Earning per share- Basic and Diluted (one equity share of Rs. 10 each)

Amount (Rs.)	
As at	As at
31st March 2017	31st March 2016
37,247,322	19,055,652
-	-
<b>37,247,322</b>	<b>19,055,652</b>
16,414,332	16,414,332
2.27	1.16

### 2 Employee Benefits

The Company has made provisions for employee benefits in accordance with the Accounting Standard (AS) 15 "Employee Benefits". During the year, the Company has recognised the following amounts in its financial statements.

#### A Defined Contribution Plan

Employer's contribution to Provident Fund

Employer's contribution to Employee State Insurance Fund

##### Total

Amount (Rs.)	Amount (Rs.)
2016-17	2015-16
12,080,340	10,833,909
2,986,258	2,488,211
<b>15,066,598</b>	<b>13,322,120</b>

#### B Defined Benefit Plans

Amount Recognised in the statement of profit & loss

	Amount (Rs.)		Amount (Rs.)	
	Leave Encashment Non Funded		Gratuity Partly Funded	
	As at 31st March 2017	As at 31st March 2016	As at 31st March 2017	As at 31st March 2016
Current service cost	4,125,152	3,015,801	5,635,227	4,575,122
Interest cost on benefit obligation	805,950	612,582	1,421,792	1,115,682
Past Service Cost	-	-	-	-
Expected return on plan assets	-	-	(316,192)	(354,545)
Net actuarial (gain)/loss recognized in the year	(638,023)	431,614	(1,870,927)	960,442
<b>Net benefit expense</b>	<b>4,293,079</b>	<b>4,059,997</b>	<b>4,869,900</b>	<b>6,296,702</b>

#### C Amounts recognised in balance sheet

	Amount (Rs.)		Amount (Rs.)	
	Leave Encashment Non Funded		Gratuity Partly Funded	
	As at 31st March 2017	As at 31st March 2016	As at 31st March 2017	As at 31st March 2016
Present value of defined benefit obligation (Note i)	11,203,746	10,604,603	22,816,104	18,707,790
Fair value of plan assets (Note ii)	-	-	6,501,908	4,215,887
Funded Status [Surplus/(Deficit)]	(11,203,746)	(10,604,603)	(16,314,196)	(14,491,903)
<b>Plan asset/(liability)</b>	<b>(11,203,746)</b>	<b>(10,604,603)</b>	<b>(16,314,195)</b>	<b>(14,491,903)</b>

i) Changes in the present value of the defined benefit obligation are as follows:

	Amount (Rs.)		Amount (Rs.)	
	Leave Encashment Non Funded		Gratuity Partly Funded	
	As at 31st March 2017	As at 31st March 2016	As at 31st March 2017	As at 31st March 2016
Opening defined benefit obligation	10,604,603	7,853,615	18,707,791	14,303,617
Current service cost	4,125,152	3,015,801	5,635,227	4,575,122
Interest cost	805,950	612,582	1,421,792	1,115,682
Benefits paid	(3,693,936)	(1,309,009)	(811,122)	(1,993,700)
Past Service Cost	-	-	-	-
Actuarial (gains)/losses on obligation	(638,023)	431,614	(2,137,584)	707,070
<b>Closing defined benefit obligation</b>	<b>11,203,746</b>	<b>10,604,603</b>	<b>22,816,104</b>	<b>18,707,791</b>

ii) Changes in the fair value of plan assets are as follows:

	Amount (Rs.)		Amount (Rs.)	
	Leave Encashment Non Funded		Gratuity Partly Funded	
	As at 31st March 2017	As at 31st March 2016	As at 31st March 2017	As at 31st March 2016
Opening fair value of plan assets	-	-	4,215,887	4,431,809
Expected return	-	-	316,192	354,545
Contributions by employer	-	-	3,047,608	1,676,606
Benefits paid	-	-	(811,122)	(1,993,700)
Actuarial gains/(losses) on plan assets	-	-	(266,657)	(253,373)
<b>Closing fair value of plan assets</b>	<b>-</b>	<b>-</b>	<b>6,501,908</b>	<b>4,215,887</b>

Investments with insurer

	Leave Encashment Non Funded		Gratuity Partly Funded	
	As at 31st March 2017	As at 31st March 2016	As at 31st March 2017	As at 31st March 2016
	With LIC	0.00	0.00	100%

The principal assumptions used in determining defined benefit obligations for the company plans are shown below:

	Leave Encashment Non Funded		Gratuity Partly Funded	
	As at 31st March 2017	As at 31st March 2016	As at 31st March 2017	As at 31st March 2016
	Discount rate	6.80%	7.60%	6.80%
Expected rate of return on assets	N.A	N.A	8.00%	8.00%
Employee turnover-all ages	3.00%	3.00%	3.00%	3.00%
Rate of increase in compensation levels	10.00%	10.00%	10.00%	10.00%
Mortality table	100% of IALM 2006-08 ( Previous year 100% of IALM 2006-08 )			

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The rate used to discount post employment benefit obligations (both funded and unfunded) should be determined by reference to market yields at the balance sheet date on government bonds. The currency and term of the government bonds should be consistent with the currency and estimated term of the post employment benefit obligations.

Amounts for the current and previous periods are as follows:

Gratuity	As at	As at	As at	As at	As at	As at
	31st March 2017	31st March 2016	31st March 2015	31st March, 2014	31st March, 2013	31st March, 2012
Defined benefit obligation	22,816,104	18,707,790	14,303,617	8,792,679	8,018,112	7,152,021
Plan assets	6,501,908	4,215,887	4,431,809	3,876,033	3,610,761	2,776,156
<b>Surplus/(deficit)</b>	<b>(16,314,196)</b>	<b>(14,491,903)</b>	<b>(9,871,808)</b>	<b>(4,916,646)</b>	<b>(4,407,351)</b>	<b>(4,375,865)</b>
Experience adjustments on plan liabilities	N.A.	N.A.	(886,514)	(2,134,319)	1,535,265	(1,056,207)
Experience adjustments on plan Assets	(266,657)	(253,373)	(94,079)	(53,913)	-	(12,681)
<b>Leave Encashment</b>						
Defined benefit obligation	11,203,746	10,604,603	7,853,615	4,997,774	6,719,240	4,766,346
Plan assets	-	-	-	-	-	-
<b>Surplus/(deficit)</b>	<b>(11,203,746)</b>	<b>(10,604,603)</b>	<b>(7,853,615)</b>	<b>(4,997,774)</b>	<b>(6,719,240)</b>	<b>(4,766,346)</b>
Experience adjustments on plan liabilities	N.A.	N.A.	(281,845)	1,278,222	1,136,516	(703,478)
Experience adjustments on plan Assets	-	-	-	-	-	-

- 3 In the opinion of the Board, any of the assets, other than fixed assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and provision for all known liabilities have been made.

**4 Related party disclosures (as identified and certified by the management)**

Pursuant to compliance of Accounting Standard (AS) 18 "Related Party Disclosures", the relevant information is provided here below:

**(a) Related party where control exists**

i) Mr. Promod Gupta, Chairman & Managing Director (Key Management Person)

ii) The Details of related parties with whom transactions have taken place during the year:

i) Key Management Personnel (Group A)

Mr. Promod Gupta, Chairman & Managing Director (PG)	Mr. Vikas Gupta, Executive Director (MG)
Mr. Vishal Gupta, Executive Director (MS)	Mr. Anurag Gupta, Executive Director (AG)

ii) Relatives of Key Management Personnel (Group B)

- Mrs. Sudesh Gupta (SCL - Wife of Mr. Promod Gupta)	Mrs. Sarika Gupta (SG Wife of Mr. Vishal Gupta)
Mrs. Neelu Gupta (NLG Wife of Mr. Anurag Gupta)	Mr. Pranav Gupta (PG son of Mr. Anurag Gupta)
Mrs. Nritasha Gupta (NTG Wife of Mr. Vikas Gupta)	

iii) Companies/ Parties in which Key Management Personnel or their relatives have substantial interest / significant influence (Group C)

S.No.	Name of the party	S.No.	Name of the party
1	M/s Promod Gupta - Proprietor	4	Promod Gupta & Sons (HUF)
2	PG International	5	PG Electronics
3	J. B. Electronics	6	PG Infotel Pvt. Ltd.

**Details of Transactions (in Rs.) from 01.04.2016 to 31.03.2017**

S.No	Nature of Transaction	Year	Group A			Group B			Group C				Total													
			Mr. Promod Gupta	Mr. Vishal Gupta	Mr. Vikas Gupta	Mr. Anurag Gupta	Mrs. Sarika Gupta	Mrs. Nritasha Gupta	Mrs. Neelu Gupta	Mrs. Sudesh Gupta	Mr. Pranav Gupta	Promod Gupta & Sons (HUF)		M/s Promod Gupta - Proprietor	PG International	J. B. Electronics	PG Electronics	PG Infotel Pvt. Ltd	Clearvision Industries							
1	Rent Received	2016-17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,880,250	-	-	-	1,880,250			
2	Purchase	PY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
3	Rent Paid	2016-17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Reimbursement of Expenses (Paid)	2016-17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Advance Against Purchase of Land	2016-17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	Purchase of Fixed Asset	2016-17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7	Rent security paid	2016-17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8	Rent security received back	2016-17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
9	Loan Taken	2016-17	10,200,000	15,500,000	10,500,000	5,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	Loan Repayment	2016-17	23,851,882	8,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Remuneration ***	2016-17	7,007,882	12,493,000	4,564,206	3,650,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12	Salary to Relatives	2016-17	3,982,800	3,982,800	3,982,800	3,982,800	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>Outstanding balances as on 31-03-2017</b>																									
1	Loan Payable	CY	121,015,977	29,329,294	27,435,794	28,810,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Payable	CY	137,430,000	31,892,000	26,961,000	27,460,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Receivable/ Debtors	CY	-	7,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		PY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

\*\*\*The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

### 5 Utilization of money raised through public issue

During the year ended 31st March, 2012, the company has raised Rs.120.65 crore through public issue, specifically to meet its share in the cost of setting-up a new manufacturing facility at Supa-district Ahamednagar, G.Noida, repayment of term loan, working capital & general corporate expenses. Given below are the details of utilization of proceeds raised through public issue.

	Amount (Rs.)	
	As at	As at
	31st March, 2017	31st March, 2016
Amount raised through Public issue	1,206,450,000	1,206,450,000
Less: amount utilized till date		
Utilized for General Corporate Purpose (Net)	-	-
Purchase of plant and machinery & Construction of Building	597,704,923	597,704,923
Capital Expenditure (Building and Plant & Machinery)	104,066,086	104,066,086
IPO Expenses (Net of reimbursements received)	99,338,974	99,338,974
Repayment of Term Loan	227,443,865	227,443,865
Utilized for Working Capital	177,896,152	129,318,751
<b>Unutilized amount at the end of the year lying in escrow account with Standard Chartered Bank as per directions of SEBI</b>	-	<b>48,577,401</b>

As per SAT order dated 30.08.2016, Escrow funds has been allowed to be used for the objects of IPO and accordingly company has used the same. Now there is no unutilised balance out of IPO proceeds.

The company has received show cause notice dated 11.09.2013 under rule 4 of SEBI (Procedure for holding Inquiry and Imposing penalties by Adjudicating officer) Rule 1995 read with Section 15-I of the SEBI Act, 1992 for imposing penalty under section 15HA & 15HB. The company has filed the reply on 16.12.2013 and personal hearing was held on 6.10.2015 and 1.12.2016. Order is awaited. In view of the uncertainty of the ultimate outcome, the impact, if any, cannot be presently ascertained.

### 6 Disclosure Under the Micro, Small and Medium Enterprises Development Act, 2006

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, the following are the details:

	Amount (Rs.)		Amount (Rs.)	
	As at	As at	As at	As at
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
(i) Principal amount remaining unpaid	8,474,038	16,295,563		
(ii) Interest due thereon remaining unpaid	-	-		
(iii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-		
(iv) Interest due and payable for the period of delay in making payment (Which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-		
(v) Interest accrued and remaining unpaid	-	-		
(vi) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-		

### 7 Value of imports calculated on CIF basis

	Amount (Rs.)		Amount (Rs.)	
	As at	As at	As at	As at
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Plant & Machinery	6,001,280	29,748,542		
Spare Parts	4,363,201	1,126,495		
Raw materials	236,926,359	145,667,709		
<b>Total</b>	<b>247,290,840</b>	<b>176,542,746</b>		

### 8 Expenditure in foreign currency (accrual basis)

	Amount (Rs.)	
	As at	As at
	31st March, 2017	31st March, 2016
Travelling and conveyance	1,627,031	907,779
	<b>1,627,031</b>	<b>907,779</b>

### 9 Imported and indigenous raw materials, components consumed

	As at 31st March 2017		As at 31st March 2016	
	% of total Consumption	Amount (Rs.)	% of total Consumption	Amount (Rs.)
<b>Raw Materials &amp; Components</b>				
Imported	8.07%	210,966,369	7.20%	131,198,055
Indigenous	91.93%	2,402,741,537	92.80%	1,690,095,161
<b>Total</b>	<b>100.00%</b>	<b>2,613,707,906</b>	<b>100.00%</b>	<b>1,821,293,216</b>

### 10 Details of Specified Bank Notes ( SBN)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 8.11.2016	2,307,500	1,300,012	3,607,512
(+) Withdrawal From Bank Account		1,939,000	1,939,000
(+) Permitted Receipts	-	536,024	536,024
(+) Non Permitted Receipts		-	-
(-) Permitted Payments	-	2,487,242	2,487,242
(-) Non Permitted Payments		-	-
(-)Amount deposited in Banks	2,307,500	-	2,307,500
<b>Closing cash in hand as on 30.12.2016</b>	<b>-</b>	<b>1,287,794</b>	<b>1,287,794</b>

### 11 Note No. 1 to 26 form integral part of the balance sheet and statement of profit and loss.

As per our report of even date

**For Chitresh Gupta & Associates**

Firm registration number: 017079N

Chartered Accountants

CA. Chitresh Gupta

Partner

Membership no.: 098247

Place: Greater Noida, U.P.

Date: 15th May 2017

For and on behalf of the board of directors of PG Electroplast Ltd.

(Promod Gupta)

Managing Director

DIN-00181800

(Vishal Gupta)

Executive Director

DIN-00184809

(Rahul Kumar)

Company Secretary

(K.A.Khandelwal)

Chief Financial Officer



**PG ELECTROPLAST LIMITED**

CIN: L32109DL2003PLC119416

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

**FORM MGT-11 (PROXY FORM)**

Name of member(s)		Email:	
Registered address		Folio No/*Client id:	
		*DP id:	

I/We, being the shareholder of ..... shares of the above named company, hereby appoint

1. Name:	Email id:
Address:	Signature

**or failing him**

2. Name:	Email id:
Address:	Signature

**or failing him**

3. Name:	Email id:
Address:	Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf in AGM to be held on 26<sup>th</sup> September 2017 at 11:30 A.M. at Auditorium, Ghalib Institute, Aiwan-E-Ghalib Marg, New Delhi-110002 and at any adjournment thereof in respect of such resolutions as are indicated below:

S.N.	Resolution	For*	Against*
1	To consider and adopt the audited financial statements of the Company for the financial year ended 31 <sup>st</sup> March, 2017, the report of the Board of Directors and Auditors thereon		
2	To re-appoint Mr. Anurag Gupta (DIN- 00184361) as a Director, who retires by rotation and, being eligible, offers himself for re-appointment		
3	To appoint Auditors of the Company and fix their remuneration		
4	To approve/ratify remuneration of the Cost Auditors for the financial year ending on March 31, 2018		

Signed this..... day of..... 2017

<b>Signature of shareholder</b>	<b>Signature of Proxy holder(s)</b>	<b>Affix Rupee 1 Revenue stamp</b>
---------------------------------	-------------------------------------	------------------------------------



**Note:**

\*Please put a (V) in the appropriate column against the resolution as indicated in the Box. Alternatively, you may mention the number of shares in the appropriate column in respect of which you would like your proxy to vote. If you leave the column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A proxy need not to be member of the Company.
3. In case the member appointing the proxy is a body corporate, the proxy form should be signed under the seal or be signed by an officer or an attorney duly authorised by it and an authenticated copy of such authorisation should be attached to the proxy form.
4. In case of joint holders, signature of any one holder will be sufficient, but name of all joint holders



**PG Electroplast Limited**

**ATTENDANCE Slip  
15<sup>th</sup> Annual General Meeting**

Please fill attendance slip and hand it over at the entrance of the meeting hall.

Day: Tuesday, 26<sup>th</sup> September 2017

Time: 11:30 AM

Full Name of First Shareholder:			
Joint Shareholder, if any:			
DP Id*		Folio No. **	
Client Id*		No. of Shares	
Full name of person attending the meeting as Shareholder/Proxy:			

I hereby record my presence at the 15<sup>th</sup> Annual General Meeting of the Company held on 26<sup>th</sup> September 2017 at Auditorium, Ghalib Institute, Aiwan-E-Ghalib Marg, New Delhi-110002.

(Signature of Shareholder/Proxy)

\*applicable for investors holding share in electronic form.

\*\* applicable for investors holding share in physical form.

**Location of AGM Venue**  
**Auditorium, Ghalib Institute, Aiwan-E-Ghalib Marg, New Delhi-110002.**



**MANUFACTURING CAPABILITIES**

Plastic Moulding | Tool Manufacturing | PCB Assembly  
Motor Manufacturing | Final Product Assembly | Mobile Manufacturing

**PG Electroplast Limited**

**DTJ209, DLF Tower B, Jasola, New Delhi-110025**

**Website: [www.pgel.in](http://www.pgel.in)**