



# BIGGER. BETTER.



**BIGGER.**

BIGGER.

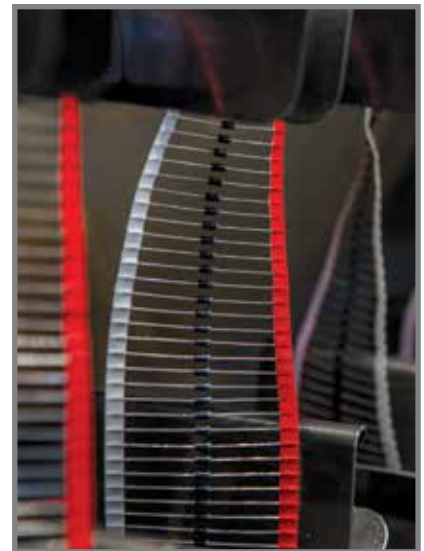
# BETTER.

For us at PGEL, our credo in the year under review was to perform better than ever before and set the stage for bigger things to follow. And true to form, the year 2018-19 was a watershed year as reflected by our top line numbers, crossing ₹ 500 crore for the first time ever since our inception in 2003. This was possible because of our resilience to overcome adverse conditions and headwinds plaguing the industries we operate in. We achieved this feat by consolidating our core strengths of a sound business model, committed people, progressive work culture, and time-tested processes. Our penchant for doing things better manifested itself especially during the past few years when we developed capabilities and made a rather diversified expansion.

From a single one-dimensional plastic moulding business, we have graduated into a multi-dimensional corporate straddling diverse businesses that cover a wide spectrum of capabilities in the Electronic Manufacturing Services (EMS) space and Original Design Manufacturing (ODM) for our discerning OE customers.

Our unique position today is the bedrock on which we set our twin objective of achieving the tag of the fastest growing EMS Company in the industry as well as becoming one of the biggest EMS (Electronic Manufacturing Services) companies in the country. We have set our sights on doing things far better than competition and becoming bigger on our industry's canvas.





#### CAUTION REGARDING FORWARD LOOKING STATEMENTS

Certain statements in this annual report concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, our actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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# Bigger Challenges. Better Performance.

**In many ways FY19 was a rough year for the Indian economy mirroring the global economic situation posing a bigger challenge for us. The trickle-down effects of the policy initiatives such as demonetization and GST created turbulence in the industry especially the unorganized sectors. NBFC crisis added to the pain and affecting our businesses too.**

We started the year under review facing huge first half challenges from lower demand for ACs and Coolers which are the main drivers of our revenue. The challenges in the second half came from the trough into which the NBFCs had fallen affecting the consumer durable demand significantly and thereby dampening our revenues further. However, we faced these challenges squarely and came back strongly in the fourth quarter achieving timely turnaround enabling us to achieve a record turnover.

The fourth quarter performance was a reflection of the resilience displayed by us as well as our ability to stay ahead of the learning curve. We did not let our performance in the first three quarters affect the fourth quarter performance. We had sown the seeds for weathering any kind of turbulence in the past few years with an accent on transforming our capabilities into productive output which helped us to tide over the situation. Indeed, bigger is always better for us.



## Increased Financing Capacities

To meet business growth needs, PGEL improved its financing capacities. Converted promoter directors' interest free loan of ₹28 crore into 22.40 lakh equity shares, improving leverage ratios as well.





## ₹ 500 Crore Turnover

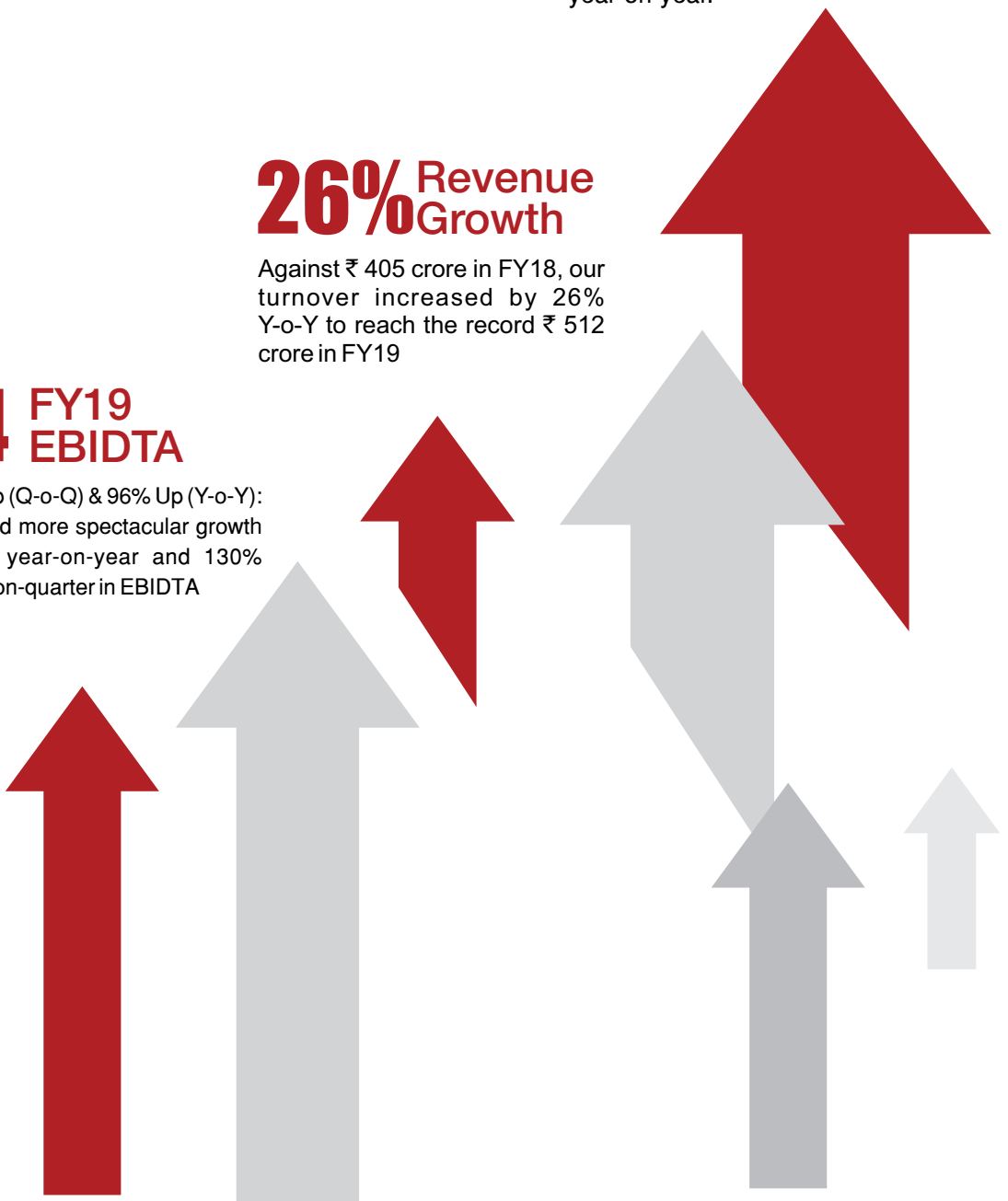
Best ever revenues in the history of the Company, crossing ₹ 500 crore. Recorded Q4 revenue growth of 59% quarter-on-quarter and 45% year-on-year.

## 26% Revenue Growth

Against ₹ 405 crore in FY18, our turnover increased by 26% Y-o-Y to reach the record ₹ 512 crore in FY19

## Q4 FY19 EBIDTA

130% Up (Q-o-Q) & 96% Up (Y-o-Y): Recorded more spectacular growth of 96% year-on-year and 130% quarter-on-quarter in EBIDTA





# Better Strategy. Bigger Outcomes.

**Our steady gradual growth in the initial years was marked by laying the foundation for bigger outcomes. This strategy bore fruit in the last few years when the turnover nearly doubled from ₹ 257 crore in FY16 to ₹ 512 crore in FY19 recording a CAGR of 18%.**

**We brainstormed to break down the strategy into smaller elements and implemented them with utmost sincerity to come out on top.**

## **DIVERSIFICATION**

The success of various businesses encourages entry into other untapped potential in existing businesses and new businesses which provide synergy with our capabilities and strengths



### **NEW PRODUCT ASSEMBLY**

The success of the first model of washing machine assembly prompted the launch of the second model

### **PURSUIT OF OEM CLIENTS**

Strategic relationships have been formed with large Tier-1 OEMs

### **JUDICIOUS BACKWARD INTEGRATION**

We started thermoset moulding and developed capability for complete assembly of AC IDU including all parts such as cooling coil.



**EFFICIENT FINANCIAL MANAGEMENT**

We strengthened our balance sheet, converted promoter directors' loan into equity thus reducing debt allowing scope for more borrowings in the future, besides expanding our capital base

**NEW CLIENT ACQUISITION**

We added Large Tier-I client in AC IDU business and in process of acquiring few more marquee brands in AC and washing machine segment in coming years

**PURSUIT OF SET GOALS**

We have been following a set of strategic goals to have clearly charted growth path. These included judicious investments in capacities and capabilities; tie-ups with key segment leaders; improvements in operational efficiencies including operating margins; achievement of higher scale and exploring opportunities in Air conditioner product segments under ODM model

**COMMITMENT TO CORE VALUES**

The core values were never lost sight of and became the strong foundation on which to mount the other strategic elements



**CONSOLIDATION AND GROWTH OF EXISTING BUSINESSES**

We registered growth in new products launched in the previous two years, acquired new clients for the PU Paint Shop business, better utilization of UF Toilet Seat capacities and in process of acquiring more OE Customers in Fan Business

# Bigger Steps for Better Future.

The management at PGEL charted the judicious implementation of strategies that underlined our commitment to core values and hot pursuit of set goals.

We have reached a leadership role in the plastic moulding business serving the consumer durable industry admirably in the manufacture of washing machines, air conditioners, refrigerators, ceiling fans and sanitary ware.

Our diversified portfolio of carving a bigger share of consumer segment is paying off because we don't depend on just a few products but a host of them.

Our strategy of developing in-house capabilities offers us better competitive advantage that is quite unique in our industry.

We have built a bigger client base to include the better brands in the consumer durable industry. We have developed a symbiotic relationship with all of them.

We are expanding the ODM business model by actively pursuing business opportunities through

Air Conditioners, Air Coolers and Washing Machines.

We are ramping up our existing capacities in all product categories to scale up to meet increased demand in all our businesses.

We actively pursued financial prudent strategies to strengthen our balance sheet and exercised strict control over fiscal policies.

We take pride in our human capital. We took various steps to improve upon the already high morale of our employees. We instituted training and development programs to equip our employees with the latest skills.

This diligent execution of strategies contributed immensely to the high growth we witnessed in recent years. This gives us confidence to march forcefully forward to achieve greater heights in all our businesses.

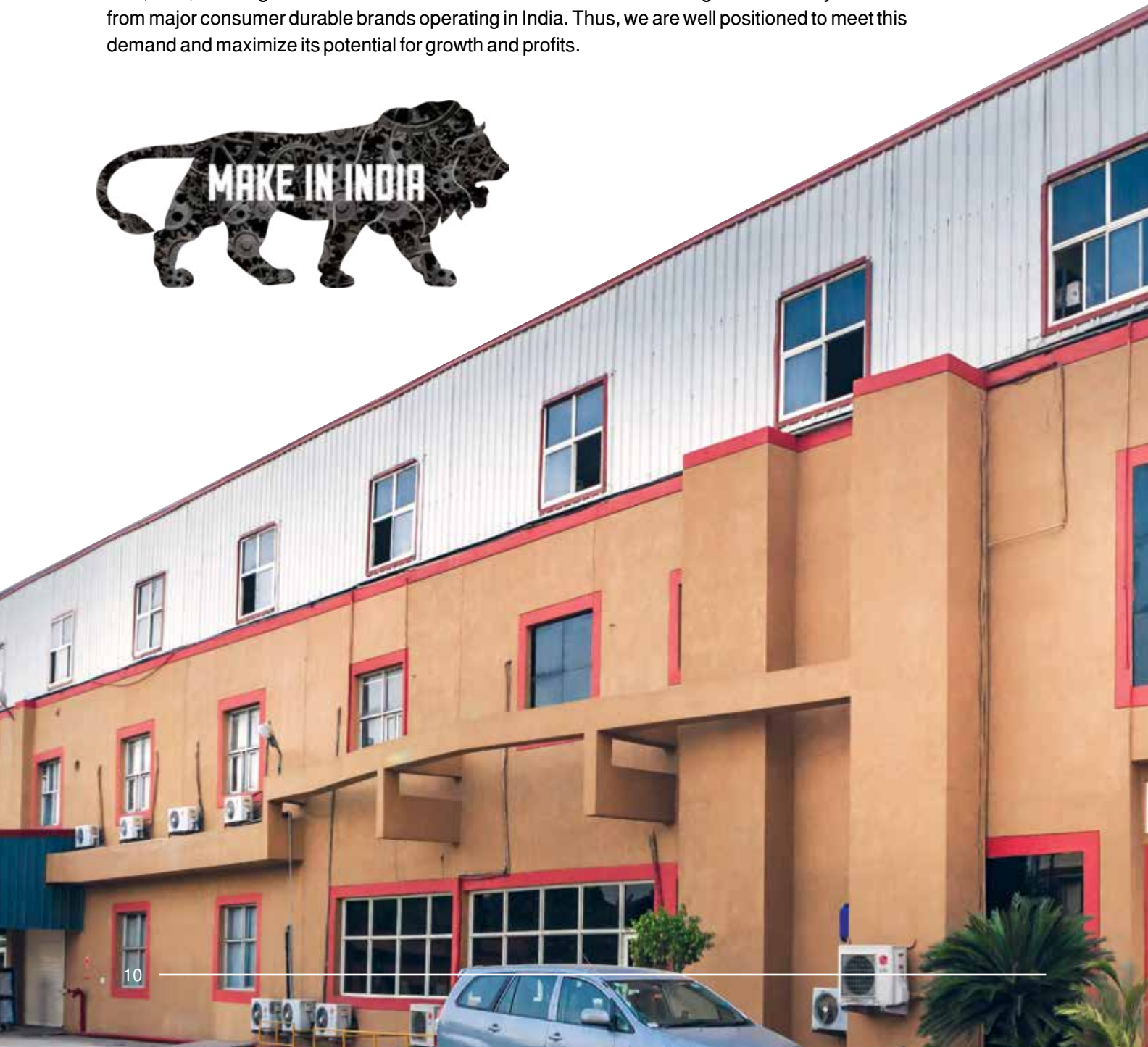
Our financial discipline has helped us to attain competitive advantage.





# Better Placed for Bigger Opportunities.

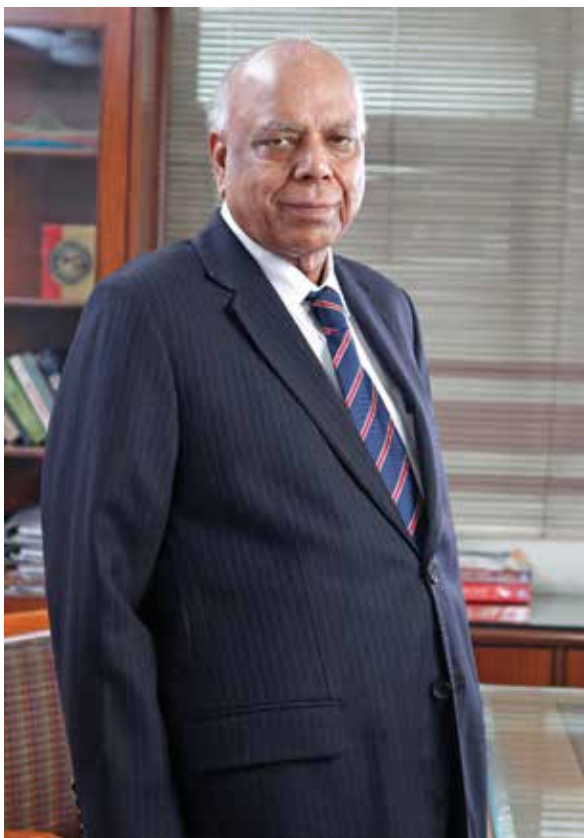
The NDA government is back with a stronger mandate and is looking good to implement more reforms that can spur growth especially in segments that we operate in. The major programs of the government include **'Make in India'** program and the policies aimed at reducing poverty levels. These augur well for us as it can spur primary demand for consumer durables such as ACs, fans, washing machines which in turn translates into manufacturing and assembly demand from major consumer durable brands operating in India. Thus, we are well positioned to meet this demand and maximize its potential for growth and profits.



The electronic manufacturing services (EMS) industry in India is slated for exponential growth as anticipated by large consumer durable brands in India. Consumer durable penetration is still low in India and that it has much catching up to do which means that huge investments will flow into this sector in preparation for the expected boom. We are ideally placed to align ourselves with the major brands and bid aggressively to acquire as much business as we can to maximize our capacity utilization. With the financial prudence exercised in the recent past, we can also undertake expansion of capacity to take a major slice of the manufacturing and assembly capacity offered by these large consumer brands.



# Managing Director's Message



*Dear Shareholders,*

I am pleased to report that we continue to go from strength to strength. The lasting transformational journey, that the Company started few years back is gathering momentum and building blocks put in place in last few years, have started bearing fruits of success. The Company achieved strong growth in FY 19 and surpassed ₹500 crore revenues. The Company has been building capacities and capabilities with a well-planned strategy, to place itself amongst the largest EMS (Electronic Manufacturing Services) organizations in India. The Company continues to plan and invest in the business expansion on all fronts viz- new product launches, new customer acquisition, operational excellence, quality assurance etc. and all these initiatives have started yielding results.

India is in the process of redrawing itself in the World economic map. Government's various development focused initiatives and efforts are boosting the development of large manufacturing facilities in India. A positive atmosphere created from initiatives such as Make in India, Start-Up India, GST implementation, Skill India, Digital India has increased the confidence of major world players and investors step up for investment and operate within the country. This is also getting manifested in India's improved stand in the '2018 World Bank's Ease of Doing Business' rankings by 23 positions to 77th rank.

#### **DOMESTIC ECONOMIC DEVELOPMENTS**

The Indian economy continued to remain one of the fastest growing large economies in the world. GDP has notably grown at 6.8% in FY 19 from 6.7% in FY 18. Policy changes like import duty hike, better tax compliance and a growing impetus to local manufacturing have been favourable to the country's economic growth. Even the US-China trade war is likely to have a positive rub off on Indian economy. Today, India is attracting large number of giant manufacturers in the country across several Industries thereby, attracting large number of multinational manufacturers to create manufacturing capacities in India. Over the past few years, PGEL has been preparing and equipping itself for opportunities arising in the Plastics and Electronic Industry.



Going forward, we have set extensive and aggressive internal targets for the Company



## INDUSTRY UPDATES

The Electronics and Home Appliance market in India has huge potential due to low penetration levels of most products and several secular growth drivers being in place. The population demographics, increasing affordability, rapid urbanisation and changing lifestyle will continue to boost the demand for the Appliance and Consumer Electronics (ACE) market in India. The Electronic Manufacturing Services (EMS) industry is gaining both size and growth momentum due to strong local demand with huge market potential. And with special focus of government on EMS space in Make in India, this is the space to watch out for. Both domestic and International players are putting up capacities and infrastructure to capture the emerging growth opportunities in India. Also, improving technology and cost efficiencies remain the key drivers for the industry's development.

## PERFORMANCE OVERVIEW AND THE WAY AHEAD

In FY 19, the Company achieved the highest revenue mark and crossed ₹5 billion mark. Total Income stood at ₹5,115.5 million as compared to ₹4,047.3 million in FY 18, recording a growth rate of 26.4%. EBIDTA and EBIT also grew by 13.4% and 13.0% respectively. Net Profit grew by 32.8% to ₹99.4 million in FY 19 from ₹74.9 million in FY 18.

The year under the review has been an exceptionally volatile one and it was full of challenges and opportunities for PGEL. The Company faced hurdles in the first three quarters related to lower sales due to slower demand for AC & Cooler in the market, NBFC crisis and economic slowdown. But the sharp reversal came in the fourth quarter as AC, Cooler and Refrigerator demand picked up and, so did the revenue growth. The Company was able to capture the opportunities as it was prepared with capacities and capabilities for higher execution rates in the different product segments.

The Company is on a path to become an end to end solution provider from a component and sub-assembly manufacturer. For achieving this, strategic decisions have been taken in the previous years for capacities and scaling up operations across segments. All business segments are contributing to the growth and scaling up well. Revenue mix has been further diversified by the introduction of new products and adding new clients. Cumulative Capital Expenditure of over ₹1.15 billion in the last three years have been made by the Company. Steps have been taken towards effective integration, value addition, and enlargement of the product base. To showcase

capabilities, a new product showroom has been inaugurated in the Noida factory campus.

Your Company is continuously striving for strategic tie-ups with the best brands in the industry and targeting to achieve higher scale and operations for them. It successfully launched the second model in Washing Machine segment under the original design manufacturer (ODM) model and we continue to work towards expanding this business model through new products and higher range in existing products. Across business segment, the Company has seen a good number of queries and response from Tier I OEMs. Some strategic relationships have taken form and business is scaling up well. This process is ongoing to get more OEMs onboard for strategic engagement and diversifying the business.

Going forward, we have set extensive and aggressive internal targets for the Company. With a stronger balance sheet, relatively better capital efficiency, well-diversified product portfolio, vibrant markets, and best customer engaging practices, we would strive to grow and prosper as a leading business organization.

## A GRATITUDE TO OUR STAKEHOLDERS

We look ahead in taking the best foot forward for the organization that would help us to add many more milestones in our growth journey. We would like to thank all our stakeholders, including our vendors, customers, bankers, financial institutions, Central and State government bodies, business associates and employees for their firm support and involvement. We look forward to sharing our success story with you and thereby gaining your utmost trust that we can, and we will consistently improve and evolve over the years to come.

Sincerely,

Promod Gupta  
Managing Director

# Our Corporate Identity

## Who we are

PG Electroplast Limited (PGEL) is the flagship company of PG Group. PGEL, was set up in 2003 with the following vision and mission statements:

### VISION

To emerge as a global one-stop solution partner in the field of Plastic Moulding and Electronic Manufacturing Services by maximizing efficiency and technological innovation.

### MISSION

At PGEL, it is our mission to provide the highest quality products - competitively priced, along with services exceeding our customer's expectations. We are committed to maximize the value for all stakeholders and build an environment that encourages continual improvement to address dynamic business environment.

## WHAT WE DO

**In line with the vision and mission statements, we created a busy hub of 4 production units in Greater Noida and Ahmednagar with excellent production facilities that include.**

Plastic moulding, blow moulding, vertical moulding and thermoset moulding capacities

PCB assembly lines for assembling PCBs for DVDs, assembling CTVs and sub parts

Plants for the manufacture of washing machines, air conditioners, air coolers.

PU paint shop

Tool manufacturing facilities

State-of-the-art R&D facilities



We cater to a wide cross section of businesses as follows:

Consumer electronics

Home appliances

Automotive industry components

Lighting

Sanitary Products

ISO 14001:2015

ISO 18001:2007

IATF 16949:2016

ISO 9001:2015

We produce quality products with ISO and IATF certifications

## OUR MANUFACTURING INFRASTRUCTURE

PG Electroplast has five state-of-the-art manufacturing units across Greater Noida in Uttar Pradesh, Roorkee in Uttarakhand and Ahmednagar in Maharashtra.

The facilities have been certified with some of industry's best Quality, Safety and Environmental certifications.

### 05 Manufacturing Units

#### Unit I – Greater Noida, Uttar Pradesh

P-4/2 to 4/6, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida, District Gautam Budh Nagar, Uttar Pradesh, India, Pin - 201 306

**Products and Services: Plastic Moulding, PU Paintshop, Washing Machine Manufacturing**

#### Unit II – Roorkee, Uttarakhand\*

Khasra No. 268 & 275, 15th Milestone, Roorkee, Dehradun National Highway-73, Vill: Raipur, Pargana: Bhagwanpur, Tehsil – Roorkee, Dist. Haridwar, Uttarakhand, India, Pin - 247 667

\*Non-Operational

#### Unit III – Greater Noida, Uttar Pradesh

E-14 & 15, F-20, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida, District Gautam Budh Nagar, Uttar Pradesh, India, Pin - 201 306

**Products and Services: Plastic Moulding, Sub Part Assemblies, Vertical Moulding, Thermoset Moulding**

#### Unit IV – Ahmednagar, Maharashtra

Plot No. A-20/2 Supa Parner MIDC Industrial Area, City - Supa, Talika - Parner, District Ahmednagar, Maharashtra, India, Pin - 414 301

**Products and Services: Plastic Injection Moulding, Air-Cooler Manufacturing**

#### Unit V – Greater Noida, Uttar Pradesh

I-26 & I-27, Site-C, UPSIDC Industrial Area, Surajpur, Greater Noida, District Gautam Budh Nagar, Uttar Pradesh, India, Pin - 201 306

**Products and Services: Tool Manufacturing & Designing, Blow Moulding**

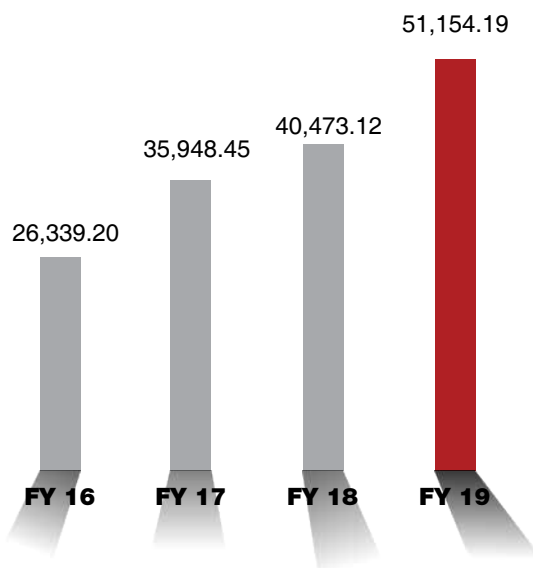


# Financial Performance

₹ in Lakhs

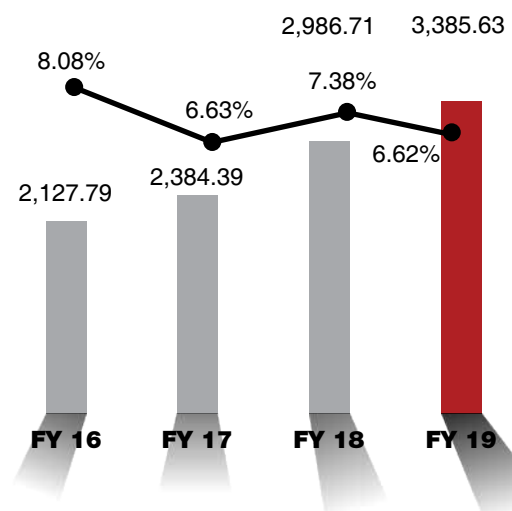
Particulars	FY 2019	FY 2018	FY 2017	FY 2016
Total Income	51,154	40,473	35,948	26,339
Gross Block	26,157	22,439	17,509	19,803
EBIDTA	3,386	2,987	2,384	2,128
PAT	994	749	336	191
<b>Ratio in %</b>				
EBIDTA %	6.62%	7.38%	6.63%	8.08%
PBT%	1.99%	1.85%	0.94%	0.72%
PAT%	1.94%	1.85%	0.94%	0.72%
ROI/ROCE	9.38%	9.36%	7.86%	7.16%
ROE	6.63%	5.89%	2.77%	1.60%
Sales Value Growth	26.39%	12.59%	36.48%	8.81%
<b>Ratio in Times</b>				
DEBT/EBIDTA	3.84	4.30	4.68	3.92

Total Income (₹ Lakhs)

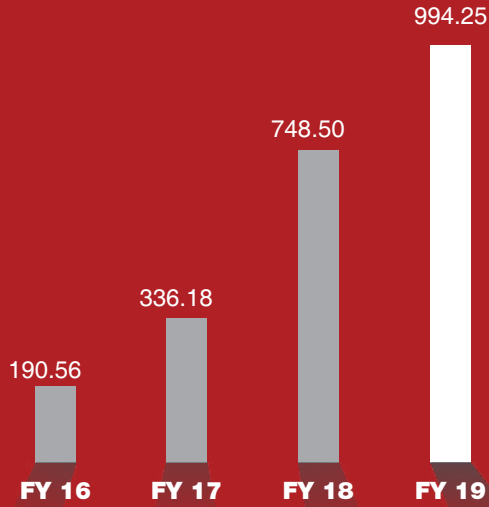


EBIDTA (₹ Lakhs) &amp; EBIDTA Margin (%)

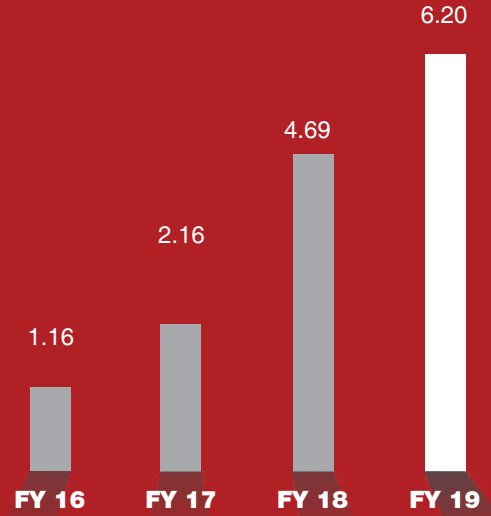
■ EBIDTA (₹ Lakhs) ● EBIDTA Margin (₹ Lakhs)



PAT (₹ Lakhs)



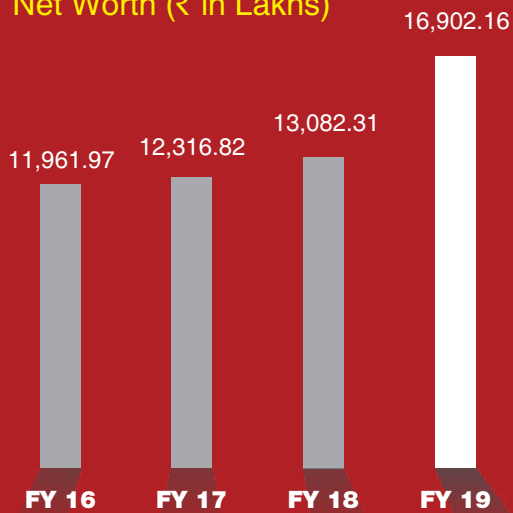
EPS (₹)



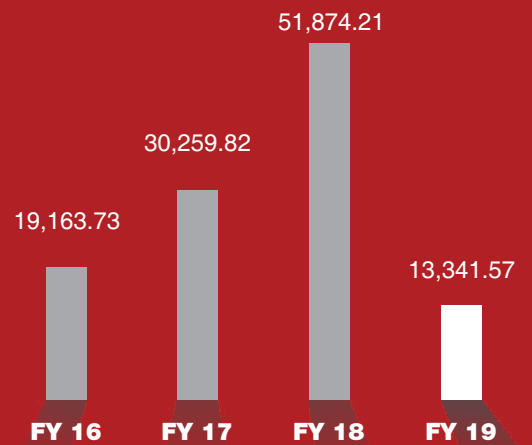
Market Capitalization (₹ Lakhs)

Net Worth (₹ Lakhs)

Net Worth (₹ in Lakhs)



Market Capitalization (₹ Lakhs)





# Better Execution. Bigger Results.

## Operational Highlights - FY19



### Capex to Fuel Topline:

Invested ₹ 36 Cr (FY19) and ₹ 100 Cr (FY17 – FY19) towards capital expenditure to expand capacities for higher topline

### 2nd Model of Semi-Automatic Washing Machine:

Rolled out second platform in semi-automatic washing machine as Original Design Manufacturer (ODM), in 7.5 Kg, 8 Kg and 8.5 Kg capacities



### Overcame Macro Sluggishness:

Overcame the sluggishness of first three quarters with a resounding fourth quarter performance. Revenue growth of 59% and EBITDA growth of 130% (Q-o-Q)



### Fully assembled AC-IDU for Tier 1 Clients:

Fully assembled AC-IDU (Indoor unit) for Tier 1 consumer durable brands





**Existing Products performing well:**

Existing products launched in previous 2 years are doing well including PU Paint Shop, Tooling, Air-coolers, Ceiling Fan and Washing Machine



**New Clients Acquisition:**

Expanded client base and entered more strategic agreements for products across the board – Ceiling Fans, AC IDU, Washing Machines and Air Cooler



**Product Showroom:**

Established a product showroom at corporate office in Greater Noida to showcase product capabilities



**Closer to Customer:**

Moved closer towards providing a one-stop solution for many of our clients

# Bigger Portfolio. Better Reach.

## Products & Services

### PLASTIC INJECTION MOULDING

PGEL is known to be one of the largest manufacturers of Plastic Molded Parts in India for Consumer Electronics & Automotive Industry, we produce a wide range of products comprising small, medium and big sized, high-precision, surface critical injection moulded components.

### THERMOSET MOULDING

We have perfected the art and science of moulding robust thermoset polymers with superior surface finish and high tenacity required for high temperature applications.



### PLASTIC BLOW MOULDING

From our high technology Plastic Blow Moulding facility equipped to meet rigorous standards and specifications, we produce an extensive range of polymers used in hollow plastic components in a large number of industries.

### PCB ASSEMBLIES

We provide evolved interconnect solutions for all types of printed circuit board (PCB) assemblies for a range of applications for leading Indian brands producing Flat LED TVs, Smart TVs, Energy Meters, Set Top Boxes and Multi Media speakers.

### TOOL MANUFACTURING

We produce small and medium sized moulds for applications in the Automotives, White Goods, Home & Appliances, Lighting and Electrical Equipment industries.

### AC-IDU (INDOOR UNIT) ASSEMBLY

We provide complete assembly of AC-IDU (Indoor unit) for Tier-I OEMs and keep our focus on becoming one stop shop for their requirements.



### FINAL PRODUCT ASSEMBLY

With accent on exclusive customization for our clients, we offer end-to-end assembly for products such as washing machines, air coolers and UF toilet seats for leading brands in the country.

### PU PAINT SHOP

Set up in Greater Noida, our state-of-the-art PU Pain shop is capable of providing superior surface finish solutions comprising the supply of supplying a wide range of parts in different shapes and sizes for automotive, electrical and consumer durable industries.



# Board of Directors

## Mr. Vikas Gupta

Executive Director – Operations

Mr. Vikas Gupta has 24 years' experience in the field of EMS. He holds a Master's Degree in Business Administration from University of Pune. He is responsible for products and service delivery to customers in an efficient and timely manner besides managing and increasing the operational efficiency.

## Mr. Vishal Gupta

Executive Director – Finance

Mr. Vishal Gupta holds a Master's Degree in Business Administration from University of Pune and has experience of 24 years in the field of electronic manufacturing services. His core responsibilities include financial accounting and general management including financial budgeting and planning besides human resource management and secretarial compliance.

## Mr. Anurag Gupta

Executive Director – Technical

Mr. Anurag Gupta has an experience of more than 27 years in the field of Electronic Manufacturing Services. He has a Bachelor's Degree of Electronics in Computer Engineering and Science from Bengaluru University. He is responsible for development and implementation of technical policies, quality assurance, technological advancement, plant & machinery monitoring and Research & Development.





**Mr. Promod Gupta**

Chairman and Managing Director

A first-generation entrepreneur and one of the promoters of PGEL, he had launched the Group's operations in 1977. He brings a rich experience of more than 45 years. Prior to starting PGEL Group, he was employed as a senior scientist with the Defense Research and Development Organization (DRDO). He holds an engineering degree from BITS, Pilani and a Post Graduate Diploma in Marketing and Sales Management from Delhi University. He oversees the overall operations of PGEL besides developing and implementation of business strategies.

**Mr. Sharad Jain**

Independent Non-Executive Director

Mr. Sharad Jain is a Chartered Accountant and a Fellow Member of the Institute of Chartered Accountants of India (ICAI). He has experience of over 34 years in Financial & Strategic Planning, Taxation, Accounting, Budgeting and Auditing. He is presently engaged in the profession of Chartered Accountancy for over 13 years. He is a Chairman of Audit Committee and Stakeholders Relationship Committee.

**Mr. Devendra Jha**

Independent Non-Executive Director

Mr. Devendra Jha holds an engineering degree from IIT. He has a rich experience of over 34 years in Planning, Project Management, Business Development, Techno-commercial evaluation and Construction Finance. He is a Chairman of Nomination and Remuneration Committee.

**Dr. Rita Mohanty**

Independent Non-Executive Director

Dr. Rita Mohanty holds a Degree of Bachelor of Medicine, Bachelor of Surgery (MBBS) and Doctor of Medicines (MD) (OBS & GYNAE). She had retired after 30 years of service under Central Government Health Scheme, Ministry of Health & Family Welfare. She is an expert in Administration & Public Relation. She is a Chairperson of Corporate Social Responsibility Committee.

**Mr. Ayodhya Prasad Anand**

Independent Non-Executive Director

Mr. Ayodhya Prasad Anand has more than 50 years of industrial experience in India and abroad. He holds a Bachelor's Degree in Science, a Post Graduate Diploma in Spectroscopy and is a member of the Mining, Geological and Metallurgical Institute of India. He has provided technical, analytical and administrative services in the field of Quality Management to industries in India and abroad.



# Corporate Information

## PG Electroplast Limited

(CIN: L32109DL2003PLC119416)

### Registered Office:

DTJ209, 2nd Floor, DLF Tower-B, Jasola,  
New Delhi-110 025  
Email: investors@pgel.in / info@pgel.in  
Tel-Fax No.: 91-011-41421439  
Fax No.: 91-120-2569131

### Corporate Office:

P-4/2 to 4/6, Site B, UPSIDC Industrial Area,  
Surajpur, Greater Noida,  
Dist. Gautam Budh Nagar U.P.-201 306  
Website: www.pgel.in  
Telephone No.: 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. Vikas Gupta	00182241	Whole Time Director
Mr. Vishal Gupta	00184809	Whole Time Director
Mr. Devendra Jha	03076528	Independent Director
Mr. Sharad Jain	06423452	Independent Director
Mr. Ayodhya Prasad Anand	06808974	Independent Director
Dr. Rita Mohanty	07081546	Independent Director
Mr. Pramod Chimmanlal Gupta*	07066493	Additional Director

\*Appointed as Additional Director (Non-Executive Independent Director) w.e.f. 15/05/2019.

### Management Team:

NAME	DESIGNATION
Mr. Bhawa Nand Choudhary	Chief Operating Officer
Mr. Mahabir Prasad Gupta	Chief Financial Officer
Mr. Sanchay Dubey	Company Secretary

### Statutory Auditors:

M/s Chitresh Gupta & Associates  
Chartered Accountants  
U-119A, Shakarpur,  
New Delhi-110 092,

### Bankers:

State Bank of India  
HDFC Bank

### Registrars & Share Transfer Agent:

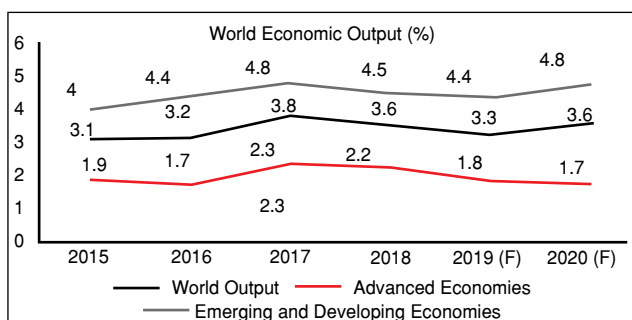
Karvy Fintect Pvt. Ltd.,  
Karvy Selenium Tower B, Plot 31-32,  
Gachibowli Financial District,  
Nanakramguda, Hyderabad – 500 032  
Email: einward.ris@karvy.com

# Management Discussion and Analysis

## GLOBAL ECONOMY OVERVIEW

The broad-based cyclical growth witnessed by the global economy in the preceding two years lost momentum in 2018. The escalation of US–China trade tensions, disruptions to the auto sector globally, the disagreements over Brexit, tighter credit policies in China and gradual monetary tightening in developed economies, all translated to slower than anticipated global expansion. Poor financial market sentiments and deceleration in industrial production outside USA also contributed to the slowdown in growth.

The global output has grown by 3.6% in 2018 as compared to 3.8% in 2017. As per IMF estimates, the global output growth rate is expected to further temper down to 3.3% in 2019 and then recovering up to 3.6% in 2020. This growth would be led by the strong output momentum in emerging economies while developed world will see further moderation in its output growth.



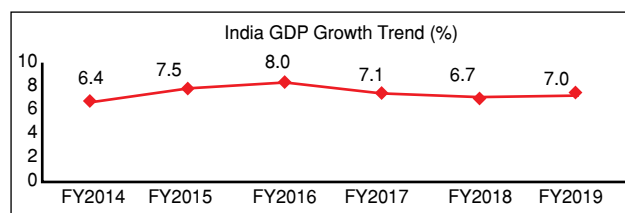
(Source: IMF, World economic outlook Report dated April 2019)

Growth in emerging markets is expected to decline marginally from 4.5% in 2018 to 4.4% in 2019, before increasing to 4.8% by 2020. The growth in emerging markets will be driven by robust growth expected in China and India as compared to slow growing advanced economies. Growth in advanced economies moderated only by 10 basis points from 2.3% in 2017 to 2.2% in 2018 but internals were very divergent as USA accelerated while Japan and Europe were sharply down. Growth in advanced economies is expected to decline further to 1.8% in 2019 and then marginally declining to 1.7% in 2020. Advanced economies faced continued weak productivity growth and slowing labour force growth which is resulting in declining growth.

## INDIAN ECONOMY OVERVIEW

India growth story remains promising due to continued implementation of various initiatives, reforms and easing of infrastructure bottlenecks. Structural and financial sector

reforms including the introduction of GST, steps towards the resolution of bank's non-performing assets, recapitalization of banks and FDI liberalization should help to consolidate fiscal needs of the country. The new government with a stronger mandate is expected to take bold efforts in enhancing land & labour reforms to increase the pace of Industrialisation and infrastructure development. In FY 2019, Indian GDP grew by 6.8 % as compared to 6.7% in the previous year and is expected to register a growth of 7.0% in FY 2020 as per the Economy Survey Report 2018-19.



Source: Economy Survey Report July 2019

Due to domestic and International factors, growth rate in domestic economy has moderated. Signs of weakening investment are reflected in the slowdown of production and imports of capital goods. The consumer sentiment in India has weakened and consumer goods demand has been impacted too in recent past. RBI has changed its stance on Interest rates and to support economic growth, it has cut repo and reverse repo rates in last 3 monetary policy committee meetings. Also, liquidity is being pumped into the system to overcome the stress of NBFC crisis and to boost growth.

GST roll out has been a biggest economic reform in last few years and it has subsumed almost all the indirect taxes into single tax system, thus increasing India's stand in ease of doing business rankings. India has improved its rank by 23 positions to 77th rank in 2018 as reflected in World Bank's Ease of Doing Business 2019 Report. For the electronics manufacturing industry, GST has created a unified market helping in seamless movement of goods across states that would ultimately reduce the transaction cost of businesses. GST regime has made exports more competitive by nullifying the cascading effect of many taxes.

India's recent reforms and policies are expected to fuel formal sector activity, enlarge the tax base and improve long-term growth prospects. Due to reforms and governments thrust to improve job opportunities, manufacturing sector is witnessing a revival and many global companies are planning large capacities in India.

### INDUSTRY OVERVIEW

The Electronics Manufacturing Sector (EMS) continues to witness robust growth due to factors like increasing affordability of ever-growing middle class and increasing consumers' disposable income. Industry growth is expected to accelerate further with increasing electrification of rural areas, wide usability of online sales and increasing working population. The sector is undergoing a metamorphosis from a low value add assembly shops to Original design and Manufacturing (ODM) shops. Sector is undergoing an evolution from being primarily a consumption-driven market to the one with manufacturing capability to cater to local and overseas demand.

To further give an impetus to the sector, the Government has envisioned a policy to substitute the import of electronic products by 2020. The endeavour to build a Digital India through wider broadband connectivity and e-governance programs, government thrust on local manufacturing, Rising manufacturing costs in large manufacturing economies and burgeoning consumption in the emerging markets is fuelling global demand and contributing towards the growth of the Electronics Sector.

In the ongoing environment of Favourable fiscal and monetary policy along with huge domestic as well as international consumer market, readily available affordable labour & other production factors, is creating a rush of domestic & international players for capacity creation in the sector. The above developments, in our opinion will eventually lead to sustainable faster growth for the sector.



Observations on Electronics Manufacturing sector in India:

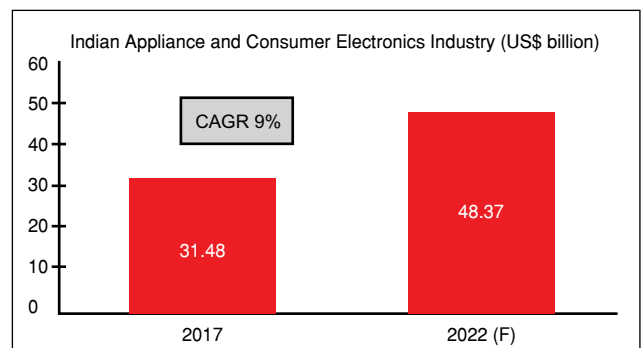
**Demographic changes:** Population in India's is growing fast and is expected to surpass China's population by 2028. While the number of Indians living in urban areas has increased over the last two decades, about 67% of people still live in rural areas. About half of

Indian population consist of youth viz. around 600 million people. Such statics makes us believe of huge growth potential for consumer durables industry. Higher Rural population and increasing working class are considered to be stimulants for ACE (Appliances and Consumer Electricals) market expansion in India. We believe ACE market can continue to expand for decades in India

**Product Penetration:** ACE products have big opportunity in terms of hugely untapped rural and semi-urban markets Product penetration across most categories remain substantially lower as compared to similar countries. In FY 2018, Television penetration was 55% in rural India while air conditioners had a meagre penetration only 5% only all over India, vis-a-vis global average of 30%. India is now the world's second largest mobile phone manufacturer with presence of 120 factories as of July 2018. Penetration of electric fans in rural areas is expected to reach 76%-78% in FY 20 from 65% in FY 2017. India is expected to manufacture around 302 million handsets in FY 2019 and have 829 million smartphone users by FY 2022. Number of TV households in India is expected to reach 200 million by FY 2020.

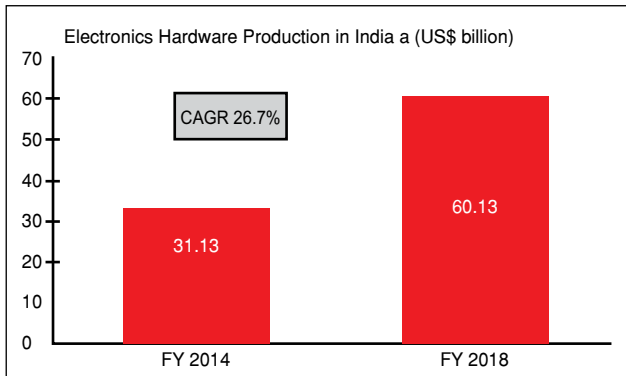
**Increasing Affordability:** The consumption growth in the economy is mainly attributed to increasing purchasing power of the people. As per IBEF report, Consumer durables loans in India increased by 83% in FY 2018 led by easy financing and rising demand of consumer products.

**Recent Industry Trends:** Indian appliance and consumer electronics (ACE) market touched 2.05 trillion (US\$31.49 billion) in 2017. It is expected to increase at a CAGR of 9% to reach 3.15 trillion (US\$48.37 billion) in 2022.



Source: IBEF report, May 2019

Since Make in India launch in FY 2014, Electronics hardware production in the country increased from 1.90 trillion (US\$ 31.13 billion) to 3.88 trillion (US\$ 60.13 billion) in FY 2018 – a CAGR of 26.7%.



Source: IBEF report, May 2019

### Government Initiatives

Indian government is making efforts to convert India to a Digital Economy. For making it all digital, Government has planned to digitize over one lakh villages, focus on Artificial Intelligence technologies and transform the country as a hub for smartphone and electric vehicle manufacturing. Government Policy has provided complete aid for the growth and liberalization of the consumer electronic manufacturing industry. The Indian consumer electronic manufacturing industry is steadfast on its growth route and following government policies have made an impact on the sector.

- **FDI Encouragement:** Free technical know-how fee, free royalty for technology transfer and no need of industrial licence under the automatic route has improved the inflow of FDI in the sector. In January 2018, the Government has approved 100% FDI in the electronics hardware manufacturing sector under the automatic route while FDI limit in single brand retail has been increased from 51% to 100%. FDI inflows for the year FY 2019 was 3,099 billion as compared to 2,889 billion in FY 2018, registering a growth rate of 7%.. The easy availability of manpower and large local market along with other readily available factors of production is attracting FDI in this sector.

- **Corporate Tax Reduction:** Government has reduced corporate tax from 30% to 25% for MSMEs with turnover of less than 2,500 million. This move is expected to benefit the micro, small and medium enterprises (MSMEs) in the consumer durables sector and will lead to expansion and improving competitiveness of the sector.

- **National Electronic Policy, 2019:** The government rolled out the National Electronic Policy 2019 in February



2019, which is expected to boost manufacturing of electronic goods within India. This policy is export focussed and aims at achieving a turnover of US\$ 400 billion, for the Electronic System Design and Manufacturing (ESDM) sector by 2025, while generating employment opportunities for one crore people. It would also facilitate “Make in India” project. The policy targets to make India a global hub for ESDM, apart from making electronics sector more competitive. The highlights of this policy include the following:

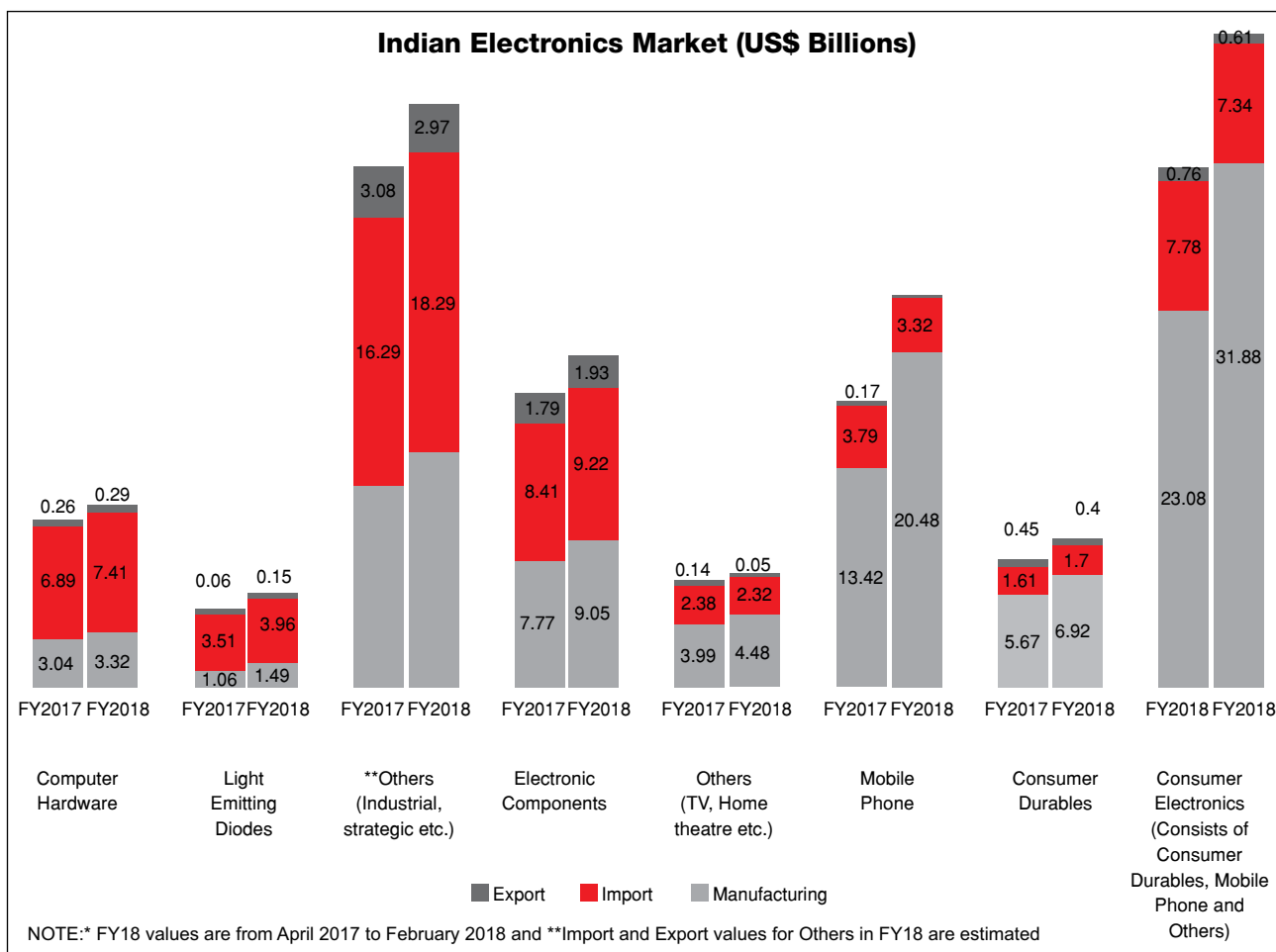
- Paving way for Path breaking research, support setting up of Centres of Excellence (CoE)
- Create Sovereign Patent Fund for promoting IP (Intellectual Property) acquisition in ESDM sector
- Enhancing Cyber security, Special packages for mega projects in India and Abroad.
- Leverage Government e-Marketplace to create demand for local goods

- **EPCG, EHTP schemes:** Under Export Promotion Capital Goods (EPCG) imports of capital goods are allowed to pay 3% customs duty. Under Electronic Hardware Technology Park (EHTP), benefits such as duty waivers and tax incentives are provided to the companies that replace certain imports with local manufacturing. Also the government introduced differential duty structure through Basic Custom Duty (BCD) and Preferred Market Access Policy.

- **Others:** Government has set-up Atal Innovation Mission (AIM) including Self-Employment and Talent Utilization (SETU) under NITI Aayog, Support for International Patent Protection in Electronics & Technology (SIP-EIT), Multiplier Grants Scheme, Electronics Development Fund, Modified special incentive package scheme (M-SIPS) to develop Domestic Ecosystem

**Sector Status Today**

The below FY 2017 and FY 2018 Electronics Industry Snapshot chart depicts the increasing growth in manufacturing, exports as well as imports in industry. All product segments have grown over the period, but Mobile phone segment have recorded the highest growth among all the segments. The industry expects to increase the exports and decrease the imports of electronic goods in coming years.



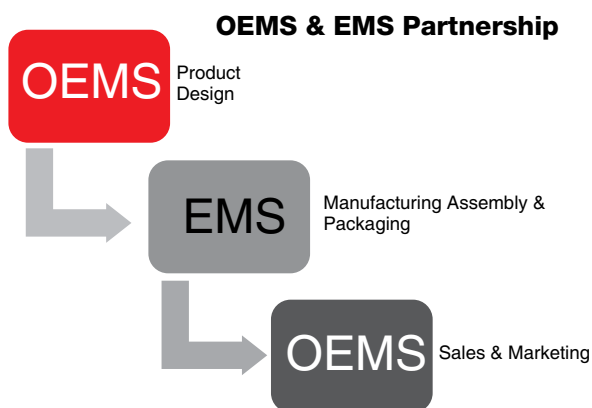
Source: NEC Technologies India Private Limited

**Industry Trends**

- **New Products & Innovation:** New products are being continuously introduced and several innovations are happening in existing offerings. The current products are being revamped with latest technologies. Major companies are facing the new dynamics and stepping up the innovation in the consumer electronics industry to produce new aspirational products such as High Definition TVs (HDTVs), Smart TVs, Inverter ACs, Hybrid Set top boxes etc.

- **Appliances on Rent:** In certain Urban areas, a new trend is developing wherein renting of appliances versus owning the appliance is gaining prominence. This may be due to free add-on services like relocation and periodic maintenance which are available on renting the appliances. Many start-ups have come up in this space and are offering rentals on appliances and consumer durable products.

- **Contract Manufacturing:** Outsourcing product manufacturing has been long established practices but is now becoming even more pronounced as it has proven to be economical and cost effective.
- **Consumer Finance and online purchase:** Growth in the ACE industry has been fuelled by strong demand of luxury consumer appliances products and shortening of product replacement lifecycles due to easy availability and affordability of finance schemes and E-retailing by online players.
- **Rural Expansion:** Producers are rapidly penetrating in rural areas as it is huge untapped market in India. The government is aiming to electrify 100% of villages and build 60,000 km of National Highways in next five years. Such schemes boost the rural economy are highly effective for the sector.
- **Increasing Prominence of New 'OEM-EMS' Dynamics:** The dynamics in the electronics manufacturing industry depends a lot on business relationships between original equipment manufacturers (OEMs) and electronics manufacturing services (EMS) providers. OEMs are increasingly moving product design and development processes to EMS partners. Simultaneously EMS companies are offering more design services for sub-assemblies and finished products



We at PGEL are well aware of the implications of the trends in the Industry and we believe company is well placed to reap benefits from the increased business opportunities from many new brands entering India as mentioned below:

Haier: Setting up a large plant worth 30,690 million in Greater Noida

Carrier-Midea: Setting up a large AC manufacturing plant near Pune

TCL: Setting up its 2nd largest TV manufacturing plant in India after China

Other companies like Apple, Oppo, Vivo and Xiaomi are also setting up their plants in India

### COMPANY OVERVIEW

PG Electroplast Limited (herein referred as the Company/ PGEL), is a part of PG Group and integrated player in the electronic consumer market, with the capability to do plastic injection moulding, PCB assembly and final integration of the products. Set up in 2003, based in Greater Noida, it partners with Original electronic manufacturers (OEMs) offering electronic manufacturing services (EMS) and automotive industry for a wide variety of electronic products as discussed in detail as follows.

**a) Plastic Moulding:** PGEL is a leading manufacturer of Plastic Moulded Parts for Indian consumer electronics and automotive industry. The company currently owns more than 150 moulding machines that range from 90T to 1850T operating in over four plants in Greater Noida and Ahmednagar. The Company specializes in different sizes be it small, medium or Big, high-precision and surface critical injection moulded aesthetic parts of components. PGEL covers a wide range of component moulding capabilities including Injection, Vertical, Blow moulding and Thermoset moulding thereby offering extensive product customisation for industries.

**b) PCB Assemblies:** The Company serves its customers with best in class interconnect solutions, for variety of printed circuit board assemblies that applies to Flat TVs, Smart TVs, Set Top Boxes and Multi Media Speakers for big Domestic and International brands.

**c) PU Paint Shop :** The Firm's PU paint shop based in Greater Noida is equipped with automated painting line to attend all kind of painting assignments.

**d) Final Product Assembly:** The Company provides end-to-end assembly solutions for final products like Set Top boxes, Washing Machines, Air Conditioners, Air-Coolers and LED TVs, in various industries with top class features like extended durability, effective performance, aesthetic looks, low power consumption, and cost effectiveness.

**e) Tool Manufacturing:** PGEL has equipped latest CAD (Computer Aided Design) & CAM (Computer Aided Manufacturing) facilities to assist highly experienced tool designers to meet any complex 3-D profiles requirements. The Firm develops small to medium size moulds for applications in Automotive Applications, White Goods, Home & Kitchen Appliances, Lighting and Electrical Equipment industries.

**f) ODM :** The Firm desires to be a complete Original Design Manufacturer and it's continuously undergoing backward and forward product integration process. Its newly launched Air cooler and Washing Machines are doing well and it is planning to include more product segments in future.

#### STRENGTHS:

**Leadership Presence:** Over decades company has established itself as a leading player in consumer durable industry viz. Washing Machines, Air conditioners, Refrigerators, Ceiling Fans and Sanitary ware products.

**Favourable Fiscal Policy:** The prime reason for OEs to source complete product from PGEL (or similar players) is due to, unfavourable import duties, currency depreciation that led to favouring local manufacturing rather than importing from China and other countries. This has bolstered the growth of local manufacturing services such as PGEL.

**Diversified Product Portfolio:** This widely ranged portfolio comprising of plastic moulded products, printed circuit boards, mobile and various types of kitchen appliances helps the Company to serve in consumer electronics, home and kitchen appliances and automotive industries, resulting in lower dependency on any particular sector.

**Strong & Reputed Client Base:** Deep relationships with reputed brands such as LG Electronics India, Whirlpool, SMR, Jaquar, Voltas, Orient Electric, Honeywell, Kohler, Havells, Carrier Midea, Haier, Crompton and Llyod has been established by the company.

#### STRATEGIES

**Eying to be an ODM:** The Company is all set to be an Original Design Manufacturer (ODM), where it would provide complete end-to-end solution to clients, right from product designs, moulded tools and manufacturing to final assembled products.

**Upscaling existing capacities:** Based on two broad pillars, strong balance sheet and grabbing large opportunities, the company is strategically investing in ramping up of capacities and capabilities to achieve higher scale and improved profitability.

**Operational efficiencies and margins growth drive:** The Company has performed well with better quality metrics and lower rejection ratios. It is continuously improving operational efficiencies and operating margins by constantly focussing on operational excellence, high value addition and higher profitability.

**Improved capital efficiencies:** The Company is vigorous about improving cash flows and maintaining optimised balance sheet in order to achieve better capital efficiencies and to improve return ratios.

#### HIGHLIGHTS FOR THE FY 2019:

FY 2019 revenue crossed the ₹ 5 billion mark.

PGEL has successfully launched second Model of Washing Machine under the newly started ODM model segment. Also the new products in UF thermoset moulding seat, Washing machine and Tool Room facility that were launched last year are also performing well.

Currently, It is in the process of setting up a plant for manufacturing 'cooling coil' (part of AC IDU – AC Indoor Unit) that would make PGEL and end-to-end solution provider to OEs for AC IDU. Till date the company is manufacturing only plastic unit of IDU and sourcing coil from third party and assembling the unit.

Tooling division saw good order execution and business grew 40% during the year.

Thermoset moulding division also seeing good traction and volumes picking up nicely.

Coolers in ODM model saw good pickup in FY 2019 with high double-digit volume growth.

Moreover, it is well ramping up the capacities in UF Toilet Seat making in coming quarters.

Company has been acquiring new strategic relationships across the product lines and has been scaling up the business with marquee names in consumer durable space.

Created a product showroom at their corporate office in Greater Noida to showcase their product capabilities.





## FINANCIAL REVIEW

PGEL recorded Revenue of ₹ 5,115.4 million in FY2019 as compared to ₹ 4,047.3 million in FY 2018, a growth of 26.4%. The Company has recorded strong revenue growth in the year despite NBFC crisis and slow economic growth in FY 2019.

Earnings before depreciation, Tax and Amortisation (EBIDTA) for the FY 2019 is ₹ 338.6 million as compared to ₹ 298.7 million in FY 2018, a growth of 13.4%. The EBIDTA margin has decreased to 6.6% in FY 2019, as compared to 7.4% in FY 2018. EBITDA margin declined by 76 basis points due to several start-up costs across new business lines and due to provisions made on account of Interest reversal of ICD's.

Net Profit for FY 2019 is at ₹ 99.4 million as compared to ₹ 74.9 million in FY 2018, a growth of 32.8%. The Net Profit margin has improved to 1.94% in FY 2019, as compared to 1.85% in FY 2018, an improvement of 9 basis points. The diluted Earnings per Share (EPS) for FY 2019 is ₹ 6.04 as compared to ₹ 4.69 in FY 2018, a growth of 28.8%.

During the year under review, ROE has improved to 6.6% in FY 2019 as compared to 5.9% in FY 2018, it improved by 74 basis points due to improvement in the profitability.

During the year under review, promoter directors' interest free loan of ₹ 280 million to PGEL, has been converted into ₹ 2.24 million equity shares on preferential basis. This has resulted in improvement of debt equity ratio and debt reduction thereby increasing the borrowing capacity of the Company. This has further strengthened the balance sheet of the Company.

## HUMAN CAPITAL

Human resources form the most significant element responsible for an uninterrupted growth for the Company. The Company makes all efforts in attracting, retaining, and developing the best talent required for the business to grow. The employee skills are regularly updated with training and development programmes. The Company enjoys high Employee satisfaction and motivation levels leading to higher retention and low attrition rates.

The Company's human resource and industrial relation policies focusses on working together with the employees for their personal and professional development and at the same time aligning their goals with that of the Company to create a win-win situation. PGEL ensures transparent, safe, healthy, progressive and engaging work environment for creating future leaders. Employees are infused with a sense of belongingness and empowerment that further drives business profitability. The Company has entered into an



agreement with Maruti Centre for Excellence (MACE) for Industrial, behavioural and safety related Trainings to empower employees.

## ENVIRONMENT, HEALTH AND SAFETY (EHS)

Environment, Health and Safety (EHS) forms an integral part of our business and are stringently adhered to, at all of the Company's processes. For attaining sustainable growth, Company is undertaking various initiatives; some of them are listed below:

- CO2 Flooded system installed at high risk Electric Panel and chemical area
- Daily/Weekly/Monthly/Quarterly Safety audits
- Disaster Management Organization
- Fire Control Room with Auto Zone wise Fire Control Panel
- Work Permit Issue system for Heavy duty machines operator
- Accident Monitoring Management
- Management review system for EHS activities
- The main goal behind all the initiatives is to promote safer, healthier and greener work environment by adopting efficient technologies.

## QUALITY

The Company is committed towards best in class quality control processes and systems to manufacture absolute quality products for highest customer satisfaction. In order to achieve this, the Company focuses on rigorous training and latest trending technologies.

Some of the initiatives towards quality controls are:

- System audit on quarterly basis
- Manufacturing audit on monthly basis
- Product audit on quarterly basis for each and every product
- Customer Audit as per standard customer requirements
- Supplier development program using monthly grading system

### INTERNAL CONTROL SYSTEM

The Company has strong and reliable internal financial reporting control system. As per the complexity of business operations, a well-planned internal control framework covers various aspects of governance, compliance, audit, control and reporting. High accuracy in recording and providing reliable financial & operational information along with meeting statutory compliances is ensured by following strict methods and procedures.

Internal controls are periodically reviewed by the internal auditors and re-examined by the management. The adequacy and effectiveness of internal control systems is actively audited by the Audit Committee and further improvement actions are taken for strengthening policies in accordance with the changes in the business dynamics as and when required.

### RISK AND MITIGATION

**Dependency Risk:** The Company is dependent on a countable number of clients that provide significant contribution in the revenues. Hence any disruption in business from any client could negatively affect the revenues of the Company.

**Mitigation Measures:** The Company is strategically acquiring more clients and enhancing client as well as product portfolio to decrease dependency risks on single client.

**Consumer Demand Pattern Risk:** Any change in end user's preferences, behaviour or usage pattern could adversely impact the growth prospects of the Company.

**Mitigation Measures:** The Company has zeal to always stay updated on dynamics in market and technological advancements thereby staying updated and ahead in industry's learning curve.

**Client Business Model Risk:** The Company's primary clients are OEM players, who outsource some of the products manufacturing or process to the Company to reduce their costs and achieve scale. In case of any change in their location of business or change in business model could adversely impact the Company's business model

**Mitigation Measures:** The Company's marketing team always stay updated about clients' requirements and business activities. The Company realigns its capex and opex plans with clients' business plans.

**Operational Risk:** It is vital for the Company to ensure high operational efficiency in order to ensure its competitiveness

**Mitigation Measures:** The management team closely handles the internal processes and ensures optimisation in energy conservation, technology absorption and capital efficiencies. The Company's internal control systems are designed to adhere to any size and nature of business complexity.

### CAUTIONARY STATEMENT

Statements in this document/discussion relating to future status, events, or circumstances, including but not limited to statements describing the Company's objectives, projections, estimates and expectations maybe 'forward looking statements' within the meaning of applicable laws and regulations. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those either expressed or implied in the statements. Important factors that could make a difference to your Company's operations include economic conditions affecting demand/supply and price conditions in the market in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.



# DIRECTORS' REPORT

## DEAR MEMBERS,

The Board of Directors have pleasure in presenting the Annual Report of the Company along with Audited Financial Statements, for the financial year ended 31<sup>st</sup> March, 2019.

### 1. FINANCIAL RESULTS:

(Rupees in Lakh)

Particulars	FY 2018-19	FY 2017-18
Revenue from Operations	50,853.30	41,278.67
Other Income	318.89	531.05
Total Income	51,154.19	41,809.72
Total Expenses	50,138.59	41,061.22
Profit before Tax	1,015.60	748.50
Total Tax Expenses	21.35	-
Profit for the year	994.25	748.50
Other Comprehensive Income	25.60	20.64
Total Comprehensive Income	1,019.85	769.14
EPS (Basis & Diluted) of Rs. 10/- each (with OCI)	6.20	4.69
EPS (Basis & Diluted) of Rs. 10/- each (without OCI)	6.04	4.56

### 2. PERFORMANCE OVERVIEW:

During the year under review, your company recorded Revenue of 51,154.19 lakh in FY 2018-19 as compared to 41,819.72 lakh in FY 2017-18, a growth of 23.1%. The Company has recorded strong revenue growth in the year despite NBFC crisis and slow economic growth in FY 2018-2019.

The Net Profit for FY 2018-19 is at 994.25 lakh as compared to 748.50 lakh in FY 2017-18, a growth of 32.7%. The Net Profit margin has improved to 1.96% in FY 2018-19 as compared to 1.81% in FY 2017-18.

The detailed operational performance of your Company is provided in the Management Discussion and Analysis Report forming part of this report.

### 3. ISSUE OF SHARES BY WAY OF PREFERENTIAL ALLOTMENT:

During the period under review, the Company has allotted 22,40,000 shares to its Promoter Directors- Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta on preferential basis. Following are the summary of the allotment of shares.

Date of Members approval through Postal Ballot	March 17, 2019												
Date of issue and allotment	March 25, 2019												
Method of allotment	Allotment of equity shares to promoter directors on preferential basis for which consideration money was adjusted against outstanding unsecured loan given by the promoter directors.												
Issue price, basis of computation of issue price	Issue price of Rs. 125/- The price of the Equity Shares was determined in accordance with the Regulation 164 of (ICDR) Regulations, 2018.												
Particulars of person to whom shares have been issued	The equity shares has been allotted to the Promoter Directors of the Company viz. Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta.												
Shareholding of promoters and promoter prior to allotment	61.95%												
No. of share allotted	22,40,000 equity shares of Rs. 10/- each												
Shareholding of promoter and promoter group post allotment	66.52%												
Post Issue Public Shareholding	33.48%												
Consideration details	Aggregate loan amount of Rs. 28 crores given by the promoter directors were converted into 22,40,000 equity shares at face value of Rs. 10/- each at an issue price of Rs. 125/- each which were allotted as following: <table border="1" data-bbox="1078 1521 1414 1809"> <thead> <tr> <th>Allotees</th> <th>Equity shares allotted</th> </tr> </thead> <tbody> <tr> <td>Mr. Promod Gupta</td> <td>5,00,001</td> </tr> <tr> <td>Mr. Anurag Gupta</td> <td>6,93,333</td> </tr> <tr> <td>Mr. Vishal Gupta</td> <td>5,23,333</td> </tr> <tr> <td>Mr. Vikas Gupta</td> <td>5,23,333</td> </tr> <tr> <td></td> <td><b>22,40,000</b></td> </tr> </tbody> </table>	Allotees	Equity shares allotted	Mr. Promod Gupta	5,00,001	Mr. Anurag Gupta	6,93,333	Mr. Vishal Gupta	5,23,333	Mr. Vikas Gupta	5,23,333		<b>22,40,000</b>
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Mr. Vikas Gupta	5,23,333												
	<b>22,40,000</b>												
Date of listing approval of NSE & BSE	NSE approval on April 05, 2019 and BSE on April 16, 2019												

### 4. TRANSFER TO RESERVE:

The Board of Directors of your company has decided not to transfer any amount to the Reserves, for the year under review.



## 5. DIVIDEND:

The Board of Directors of your company, after considering holistically and the relevant circumstances has decided that it would be prudent, not to recommend any Dividend for the year under review.

## 6. STATE OF THE COMPANY'S AFFAIRS:

### Business and its operations:

The Company is an Electronic Manufacturing Services (EMS) provider for Original Equipment Manufacturers (OEMs) of consumer electronic products in India. The Company manufactures and / or assemble a comprehensive range of consumer electronic components and finished products. The Company is a leading manufacturer of Plastic Molded Parts for Indian consumer electronics, sanitary ware and automotive industry with facilities like plastic moulding, thermoset moulding, plastic blow moulding, PCB assemblies, PU Paint shop, final product assembly and tool manufacturing. The Company extends end-to-end assembly solutions for final products like Set Top boxes, Washing Machines and Air-Coolers.

### Key business developments:

The revenue of the company has crossed Rs. 500 Crore mark in FY 2018-19. In addition to existing semi-automatic washing machine model of 6kg and 6.5kg, the Company has started manufacturing/assembly of second Model of semi-automatic washing machine viz 7.5kg, 8kg and 8.5kg under the newly started ODM model segment. The Company started full assembly of Room AC IDU and is seeing good response from clients. This business segment looks very promising and could be a big growth driver in coming years. Air Coolers in ODM model saw good pickup in FY19 with high double-digit volume growth. Thermoset moulding division and Tooling division are also seeing good traction and volumes picking up nicely.

Capital expenditure Activities: During the year, company has incurred Rs.6,331.66 lakh on capital expenditures which includes new addition to the fleet of injection moulding machines, Pick & place machine, new ODM model based moulds of Washing machines. Also Company has invested in construction of new building/floors which has increased the covered area.

Material changes and commitments: There have been no material changes and commitments, which affect the financial position of the company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

## 7. CREDIT RATING:

During the year, The Credit Rating Agency 'Brickwork Ratings India Pvt. Ltd.' has assigned to the Company, a long term rating "BWR BBB" on 01/10/2018.

## 8. INVESTOR EDUCATION AND PROTECTION FUND:

The Company did not have any outstanding amount of unclaimed/unpaid dividend and the corresponding shares.

## 9. MANAGEMENT:

**Directors:** No change has occurred in composition of Board of Directors during the year under review. However, the Board has appointed Mr. Pramod Chimmanlal Gupta (DIN-07066493) aged 47 years as an additional Director in capacity of Non-Executive Independent Director on 15/05/2019. His appointment as regular Independent has been recommended by the Board in ensuing Annual General Meeting.

Mr. Pramod Chimmanlal Gupta is a Chartered Financial Analyst (CFA) from The Association for Investment Management and Research (AIMR), USA. He did Post Graduation in Finance in the year 1999 from Indian Institute of Management (IIM), Lucknow and B-Tech (Hon) in Electronics & Communication in the year 1996 from Indian Institute of Technology (IIT), Kharagpur. He has over 20 years of experience in Indian Equity markets across brokerage firms, Mutual fund and Insurance Company. Currently he is involved in Business, Strategy and financial consulting to listed & unlisted companies and Investment advisory.

Further in compliance of regulation 17(1A) of SEBI (Listing Obligation & Disclosure Requirements) Regulation 2015, Shareholders, in an EGM held through postal ballot (Result declared on 17/03/2019), approved continuation of Mr. Ayodhya Prasad Anand (who has attained the age of seventy five years) as an Independent Director for rest of his tenure, i.e. till 10/08/2019. After that date, he shall cease to be a director of the Company.

Further During the reporting period, Mr. Promod Gupta (Managing Director), Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta (Whole time Directors) have been reappointed for three years from 15/07/2019 to 14/07/2022. Members have approved their appointment & Remuneration through special resolution in an EGM held through postal ballot (Result declared on 17/03/2019).

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

None of the Directors have incurred any disqualification on account of non-compliance with any of the provisions of the Act. During the year 2018-19, 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.

**Independent Directors:**

The Company has received declarations from each of the Independent Directors confirming that they meet 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.

The Board has recommended appointment of independent Directors- Mr. Sharad Jain, Mr. Devendra Jha & Dr. Rita Mohanty for another term of five years because of their valuable contribution to the Company.

Mr. Sharad Jain is a Chartered Accountant and a Fellow Member of the Institute of Chartered Accountants of India (ICAI). He has experience of over 34 years in Financial & Strategic Planning, Taxation, Accounting, Budgeting and Auditing.

Mr. Devendra Jha holds an engineering degree from IIT. He has a rich experience of over 34 years in Planning, Project Management, Business Development, Techno-commercial evaluation and Construction Finance.

Dr. Rita Mohanty holds a Degree of Bachelor of Medicine, Bachelor of Surgery (MBBS) and Doctor of Medicines (MD) (OBS & GYNAE). She had retired after 30 years of service under Central Government Health Scheme, Ministry of Health & Family Welfare. She is an expert in Administration & Public Relation.

The Board considers their continued association would be of immense benefit to the Company in terms of their knowledge, experience, performance and their valuable contribution to the Board.

**Key Managerial Person:**

With effect from 17/04/2018, Mr. Mahabir Prasad Gupta has been appointed as Chief Financial Officer and Mr. Sanchay Dubey has been appointed as Company Secretary. Mr. Rahul Kumar has resigned from position of Company Secretary w.e.f. 16/04/2018.

**10. MEETINGS OF BOARD OF DIRECTORS & ITS COMMITTEES.**

Six meetings of the Board of Directors were held during the period under review. For details of Composition & Meetings of the Board and its Committees, please refer to the Report on Corporate Governance, which forms part of this Report as Annexure I.

During the year, no such instances occurred that the Board has not accepted any recommendation of the Audit Committee,

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

The Board has carried out a formal annual evaluation of performance of the Board itself, 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 evaluation of individual Directors including chairman was done by the Directors other than the one being evaluated by Board & Nomination Remuneration Committee. For evaluation of Board itself & its Committee, the Board followed internal evaluation methodology, which was based on criteria set by the Nomination and Remuneration Committee. Following are details of observations & actions (pursuant to SEBI circular dated 10<sup>th</sup> May, 2018)

- i. Observations of board evaluation carried out for the year: Except for the matters relating to Unpublished Price Sensitive Information, agenda of Board and committee meetings is given to all directors and members at least 7 days before the date of meeting. The Board observed that the agenda of the Board and committee meetings should be given atleast 10 days before the date of meetings.

The Board evaluated the performance of every other director of the company and each member of the committee and expressed satisfaction over their performance.

Further, the Independent Directors also, at their separate meeting held on 12/02/2019 assessed the quality, quantity and timeliness of flow of information between the company management and the Board. They expressed satisfaction over the said subject matter.

The details of program for familiarization of Independent Directors of your Company are available at webpage [http://www.pgcl.in/PDF/Familiarisation\\_Program\\_ID.pdf](http://www.pgcl.in/PDF/Familiarisation_Program_ID.pdf).



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

Corporate Governance Report and Management Discussion & Analysis Report as stipulated under SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 which forms integral part of this report, are presented as 'Annexure I' & on page no. 25-32 respectively. Compliance certificate on corporate Governance, issued by M/s Rahul K Tanmay & Associates, Practicing Company Secretary also form a part of the said Corporate Governance Report.

**13. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:**

The Company has adopted a Nomination and Remuneration Policy. Salient features of this policy are attached as 'Annexure II' to this report.

**14. REMUNERATION OF DIRECTORS AND 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 III' forming part of this report.

During the period under review, The Managing/Whole time Director of the company was not in receipt of any commission from the company.

**15. 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 for the Financial Year 2018-19, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) They 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) They 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) They had prepared the annual accounts on a going concern basis; and

e) They 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) They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

The Company has developed & implemented a Risk Management framework 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.

**17. STATUTORY AUDITORS & THEIR REPORT:**

The Report of Statutory Auditor's - M/s Chitresh Gupta & Associates, on Financial Statements, for the year ended on 31<sup>st</sup> March 2019, does not contain any qualification, reservation, adverse remarks, disclaimer or observations. The report is self-explanatory and do not call for any further clarifications. No fraud has been reported by the Auditor.

**18. SECRETARIAL AUDIT & THEIR REPORT:**

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 Rahul K Tanmay & Associates, Practicing Company Secretary, for conducting secretarial audit of Company for the financial year 2018-19. Their report is annexed with Board Report as 'Annexure IV'. The Secretarial auditor's report does not contain any qualification, reservation, adverse remarks, disclaimer or observations except following:

The Auditors mentioned about Order dated 02.08.2017, passed by the Adjudicating Officer of Securities & Exchange Board of India, please refer para 11 (ii) of corporate governance report for explanations.

They have also written about requirements of registration under E-Waste (Management) Rules, 2016 and Plastic Waste (Management and Handling) Rules, 2011 including amendments thereof. The Company has applied for registration as manufacturer (not being producers or brand owner as defined in the said rule) under E-Waste (Management) Rules and the registration has not yet been received by the Company during the financial year ended on 31<sup>st</sup> March 2019.

Other parts of this report are self-explanatory and do not call for any further clarifications.

**19. COST AUDITORS:**

The Board of Directors have re-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 2019-20 and recommends ratification of their remuneration by the shareholders at the ensuing annual general meeting.

**20. DISCLOSURES RELATING TO SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES:**

The Company does not have any subsidiary, associate or joint venture Company.

**21. DEPOSITS:**

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

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

During the financial year 2018-19, 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.

**23. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

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

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) Regulations 2015 & policy of the Company.

All related party transactions entered by your Company, during the year under review, were approved by the Audit Committee. Prior omnibus approval has been 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>.

**24. CORPORATE SOCIAL RESPONSIBILITY (CSR):**

Brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the financial year are set out in 'Annexure VI' to this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

CSR Policy, adopted by the Company, is available on its website at link <http://www.pgel.in/PDF/CSRPOLICY.pdf>.

**25. VIGIL MECHANISM:**

The Company has established a Vigil Mechanism / Whistle Blower Policy for dealing with instances of fraud & mismanagements. All Employees of the Company and various stakeholders of the company can make Protected Disclosures in writing or through mail in relation to matters concerning the Company/ unethical behavior/ actual or suspected fraud/ violation of codes & policies of the Company.

Your Company hereby confirm that no directors/ employee have been denied access to the chairman of



the Audit Committee. There was no complain received through the said mechanism during the financial year 2018-19.

The Vigil Mechanism or whistle blower policy may be accessed at web-link <http://www.pgel.in/PDF/VigilMechanismWhistleBlowerPolicy.pdf>.

**26. EXTRACT OF ANNUAL RETURN:**

The Extract of Annual Return in prescribed form MGT-9 is enclosed as 'Annexure VII'. Annual Return is also available on web link [http://www.pgel.in/PDF/Annual\\_Return\\_2018-19.pdf](http://www.pgel.in/PDF/Annual_Return_2018-19.pdf).

**27. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING & OUTGO:**

**(A) Conservation of Energy:**

The key focus area in our operations is conservation of energy. We endeavor to conserve energy and continuously make efforts to optimize use of fuels, power & water. The following steps have been taken for conservation of energy:

- a) The Company has installed variable frequency drivers in all electric motors which have helped sustain a lower power factor.
- b) Using inverter technology to control the speed of the compressor's motor in the AC plant better temperature regulation has been achieved and has hence reduced energy consumption.
- c) Shop floors which run manufacturing process have been transitioned to LED highbay lights which have further reduced the energy costs by about 60%.
- d) The Company purchased several Injection Moulding Machines that use Servo-Hybrid Technologies which use 60% less power than older Injection Moulding Machines.
- e) A turbo ventilation system has been installed on all roofs which has reduced the use of exhaust fans.
- f) The Company is also maintaining a power factor of about close to 1.
- g) All street lights & main machine flow highbay lights have been substituted for greener LED alternatives.
- h) The Company continuously evaluate new technologies and techniques to make

infrastructure more energy efficient.

**(B) Technology absorption:**

In striving for continuous excellence in technology and best quality product, several initiatives have been taken:

- a) The bigger moulding machines on the shop floor have been fitted with an automatic conveyor line, thereby reducing production cost while enhancing product quality.
- b) With technology from Hoti (Xiamen) Plumbing Inc, the company UF thermoset moulding seat facility, giving it new manufacturing capabilities.
- c) New Blow Moulding Equipment has also been installed.
- d) Additional PCB & SMT assembly-cum-automation machines have been purchased thereby increasing production capacity.
- e) Industrial robots are being installed on injection moulding machines which will reduce manpower cost.
- f) Injection moulding machines with servo drive technology have been added to the facilities.

These initiatives will help the Company to manufacture cheaper and more durable products.

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

(Rs in Lakhs)

Particulars	2018-19	2017-18
Foreign Exchange Earnings	-	4.50
Foreign Exchange Outgo	2,724.16	1,801.26

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

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 Rs 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 15(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 found that the Hon'ble SAT (Order dated August 30, 2016) has not found any merit in the said allegations. The Company has filed appeal before SAT against said adjudication order and the matter is pending.

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

There is no material change and commitment occurred between 31<sup>st</sup> March, 2019 and date of this report, which may affect financial position of the Company.

**30. COMPLIANCE OF APPLICABLE SECRETARIAL STANDARD:**

During the reporting period, your company has duly complied with all applicable secretarial standards.

**31. DISCLOSURES PERTAINING TO THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE**

**(PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The company has complied with the provision relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The company has in place a Policy for prevention of Sexual Harassment at the Workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed of during the year:

- (a) Number of complaints pending at the beginning of the year: NIL
- (b) Number of complaints received during the year: NIL
- (c) Number of complaints disposed off during the year: NIL
- (d) Number of cases pending at the end of the year: NIL

**ACKNOWLEDGMENT**

The Directors thank the Company's employees, customers, vendors, business associates investors and all stakeholders for their continuous support. The Directors also thank the Government of India, Governments of various states in India, Governments of various countries and concerned Government departments and agencies for their co-operation. The Directors appreciate and value the contribution made by every member of the PG Group.

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

**(Mr. Promod Gupta)**

**Chairman**

DIN: 00181800

B-15, Kalindi Colony,

Delhi-110065

**(Mr. Vishal Gupta)**

**Director**

DIN: 00184809

B-15, Kalindi Colony,

Delhi-110065

Date: 15/05/2019  
Place: Greater Noida



## REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2018-19

[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 way, the Company run.

Judgment 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 boards to 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 31<sup>st</sup> March, 2019 is as set out hereunder:

### 2) BOARD OF DIRECTORS:

#### a) Composition and category of directors

Composition as on 31<sup>st</sup> March 2019-

Name	Designation	Category
Promod Gupta	Managing Director	Promoter, Executive
Anurag Gupta	Whole time Director	Promoter, Executive
Vishal Gupta	Whole time Director	Promoter, Executive
Vikas Gupta	Whole time Director	Promoter, Executive
Devendra Jha	Director	Independent Non-Executive
Sharad Jain	Director	Independent Non-Executive
Ayodhya Prasad Anand	Director	Independent Non-Executive
Rita Mohanty	Director	Independent Non-Executive

During the period under review, no change was occurred in the Composition of the Board.

In board meeting held on 15/05/2019, Mr. Pramod Chimmanlal Gupta has been appointed as additional director in capacity of Independent Non-Executive Director.

#### b) Dates of Board Meetings (BM) held and Attendance of each Director at the meeting and the last Annual General Meeting (AGM):

Name of the Directors	BM held on 16/04/2018	BM held on 25/05/2018	BM held on 11/08/2018	BM held on 13/11/2018	BM held on 12/02/2019	BM held on 25/03/2019	AGM held on 29/09/2018
Promod Gupta	Yes	Leave of absence	Yes	Yes	Yes	Yes	Yes
Anurag Gupta	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Vishal Gupta	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Vikas Gupta	Yes	Leave of absence	Yes	Yes	Yes	Yes	Yes

Name of the Directors	BM held on 16/04/2018	BM held on 25/05/2018	BM held on 11/08/2018	BM held on 13/11/2018	BM held on 12/02/2019	BM held on 25/03/2019	AGM held on 29/09/2018
Devendra Jha	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Sharad Jain	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Ayodhya Prasad Anand	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Rita Mohanty	Leave of absence	Yes	Yes	Yes	Yes	Yes	Leave of absence

c) **Number of Board Meetings (BM) held and attended by each director during the financial year 2018-19:**

Name of the Directors	Number of BM held and entitled to attend	Number of BM attended
Promod Gupta	6	5
Anurag Gupta	6	6
Vishal Gupta	6	6
Vikas Gupta	6	5
Devendra Jha	6	6
Sharad Jain	6	6
Ayodhya Prasad Anand	6	6
Rita Mohanty	6	5

d) **Number of other board of directors or committees etc.:**

Name of the Directors	Number of other board of directors in which a director is a -		Number of other committees in which a director is a		Names of the listed entities where the person is a director and the category of directorship
	Member	Chairperson	Member	Chairperson	
Promod Gupta	2	1	0	0	Nil
Anurag Gupta	4	2	0	0	Nil
Vishal Gupta	4	1	0	0	Nil
Vikas Gupta	5	1	0	0	Nil
Devendra Jha	1	0	0	0	Nil
Sharad Jain	0	0	0	0	Nil
Ayodhya Prasad Anand	1	0	0	0	Nil
Rita Mohanty	0	0	0	0	Nil

e) **Disclosure of relationships between directors inter-se:**

Except Mr. Promod Gupta (MD), Mr. Anurag Gupta, Mr. Vikas Gupta and Mr. Vishal Gupta, (WTDs) who are related to each other as family members, no relationship exists among other directors.

f) **Number of shares and convertible instruments held by non- executive directors:**

Name of Directors	Number of shares	Number of convertible securities
Devendra Jha	Nil	Nil
Sharad Jain	Nil	Nil
Ayodhya Prasad Anand	Nil	Nil
Rita Mohanty	Nil	Nil



**g) Web link where details of familiarisation programmes imparted to independent directors is disclosed:**

The details of model of familiarization program are available on link [http://www.pgel.in/PDF/Familiarisation\\_Program\\_ID.pdf](http://www.pgel.in/PDF/Familiarisation_Program_ID.pdf).

**h) Skills/expertise/competence:**

The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments
Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.
Technical skills	Technical/professional skills and specialist knowledge to assist with ongoing aspects of the board's role.
Behavioural	The attributes and competencies enabling individual board members to use their knowledge and skills to function well as team members and to interact with key stakeholders.
Forward and Conceptual Thinking	Ability to anticipate the implications and consequences of situations and take appropriate action to be prepared for possible contingencies and ability to find effective solutions by taking a holistic, abstract, or theoretical perspective.

**i) Confirmation:**

In the opinion of the board, the independent directors fulfill the conditions specified in the SEBI (LODR) Regulations 2015 and are independent of the management.

Further 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.

**3) AUDIT COMMITTEE:**

**Brief term of reference:** Term of reference of Audit Committee includes 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:**

During the year 2018-19, five (5) meetings of the Audit Committee took place on following date: -

- (1) 16/04/2018 (2) 25/05/2018 (3) 11/08/2018 (4) 13/11/2018 (5) and 12/02/2019.

**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
Sharad Jain	Chairman	Non-Executive Independent Director	5
Devendra Jha	Member	Non-Executive Independent Director	5
Ayodhya Prasad Anand	Member	Non-Executive Independent Director	5
Vishal Gupta	Member	Executive Director	5

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 29/09/2018.

During the year 2018-19, there are no instances in which Board has rejected any recommendations made by Audit Committee.

#### 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, 2019, Committee comprises of three Non-Executive Independent Directors. The Company Secretary acts as a secretary to the Committee.

The composition of the Nomination & Remuneration Committee as at 31<sup>st</sup> March 2019 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	Yes
Mr. Ayodhya Prasad Anand	Independent Director	Member	Yes
Dr. Rita Mohanty	Independent Director	Member	Yes

One (1) meeting of the Committee took place on 12/02/2019 during the financial year 2018-19.

#### **Performance evaluation criteria for Independent Directors:**

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

Whether they-

- act objectively and constructively while exercising their duties;
- exercise their responsibilities in a bona fide manner in the interest of the company;
- devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- 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;
- refrain from any action that would lead to loss of his independence;
- inform the Board immediately when they lose their independence;
- assist the company in implementing the best corporate governance practices;
- 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 2019 has been provided in following tables:

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

Name of the Directors	Salary and Perquisites	Name of other component of remuneration	Bonus/Commission/ Stock Option/ Performance Linked Incentive	Total
Promod Gupta	77.76	-	Nil	77.76
Anurag Gupta	77.76	-	Nil	77.76
Vishal Gupta	77.76	-	Nil	77.76
Vikas Gupta	77.76	-	Nil	77.76
<b>Total</b>	<b>311.04</b>	<b>-</b>	<b>Nil</b>	<b>311.04</b>

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

Name of the Directors	Sharad Jain	Devendra Jha	Ayodhya Prasad Anand	Rita Mohanty	Total Sitting Fees
Sitting Fees	2.20	1.90	1.90	1.40	7.40
Other	0	0	0	0	0

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

Services of the Managing Director and Executive Director may be terminated by either party, giving the other party six months' notice or the Company paying six months' salary in lieu thereof. There is no separate provision for payment of severance pay.

**6. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

Companies' Stakeholders Relationship comprises of three members.

- a. Sharad Jain (Chairman, Non-Executive Independent Director),
- b. Promod Gupta and
- c. 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	0	0

Name and Designation of Compliance Officer: Mr. Sanchay Dubey

Mailing Address: PG Electroplast Limited, P-4/2 to4/6, Site B, UPSIDC Industrial Area, Surajpur, Greater Noida, Dist. Gautam Budh Nagar, (U.P.) PIN-201306

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

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

The Board of the Company has three more Committees, namely IPO Committee, CSR Committee and Executive Committee, details of which are as follows:

Name of the Committee	Term of reference (Brief)	Composition Other details
CSR Committee	<p>A. Formulation and recommendation to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject specified in Schedule VII of the Companies Act, 2013,</p> <p>B. To recommend the amount of expenditure to be incurred on the activities referred in above mentioned Para A,</p> <p>C. Monitoring CSR Policy of the company from time to time, and</p> <p>D. Any other matter as the CSR Committee may deem appropriate after approval of Board of Directors or as may be directed by the Board of Directors from time to time.</p>	<p>1. Rita Mohanty, Non-Executive Independent Director (Chairperson)</p> <p>2. Promod Gupta, Executive Director (Member)</p> <p>3. Vishal Gupta, Executive Director (Member)</p>
Executive Committee	Board has delegated certain powers to Executive Committee, 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 first meeting held after meeting of executive Committee.	<p>1. Anurag Gupta, Executive Director (Chairperson)</p> <p>2. Promod Gupta, Executive Director (Member)</p> <p>3. Vishal Gupta, Executive Director (Member)</p> <p>4. Vikas Gupta, Executive Director (Member)</p>

**7. GENERAL BODY MEETINGS**

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

Annual General Meeting	Date and Time	Location	Special Resolution
16 <sup>th</sup> Annual General Meeting	29.09.2018 at 10.30 A.M.	Auditorium, Asia Pacific Institute of Management, No. 3 & 4 Institutional Area, Jasola, Opp. Sarita Vihar, New Delhi - 110025	Nil
15 <sup>th</sup> Annual General Meeting	26.09.2017 at 11:30 A.M.	Auditorium, Ghalib Institute, Aiwan-E-Ghalib Marg, New Delhi-110002	Nil
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

During the financial year 2018-19, the company convened EGM through Postal Ballot to accord approval of shareholders of the company for following special resolutions:

- 1) Issue of equity shares to the Promoters on preferential basis upon conversion of outstanding unsecured loan.
- 2) Re-appointment and remuneration of Mr. Promod Gupta as Managing Director.
- 3) Re-appointment and remuneration of Mr. Anurag Gupta as Whole-Time Director.
- 4) Re-appointment and remuneration of Mr. Vishal Gupta as Whole-Time Director.
- 5) Re-appointment and remuneration of Mr. Vikas Gupta as Whole-Time Director.
- 6) Continuation of Directorship of Mr. Ayodhya Prasad Anand, Non-executive Independent Director aged above 75 years.

Date of Postal Ballot Notice: 12/02/2019

Date of shareholders' approval: 17/03/2019

Date of declaration of postal ballot results (including e-voting): 18/03/2019



All special resolutions were passed by requisite majority.

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

**16<sup>th</sup> Annual General Meeting: NIL**

**15<sup>th</sup> Annual General Meeting: NIL**

**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.

**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 & official news release 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 Company upload all official news releases and the presentations made by the Company to analysts and institutional investors, on website of Stock Exchange as well as on its website [www.pgel.in](http://www.pgel.in).

**9. GENERAL SHAREHOLDERS INFORMATION:**

**a) AGM: Date, time & Venue:** 09.08.2019 at 11.00 A.M. at Auditorium, Asia Pacific Institute of Management, No. 3 & 4 Institutional Area, Jasola, Opp. Sarita Vihar, New Delhi - 110025

**b) Financial Year:** April 01, 2018 to March 31, 2019.

**c) Dividend payment date:** Dividend has not been declared by the Board during the year.

**d) Name & Address of Stock Exchange:** Equity shares are listed on BSE & NSE.

BSE Limited PJ Towers Dalal Street Mumbai- 400001	National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051
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Board of Directors does hereby confirm that the Listing fees for the financial year 2018-19 & 2019-20 have been paid.

**e) Stock Code: ISIN No. INE457L01011**

Scrip Code in BSE	533581
Scrip Symbol in NSE	PGEL



- f) **Market Price Data:** Monthly High & Low of Stock Prices (in Rs./share) of the Company in BSE & NSE during each month in financial year Ended 31<sup>st</sup> March, 2019 are as under:

Month	NSE		BSE	
	High Price	Low Price	High Price	Low Price
Apr-18	337.65	273.50	340.00	273.50
May-18	300.00	209.00	299.00	210.75
Jun-18	254.95	186.35	254.65	187.00
Jul-18	220.85	167.00	220.00	167.95
Aug-18	199.50	165.50	200.00	162.15
Sep-18	194.45	123.65	190.10	126.30
Oct-18	139.70	102.60	144.90	104.50
Nov-18	112.50	85.35	111.70	86.00
Dec-18	123.40	90.20	122.70	86.50
Jan-19	129.40	86.35	129.55	87.00
Feb-19	92.60	70.05	92.50	70.00
Mar-19	99.80	73.95	99.65	74.20

- g) **Performance in comparison to broad based indices:**

(in Rs./share)

Month	S&P BSE Small Cap Closing	PGEL Share Closing	% change in closing value of S&P BSE Small Cap Index w.r.t. previous month	% change in closing value of PGEL share w.r.t. previous month
Apr-18	18401.67	274.45	8.28	-13.12
May-18	17249.45	240.90	-6.26	-12.22
Jun-18	16032.15	189.45	-7.06	-21.36
Jul-18	16584.16	172.50	3.44	-8.95
Aug-18	17193.20	172.20	3.67	-0.17
Sep-18	14430.68	129.05	-16.07	-25.06
Oct-18	14201.37	108.05	-1.59	-16.27
Nov-18	14427.16	104.90	1.59	-2.92
Dec-18	14706.69	100.00	1.94	-4.67
Jan-19	13926.22	89.05	-5.31	-10.95
Feb-19	13689.84	85.20	-1.70	-4.32
Mar-19	15027.36	81.10	9.77	-4.81

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

KARVY FINTECH 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:**

Transfers of equity shares in electronic form are affected through the depositories with no involvement of the Company. 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 2019:**

S. No.	Category	No. of Shareholders	% to holders	No of Shares held	% Shares
1	1 - 5000	4,805	84.34	5,29,118	3.22
2	5001 - 10000	398	6.99	3,16,741	1.93
3	10001 - 20000	231	4.05	3,44,204	2.11
4	20001 - 30000	66	1.16	1,73,842	1.06
5	30001 - 40000	40	0.70	1,41,268	0.86
6	40001 - 50000	37	0.65	1,69,545	1.03
7	50001 - 100000	53	0.93	3,76,456	2.29
8	100001 & ABOVE	67	1.18	1,43,63,158	87.50
	<b>Total:</b>	<b>5,697</b>	<b>100.00</b>	<b>1,64,14,332</b>	<b>100.00</b>



22,40,000 equity shares were allotted on 25/03/2019 to the promoter directors pursuant to conversion of outstanding unsecured loan given by them to the company. These shares were listed on NSE and BSE on 05/04/2019 and 16/04/2019, respectively. Trading approval of NSE and BSE received on 26/04/2019.

- 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 Demat facility.

CONTROL REPORT AS ON 31/03/2019				
S. No.	Description	No. of Holders	Shares	% To Equity
1	PHYSICAL	5	51	0.00
2	NSDL	2771	14029573	75.21
3	CDSL	2921	2384708	12.78
4.	Unlisted Shares*	4	2240000	12.01
	<b>Total:</b>	5697	18654332	100.00

\*22,40,000 equity shares were allotted on 25/03/2019 to the promoter directors pursuant to conversion of outstanding unsecured loan given by them to the company. These shares were listed on NSE and BSE on 05/04/2019 and 16/04/2019, respectively. These equity shares were credited to the respective allottees account(s) in the NSDL system on 25/04/2019. Trading approval of NSE and BSE received on 26/04/2019.

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

\*Roorkee plant is non-operational.

- o) Address for correspondence:**

P-4/2 to 4/6, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida, Dist. Gautam Budh Nagar, (U.P.),  
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:**

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 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. 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. Copy of order is available on link [https://www.sebi.gov.in/enforcement/orders/aug-2017/adjudication-order-in-respect-of-pg-electroplast-limited-its-directors-and-91-entities-in-the-matter-of-pg-electroplast-limited\\_35504.html](https://www.sebi.gov.in/enforcement/orders/aug-2017/adjudication-order-in-respect-of-pg-electroplast-limited-its-directors-and-91-entities-in-the-matter-of-pg-electroplast-limited_35504.html).

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 found that the Hon'ble SAT (Order dated August 30, 2016) has not found any merit in the said allegations. The Company has filed appeal before SAT against said adjudication order and the matter is pending.

- 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 malpractices 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.
- viii.** Details of utilization of funds raised through preferential allotment:

During the year, the company has allotted 22,40,000 equity shares on preferential basis to Promoter Directors viz. Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta pursuant to conversion of outstanding loan of Rs.2800 lakh given by them to the Company. The Company has taken above said loan to meet its various financial requirements like repayment of loan to banks, capital expenditure, working capital requirements, etc.

Sl. No.	Name of the Allottees	Amount of loan given by the Promoters (In Rs.)	Amount adjusted with respect to allotment (In Rs.)	No. of shares allotted
1	Promod Gupta	7,97,28,977	6,25,00,125	5,00,001
2	Anurag Gupta	10,50,40,000	8,66,66,625	6,93,333
3	Vishal Gupta	8,20,89,294	6,54,16,625	5,23,333
4	Vikas Gupta	8,20,60,794	6,54,16,625	5,23,333
	<b>Total</b>	<b>34,89,19,065</b>	<b>28,00,00,000</b>	<b>22,40,000</b>

- ix. Total fees for all services paid by the listed to the statutory auditor: Particulars of payments to M/s Chitresh Gupta & Associates, Chartered Accountant, Statutory Auditors of the Company is given below: -

Particulars	Amount in Rs/Lakh.
Audit fee	3.50
Tax audit	1.00
Limited review fee	9.50
<b>Total</b>	<b>14.00</b>

- x. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
- Number of complaints pending at the beginning of the year: NIL
  - Number of complaints filed during the year: NIL
  - Number of complaints disposed off during the year: NIL
  - Number of cases pending at the end of the year: NIL

**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:**

- The Internal Auditors are authorized to report directly to the Audit Committee.

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

The Company is in 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 except following:

Between 25/05/2018 to 11/08/2018 one member of the Nomination & Remuneration Committee (NRC) was not Non-executive.

**Justification-**The Nomination and Remuneration Committee was reconstituted on 11/08/2018 in the meeting of Board of Directors. Now all the members are Non-Executive & Independent Director.

Prior to 25/05/2018, Mr. Promod Gupta was member of the NRC Committee in capacity of Chairman of the Company. However, on 25/05/2018, Mr. Anurag Gupta was appointed as Chairman, thus because of this appointment Mr. Promod Gupta become ineligible to continue as member of the committee by operation of law. Further since full strength of Board was not present in meeting of 25/05/2018, Decision regarding reconstitution of NRC Committee could not be taken".

**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.

**For PG Electroplast Limited**

**(Mr. Promod Gupta)**  
**Managing Director**  
 DIN:00181800  
 B-15, Kalindi Colony,  
 Delhi-110065

**(Mr. Vishal Gupta)**  
**Whole Time Director**  
 DIN: 00184809  
 B-15, Kalindi Colony,  
 Delhi-110065

Date: 15/05/2019  
 Place: Greater Noida

## 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 2019 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: 15/05/2019  
Place: Greater Noida

**(Mr. Promod Gupta)**  
**Managing Director**  
DIN:00181800  
B-15, Kalindi Colony,  
Delhi-110065

### PRACTICING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

**To the Members of**

**PG Electroplast Limited**

We have examined the compliance of the conditions of Corporate Governance by PG Electroplast Limited ('the Company') for the year ended on March 31, 2019, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with 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 the explanations given to us, and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2019 except-

Between May 25, 2018 to August 11, 2018, one member of the Nomination & Remuneration Committee (NRC) were not Non-executive.

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

#### **Restriction on use**

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

**For Rahul K Tanmay & Associates**

Signature:  
**Name of the Practicing Company Secretary: -**  
Rahul Kumar  
ACS/ FCS No.: A32729  
C P No.: 20656

Place: New Delhi  
Date: 15/05/2019



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

## Compliance Certificate

**(Under Regulation 17(8) of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015)**

We, Promod Gupta - Managing Director, Vishal Gupta – Whole-Time Director-Finance & Mahabir Prasad Gupta – Chief Financial Officer certify that:

- A. We have reviewed financial statements and the cash flow statement for the year 2018-19 and that to the best of their 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;
  - 2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; 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.

For **PG Electroplast Limited**  
**Managing Director**

For **PG Electroplast Limited**  
**Whole-Time Director-Finance**

For **PG Electroplast Limited**  
**Chief Financial Officer**

Date: 13/05/2019  
Place: Greater Noida

## 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 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.



## Annexure-III

**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	42.89	1. The median remuneration of employees of the Company was Rs. 1,81,304.35/- per annum.
Mr. Anurag Gupta	42.89	
Mr. Vishal Gupta	42.89	2. For this purpose, Sitting Fees paid to the Directors & remuneration to Executive Directors has not been considered as remuneration.
Mr. Vikas Gupta	42.89	

- (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	7.02
Mr. Anurag Gupta	Whole Time Director	7.02
Mr. Vishal Gupta	Whole Time Director	7.02
Mr. Vikas Gupta	Whole Time Director	7.02

Mr. Mahabir Prasad Gupta, Chief Financial Officer and Mr. Sanchay Dubey, Company Secretary were appointed w.e.f. 17/04/2018.

- (iii) The percentage increase in the median remuneration of employees in the financial year: 8.19%
- (iv) The number of permanent employees on the rolls of company as on 31<sup>st</sup> March, 2019: 917
- (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
Mrs. Sudesh Gupta	Senior Manager
Mrs. Neelu Gupta	Senior Manager
Mrs. Sarika Gupta	Senior Manager
Mrs. Nitasha Gupta	Senior Manager
Mr. Bhawa Nand Choudhary	Chief Operational Officer
Mr. Rajeev Kumar Ratra	Factory Head - Unit-1
Mr. Ram Kumar	DGM - Operations
Mr. Mahabir Prasad Gupta	Chief Financial Officer
Mr. Vikas Koul	Factory Head - Unit-4
Mr. Bharat Bhushan Batra	DGM-Works

- (viii) There was no employee in the Company, who was in receipt of remuneration for the year 2018-19 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 F.Y. 2018-19.

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

**For the Financial Year Ended On 31st March 2019**

*[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 compliances 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 – 1**'; We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 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, 2019 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) Depositories Act, 1996 and the Regulations and Byelaws 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) Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') including: -
  - 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - e) 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
4. E-Waste (Management) Rules, 2016

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- BSE Limited & National Stock Exchange of India Limited.

We have made report on compliance under SCRA and SEBI Act, rules and regulations made thereunder in SECRETARIAL COMPLIANCE REPORT, annexed as '**Annexure 2**' of this report.

In respect of applicable laws other than SCRA and SEBI Act, rules and regulations made thereunder, We report that 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:

- The Company is required to obtain authorization under E-Waste (Management) Rules, 2016 and Plastic Waste (Management and Handling) Rules, 2011 and subsequent amendment(s) read with Plastic Waste Management (Amendment) Rules, 2018. However, as per information and documents provided by the Management, The Authorization required under the rule is yet to be obtained.

**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 Directors during the financial year ended on 31<sup>st</sup> March, 2019.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 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, following specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines etc. having a major bearing on the company's affairs.

1. The Company has allotted 22,40,000 shares to its promoter Directors- Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta on preferential basis.

**For Rahul K Tanmay & Associates  
Company Secretaries**

Rahul Kumar  
Proprietor  
ACS: 32729  
C P No.: 20656

Date: 15/05/2019

Place: New Delhi

**This report is to be read with our letter of even date which is annexed as Annexure 1 & 2 and forms an integral part of this report.**



**'Annexure 1'**

To  
The Members  
PG Electroplast 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 these 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. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. 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.
6. 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.
7. We have relied on the certificate obtained by the company from the Management Committee/Function heads and based on the report received, there has been due compliance of all laws, orders, regulations and other legal requirements of the central, state and other government and legal authorities concerning the business and affairs of the company.

**For Rahul K Tanmay & Associates  
Company Secretaries**

Rahul Kumar  
Proprietor  
ACS: 32729  
C P No.: 20656

Date: 15/05/2019

Place: New Delhi

**SECRETARIAL COMPLIANCE REPORT OF PG ELECTROPLAST LIMITED  
FOR THE YEAR ENDED MARCH 31, 2019**

We, Rahul K Tanmay & Associates, Company Secretaries, have examined:

- a) all the documents and records made available to us and explanation provided by PG Electroplast Limited ("the listed entity"),
- b) the filings/ submissions made by the listed entity to the stock exchanges,
- c) website of the listed entity,
- d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended March 31, 2019 ("Review Period") in respect of compliance with the provisions of:
  - 1) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
  - 2) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include: -

- A. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- B. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- C. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- D. Securities and Exchange Board of India (Buyback of Securities) Regulations 2018 (The Company has not made any buy back of shares or other specified securities during review period);
- A. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- B. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (The Company has not issued any debt security);
- C. Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013 (The Company has not issued any Preference Shares);
- D. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- E. Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003;
- F. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and circulars/ guidelines issued thereunder; and based on the above examination, we hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below: -

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1	Disclosure of revision in credit rating pursuant to Reg. 30 of SEBI (Listing obligation & Disclosure Requirements) Regulation 2015	Disclosure of rating of Bank Loan facilities were not made within prescribe time.	The company has received the letter for credit rating from Agency on October 01, 2018. The Company has filed disclosure of said credit rating to NSE & BSE on May 06, 2019.
2	Constitution of Nomination & Remuneration Committee under Regulation 19 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Between May 25, 2018 to August 11, 2018, All the members of the Nomination & Remuneration Committee (NRC) were not Non-executive.	The Nomination and Remuneration Committee was reconstituted on August 11, 2018 in the meeting of Board of Directors. Now all the members are Non-Executive & Independent Director. (Refer Sr. No. 2 of para (c) of this report)



- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
1	Adjudicating Officer of Securities & Exchange Board of India	Violation of the provisions of Regulations 57(1), 60(4)(a), 60(7)(a) of ICDR Regulations and Clauses 2(VII)(G), 2(VIII)(B)(5)(b) & (6) and 2(XVI)(B)(2) of Part A of Schedule VIII read with Regulation 57(2)(a) of SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 in prospectus dated Sep. 14, 2011.	In exercise of the powers conferred under Section 15-I (2) of the SEBI Act read with Rule 5 of the Adjudication Rules; Adjudicating Officer of SEBI vide <b>order dated August 02, 2017</b> imposed monetary penalty of Rs. One Crore on the company and Rs. One Crore on each of its four Promoter directors- Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta for said violation.	The Company has filed an appeal to SAT against the order passed and matter is pending.
2	National Stock Exchange of India Limited	Non-compliance of <b>Regulation 19</b> SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.  Reason-All the members of the Nomination & Remuneration Committee (NRC) were not Non-executive between May 25, 2018 to August 11, 2018."	In matter of Non-Compliance observed in CG Report submitted under Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, NSE issued a Non-Compliance Letter on July 13, 2018	The Nomination and Remuneration Committee was reconstituted on August 11, 2018 in the meeting of Board of Directors. Now all the members are Non-Executive & Independent Director. Before that <b>Company in its reply dated July 17/07/2018 submitted that</b> "Prior to 25/05/2018, Mr. Promod Gupta was member of the NRC Committee in capacity of Chairman of the Company. However, on 25/05/2018, Mr. Anurag Gupta was appointed as Chairman, thus because of this appointment Mr. Promod Gupta become ineligible to continue as member of the committee by operation of law. Further since full strength of Board was not present in meeting of 25/05/2018, Decision regarding reconstitution of NRC Committee could not be taken".

**For Rahul K Tanmay & Associates  
Company Secretaries**

Rahul Kumar  
Proprietor  
ACS: 32729

C P No.: 20656

Date: 15/05/2019  
Place: New Delhi

## 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 2019, which were not at arm's length basis.

**2. Details of material 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)
Leasing property of any kind	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 11/08/2018	N.A.	Monthly rent Rs. 1.35 lakh plus applicable taxes & maintenance charges	Rent paid for Registered office at Jasola.	Rs. 4.50 Lakh	16.20
	M/s PG Electronics	Transaction is part of ongoing lease deed 06/11/2009 for 30 years (Rent paid for Roorkee Factory).				--	0.60
Related party appointment to office or place of profit	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.	--	29.40
	Mrs. Neelu Gupta	10-06-2014	11-08-2014	Rs. 2.50 lakh per month		--	29.40
	Mrs. Sarika Gupta	10-06-2014	11-08-2014	Rs. 2.50 lakh per month		--	29.40
	Mrs. Nitasha Gupta	10-06-2014	11-08-2014	Rs. 2.50 lakh per month		--	29.40
	Mr. Pranav Gupta	Renewed vide Board approval on 12-02-2019	NA	Upto 2.50 lakh per month	He is a General Manager in the Company.	--	10.86

**Annual Report on Corporate Social Responsibility (CSR) Activities**

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

**1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

The company strongly believes that CSR is an approach that contributes to sustainable development by delivering economic, social and environmental benefits for all stakeholders. It extends beyond philanthropic activities and reaches out to the integration of social and business goals. The Company endeavours to take care of Environment, Education, Health and Safety of its employees and neighbourhood. The Company believe that CSR activities can help forge a stronger bond between employees, community and Company; these can boost morale and can help employees and community feel more connected with the company and world around them.

The Company contribute towards the initiative of the Pragya Shiksha Samiti, Moth (Jhansi) "Educate a Girl to Improve Generations" which provides education to BPL girls. The Company provide financial assistance to the Pragya Shiksha Samiti to promote education, overall development and upliftment of students studying thereat which come from underprivileged Society. The Company has adopted "Rotary Sankalp School, Sector-37, Noida" and provides the financial assistance to the Management of the School through Rotary Noida Research and Welfare Trust, Noida. The Company contribute to 'All India Society for Health Aid Education & Research (A.S.H.A.)' for treatment of poor patients admitted as Indoor Patients for their Medical and Surgical treatment. The company also contribute to Sri Sathya Sai Medical Trust which has been undertaking a number of welfare activities such as delivering quality medical care at primary, secondary and tertiary levels completely free of charge and supply of pure drinking water in various regions.

The Company is built and grown by combination of achievements, business expansion and commitment to the society. It is by adhering to social values and commitment to the society that we are able to prosper and look forward to contribute more in the years to come.

The projects undertaken are within the broad framework of Schedule VII of the Companies Act, 2013. The detail of CSR policy and projects or programs undertaken by the company is available on its website at link <http://www.pgel.in/PDF/CSRPOLICY.pdf>.

**2. The Composition of the CSR Committee.**

The CSR Committee comprises of three directors namely, Dr. Rita Mohanty as Chairperson of the Committee, Mr. Promod Gupta and Mr. Vishal Gupta as the members of the Committee.

**4. Prescribed CSR Expenditure:** Rs. 30.51 lakh**5. Details of CSR spent during the financial year.**

- a) Total amount to be spent for the financial year: Rs. 30.51 lakh
- b) Amount unspent, if any; N.A.
- c) Manner in which the amount spent during the financial year is detailed below:



(Rs. in Lakh)

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs Local area or other Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	Education to BPL girls and financial assistance to promote education, overall development and upliftment through Pragya Shiksha Samiti.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Jhansi, Uttar Pradesh	2.00	2.00	2.00	Through implementing agency
2	Adoption of "Rotary Sankalp School, Noida" and providing financial assistance to the Management of the School through Rotary Noida Research and Welfare Trust, Noida.		Noida, Uttar Pradesh	4.00	4.00	4.00	Through implementing agency
3	Providing and encouraging medical aid, treatment of poor patients admitted as Indoor Patients for their Medical and Surgical treatment, rendering medical care and advice through 'All India Society for Health Aid Education & Research (A.S.H.A.), New Delhi	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.	New Delhi	24.00	24.00	24.00	Through implementing agency
4	Undertaking welfare activities such as delivering quality medical care at primary, secondary and tertiary levels completely free of charge and supply of pure drinking water in various regions through Shri Sathya Sai Medical Trust		Puttaparthi, Dist. Anantapur, Andhra Pradesh	0.51	0.51	0.51	Through implementing agency
<b>Total CSR spent</b>					30.15		

**6. A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.**

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and CSR policy of the Company.

**For PG Electroplast Limited**  
**Promod Gupta**  
Managing Director

**For PG Electroplast Limited**  
**Rita Mohanty**  
Chairperson, CSR Committee

Greater Noida, 15/05/2019



**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the Financial Year ended on 31/03/2019**

**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, 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 Fintech 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 Refrigerator	27501	28.83%
2	Plastic Parts of Air Conditioners	28192	16.84%
3	Plastic Parts of Washing Machines	27501	14.26%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:** No such Company exists as on 31/03/2019.**IV. SHAREHOLDING PATTERN:****(i) Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01/04/2018)				No. of Shares held at the end of the year (as on 31/03/2019)				% change during the year
	De-mat	Physical	Total	% of total Shares	De-mat	Physical	Total	% of total Shares	
<b>A. Promoter</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	10169332	0	10169332	61.95	12409332	0	12409332	66.52	0
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks/Fl	-	-	-	-	-	-	-	-	-
f) Any Other..	-	-	-	-	-	-	-	-	-
<b>Sub Total (A)(1)</b>	10169332	0	10169332	61.95	12409332	0	12409332	66.52	0
<b>(2) Foreign</b>									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01/04/2018)				No. of Shares held at the end of the year (as on 31/03/2019)				% change during the year
	De-mat	Physical	Total	% of total Shares	De-mat	Physical	Total	% of total Shares	
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>	10169332	0	10169332	61.95	12409332	0	12409332	66.52	4.57
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	21919	0	21919	0.13	85009	0	85009	0.46	0.33
C) Central Govt(s)	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Other (Specify)	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investors	1160000		1160000	7.07	1260000	0	1260000	6.75	-0.32
<b>Sub Total (B)(1):</b>	1181919	0	1181919	7.20	1345009	0	1345009	7.21	0.01
<b>2. Non Institutions</b>									
a) Bodies Corporate									
i) Indian	2256242	0	2256242	13.75	1828742	0	1828742	9.80	-3.95
ii) Overseas					-	-	-	-	
b) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs. 1 lakh	565587	51	565638	3.45	1980608	51	1980659	10.62	7.17
ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh	2561071	0	2561071	15.61	502848	0	502848	2.70	-12.91
c) Others (Specify)									
Clearing Member	166851	0	166851	1.02	110230	0	110230	0.59	-0.43
NBFC	37301	0	37301	0.23	664	0	664	0.00	-0.23
Non Resident Indians	896863	0	896863	5.46	476848	0	476848	2.56	-2.90
<b>Sub-total(B)(2)</b>	5063030	51	5063081	30.85	4899940	51	4899991	26.27	-8.58
<b>Total Public Shareholding (B)=(B)(1) + (B)(2)</b>	6244949	51	6245000	38.05	6244949	51	6245000	33.48	-4.57
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	18654281	51	18654332	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.	45,16,167	24.21	N.A.	-0.26
2.	Mr. Anurag Gupta	15,14,222	9.22	N.A.	22,07,555	11.83	N.A.	2.61
3.	Mr. Vikas Gupta	20,70,722	12.62	N.A.	25,94,055	13.91	N.A.	1.29
4.	Mr. Vishal Gupta	20,75,012	12.64	N.A.	25,98,345	13.93	N.A.	1.29
5.	Mrs. Neelu Gupta	4,15,000	2.53	N.A.	4,15,000	2.22	N.A.	-0.30
6.	Mrs. Sudesh Gupta	25,500	0.16	N.A.	25,500	0.14	N.A.	-0.02
7.	Mrs. Nitasha Gupta	28,500	0.17	N.A.	28,500	0.15	N.A.	-0.02
8.	Mrs. Sarika Gupta	24,210	0.15	N.A.	24,210	0.13	N.A.	-0.02
<b>Total</b>		<b>1,01,69,332</b>	<b>61.95</b>		<b>1,24,09,332</b>	<b>66.52</b>		<b>4.57</b>

**(iii) Change in Promoters' Shareholding:**

Sl. No.	Name	Shareholding		Date	Change in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares as on 1/04/2018 & 31/03/2019	% of Total Share of the Company				No. of Shares	% of Total Share of the Company
1.	Promod Gupta	40,16,166	24.47					
				25/03/2019	5,00,001	*Allotment	45,16,167	24.21
		45,16,167	24.21				45,16,167	24.21
2.	Anurag Gupta	15,14,222	9.22					
				25/03/2019	6,93,333	*Allotment	22,07,555	11.83
		22,07,555	11.83				22,07,555	11.83
3.	Vikas Gupta	20,70,722	12.62					
				25/03/2019	5,23,333	*Allotment	25,94,055	13.91
		25,94,055	13.91				25,94,055	13.91
4.	Vishal Gupta	20,75,012	12.64					
				25/03/2019	5,23,333	*Allotment	25,98,345	13.93
		25,98,345	13.93				25,98,345	13.93

\*Allotment of equity shares on preferential basis pursuant to conversion of unsecured loan given by the promoter directors of the company.

**(iv) Shareholding Pattern of top ten Shareholders as on 31/03/2019:**

Sl. No.	For each of top 10 shareholders (other than Directors, promoters and holders of GDRs and ADRs)	Shareholding		Date	Change in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares as on 1/04/2018 & 31/03/2019	% of Total Share of the Company				No. of Shares	% of Total Share of the Company
1	ELARA INDIA OPPORTUNITIES FUND LIMITED	5,90,000	3.59					
				04/01/2019	-90,000	Market sale	5,00,000	3.05
				11/01/2019	1,50,000	Market purchase	6,50,000	3.96
		6,50,000	3.96				6,50,000	3.96
2	SUNITA SARWANKUMAR SARAF	2,63,500	1.61					
				NA	No Change	-	-	-
		2,63,500	1.61				2,63,500	1.61
3	IL AND FS SECURITIES SERVICES LIMITED *Shares held on BENPOS date 24/08/2018. **From BENPOS date 31/08/2018 this person became one of the top 10 shareholders based on no. of shares held.			24/08/2018	*87,877		87,877	0.54
				31/08/2018	** -17,010	Market sale	70,867	0.43
				07/09/2018	2,09,272	Market purchase	2,80,139	1.79
				14/09/2018	-20,745	Market sale	2,59,394	1.58
				21/09/2018	-787	Market sale	2,58,607	1.58
				28/09/2018	18,401	Market purchase	2,77,008	1.69
				29/09/2018	-5,000	Market sale	2,62,008	1.66
				05/10/2018	6,043	Market purchase	2,78,051	1.69
				12/10/2018	1,858	Market purchase	2,79,909	1.71
				19/10/2018	-1,243	Market purchase	2,78,666	1.70
				26/10/2018	-1,533	Market sale	2,77,133	1.69
				02/11/2018	400	Market purchase	2,77,533	1.69
				09/11/2018	2,044	Market purchase	2,79,577	1.70
				16/11/2018	-8,040	Market sale	2,71,537	1.65
				23/11/2018	1,838	Market purchase	2,73,375	1.67
				30/11/2018	-5,922	Market sale	2,67,453	1.63
				07/12/2018	-2,531	Market sale	2,64,922	1.61
				14/12/2018	-872	Market sale	2,64,050	1.61
				21/12/2018	-3,500	Market sale	2,60,550	1.59
				28/12/2018	5,084	Market purchase	2,65,634	1.62
				04/01/2019	11,238	Market purchase	2,76,872	1.69
				11/01/2019	-32,870	Market sale	2,44,002	1.49
				18/01/2019	5,703	Market purchase	2,49,705	1.52
				25/01/2019	-5,403	Market sale	2,44,302	1.49
				01/02/2019	-3,749	Market sale	2,40,553	1.47
				08/02/2019	14,322	Market purchase	2,54,875	1.55
		15/02/2019	22,185	Market purchase	2,72,060	1.69		
		22/02/2019	-2,642	Market sale	2,74,418	1.67		
		01/03/2019	887	Market purchase	2,75,305	1.68		
		08/03/2019	-7,102	Market sale	2,68,203	1.63		
		15/03/2019	1,350	Market purchase	2,69,553	1.64		
		22/03/2019	-2,981	Market sale	2,66,572	1.62		
		29/03/2019	10,687	Market purchase	2,55,885	1.56		
		2,55,885	1.56				2,55,885	1.56

Sl. No.	For each of top 10 shareholders (other than Directors, promoters and holders of GDRs and ADRs)	Shareholding		Date	Change in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares as on 1/04/2018 & 31/03/2019	% of Total Share of the Company				No. of Shares	% of Total Share of the Company
4	NEW LEAINA INVESTMENTS LIMITED	2,15,000	1.31					
				NA	No Change	-	-	-
		2,15,000	1.31				2,63,500	1.61
5	ASHIT MEHTA	4,25,500	2.59					
				18/01/2019	-21,612	Market sale	4,03,888	2.46
				25/01/2019	-50,000	Market sale	3,53,888	2.16
				08/02/2019	-70,000	Market sale	2,83,888	1.73
				29/03/2019	-70,624	Market sale	2,13,264	1.30
		2,13,264	1.30				2,13,264	1.30
6	AVIATOR GLOBAL INVESTMENT FUND	2,05,000	1.25					
				NA	No Change	-	-	-
		2,05,000	1.25				2,05,000	1.25
7	SATPAL KHATTAR *Shares held on BENPOS date 24/08/2018.  From BENPOS date 07/09/2018 this person became one of the top 10 shareholders based on no. of shares held.				*1,65,000		1,65,000	1.01
				NA	No Change	-	-	-
		1,65,000	1.01				1,65,000	1.01
8	PRABHUDAS LILLADHER PRIVATE LIMITED  *Shares held on BENPOS date 20/07/2018.  From BENPOS date 27/07/2018 this person became one of the top 10 shareholders based on no. of shares held.			20/07/2018	*1,64,296		1,64,296	1.00
				27/07/2018	1,000	Market purchase	1,65,296	1.01
				03/08/2018	26,182	Market purchase	1,91,478	1.17
				17/08/2018	-16,768	Market sale	1,74,710	1.06
				24/08/2018	43,000	Market purchase	2,17,710	1.33
				07/09/2018	100	Market purchase	2,17,810	1.33
				21/09/2018	-100	Market sale	2,10,710	1.33
				05/10/2018	-36,758	Market sale	1,80,952	1.10
				12/10/2018	1,000	Market purchase	1,81,952	1.11
				19/10/2018	17,500	Market purchase	1,99,452	1.22
				26/10/2018	-23,800	Market sale	1,75,652	1.07
				02/11/2018	5,484	Market purchase	1,81,136	1.10
				16/11/2018	-5,484	Market sale	1,75,652	1.07
				30/11/2018	163	Market purchase	1,75,815	1.07
				07/12/2018	4,437	Market purchase	1,80,252	1.10
				14/12/2018	-100	Market sale	1,80,152	1.10
				21/12/2019	-4,200	Market sale	1,75,952	1.07
				28/12/2019	40,040	Market purchase	2,15,992	1.32
				04/01/2019	-64,008	Market sale	1,51,984	0.93
				11/01/2019	1,450	Market purchase	1,53,434	0.93
		18/01/2019	-700	Market sale	1,52,734	0.93		
		25/01/2019	25	Market purchase	1,52,759	0.93		
		01/02/2019	-785	Market sale	1,51,974	0.93		
		08/02/2019	-232	Market sale	1,51,742	0.92		
		15/02/2019	1,086	Market purchase	1,52,828	0.93		

Sl. No.	For each of top 10 shareholders (other than Directors, promoters and holders of GDRs and ADRs)	Shareholding		Date	Change in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares as on 1/04/2018 & 31/03/2019	% of Total Share of the Company				No. of Shares	% of Total Share of the Company
				22/02/2019	-1,500	Market sale	1,52,328	0.93
				08/03/2019	-701	Market sale	1,51,627	0.92
				15/03/2019	1,015	Market purchase	1,52,642	0.93
				22/03/2019	-400	Market sale	1,52,242	0.93
				29/03/2019	2,636	Market purchase	1,54,828	0.94
		1,54,828	0.94				1,54,828	0.94
9	GLOBE CAPITAL MARKET LTD			01/03/2019	*1,03,588		1,03,588	0.63
				08/03/2019	3,679	Market Purchase	1,07,267	0.65
				15/03/2019	19,062	Market purchase	1,26,329	0.77
	*Shares held on BENPOS date 01/03/2019.			22/03/2019	113	Market purchase	1,26,442	0.77
				29/03/2018	5,786	Market purchase	13,228	0.81
	From BENPOS date 15/03/2019 this person became one of the top 10 shareholders based on no. of shares held.	13,228	0.81				13,228	0.81
10	NILAM SAMIRKUMAR SHAH			29/09/2018	*134,055		1,34,055	0.82
				12/10/2018	-500	Market sale	133555	0.81
				30/11/2018	-3,000	Market sale	1,30,555	0.80
	*Shares held on BENPOS date 29/09/2018.			14/12/2018	1,293	Market purchase	1,31,848	0.80
				21/12/2018	-1,500	Market sale	1,30,348	0.80
	From BENPOS date 12/10/2018 this person became one of the top 10 shareholders based on no. of shares held.	1,29,348	0.79	22/02/2019	**1,29,348		1,29,348	0.79
	**On BENPOS date 22/02/2019 this person again became one of the top 10 shareholders based on no. of shares held.							

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 is not indicated here.

22,40,000 equity shares were allotted on 25/03/2019 to the promoter directors pursuant to conversion of outstanding unsecured loan given by them to the company. These shares were listed on NSE and BSE on 05/04/2019 and 16/04/2019, respectively. Trading approval of NSE and BSE received on 26/04/2019.



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

Sl. No.	Name of Directors and KMP	Shareholding		Date	Change in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares as on 1/04/2018 & 31/03/2019	% of Total Share of the Company				No. of Shares	% of Total Share of the Company
1.	Promod Gupta	40,16,166	24.47					
				25/03/2019	5,00,001	*Allotment	45,16,167	24.21
		45,16,167	24.21				45,16,167	24.21
2.	Anurag Gupta	15,14,222	9.22					
				25/03/2019	6,93,333	*Allotment	22,07,555	11.83
		22,07,555	11.83				22,07,555	11.83
3.	Vikas Gupta	20,70,722	12.62					
				25/03/2019	5,23,333	*Allotment	25,94,055	13.91
		25,94,055	13.91				25,94,055	13.91
4.	Vishal Gupta	20,75,012	12.64					
				25/03/2019	5,23,333	*Allotment	25,98,345	13.93
		25,98,345	13.93				25,98,345	13.93
5	Mr. Sharad Jain	0	0.00	NA	No Change	-	0	0.00
6	Mr. Devendra Jha	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. Mahabir Prasad Gupta	0	0.00	NA	No Change	-	0	0.00
2	Mr. Sanchay Dubey	0	0.00	NA	No Change	-	0	0.00

\*Allotment of equity shares on preferential basis pursuant to conversion of unsecured loan given by the promoter directors of the company.

**VI. INDEBTEDNESS:** (Indebtedness of the company including interest outstanding/accrued but not due for payment)

(Rs. in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
(i) Principal Amount	6,641.78	6,212.60	0	12,854.38
(ii) Interest due but not paid	0	0	0	0
(iii) Interest accrued but not due	46.68	0	0	46.68
Total [(i)+(ii)+(iii)]	6,688.46	6,212.60	0	12,901.06
<b>Change in Indebtedness during the financial year</b>				
Addition	17,600.99	23,807.16	0	41,408.15
Reduction	16,300.35	25,396.00	0	41,696.35
Net Change	1,300.64	-1,588.84	0	-288.20
<b>Indebtedness at the end of the financial year</b>				
(i) Principal Amount	7,942.43	4,623.76	0	12,566.18
(ii) Interest due but not paid	0	0	0	0
(iii) Interest accrued but not due	50.71	0	0	50.71
Total [(i)+(ii)+(iii)]	7,993.14	4,623.76	0	12,616.89



**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	77.76	77.76	77.76	77.76	311.04
	(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>	<b>77.76</b>	<b>77.76</b>	<b>77.76</b>	<b>77.76</b>	<b>311.04</b>
	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	2.20	1.90	1.90	1.40	7.40
	• Commission	0	0	0	0	0
	• Others	0	0	0	0	0
	Total (1)	2.20	1.90	1.90	1.40	7.40
2.	Other Non-Executive Directors	All Non-Executive Directors are Independent Directors & their remuneration is given in point 1 above.				
	Total B (1+2)	2.20	1.90	1.90	1.40	7.40
	<b>Total Managerial Remuneration</b>					<b>318.44</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 lakh 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	Mahabir Prasad Gupta	Sanchay Dubey	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1), (3) of the Income-tax Act, 1961 & other	13.53	2.93	17.13
	(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>	<b>13.53</b>	<b>2.93</b>	<b>17.13</b>

**VIII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES DURING F.Y. 2018-19:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding Fee, imposed	Authority (RD/ NCLT/ Court)	Appeal made, if any, give details
<b>A. Company</b>					
Penalty	N.A.	-	-	-	-
Punishment	N.A.	-	-	-	-
Compounding	N.A.	-	-	-	-
<b>B. Directors</b>					
Penalty	N.A.	-	-	-	-
Punishment	N.A.	-	-	-	-
Compounding	N.A.	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	N.A.	-	-	-	-
Punishment	N.A.	-	-	-	-
Compounding	N.A.	-	-	-	-

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 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. 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\\_JQ2014144.PDF](http://sat.gov.in/english/pdf/E2016_JQ2014144.PDF)

Further Adjudicating officer of SEBI has also passed an order on 2<sup>nd</sup> August 2017. Copy of order is available on link [https://www.sebi.gov.in/enforcement/orders/aug-2017/adjudication-order-in-respect-of-pg-electroplast-limited-its-directors-and-91-entities-in-the-matter-of-pg-electroplast-limited\\_35504.html](https://www.sebi.gov.in/enforcement/orders/aug-2017/adjudication-order-in-respect-of-pg-electroplast-limited-its-directors-and-91-entities-in-the-matter-of-pg-electroplast-limited_35504.html).

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 found that the Hon'ble SAT (Order dated August 30, 2016) has not found any merit in the said allegations. The Company has filed appeal before SAT against said adjudication order and the matter is pending.

## INDEPENDENT AUDITOR'S REPORT

**To**  
**THE MEMBERS OF PG ELECTROPLAST LIMITED**  
**Report on the Audit of the Financial Statements**  
**Opinion**

We have audited the financial statements of **PG Electroplast Limited** ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of profit and loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<p><b>Contingent Liabilities</b></p> <p>The Company has material uncertain litigations which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Notes 39 to the Financial Statements</p>	<p><b>Principal Audit Procedures</b></p> <p>Obtained details of contingent liabilities as on March 31, 2019 from management. We evaluated the management's underlying assumptions in estimating the possible outcome of these disputes. We have also considered legal precedence and other rulings in evaluating management's position on these uncertain litigations.</p>

### Other information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and those Charged with Governance 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, changes in equity 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 Companies Act, 2013. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### **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 section 143(11) of the Companies Act, 2013, we give in the "**Annexure-A**" a statement on the matters specified in paragraphs 3

and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Companies Act, 2013, 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, the Statement of Changes in Equity 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 Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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**".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and 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 39 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.

For **Chitresh Gupta & Associates**  
Chartered Accountants  
Firm Registration Number: 017079N

**CA Chitresh Gupta**  
Partner  
M. No. 098247

Dated: 15<sup>th</sup> May 2019  
Place: Greater Noida, U.P.

### 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

- 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.
1. 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.
  2. 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.
  3. 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.
  4. 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.
  5. 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.
  6. (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, TDS, Sales-Tax, Service Tax, Goods and Services 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, employee's state insurance, income-tax, sales-tax, service tax, goods and services tax, duty of customs, duty of excise, value added tax, cess were in arrear as at 31<sup>st</sup> March 2019 for a period of more than six months from the date they became payable.  
  
(b) According to the information and explanations given to us, the following dues of duty of excise, duty of custom have not been deposited by the company on account of dispute:

Name of the Statute	Nature of Dues	Amount (Rs in lakhs)	Year to which amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	765.73	2008-09 to 2011-12	Supreme Court
Customs Act, 1962	Anti-Dumping Duty	738.54	2010-11	CESTAT Allahabad Bench

7. 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.
8. On the basis of information and explanations given to us, term loan were applied for the purpose for which the loans were obtained. No moneys have been raised during the year by way of initial public offer or further public offer.
9. 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.
10. 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.
11. 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.
12. 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 Ind AS financial statements as required by the applicable accounting standards.
13. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not issued fully or partly convertible debentures during the year. However, during the year the Company has made preferential allotment/private placement of shares and the requirements of section 42 of the Companies Act, 2013 have been complied with (to the extent applicable). The Company had allotted 22,40,000 Equity Shares of Face value of Rs.10/- per share, at an issue price of Rs.125/- per share (including share premium of Rs.115/- per share) to the Promoter Directors on preferential basis pursuant to conversion of outstanding unsecured loan of Rs. 2,800 lakh given by them to the Company in earlier years; i.e. share consideration money of Rs. 2,800 lakh had been adjusted from outstanding unsecured loan given by promoter Directors.
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 entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
15. 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 **Chitresh Gupta & Associates**

Chartered Accountants

Firm Registration No.: 017079N

**CA. Chitresh Gupta**

Partner

Membership no.: 098247

Place: Greater Noida, U.P.

Date: 15<sup>th</sup> May 2019

## **Annexure B to Independent Auditors' Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **PG Electroplast Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by The Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the 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 March 31, 2019, 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 **Chitresh Gupta & Associates**

Chartered Accountants  
Firm Registration No.: 017079N

**CA. Chitresh Gupta**

Partner  
Membership no.: 098247

Place: Greater Noida, U.P.

Date: 15<sup>th</sup> May 2019

## BALANCE SHEET AS ON 31ST MARCH, 2019

(All amounts are in Rs.lakhs, unless otherwise stated)

	Note No.	31st Mar, 2019	31st March, 2018
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3	19,205.90	17,851.54
Capital Work-in-Progress	3	3,353.81	2,293.76
Intangible Assets	4	60.02	74.49
Financial Assets			
i. Trade Receivables	5	-	-
ii. Loans	6	-	-
iii. Other Financial Assets	7	234.25	227.75
Deferred Tax Assets (Net)	8	526.89	194.12
Other Non-Current Assets	9	146.88	501.55
Income Tax Assets (Net)	20	-	-
<b>Total Non-Current Assets</b>		<b>23,527.75</b>	<b>21,143.21</b>
<b>Current assets</b>			
Inventories	10	6,825.33	5,931.07
Financial assets			
i. Trade Receivables	5	8,470.68	5,070.78
ii. Cash and Cash Equivalents	11 (a)	371.42	154.93
iii. Bank Balances Other than Cash and Cash Equivalents	11 (b)	265.87	257.88
iv. Loans	6	18.37	17.55
v. Other Financial Assets	7	196.61	425.64
Other Current Assets	9	1,416.06	1,556.41
Income Tax Assets (Net)	20	197.97	247.98
<b>Total Current Assets</b>		<b>17,762.31</b>	<b>13,662.24</b>
<b>TOTAL ASSETS</b>		<b>41,290.06</b>	<b>34,805.45</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	12	1,865.43	1,641.43
Other Equity	13	15,036.73	11,440.88
<b>Total Equity</b>		<b>16,902.16</b>	<b>13,082.31</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
i. Borrowings	14	5,013.30	7,958.35
ii. Other Financial Liabilities	18	16.06	30.34
Provisions	15	382.17	300.56
<b>Total Non-Current Liabilities</b>		<b>5,411.53</b>	<b>8,289.25</b>
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings	16	6,812.92	3,560.08
ii. Trade Payables	17		
- Total outstanding dues of micro and small enterprises		288.44	135.80
- Total outstanding dues of creditors other than micro and small enterprises		8,861.61	6,359.57
iii. Other Financial Liabilities	18	2,240.43	2,481.50
Other Current Liabilities	19	623.96	810.25
Provisions	15	92.15	86.69
Income Tax Liabilities (Net)	20	56.86	-
<b>Total Current Liabilities</b>		<b>18,976.37</b>	<b>13,433.89</b>
<b>Total Liabilities</b>		<b>24,387.90</b>	<b>21,723.14</b>
<b>TOTAL EQUITIES AND LIABILITIES</b>		<b>41,290.06</b>	<b>34,805.45</b>

The accompanying notes 1 to 41 form an integral part of financial statements.  
As Per Our Report of Even Date Attached

**For Chitresh Gupta & Associates**

Chartered Accountants  
Firm Registration No. 017079N

**CA Chitresh Gupta (Partner)**

M. No. 098247

For and on behalf of Board of Directors

**Chairman**

(Promod Gupta)  
DIN-00181800

**Executive Director**

(Vishal Gupta)  
DIN-00184809

**Company Secretary**  
(Sanchay Dubey)

**Chief Financial Officer**  
(M P Gupta)

Place: Greater Noida, U.P.  
Dated: 15th May 2019

**STATEMENT OF PROFIT & LOSS** FOR THE YEAR ENDED 31ST MARCH, 2019

(All amounts are in Rs.lakhs, unless otherwise stated)

	Note No.	31st Mar, 2019	31st March, 2018
<b>Revenue from Operations</b>	21	50,835.30	41,278.67
Other Income	22	318.89	531.05
<b>Total Income</b>		<b>51,154.19</b>	<b>41,809.72</b>
<b>Expenses:</b>			
Cost of Materials Consumed	23	37,118.55	29,527.95
Cost of Traded Goods	23.1	3,202.94	2,470.72
Changes in inventories of finished goods and work-in-progress	24	(406.75)	(1,086.18)
Excise duty on sale of products		-	1,336.60
Employee benefits expenses	25	4,009.25	3,491.06
Finance cost	26	1,033.68	1,064.58
Depreciation and amortisation expenses	27	1,336.35	1,173.63
Other expenses	28	3,844.57	3,082.86
<b>Total expenses</b>		<b>50,138.59</b>	<b>41,061.22</b>
<b>Profit before tax</b>		<b>1,015.60</b>	<b>748.50</b>
Tax expenses:			
Current tax	29	300.52	109.91
Deferred tax	29	(279.17)	(109.91)
Prior Period Tax		48.09	-
Deferred Tax for prior period		(48.09)	-
<b>Total tax expenses</b>		<b>21.35</b>	<b>-</b>
<b>Profit for the year</b>		<b>994.25</b>	<b>748.50</b>
<b>Other comprehensive income:</b>			
A (i) Items that will not be reclassified to profit or loss:			
Remeasurements of the defined benefit plans		25.60	20.64
(ii) Income tax relating to items that will not be reclassified to profit & loss		5.52	4.21
(iii) Deferred tax on above A(ii)		(5.52)	(4.21)
B (i) Items that may be reclassified to profit or loss		-	-
(ii) Income tax relating to items that may be reclassified to profit & loss		-	-
<b>Other comprehensive income for the year</b>		<b>25.60</b>	<b>20.64</b>
<b>Total comprehensive income for the year</b>		<b>1,019.85</b>	<b>769.14</b>
Earnings per equity share of Rupee 10.00 each (with OCI)	30		
Basic earnings per share		6.20	4.69
Diluted earnings per share		6.20	4.69
Earnings per equity share of Rupee 10.00 each (without OCI)	30		
Basic earnings per share		6.04	4.56
Diluted earnings per share		6.04	4.56

The accompanying notes 1 to 41 form an integral part of financial statements.  
As Per Our Report of Even Date Attached

**For Chitresh Gupta & Associates**

Chartered Accountants  
Firm Registration No. 017079N

For and on behalf of Board of Directors

**CA Chitresh Gupta (Partner)**  
M. No. 098247

**Chairman**  
(Promod Gupta)  
DIN-00181800

**Executive Director**  
(Vishal Gupta)  
DIN-00184809

Place: Greater Noida, U.P.  
Dated: 15th May 2019

**Company Secretary**  
(Sanchay Dubey)

**Chief Financial Officer**  
(M P Gupta)

## CASH FLOW STATEMENT

 FOR THE YEAR ENDED 31ST MARCH 2019

(All amounts are in Rs.lakhs, unless otherwise stated)

	31st March, 2019	31st March, 2018
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	1,015.60	748.50
<b>Adjustment for:</b>		
Depreciation/amortization	1,336.35	1,173.63
Employee expenses non operating	25.60	20.64
Written off of non P & I items	-	(3.65)
Loss on sale of fixed assets & Assets written off	26.08	6.92
Profit on sale of fixed assets	(2.32)	(8.11)
Provision for Doubtful recoveries	187.00	45.00
Misc balances written off	34.73	18.80
Provision for doubtful debts	65.82	40.28
Provision for doubtful advance to suppliers & capital advance	129.36	33.70
Liabilities written back	(89.80)	(220.13)
Interest expense	1,033.68	1,051.83
Interest income	(35.41)	(34.39)
Operating profit before working capital changes	<b>3,726.69</b>	<b>2,873.02</b>
<b>Movements in working capital :</b>		
Increase/(decrease) in trade Payables	2,744.48	(729.80)
Increase/(decrease) in Long - term provisions,financial liabilities	67.33	116.59
Increase/(decrease) in Short - term provisions	5.46	19.99
Increase/(decrease) in Other Current Liabilities	(27.39)	(9.85)
Decrease/(increase) in trade receivables	(3,500.44)	1,618.79
Decrease/(increase) in inventories	(894.26)	381.90
Decrease / (increase) in Long - term loans and advances	(52.92)	(75.96)
Decrease / (increase) in Short - term loans and advances	78.79	23.32
Cash generated from / (used in) operations	<b>2,147.74</b>	<b>4,218.00</b>
Direct taxes ( paid ) /refund	(247.25)	24.66
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>1,900.49</b>	<b>4,242.66</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property Plant and equipment, including intangible assets, CWIP	(3,618.65)	(5,018.61)
Proceeds from sale of Property plant and equipment	17.42	87.70
Bank Deposit having maturity more than 3 months	(16.98)	(71.39)
Interest received	22.27	32.44
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(3,595.94)</b>	<b>(4,969.86)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long-term borrowings	1,614.46	5,037.98
Repayment of long-term borrowings	(1,929.30)	(2,140.41)
Short-term borrowings (Net)	3,252.84	(1,213.15)
Interest paid	(1,026.05)	(1,038.24)
<b>Net cash flow from/(used in) in financing activities (C)</b>	<b>1,911.95</b>	<b>646.18</b>
Net increase/(decrease) in cash and cash equivalents (A + B + C)	216.49	(81.03)
Cash and cash equivalents at the beginning of the year	154.93	235.96
<b>Cash and cash equivalents at the end of the year</b>	<b>371.42</b>	<b>154.93</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	5.67	14.03
With banks:		
-on current account	365.75	140.90
-on deposit account		
<b>Total cash and cash equivalents (refer note no. 11a)</b>	<b>371.42</b>	<b>154.93</b>

The accompanying notes 1 to 41 form an integral part of financial statements.  
As Per Our Report of Even Date Attached

**For Chitresh Gupta & Associates**

 Chartered Accountants  
Firm Registration No. 017079N

For and on behalf of Board of Directors

**CA Chitresh Gupta (Partner)**

M. No. 098247

**Chairman**

 (Promod Gupta)  
DIN-00181800

**Executive Director**

 (Vishal Gupta)  
DIN-00184809

Place: Greater Noida, U.P.

Dated:15th May 2019

**Company Secretary**

(Sanchay Dubey)

**Chief Financial Officer**

(M P Gupta)

**STATEMENT OF CHANGES IN EQUITY** FOR THE YEAR ENDED MARCH 31,2019

(All amounts are in Rs.lakhs, unless otherwise stated)

## A EQUITY SHARE CAPITAL

Equity shares of Rs.10 each issued,subscribed and fully paid up

As at 31 March 2017	1,641.43
changes during the year	-
As at 31 March 2018	1,641.43
changes during the year	224.00
As at 31 March 2019	1,865.43

## B OTHER EQUITY

Particulars	Reserves and surplus			Other Comprehensive Income	Total other equity
	Capital reserve	Securities premium	Retained earnings		
As at 31 March 2017	3.65	10,910.32	(238.58)	-	10,675.39
Profit/(loss) for the year		-	748.50		748.50
Other comprehensive income, net of income tax	-	-	-	20.64	20.64
Movement during the year	(3.65)	-	-		(3.65)
<b>Balance as at 31 March 2018</b>	<b>(0.00)</b>	<b>10,910.32</b>	<b>509.92</b>	<b>20.64</b>	<b>11,440.88</b>
Profit/(loss) for the year		-	994.25	-	994.25
Other comprehensive income, net of income tax	-	-		25.60	25.60
Movement during the year	-	2,576.00	-		2,576.00
<b>Balance as at 31 March 2019</b>	<b>(0.00)</b>	<b>13,486.32</b>	<b>1,504.17</b>	<b>46.24</b>	<b>15,036.73</b>

The accompanying notes 1 to 41 form an integral part of financial statements.  
As Per Our Report of Even Date Attached

**For Chitresh Gupta & Associates**

Chartered Accountants  
Firm Registration No. 017079N

**CA Chitresh Gupta (Partner)**

M. No. 098247

Place: Greater Noida, U.P.  
Dated:15th May 2019

For and on behalf of Board of Directors

**Chairman**

(Promod Gupta)  
DIN-00181800

**Company Secretary**

(Sanchay Dubey)

**Executive Director**

(Vishal Gupta)  
DIN-00184809

**Chief Financial Officer**

(M P Gupta)



## 1. CORPORATE INFORMATION

PG Electroplast Limited ("The Company") is a public Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its equity shares are listed with the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The registered office of the Company is located at DTJ - 209, DLF Tower B, Jasola, New Delhi - 110025. The Company is an Electronic Manufacturing Services (EMS) provider for Original Equipment Manufacturers (OEMs) of consumer electronic products in India. The Company manufactures and / or assemble a comprehensive range of consumer electronic components and finished products such as Kitchen Appliances, air conditioners (ACs) sub- assemblies, Air Cooler, Washing Machine, Mobile handsets, LED for third parties.

## 2. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

### (a) Basis of preparation and presentation

#### (i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015 as amended by time to time] and other relevant provisions of the Act.

#### (ii) Historical cost convention

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

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants

at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 Inventories or value in use in Ind AS 36 Impairment of Assets.

### (b) Revenue recognition

IND AS 115 "Revenue from Contracts with Customers", that replaces IND AS 18 "Revenue" and IND AS 11 "Construction Contracts" and related interpretations, introduce one single new model for recognition of revenue which includes a 5-step approach and detailed guidelines. Among other, such guidelines are on allocation of revenue to performance obligations within multi-element arrangements, measurement and recognition of variable consideration and the timing of revenue recognition. According to IND AS 115 revenue is recognized over time (percentage of completion) either when the performance creates an asset that the customer controls as the asset is created (e.g. work in progress) or when the performance creates an asset with no alternative use and an enforceable right to payment as performance is completed to date has been secured. Revenue is also recognized over time if the customer simultaneously receives and consumes the benefits from goods and services as performed.

### (c) Government grants

Grants from the government are recognised where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented either within other income or net of related costs.

Government grants that are receivable as compensation

for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit & loss in the period in which they become receivable.

#### **(d) Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

##### **(i) As a lessee**

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs (see note 1(g) below).

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases in which case lease expenses are charged to profit or loss on the basis of actual payments to the lessors.

##### **(ii) As a lessor**

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

#### **(e) Foreign currency translation**

##### **(i) Functional and presentation currency**

The financial statements are presented in Indian rupee (₹), which is Company's functional and presentation currency unless stated otherwise.

##### **(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss in the period in which they arise.

Foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

#### **(f) Impairment of non-financial assets**

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

If, at a reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit & loss.

#### **(g) Borrowing Costs**

Borrowing Costs costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its



intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

Borrowing costs consists of interest & other costs that an entity incurs in connection with borrowing of funds

#### (h) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

##### (i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit may differ from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

##### (ii) Deferred tax

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

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

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

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

##### (iii) Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

##### (i) Earnings Per Share (EPS)

Basic earnings per share is computed using the net profit / (-) loss for the year (without taking impact of OCI) attributable to the equity share older and weighted average number of shares outstanding during the year. The weighted average number of shares includes number of equity shares that are issued on conversion of unsecured loans, from the date of conversion. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effect of potential diluted equity shares unless impact is anti-diluted.

##### (j) Property, plant and equipment

Property, plant and equipment are tangible items that are held for use in the production or supply for goods and services, rental to others or for administrative purposes and are expected to be used during more than one period. The cost of an item of property, plant and equipment shall be recognised as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items and are net of recoverable taxes /duty. Subsequent costs are included in the asset's carrying amount or



(All amounts are in Rs.lakhs, unless otherwise stated)

recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

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

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

#### **Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 (transition date) measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

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

Depreciation commences when the assets are ready for their intended use. Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives.

Depreciation on Property, Plant & Equipment has been provided on Straight Line Method (SLM) based on the useful life of the assets prescribed in Schedule II of the Companies Act, 2013 except in respect of major plant & machinery, where useful life has been taken as 25 years, as technically assessed.

The estimated useful lives, residual values and

depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

Depreciation is not recorded on capital work in progress until construction and installation are complete and the assets is ready for its intended use.

#### **(k) Intangible assets**

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Estimated useful lives of the intangible assets are as follows:

#### **Assets Estimated Useful Life**

Computer Software 6 Years

Product Development 10 Years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

#### **Research and development costs**

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- \* the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- \* its intention to complete and its ability and intention to use or sell the asset;



(All amounts are in Rs.lakhs, unless otherwise stated)

- \* how the asset will generate probable future economic benefits;
- \* the availability of adequate technical, financial and other resources to complete the development and to use or sell the asset; and
- \* the ability to measure reliably the expenditure attributable to asset during its development.

The amount initially recognised for intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no intangible assets can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred. Subsequent to initial recognition, such intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as of acquired intangible assets.

**Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

**(l) Inventories**

- (i) Inventories of raw materials, components, stores and spares are valued at lower of cost ( net of recoverable taxes ) and net realizable value. Cost for the purpose of valuation of such inventories is determined using the first-in, first-out (FIFO) method. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.
- (ii) Finished goods and work-in-progress are valued at lower of cost and net realizable value. The cost of finished goods and work-in-progress includes raw material costs (net of recoverable taxes), direct cost of conversion and proportionate allocation of indirect costs incurred in bringing the inventories to their present location and condition. Excise duty is included in the value of finished goods, wherever applicable.

**(m) Provisions, Contingent Liabilities, Commitments and Contingent assets**

Provisions are recognised when the Company has a

present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When the effect of the time value of money is material, provision is measured at the present value of cash flows estimated to settle the present obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Where it is not probable that an outflow of resources embodying economic benefits will be required or the amount can not be estimated reliably, the obligation is disclosed as a contingent liability and commitments, unless the probability of outflow of resources embodying economic resources is remote.

Contingent assets are not recognized but disclosed in the financial statements when an inflow of economic benefits is probable.

**(n) Employee benefits**

**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the undiscounted amounts expected to be paid when the liabilities are settled. The liabilities are presented as current benefit obligations in the balance sheet.

**(ii) Other long-term employee benefit obligations**

Other long-term employee benefits includes earned leaves, sick leaves and employee bonus.

(All amounts are in Rs.lakhs, unless otherwise stated)

**Earned leaves**

The liabilities for earned leaves are not expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit & loss. The obligations are presented as provisions in the balance sheet.

**(iii) Post-employment obligations**

The Company operates the following post employment schemes:

- \* defined benefit plan towards payment of gratuity; and
- \* defined contribution plans towards provident fund & employee pension scheme and employee state insurance.

**Defined benefit plans**

The Company provides for gratuity obligations through a defined benefit retirement plan (the 'Gratuity Plan') covering all employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement/termination of employment or death of an employee, based on the respective employees' salary and years of employment with the Company.

The liability or asset recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The present value of the defined benefit obligation is determined using projected unit credit method by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms

of the related obligation, with actuarial valuations being carried out at the end of each annual reporting period.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

**Defined contribution plans**

Defined contribution plans are retirement benefit plans under which the Company pays fixed contributions to separate entities (funds) or financial institutions or state managed benefit schemes. The Company has no further payment obligations once the contributions have been paid. The defined contributions plans are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

- \* **Provident Fund Plan & Employee Pension Scheme**

The Company makes monthly contributions at prescribed rates towards Employees' Provident Fund/ Employees' Pension Scheme to a Fund administered and managed by the Government of India.

- \* **Employee State Insurance**

The Company makes prescribed monthly contributions towards Employees' State Insurance Scheme.

**(o) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

- \* **Initial Recognition**

The Company recognizes financial assets and financial liabilities when it becomes a party to



(All amounts are in Rs.lakhs, unless otherwise stated)

the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or release of financial assets and financial liabilities respectively, which are not at fair value through profit or loss, are added to the fair value of underlying financial assets and liabilities on initial recognition. Trade receivables and trade payables that do not contain a significant financing component are initially measured at their transaction price.

\* **Subsequent Measurement**

a. **Non- Derivative Financial Instruments**

\* **Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost which is held with objective to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

\* **Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income which is held with objective to achieve both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

\* **Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

\* **Impairment of financial assets**

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. For impairment purposes significant financial assets are tested on an individual basis, other financial assets are assessed collectively in groups that share similar credit risk characteristics.

The Company recognises life-time expected losses for all trade receivables. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss. sayam to check?

The Company follows 'simplified approach' for the recognition of impairment loss allowance on trade and other receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on life-time ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

\* **Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method. Financial liabilities at fair value through profit and loss includes financial liability held for trading and financial liability designated upon initial recognition as at fair value through profit and loss.

\* **Cash and cash equivalents**

Cash and cash equivalents consist of cash, bank balances in currents and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(All amounts are in Rs.lakhs, unless otherwise stated)

**\* Derecognition**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition as per Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

**\* Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**\* Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively

from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

**(p) CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS****(i) Property, plant and equipment**

External advisor and/or internal technical team assesses the remaining useful life and residual value of property, plant and equipment. Management believes that the assigned useful lives and residual values are reasonable.

**(ii) Intangibles**

Internal technical and user team assess the remaining useful lives of Intangible assets. Management believes that assigned useful lives are reasonable. All Intangibles are carried at net book value on transition.

**(iii) Other estimates**

The Company estimates the un-collectability of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required. Similarly, the Company provides for inventory obsolescence, excess inventory and inventories with carrying values in excess of net realizable value based on assessment of the future demand, market conditions and specific inventory management initiatives. In all cases inventory is carried at the lower of historical cost and net realizable value.

**3. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS**

	Property, Plant and Equipments								Capital Work in Progress
	Leasehold Land	Buildings	Plant and Equipments	Electric installation	Furniture and Fixtures	Vehicles	Office equipment	Total	
<b>Year ended 31st Mar 2018</b>									
Gross carrying amount									
Opening gross carrying amount	470.09	4,896.88	10,936.04	308.15	145.19	382.79	98.00	17,237.14	272.22
Additions	121.89	249.13	2,312.75	109.04	62.82	11.72	30.58	2,897.93	3,711.00
Disposals	-	-	(88.68)			(8.42)		(97.10)	(1,689.45)
<b>Closing gross carrying amount</b>	<b>591.98</b>	<b>5,146.01</b>	<b>13,160.11</b>	<b>417.19</b>	<b>208.01</b>	<b>386.09</b>	<b>128.58</b>	<b>20,037.97</b>	<b>2,293.76</b>
<b>Accumulated depreciation</b>									
Opening accumulated depreciation	6.33	175.72	707.93	54.20	15.79	60.28	20.16	1,040.42	-
Depreciation charge during the year	7.48	191.63	783.10	58.82	20.51	67.40	27.67	1,156.61	-
Disposals	-	-	(6.52)			(4.08)		(10.60)	-
<b>Closing accumulated depreciation</b>	<b>13.81</b>	<b>367.35</b>	<b>1,484.52</b>	<b>113.02</b>	<b>36.30</b>	<b>123.60</b>	<b>47.83</b>	<b>2,186.43</b>	<b>-</b>
<b>Net carrying amount</b>	<b>578.17</b>	<b>4,778.66</b>	<b>11,675.59</b>	<b>304.17</b>	<b>171.71</b>	<b>262.49</b>	<b>80.75</b>	<b>17,851.54</b>	<b>2,293.76</b>
<b>Year ended 31st Mar 2019</b>									
<b>Gross carrying amount</b>									
Opening gross carrying amount	591.98	5,146.01	13,160.11	417.19	208.01	386.09	128.58	20,037.97	2,293.76
Additions	-	3.36	2,373.28	128.60	88.59	99.36	19.83	2,713.02	3,610.87
Disposals	-	-	(29.27)	-	(6.28)	(18.76)	(5.36)	(59.67)	(2,550.82)
<b>Closing gross carrying amount</b>	<b>591.98</b>	<b>5,149.37</b>	<b>15,504.12</b>	<b>545.79</b>	<b>290.32</b>	<b>466.69</b>	<b>143.05</b>	<b>22,691.32</b>	<b>3,353.81</b>
<b>Accumulated depreciation</b>									
Opening accumulated depreciation	13.81	367.35	1,484.52	113.02	36.30	123.60	47.83	2,186.43	-
Depreciation charge during the year	8.28	193.86	935.23	65.31	25.36	59.07	30.36	1,317.48	-
Disposals	-	-	(4.19)	-	(1.68)	(11.60)	(1.02)	(18.48)	-
<b>Closing accumulated depreciation</b>	<b>22.09</b>	<b>561.21</b>	<b>2,415.56</b>	<b>178.33</b>	<b>59.98</b>	<b>171.07</b>	<b>77.18</b>	<b>3,485.43</b>	<b>-</b>
<b>Net carrying amount</b>	<b>569.89</b>	<b>4,588.16</b>	<b>13,088.56</b>	<b>367.46</b>	<b>230.34</b>	<b>295.62</b>	<b>65.87</b>	<b>19,205.90</b>	<b>3,353.81</b>

**Notes:**

(i) Leasehold Land

The original lease terms in respect of a parcel of land acquired as under-

Plot no	Period of Lease
P-4/2to 4/6 at Unit-I	90 years
E-14, 15 at Unit-III	83 years
F-20 at Unit-III	59 years
I-26, 27 at Unit-V	64 years
A-20/2 at Unit IV	85 Years
C-11 at Unit-IV	76 years
Khasra No 268 & 275, Unit-II	30 years

These leases of lands have been classified as finance lease in terms of criteria specified in Ind AS 17 leases, including the facts that the market value of the land ( as on the date of transaction) had been paid to the lessor at the inception of the lease and the company has transfer rights in respect of such lands.

(All amounts are in Rs.lakhs, unless otherwise stated)

**(ii) Restrictions on Property, plant and equipment**

Refer note 14 &amp; 16 for information on charges created on property, plant and equipment.

**(iii) Contractual commitments**

Refer note 38 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

**(iv) Capital work-in-progress**

Capital work-in-progress mainly comprises new manufacturing facility at Unit-1, Unit-3 at Greater Noida and Unit-4 at Supa Ahemadnagar, in the process of being installed and new machinery were purchased.

**4. INTANGIBLE ASSETS**

	Computer Software	Product Development	TOTAL
<b>Year ended 31 March 2018</b>			
<b>Gross carrying amount</b>			
Opening gross carrying amount	34.67	58.55	93.22
Additions	14.47	-	14.47
<b>Closing gross carrying amount</b>	<b>49.14</b>	<b>58.55</b>	<b>107.69</b>
<b>Accumulated amortisation</b>			
Opening accumulated amortisation	6.15	10.03	16.18
Amortisation charge for the year	6.98	10.04	17.02
<b>Closing accumulated amortisation</b>	<b>13.13</b>	<b>20.07</b>	<b>33.20</b>
<b>Closing net carrying amount</b>	<b>36.01</b>	<b>38.48</b>	<b>74.49</b>
<b>Year ended 31st Mar 2019</b>			
<b>Gross carrying amount</b>			
Opening gross carrying amount	49.14	58.55	107.69
Additions	7.77	-	7.77
Disposals	-	(3.36)	(3.36)
<b>Closing gross carrying amount</b>	<b>56.91</b>	<b>55.19</b>	<b>112.10</b>
<b>Accumulated amortisation</b>			
Opening accumulated amortisation	13.13	20.07	33.20
Amortisation charge for the year	8.85	10.03	18.88
<b>Closing accumulated amortisation</b>	<b>21.98</b>	<b>30.10</b>	<b>52.08</b>
<b>Closing net carrying amount</b>	<b>34.93</b>	<b>25.09</b>	<b>60.02</b>

**5. TRADE RECEIVABLES**

	31st March, 2019		31st March, 2018	
	Current	Non-current	Current	Non-current
<b>Trade receivables (at amortised cost)</b>				
Unsecured, considered good	8,470.68	-	5,070.78	-
Doubtful	205.83	-	140.01	-
Less: Allowance for bad and doubtful debts	(205.83)	-	(140.01)	-
<b>Total trade receivables</b>	<b>8,470.68</b>	<b>-</b>	<b>5,070.78</b>	<b>-</b>

Reconciliation of loss allowance provision on trade receivables:

	31st March, 2019	31st March, 2018
Balance at beginning of the year	140.01	99.73
Additional provisions recognised	65.82	40.28
Balance at the end of the year	<b>205.83</b>	<b>140.01</b>

**6. LOANS**

	31st March, 2019		31st March, 2018	
	Current	Non-current	Current	Non-current
<b>Loan to employees ( at amortised cost )</b>				
-Unsecured, Considered Good	18.37	-	17.55	-
	<b>18.37</b>	<b>-</b>	<b>17.55</b>	<b>-</b>

**7. OTHER FINANCIAL ASSETS**

	31st March, 2019		31st March, 2018	
	Current	Non-current	Current	Non-current
<b>At amortised cost</b>				
<b>Unsecured, considered good</b>				
Security deposits	5.00	195.47	0.50	188.60
Bill discounting margin	-	-	72.74	-
Fixed Deposits With Bank (original maturity more than one year classified under non current )	9.00	38.78	-	31.09
Interest accrued on bank deposits	9.20	-	-	8.06
Interest accrued on Investment (ICD)	160.68	-	347.68	-
Interest accrued - Others	10.30	-	1.91	-
Others	2.43	-	2.81	-
<b>Unsecured, considered doubtful</b>				
Interest accrued on Investment (ICD)	307.00	-	120.00	-
less : Allowance for bad & doubtful debts ( ICD)	(307.00)	-	(120.00)	-
<b>Total other financial assets at amortised cost</b>	<b>196.61</b>	<b>234.25</b>	<b>425.64</b>	<b>227.75</b>

**Reconciliation of allowance for bad & doubtful debt (ICD)**

	31st March,2019	31st March, 2018
<b>Balance at beginning of the year</b>	<b>120.00</b>	<b>75.00</b>
Additional provisions recognised	187.00	45.00
Amounts used during the year	-	-
Unused amounts reversed during the year	-	-
<b>Balance at the end of the year</b>	<b>307.00</b>	<b>120.00</b>

**8. DEFERRED TAX BALANCES**

	31st March,2019	31st March, 2018
Net Deferred Tax Assets	526.89	194.12
<b>Total</b>	<b>526.89</b>	<b>194.12</b>

**i) Movement in deferred tax balances**

	"Opening balance"	"Recognised in profit or loss"	Recognised in OCI	Closing balance
<b>Tax effect of items constituting deferred tax assets/ (liabilities)</b>				
- Liabilities and provisions tax deductible only upon payment/actual crystallisation	44.36	(8.52)	-	35.84
- Carry forward losses and unabsorbed depreciation	2,156.29	152.78	-	2,309.07
- MAT Credit Carried Forward	114.12	348.61	5.52	468.25
-Impairment provisions of financial/other assets made in books, but tax deductible only on actual write-off	118.92	133.54	-	252.46
-Difference in carrying values of property, plant & equipment and intangible assets	(2,239.57)	(299.15)	-	(2,538.73)
<b>Net deferred tax assets/(liabilities)</b>	<b>194.12</b>	<b>327.25</b>	<b>5.52</b>	<b>526.89</b>

**(ii) Movement in deferred tax balances**



(All amounts are in Rs.lakhs, unless otherwise stated)

	For the year ended 31 March 2018			
	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
<b>Tax effect of items constituting deferred tax assets/ (liabilities)</b>				
- Liabilities and provisions tax deductible only upon payment/actual crystallisation	18.71	25.65	-	44.36
- Carry forward losses and unabsorbed depreciation	1,935.55	220.75	-	2,156.29
- MAT Credit Carried Forward	-	109.91	4.21	114.12
-Impairment provisions of financial/ other assets made in books, but tax deductible only on actual write-off	68.39	50.53	-	118.92
-Difference in carrying values of property, plant & equipment and intangible assets	(1,942.65)	(296.92)	-	(2,239.57)
<b>Net deferred tax assets/(liabilities)</b>	<b>80.00</b>	<b>109.91</b>	<b>4.21</b>	<b>194.12</b>

**9. OTHER ASSETS**

	31st Mar 2019		31st March, 2018	
	Current	Non-current	Current	Non-current
<b>Unsecured, considered good</b>				
Capital advances	-	101.49		494.51
Advances to suppliers	851.24	-	887.48	-
Advances for expenses	20.20	-	34.78	-
Balances with Government Authorities	438.41	-	510.96	-
Prepaid expenses	105.54	45.39	121.00	7.04
Imprest to employees	0.67	-	2.19	-
	<b>1,416.06</b>	<b>146.88</b>	<b>1,556.41</b>	<b>501.55</b>
<b>Unsecured, considered doubtful</b>				
Advance to suppliers	196.15	-	69.88	-
Capital Advances	-	13.52	-	10.42
Less: Provision for doubtful advance to suppliers and Capital Advances	196.15	13.52	69.88	10.42
	-	-	-	-
<b>TOTAL OTHER ASSETS</b>	<b>1,416.06</b>	<b>146.88</b>	<b>1,556.41</b>	<b>501.55</b>

**10. INVENTORIES**

	31st March,2019	31st March, 2018
Raw materials & components [includes stock in transit Rs.165.99 lac as at 31st March 2019, Rs.257.18 lac as at 31st March 2018]	4,459.26	3,970.19
Work-in-progress	1,627.41	1,353.14
Finished goods	689.96	557.48
Stores and spares	48.70	50.26
<b>Total inventories</b>	<b>6,825.33</b>	<b>5,931.07</b>

- (i) The mode of valuation of inventories has been stated in note 2 (k)
- (ii) In view of the order-to-dispatch cycle being normally around twelve months, most of the inventories held are expected to be utilized/sold during the next twelve months. However, there may be some exceptions on account of unanticipated cases where the dispatch is held up due to reasons attributable to the customers, slow movement in spares and advance manufacture in anticipation of orders, but these are not expected to be of material amounts.

- (iii) Refer Note no.14 & 16 for information on hypothecation created on entire stock including raw material, work in progress, finished goods, stock in transit and other stores & spare parts of unit-1, 2 & 3 by State bank of India and Unit 4 & 5 by HDFC Bank respectively.

## 11. CASH AND BANK BALANCES

### (a) Cash and cash equivalents

	31st March,2019	31st March, 2018
<b>At amortised cost</b>		
Balances with banks		
-In current accounts	365.75	140.90
Cash on hand	5.67	14.03
<b>Total cash and cash equivalents</b>	<b>371.42</b>	<b>154.93</b>

### (b) Bank balances other than cash and cash equivalents

	31st March,2019	31st March, 2018
<b>At amortised cost</b>		
Earmarked balances with banks original maturity up to 12 months	265.87	257.88
<b>Total bank balances other than cash and cash equivalents</b>	<b>265.87</b>	<b>257.88</b>

## 12. SHARE CAPITAL

	31st March, 2019		31st March, 2018	
	Number of shares	Amount in ₹	Number of shares	Amount in ₹
<b>Authorised</b>				
Equity shares of ₹ 10.00 each	25,000,000	2,500	25,000,000	2,500
	<b>25,000,000</b>	<b>2,500</b>	<b>25,000,000</b>	<b>2,500</b>
<b>Issued, Subscribed And Fully Paid Up:</b>				
Equity shares of ₹ 10.00 each	18,654,332	1,865.43	16,414,332	1,641.43
	<b>18,654,332</b>	<b>1,865.43</b>	<b>16,414,332</b>	<b>1,641.43</b>

### (i) Movements in equity share capital

	Number of shares	Amount in ₹
<b>As at 31 March 2017</b>	16,414,332	1,641.43
Movement during the year	-	-
<b>As at 31 March 2018</b>	16,414,332	1,641.43
Movement during the year *	2,240,000	224.00
<b>As at 31 Mar 2019</b>	<b>18,654,332</b>	<b>1,865.43</b>

#### Terms and 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. 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.

\* During the year the company had allotted 2240000 equity shares on preferential basis to Promoter Directors viz. Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta pursuant to conversion of outstanding loan of Rs.2800 lakh given by them to Company.

(All amounts are in Rs.lakhs, unless otherwise stated)

**(ii) Details of shareholders holding more than 5% shares in the company**

	31st March, 2019		31st March, 2018	
	Number of shares	% Holding	Number of shares	% Holding
Mr. Promod Gupta	4,516,167	24.21%	4,016,166	24.47%
Mr. Anurag Gupta	2,207,555	11.83%	1,514,222	9.22%
Mr. Vishal Gupta	2,598,345	13.93%	2,075,012	12.64%
Mr. Vikas Gupta	2,594,055	13.91%	2,070,722	12.62%

**13. OTHER EQUITY**

	31st March,2019	31st March, 2018
Capital reserve	-	-
Securities premium	13,486.32	10,910.32
Retained earnings	1,504.17	509.92
Other comprehensive income	46.24	20.64
	<b>15,036.73</b>	<b>11,440.88</b>

**(i) Capital reserve**

	31st March,2019	31st March, 2018
Opening balance	-	3.65
Movement during the year*	-	(3.65)
Closing balance	-	-

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

**(ii) Securities premium**

	31st March,2019	31st March, 2018
Opening balance	10,910.32	10,910.32
Movement during the year*	2,576.00	-
Closing balance	13,486.32	10,910.32

Securities premium is used to record the premium on issue of shares. The securities premium is utilised in accordance with the provisions of the Act.

\* During the year Company had allotted 2240000 equity shares on preferential basis @125/- per equity shares including share premium of Rs.115/- per equity share to Promoter Directors viz. Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta pursuant to conversion of outstanding loan of Rs.28 crore given by them to Company.

**(iii) Retained earnings**

	31st March,2019	31st March, 2018
Opening balance	509.92	(238.58)
Net profit for the year	994.25	748.50
<b>Closing balance</b>	<b>1,504.17</b>	<b>509.92</b>

(a) It represents undistributed profits of the Company which can be distributed by the Company to its equity shareholders in accordance with the requirements of the Companies Act, 2013.

(b) As required under Ind AS compliant Schedule III, the Company has recognised remeasurement of defined benefit plans (net of tax) as part of retained earnings.

**(iv) Other comprehensive income**

	31st March, 2019	31st March, 2018
Opening balance	20.64	-
Total comprehensive income for the year	25.60	20.64
<b>Closing Balance</b>	<b>46.24</b>	<b>20.64</b>

**14. NON-CURRENT BORROWINGS**

	31st March, 2019		31st March, 2018	
	Current	Non-current	Current	Non-current
<b>Secured- at amortised cost</b>				
Term loans				
- From banks-Rupee				
- Working Capital Term Loan from SBI	-	-	455.00	-
- Term Loan from SBI*	240.00	399.00	240.00	639.00
- Term Loan from SBI**	240.00	1,490.00	120.00	1,729.99
- Term Loan from HDFC Bank	513.83	2,299.24	330.43	1,997.84
- Vehicle Loan from various Banks	50.21	44.65	32.35	31.12
- From Others-Rupee				
- Term Loan from Aditya Birla Finance Ltd.	43.36	80.12	40.30	122.42
- Vehicle loan from Cholamandalm Investment & Finance Ltd	3.28	-	10.67	3.28
- Vehicle loan from Tata Motors Finance Ltd	1.46	-	16.41	1.46
- Vehicle loan from Sundaram Finance Limited	9.57	11.10	5.37	9.04
			-	-
<b>Unsecured- at amortised cost</b>				
Unsecured loans from directors	-	689.19	-	3,384.11
Deferred Payment against P&M	64.45	-	85.42	40.09
	1,166.16	5,013.30	1,335.95	7,958.35
Less: Amount disclosed under the head "Other financial liabilities current" (refer note 18)	1,166.16		1,335.95	-
<b>Total non-current borrowings</b>	<b>-</b>	<b>5,013.30</b>	<b>-</b>	<b>7,958.35</b>

**14.1 Term Loan from State Bank of India**

- a. (i) WCTL from State Bank of India has been fully paid during the year;
- a. (ii) \*Term loan from State Bank of India are secured by way of hypothecation of Plant and Machinery, Prefabricated building and other utilities acquired out of banks finance & Personal guarantee of promoter directors i.e Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta;
- a. (iii) \*\*Term loan from State Bank of India are secured by way of hypothecation of Plant and Machinery, factory land situated at P-4/6 and F-20, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of the Company & Personal guarantee of promoter directors i.e Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta;
- b. Collateral Security:- Factory Land and Building situated at Plot no- P-4/2 - 4/5, Plot No E-14 & E-15, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of Company and Factory land and Building situated at Khasra No 268 & 275, Village Raipur, Roorkee, Haridwar, Uttarakhand, land in the name of M/s PG Electronics and Mr. Vishal Gupta;
- c. Corporate Guarantee of PG Electronics ( Partnership Firm)
- d. Outstanding working capital term loan as on 31 March 2019 is Rs.0.00/- (as on 31 March 2018 is Rs.455.00 Lakh) and has been fully paid during the year along with applicable interest;
- e. \*Outstanding Term loan as on 31 March 2019 is Rs.639.00 lakh ( as on 31 March 2018 is Rs.879.00 lakh) as on reporting date is repayable on monthly instalments of Rs 20.00 lakh till November 2021. Interest is being paid separately at the end of the month;
- f. \*\*Outstanding Term loan as on 31 March 2019 is Rs.1729.99 lakh ( as on 31 March 2018 is Rs.1849.99 lakh) as on reporting date is repayable on monthly instalments of Rs.20.00 lakh in FY 2019-20 & 2020-21, monthly instalment

(All amounts are in Rs.lakhs, unless otherwise stated)

of Rs.30.00 lakh in FY 2021-22, monthly instalment of Rs.35.00 lakh in FY 2022-23, monthly instalment of Rs.40.00 lakh in FY 2023-24, till Feb 2024 and Rs.30.00 lakh in March 2024. Interest is being paid separately at the end of the month;

#### **14.2 Term Loan from HDFC Bank Limited**

- a. Term loans of Rs. 1000 lakh from HDFC Bank Limited is secured by way of exclusive charge over land, Building, at I-26 & I-27, Site-C, UPSIDC Industrial Area, Surajpur Greater Noida, U.P. (Unit 5). Term loan are also secured by way of exclusive charge on plant and machinery situated at Unit 5 of Greater Noida and specific plant & machinery generated out of the term loan, situated at Unit 4 of Ahemednagar, Maharashtra. Personal Guarantee are also given by promoter directors i.e. Mr.Promod Gupta, Mr.Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta;
  - i) Outstanding term loan as on 31 March 2019 is Rs. 569.17 lakh (as on 31 March 2018 is Rs 789.49 lakh repayable in monthly instalments of Rs 18.36 lakh till October 2021 alongwith interest;
  - ii) Interest is being paid separately on monthly basis;
- b. Term loans of Rs. 1500 lakh from HDFC Bank Limited is secured by way of exclusive charge over land, Building, at A-20/2. MIDC Supa, District- Ahmendnagar Maharastra (Unit 4). Term loan are also secured by way of exclusive charge on specific plant & machinery generated out of the term loan, situated at Unit 4 of Ahemednagar, Maharashtra. Personal Guarantee are also given by promoter directors i.e. Mr.Promod Gupta, Mr.Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta;
  - i) Outstanding term loan as on 31 March 2019 is Rs 1434.55 lakh (as on 31 March 2018 is Rs.658.86 lakh) repayable in monthly instalments of Rs 10.17 lakh upto June 2019, Rs.20.35 lakh from Jul-19 to Jun-24 and Rs.30.52 lakh from Jul-24 to Dec-24 alongwith interest;
  - ii) Interest is being paid separately on monthly basis;
- c. Term loans of Rs. 900 lakh from HDFC Bank Limited against property taken over from Religare Finvest Limited is secured by way of exclusive charge over land, Building, at A-20/2. MIDC Supa, District- Ahmendnagar Maharastra (Unit 4). Term loan are also secured by way of exclusive charge on specific plant & machinery generated out of the term loan, situated at Unit 4 of Ahemednagar, Maharashtra. Personal Guarantee are also given by promoter directors i.e. Mr.Promod Gupta, Mr.Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta;
  - i) Outstanding term loan as on 31 March 2019 is Rs. 809.35 lakh (as on 31 March 2018 is Rs.879.92 lakh) repayable in monthly instalments till May 2027 alongwith interest.
  - ii) Interest is being paid separately on monthly basis;

#### **14.3 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 Unit No.11, lobe-2, second floor currently known as 2211,second floor,Tower-a,The corenthum,plot no.A-41,Sector-62,Noida owned by TV Palace (Partnership firm) in which directors are partners;
- c. Guaranteed by promoter directors i.e Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta .
- d. Outstanding term loan as on 31 March 2019 is Rs 123.48 lakh (as on 31 March 2018 is Rs 162.73 lakh) along with interest.

**14.4** Unsecured loans from directors of Rs.689.19 lakh (previous year Rs.3384.11 lakh) was given by directors on long term basis and are interest free.

#### **14.5 Deferred payment against plant & machinery represents**

- a. the outstanding amount of Rs. 41.77 lakh equivalent to USD 59,730 (Previous year Rs.87.25 lakh) is repayable in 10 monthly installments each of USD 5973 in respect of plant & machineries purchased on credit without interest.
- b. Outstanding amount of Rs.22.68 lakh equivalent to USD 32438.50 is repayable in 5 quarterly installments each of USD 6487.50 in respect of imported plant & machineries purchased on credit without interest.

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

Name of the Bank/ Others	ROI	Sunday, March 31, 2019		Saturday, March 31, 2018		Nature of Security
		Loan Outstanding	Repayment Terms	Loan Outstanding	Repayment Terms	
1. HDFC Bank Ltd.	10.90% to 11.50%	42.86	In EMIs of 13 months	59.09	In EMIs ranging from 5 to 25 months	Secured by hypothecation of vehicle acquired under the respective vehicle loan
2. Yes Bank Ltd.	11.15%	-	-	4.37	In EMIs of 4 months	
3. ICICI Bank Ltd.	9.11%	52.00	In EMIs of 33 months	-	-	
4. Cholamandalam Investment & Finance Ltd.	12.50%	3.28	In EMIs ranging from 5 to 6 months	13.95	In EMIs of 13 months	
5. Tata Motors Finance Limited	11.95%	1.46	In EMIs of 1 months	17.87	In EMIs ranging from 6 to 18 months	
6. Sundram Finance Limited	11% to 11.55%	20.67	In EMIs ranging from 5 to 34 months	14.41	In EMIs of 30 months	
<b>Total- Vehicle Loans</b>		<b>120.27</b>		<b>109.69</b>		

**15. PROVISIONS**

	31st March, 2019		31st March, 2018	
	Current	Non-current	Current	Non-current
<b>Provision for employee benefits</b>				
Gratuity (refer note 32)	54.00	225.11	46.71	187.23
Compensated absences (refer note 32)	38.15	157.06	39.98	113.33
<b>Total</b>	<b>92.15</b>	<b>382.17</b>	<b>86.69</b>	<b>300.56</b>

**16. CURRENT BORROWINGS**

	31st March, 2019	31st March, 2018
	Current	Current
<b>Secured- at amortised cost</b>		
Repayable on demand		
- Cash Credit Limit from State Bank of India	2,198.92	787.55
- Cash Credit Limit from HDFC	714.41	-
- Overdraft from State Bank of India	29.48	69.55
	<b>2,942.81</b>	<b>857.10</b>
<b>Unsecured- at amortised cost</b>		
Bill discounting from banks		
- From HDFC Bank	3,870.11	1,911.02
- From Kotak Mahindra Bank	-	731.96
Unsecured loans from Directors & their Relatives	-	60.00
	<b>3,870.11</b>	<b>2,702.98</b>
<b>Total current borrowings</b>	<b>6,812.92</b>	<b>3,560.08</b>

**A. Cash Credit Limit from State Bank of India**

- I. CC Limits from State Bank of India are secured by way of hypothecation of entire current assets including raw material, SIP, FG Book debts, advance payments, stock in transit, other current assets, cash margins of Unit 1, 2 & 3 of the Company;
- II. Collateral Security : Factory Land and Building situated at Plot no- P-4/2 - 4/6 and Plot No E-14 & E-15, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of Company and Factory land and Building situated at Khasra No 268 & 275, Village Raipur, Roorkee, Haridwar, Uttarakhand, land in the name of M/s PG Electronics and Mr. Vishal Gupta;

(All amounts are in Rs.lakhs, unless otherwise stated)

- III. Personal and Corporate Guarantee: Secured by Personal Guarantee of promoter directors i.e. Mr.Promod Gupta, Mr.Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta and corporate guarantee of M/s PG Electronics.
- IV. Factory land and building of Plot no F-20, Site, B, UPSIDC Industrial Area, Surajpur, Greater Noida, District Gautam Budh Nagar is the prime security.
- V. All fixed assets except land & building and specified machinery charged under term loan of Unit-1, 2 & 3.

**B. Cash Credit Limit from HDFC Bank Limited**

- I. CC Limits from HDFC Bank Limited are secured by way of hypothecation of entire current assets present and future of Unit 4 & 5 of the Company;
- II. Collateral Security : Factory Land and Building situated at I-26 & 27, Site C, UPSIDC Industrial Area, Surajpur, Greater Noida, U.P (Unit-5) and A-20/2. MIDC Supa, District- Ahmednagar Maharashtra (Unit-4) of Company;
- II. Personal and third party Guarantee: Secured by Personal Guarantee of promoter directors i.e. Mr.Promod Gupta, Mr.Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta.

**C. Overdraft Limit from State Bank of India**

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

**Bill discounting Limits from banks**

- D. Bill discounting from HDFC Bank are guaranteed by promoter directors i.e Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta.
- E. Bill discounting from Kotak Mahindra Bank Ltd has been paid in FY 2018-19 had been discontinued.

**17. TRADE PAYABLES**

	31st March, 2019	31st March, 2018
Trade payables (at amortised cost)	7,536.23	4,755.64
<b>Acceptances:</b>		
Letter of Credit from State Bank of India	1,490.92	1,630.20
Foreign letter of credit from State Bank of India	122.90	109.53
<b>Total</b>	<b>9,150.05</b>	<b>6,495.37</b>
Trade payables (at amortised cost)		
- Total outstanding dues of micro and small enterprises (refer note 40)	288.44	135.80
- Total outstanding dues of creditors other than micro and small enterprises	8,861.61	6,359.57
<b>Total trade payables</b>	<b>9,150.05</b>	<b>6,495.37</b>

**18. OTHER FINANCIAL LIABILITIES**

	31st March, 2019		31st March, 2018	
	Current	Non-current	Current	Non-current
<b>At amortised cost</b>				
**Current maturities of long-term borrowings (refer note 14)	1,166.16	-	1,335.95	-
Interest accrued and due on borrowings	50.71	-	46.68	-
Capital creditors	96.25	-	330.45	-
Expenses creditors	730.30	-	608.00	-
Employee benefits & other dues payable	195.18	-	156.66	-
Security deposits	-	16.06	-	28.26
Advance for security Deposit	1.83	-	3.76	2.08
<b>Total other financial liabilities</b>	<b>2,240.43</b>	<b>16.06</b>	<b>2,481.50</b>	<b>30.34</b>

**19. OTHER CURRENT LIABILITIES**

	31st March, 2019	31st March, 2018
Advance from customers	109.84	202.87
Expenses Payable	88.42	98.63
Statutory remittances		-
- TDS payable	30.02	35.58
- TCS payable	0.11	0.15
- ESI Payable	4.36	3.70
- PF payable	25.20	23.03
- Ex Gratia Payable	37.16	41.23
- Bonus payable	134.49	119.00
- GST payable	182.69	277.93
- VAT payable	-	3.33
- Professional tax payable	0.42	0.39
Others	11.25	4.41
<b>Total other current liabilities</b>	<b>623.96</b>	<b>810.25</b>

**20. INCOME TAX BALANCES**

	31st March, 2019		31st March, 2018	
	Current	Non-current	Current	Non-current
<b>Income Tax Assets (Net)</b>				
Income Tax Refund due for earlier years	246.06	-	362.10	-
Provision for income tax	-	-	(109.91)	-
provision on other comprehensive income (OCI)	-	-	(4.21)	-
Provision for income tax for earlier years	(48.09)	-	-	-
<b>Net Income tax Assets</b>	<b>197.97</b>	<b>-</b>	<b>247.98</b>	<b>-</b>
<b>Income Tax Liabilities (Net)</b>				
Provision for income tax	300.52	-	-	-
provision on other comprehensive income (OCI)	5.52	-	-	-
TDS/Advance Tax	(249.18)	-	-	-
<b>Total Income tax Liabilities (Net)</b>	<b>56.86</b>	<b>-</b>	<b>-</b>	<b>-</b>

**21. REVENUE FROM OPERATIONS**

	31st March, 2019	31st March, 2018
Sale of products		
Finished goods	47,110.14	38,169.23
Traded goods	3,444.02	2,736.43
Sale of services		
Job Work Charges	96.94	47.90
Repair Of Moulds	40.71	163.26
Other operating revenue:		
Sale of scrap	143.49	161.85
	<b>50,835.30</b>	<b>41,278.67</b>

Note.

Revenue from operations for periods up to 30 June 2017 in previous year includes excise duty of Rs.1336.60 Lakh. From 1 July 2017 onwards the excise duty and most indirect taxes in India have been replaced with Goods and Service Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations year ended 31 March 2019 is not comparable with 31 March 2018.



(All amounts are in Rs.lakhs, unless otherwise stated)

**22. OTHER INCOME**

		31st March, 2019	31st March, 2018
22.1	<b>Interest income</b>		
	Interest income from bank deposits	20.39	16.44
	Interest income from financial liabilities at amortised cost	3.60	4.90
	Interest income from others	11.42	13.05
		35.41	34.39
22.2	<b>Other non-operating income (net of expenses directly attributable to such income)</b>		
	Rental income	175.92	167.81
	PSI Incentive 2007 from MIDC *	5.20	78.47
	Miscellaneous income	6.73	6.75
		187.85	253.03

\*The company was entitled to PSI incentive at Pune unit up to November 2017

		31st March, 2019	31st March, 2018
22.3	<b>Other gains</b>		
	Net foreign exchange rate fluctuation gains	-	4.11
	Profit on sale of fixed assets	2.32	8.11
	Credit balances written back	89.80	220.13
	Others	3.51	11.28
		95.63	243.63
		318.89	531.05

**23. COST OF MATERIAL CONSUMED**

	31st March, 2019	31st March, 2018
Stock at the beginning of the year	3,713.01	4,966.89
Add: Purchases	40,983.16	30,850.12
Less: Discount received from suppliers	(81.41)	(105.33)
Less: Cost of goods traded	(3,202.94)	(2,470.72)
Less: Stock at the end of the year	(4,293.27)	(3,713.01)
	37,118.55	29,527.95

**23.1 COST OF GOODS TRADED**

	31st March, 2019	31st March, 2018
Cost of Goods traded	3,202.94	2,470.72
	3,202.94	2,470.72

**24. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS**

	31st March, 2019	31st March, 2018
<b>Inventories at the beginning of the year:</b>		
Work-in progress	1,353.14	429.85
Finished goods	557.48	443.63
<b>Total inventories at the beginning of the year</b>	1,910.62	873.48
<b>Inventories at the end of the year:</b>		
Work-in progress	1,627.41	1,353.14
Finished goods	689.96	557.48
<b>Total inventories at the end of the year</b>	2,317.37	1,910.62
Add/(Less): Impact of excise duty on finished goods		(49.04)
Total changes in inventories of finished goods and work-in-progress	(406.75)	(1,086.18)

**25. EMPLOYEE BENEFIT EXPENSES**

	31st March, 2019	31st March, 2018
Salaries and wages	3,543.09	3,043.21
Contribution to provident and other funds (refer note 32)	186.88	162.87
Leave encashment (refer note no. 32)	58.91	54.03
Gratuity expense ( refer note no.32)	79.11	106.03
Other employee benefits	141.26	124.92
	4,009.25	3,491.06

**26. FINANCE COST**

	31st March, 2019	31st March, 2018
Interest costs:		
Interest on borrowings		
- Interest to Bank	512.95	539.97
- Interest to Other	16.75	20.12
- Interest On Car Loan	9.25	14.00
- Other interest expense	18.82	4.90
Other borrowing costs		-
Discounting Charges, Processing fee	475.91	485.59
	1,033.68	1,064.58

**27. DEPRECIATION AND AMORTIZATION EXPENSES**

	31st March, 2019	31st March, 2018
Depreciation of property, plant and equipment (refer note 3)	1,317.48	1,156.61
Amortisation of intangible assets (refer note 4)	18.87	17.02
	1,336.35	1,173.63

**28. OTHER EXPENSES**

	31st March, 2019	31st March, 2018
Stores, spares and tools consumed	245.46	186.59
Power and fuel	1,435.20	1,167.10
Sub-contracting expenses	194.61	278.56
Freight and forwarding charges	606.25	545.83
Hiring charges of machinery , DG set	-	0.69
Rent	72.85	31.84
Rates and taxes	30.27	33.71
Insurance	37.80	31.64
Repairs and maintenance:		-
Machinery	207.35	157.14
Building	33.87	11.09
Others	56.75	24.17
Travelling and conveyance	65.30	89.11
Vehicle running & maintenance	50.96	48.61
Communication costs	21.25	24.69
Printing and stationery	15.99	12.77
Security expenses	105.45	97.95
Legal and professional fees	70.25	69.56
Provision for doubtful debts & advances	382.17	118.98
Payment to auditor (Refer details below Note-28.1)	14.00	18.07
Payment to cost auditor	3.00	3.00
Directors sitting fees	7.40	6.10
Loss on sale of property, plant and equipment	5.86	6.92
Property, Plant & Equipments written off	20.21	-
CSR Expenses (refer note 28.2)	30.51	-

(All amounts are in Rs.lakhs, unless otherwise stated)

	31st March, 2019	31st March, 2018
Late delivery charges paid to customers	10.12	-
Foreign Exchange rate fluctuation losses (Net)	0.87	-
Misc. Balance Written off	34.73	18.80
Miscellaneous expenses	86.09	99.94
	<b>3,844.57</b>	<b>3,082.86</b>

**28.1 Detail of payment to auditors**

	31st March, 2019	31st March, 2018
Audit fee	3.50	3.90
Tax audit fee	1.00	0.80
Limited review fee	9.50	9.60
Others	-	3.77
	14.00	18.07

**28.2 Corporate Social Responsibility (CSR)**

The Company has incurred CSR expenses mainly towards promoting education, healthcare which are specified in Schedule VII of the Companies Act, 2013

	31st March, 2019	31st March, 2018
<b>Details of CSR expenses</b>		
a) Gross amount required to be spent during the year	-	-
b) Amount spent during the year	30.51	-
In Cash		
i) Construction/acquisition of any asset -	-	-
ii) On purposes other than (i) above	30.51	-
Yet to be paid in cash		
i) Construction/acquisition of any asset -	-	-
ii) On purposes other than (i) above	-	-

**29. INCOME TAX EXPENSES****29.1 Income tax recognised in profit & loss**

	31st March, 2019	31st March, 2018
<b>Current tax:</b>		
In respect of the current year	306.03	109.91
In respect of the prior years	48.09	-
Total current tax expense	354.12	109.91
<b>Deferred tax:</b>		
In respect of current year origination and reversal of temporary differences	306.03	109.91
In respect of prior years	48.09	-
Deferred tax liabilities recognized in profit & loss	(21.35)	-
Total deferred tax expense recognized in profit & loss	332.77	109.91

**Reconciliation of income tax expense and the accounting profit multiplied by Company's tax rate:**

	31st March, 2019	31st March, 2018
Profit before tax from continuing operations	1,015.60	748.50
Less - balance unabsorbed Depreciation adjusted	-	209.42
	1,015.60	539.08
Income tax expense calculated @ 21.55% (Previously 20.59%) - MAT tax Rate	306.03	109.91
	306.03	109.91
Effective Tax Rate	30.13%	14.68%

**29.2 Income tax recognised in other comprehensive income**

	31st March, 2019	31st March, 2018
<b>Deferred tax related to items recognised in other comprehensive income during the year:</b>		
Remeasurement of defined benefit obligations	5.27	4.21
Total income tax expense recognised in other comprehensive income	5.27	4.21
<b>Bifurcation of the income tax recognised in other comprehensive income into:</b>		
Items that will not be reclassified to profit & loss	5.27	4.21
Items that may be reclassified to profit & loss	-	-
Total income tax expense recognised in other comprehensive income	5.27	4.21

**30 EARNINGS PER SHARE**

	31st March, 2019	31st March, 2018
<b>Profit for the year attributable to owners of the Company (with OCI)</b>	1,019.85	769.14
Weighted average number of equity shares for the purposes of basic EPS/diluted EPS	164.57	164.14
Basic earnings per share (face value of ₹ 10 per share)	6.20	4.69
Diluted earnings per share (face value of ₹ 10 per share)	6.20	4.69
	<b>31st March, 2019</b>	<b>31st March, 2018</b>
<b>Profit for the year attributable to owners of the Company (without OCI)</b>	994.25	748.50
Weighted average number of equity shares for the purposes of basic EPS/diluted EPS	164.57	164.14
Basic earnings per share (face value of ₹ 10 per share)	6.04	4.56
Diluted earnings per share (face value of ₹ 10 per share)	6.04	4.56

**31 SEGMENT INFORMATION**

Operating segment are defined as components of the company about which separate financial information is available that is evaluated regularly by the chief operating decision-maker, or decision-making company, in deciding how to allocate resources and in assessing performance. The Company primarily operates in one business segment- Consumer Electronic Goods and Components.

The Company is domiciled in India and all its non-current assets are located in/relates to India except capital advances of Rs.3.55 lakh as at 31 March 2019 ( 31 March 2018 is Rs.106.73 lakh)

The amount of Company's revenue from external customers based on geographical area and nature of the products/ services are shown below:

(All amounts are in Rs.lakhs, unless otherwise stated)

**Revenue by geographical area**

	31st March, 2019	31st March, 2018
India	50,664.12	41,278.28
Rest of World	171.18	0.39
	50,835.30	41,278.67

**Revenue by nature of products / services (refer note 21)**

	31st March, 2019	31st March, 2018
<b>Sale of products (including excise duty):</b>		
Finished goods	47,110.14	38,169.23
Traded goods	3,444.02	2,736.43
<b>Sale of services :</b>		
Job Work Charges	96.94	47.90
Repair Of Moulds	40.71	163.26
<b>Other operating revenue :</b>		
Sale of scrap	143.49	161.85
	50,835.30	41,278.67

There are two customers who has contributed 10% or more each to the Company's revenue for the year ended 31 March 2019 amounting to Rs.25,699.29 lakh and one customer for year ended 31 March 2018 amounting to Rs.19,865.10 lakh

**32 EMPLOYEE BENEFIT PLANS****(i) Defined contribution plans:**

- (a) The Company operates defined contribution retirement benefit plans under which the Company pays fixed contributions to Employees Provident Fund Organisation, Ministry of Labour & Employment, Government of India. The Company has no further payment obligations once the contributions have been paid. Following are the schemes covered under defined contributions plans of the Company:

**Provident Fund Plan & Employee Pension Scheme:** The Company makes monthly contributions at prescribed rates towards Employee Provident Fund and Employee Pension Scheme fund administered and managed by Ministry of Labour & Employment, Government of India.

**Employee State Insurance:** The Company makes prescribed monthly contributions towards Employees State Insurance Scheme and payment made to Employee State Insurance Corporation, Ministry of Labour & Employment, Government of India.

- (b) The expense recognised during the period towards defined contribution plans are as follows:

	31st March, 2019	31st March, 2018
Company's contribution to Provident Fund	143.24	125.50
Administrative charges on above fund	6.21	7.22
Company's contribution to Employee State Insurance Scheme	37.43	30.15
	186.88	162.87

**(ii) Defined benefit plans**

- (a) The Company provides for gratuity obligations through a defined benefit retirement plan (the 'Gratuity Plan') covering all company employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement termination of employment or death of an employee, based on the respective employees' salary and years of employment with the Company.



**(b) Risk exposure**

i) Risk to the beneficiary

The greatest risk to the beneficiary is that there are insufficient funds available to provide the promised benefits. This may be due to:

- The insufficient funds set aside, i.e. underfunding
- The insolvency of the Employer
- The holding of investments which are not matched to the liabilities
- Or a combination of these events

ii) Risk Parameter

Actuarial valuation is done basis some assumptions like salary inflation, discount rate and withdrawal assumptions. In case the actual experience varies from the assumptions, fund may be insufficient to pay off the liabilities.

Similarly, reduction in discount rate in subsequent future years can increase the plan's liability. Further, actual withdrawals may be lower or higher than what was assumptions the valuation, may also impact the plan's liability.

iii) Risk of illiquid Assets

Another risk is that the funds, although sufficient, are not available when they are required to finance the benefits. This may be due to assets being locked for longer period or in illiquid assets.

iv) Risk of Benefit Change

There may be a risk that the benefit promised is changed or is changeable within the terms of the contract.

v) Asset liability mismatching risk

ALM risk arises due to a mismatch between assets and liabilities either due to liquidity or changes in interest rates or due to different duration.

**(c) The significant actuarial assumptions used for the purposes of the actuarial valuation of gratuity and leave encashment were as follows:**

	LEAVE ENCASHMENT	
	31st March, 2019	31st March, 2018
Discounting rate	7.77%	7.54%
Future salary growth rate	10.00%	10.00%
Life expectancy/ Mortality rate*	100% of IALM 2006-08	100% of IALM 2006-08
withdrawal rate	5.00%	5.00%
Method used	Projected unit credit Actuarial method	Projected unit credit Actuarial method

	GRATUITY	
	31st March, 2019	31st March, 2018
Discounting rate	7.77%	7.54%
Future salary growth rate	10.00%	10.00%
Life expectancy/ Mortality rate*	100% of IALM 2006-08	100% of IALM 2006-08
withdrawal rate	5.00%	5.00%
Method used	Projected unit credit Actuarial method	Projected unit credit Actuarial method

\* Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics

(All amounts are in Rs.lakhs, unless otherwise stated)

(i.e. IALM 2006-08 Ultimate). These assumptions translate into an average life expectancy in years at retirement age.

- (d) Amounts recognised in statement of profit & loss in respect of defined benefit plan (Gratuity Plan & leave encashment ) are as follows:

	LEAVE ENCASHMENT	
	31st March, 2019	31st March, 2018
Current service cost	50.13	44.79
Net interest expense	11.56	7.62
Remeasurement-Actuarial loss/(gain)	(2.78)	1.62
Components of defined benefit costs recognised in profit or loss	58.91	54.03
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amount included in net interest expense)	-	-
Actuarial (gain)/ loss arising form changes in financial assumptions	-	-
Actuarial (gain) / loss arising form changes in demographic assumptions	-	-
Actuarial (gain) / loss arising form experience adjustments	-	-
	-	-
Components of defined benefit costs recognised in other comprehensive income	-	-
Total	58.91	54.03

	GRATUITY	
	31st March, 2019	31st March, 2018
Current service cost	61.48	94.93
Net interest expense	17.64	11.10
Remeasurement-Actuarial loss/(gain)		-
Components of defined benefit costs recognised in profit or loss	79.12	106.03
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amount included in net interest expense)	2.46	0.53
Actuarial (gain)/ loss arising form changes in financial assumptions	(8.05)	(23.53)
Actuarial (gain) / loss arising form changes in demographic assumptions	-	-
Actuarial (gain) / loss arising form experience adjustments	(20.01)	2.36
Components of defined benefit costs recognised in other comprehensive income	(25.60)	(20.64)
Total	53.52	85.39

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit & loss. The remeasurement of the net defined benefit liability is included in other comprehensive income.

- (e) Amounts included in the balance sheet arising from the entity's obligation in respect of its defined benefit plan (Gratuity Plan & leave encashment) is as follows:

	LEAVE ENCASHMENT	
	31st March, 2019	31st March, 2018
Present value of defined benefit obligation as at the end of the year	195.21	153.31
Fair value of plan assets		
Funded status	(195.21)	(153.31)
Net asset/(liability) arising from defined benefit obligation recognised in the balance sheet	(195.21)	(153.31)

	GRATUITY	
	31st March, 2019	31st March, 2018
Present value of defined benefit obligation as at the end of the year	349.87	302.02
Fair value of plan assets	70.76	68.08
Funded status	(279.11)	(233.94)
Net asset/(liability) arising from defined benefit obligation recognised in the balance sheet	(279.11)	(233.94)

- (f) Movement in the present value of the defined benefit obligation (Gratuity Plan obligation & leave encashment) are as follows:

	LEAVE ENCASHMENT	
	31st March, 2019	31st March, 2018
Present value of defined benefit obligation at the beginning of the year	153.31	112.04
Expenses recognised in profit and loss account:		
Current Service Cost	50.13	44.79
Interest Expense (Income)	11.56	7.62
Remeasurement-Actuarial loss/gain	(2.78)	1.62
Remeasurement gains / (losses) recognised in other comprehensive income:		
Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	-	-
ii. Financial Assumptions	-	-
iii. Experience Adjustments	-	-
Benefit paid	(17.01)	(12.76)
Present value of defined benefit obligation at the end of the year	195.21	153.31

	GRATUITY	
	31st March, 2019	31st March, 2018
Present value of defined benefit obligation at the beginning of the year	302.02	228.16
Expenses recognised in profit and loss account:		
Current Service Cost	61.48	94.93
Interest Expense (Income)	22.77	15.52
Remeasurement-Actuarial loss/gain		
Remeasurement gains / (losses) recognised in other comprehensive income:		
Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	-	-
ii. Financial Assumptions	(8.05)	(23.53)
iii. Experience Adjustments	(20.00)	2.36
Benefit paid	(8.35)	(15.42)
Present value of defined benefit obligation at the end of the year	349.87	302.02

- (g) Movement in the fair value of plan assets are as follows:

	LEAVE ENCASHMENT	
	31st March, 2019	31st March, 2018
Fair value of plan assets at the beginning of the year	-	-
Expenses recognised in profit and loss account		
Expected return on plan assets	-	-
Remeasurement gains / (losses) recognised in other comprehensive income		
Actual Return on plan assets in excess of the expected return	-	-
Contributions by employer	17.01	12.76
Benefit payments	(17.01)	(12.76)
Fair value of plan assets at the end of the year	-	-



(All amounts are in Rs.lakhs, unless otherwise stated)

	GRATUITY	
	31st March, 2019	31st March, 2018
Fair value of plan assets at the beginning of the year	68.08	65.02
Expenses recognised in profit and loss account		
Expected return on plan assets	2.67	3.89
Remeasurement gains / (losses) recognised in other comprehensive income		
Actual Return on plan assets in excess of the expected return	8.35	14.59
Contributions by employer		
Benefit payments	(8.35)	(15.42)
Fair value of plan assets at the end of the year	70.76	68.08

The major category of plan assets for gratuity as a percentage of fair value of total plan assets are as follows-

Particulars	2018-19	2017-18
Fund managed by the insurer.	100%	100%

**(h) Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in Assumptions	Effect on Gratuity Obligation	Change in Assumptions	Effect on Leave Encashment
<b>For the year ended March 31, 2018</b>				
Discount Rate	0.50%	(14.23)	0.50%	(7.33)
	-0.50%	15.55	-0.50%	7.99
Salary Growth Rate	1.00%	26.95	1.00%	15.83
	-1.00%	(23.05)	-1.00%	(13.66)
withdrawal rate	5.00%	(16.77)	5.00%	(9.42)
	-5.00%	37.19	-5.00%	18.68
<b>For the year ended March 31, 2019</b>				
Discount Rate	0.50%	(16.41)	0.50%	(8.85)
	-0.50%	17.92	-0.50%	9.62
Salary Growth Rate	1.00%	31.69	1.00%	19.07
	-1.00%	(27.27)	-1.00%	(16.52)
withdrawal rate	2.00%	(9.50)	2.00%	(4.75)
	-2.00%	12.86	-2.00%	6.20

**33. CAPITAL MANAGEMENT**

For the purpose of Capital Management, Capital includes net debt and total equity of the Company. The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

	31st March, 2019	31st March, 2018
Non-current borrowings (note 14)	5,013.30	7,958.35
Current borrowings (note 16)	6,812.92	3,560.08
Current maturities of long term borrowings (note 14)	1,166.16	1,335.95
Total debts (A)	12,992.39	12,854.38
Less: Cash and cash equivalent (note 11(a))	(371.42)	(154.93)
Net Debt (A)	12,620.97	12,699.45
*Total equity (note 12 & note 13) (B)	16,902.16	13,082.31
<b>Gearing ratio (A/B)</b>	<b>74.67%</b>	<b>97.07%</b>

\* During the year the company had allotted 2240000 equity shares on preferential basis to Promoter Directors viz. Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta pursuant to conversion of outstanding loan of Rs.28 crore given by them to Company.

Further, no changes were made in the objectives, policies or process for managing capital during the years ended 31 March 2019 and 31 March 2018. The Company is not subject to any externally imposed capital requirements.

### 34. FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company's financial assets comprise loan and other receivables, trade and other receivables, cash, and deposits that arise directly from its operations.

The Company's activities expose it mainly to market risk, liquidity risk and credit risk. The monitoring and management of such risks is undertaken by the senior management of the Company and there are appropriate policies and procedures in place through which such financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company policy not to carry out any trading in derivative for speculative purposes.

#### (i) Credit risk

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities, primarily trade receivables. The credit risks in respect of deposits with the banks, foreign exchange transactions and other financial instruments are only nominal.

The customer credit risk is managed subject to the Company's established policy, procedure and controls relating to customer credit risk management. In order to contain the business risk, prior to acceptance of an order from a customer, the creditworthiness of the customer is ensured through scrutiny of its financials, if required, market reports and reference checks. The Company remains vigilant and regularly assesses the financial position of customers during execution of contracts with a view to limit risks of delays and default. Further, in most of the cases, the Company normally allow credit period of 30-90 days to all customers which vary from customer to customer except mould & dies business. In case of mould & dies business, advance payment is taken before start of execution of the order. In view of the industry practice and being in a position to prescribe the desired commercial terms, credit risks from receivables are well contained on an overall basis.

The impairment analysis is performed on each reporting period on individual basis for major customers. Some trade receivables are grouped and assessed for impairment collectively. The calculation is based on historical data of losses, current conditions and forecasts and future economic conditions. The Company's maximum exposure to credit risk at the reporting date is the carrying amount of each financial asset as detailed in note 5, 6 and 7.

The trade receivables position is provided here below:

	31st March, 2019	31st March, 2018
Total receivables (note 5)	8,470.68	5,070.78
Receivables individually in excess of 10% of the total receivables	3,108.78	2,667.69
Percentage of above receivables to the total receivables of the Company	36.70%	52.61%

#### (ii) Liquidity risk

The Company uses liquidity forecast tools to manage its liquidity. The Company is able to organise liquidity through own funds and through working capital loans. The Company has good relationship with its lenders, as a result of which it does not experience any difficulty in arranging funds from its lenders. Table here under provides the current ratio of the Group as at the year end

	31st March, 2019	31st March, 2018
Total current assets	17,762.31	13,662.24
Total current liabilities	18,976.37	13,433.89
Current ratio	0.94	1.02

(All amounts are in Rs.lakhs, unless otherwise stated)

Maturities analysis of financial liabilities:

The table below provides details regarding the contractual maturity of financial liabilities :

Particulars	on demand	< 1 year	1-3 year	3-5 year	More than 5 years	Total Amount In Rs.
<b>As at 31 March 2019</b>						
Borrowings	6,812.92	1,166.16	2,163.64	1,624.90	1,224.76	12,992.38
Trade payable	-	9,150.05	-	-	-	9,150.05
Other financial liabilities	-	2,240.43	16.06	-	-	2,256.49
	<b>6,812.92</b>	<b>12,556.64</b>	<b>2,179.70</b>	<b>1,624.90</b>	<b>1,224.76</b>	<b>24,398.92</b>
<b>As at 31 March 2018</b>						
Borrowings	3,560.08	1,335.95	1,948.60	1,522.54	4,487.21	12,854.38
Trade payable	-	6,495.37	-	-	-	6,495.37
Other financial liabilities	-	2,481.50	30.34	-	-	2,511.84
	<b>3,560.08</b>	<b>10,313.82</b>	<b>1,978.94</b>	<b>1,522.54</b>	<b>4,487.21</b>	<b>21,862.59</b>

### (iii) Market risk

The Company is exposed to following key market risks:

- Interest rate risk on loans and borrowings
- Commodity price risk
- Other market risk

#### (a) Interest rate risk

Most of the borrowings availed by the Company are subject to interest on floating rate of basis linked to the base rate or MCLR (marginal cost of funds based lending rate). In view of the fact that the total borrowings of the Company are quite substantial, the Company is exposed to interest rate risk.

The above strategy of the Company to opt for floating interest rates is helpful in declining interest scenario. Further, most of the loans and borrowings have a prepayment clause through which the loans could be prepaid with pre payment premium. The said clause helps the Company to arrange debt substitution to bring down the interest costs or to prepay the loans out of the surplus funds held. While adverse interest rate fluctuations could increase the finance cost, the total impact, in respect of borrowings on floating interest rate basis.

#### (b) Commodity price Risk

Commodity price risk is the risk that future cash flow of the Company will fluctuate on account of changes in market price of key raw materials. The Company is exposed to the movement in the price of key raw materials in domestic and international markets. The company has in place policies to manage exposure to fluctuation in the prices of the key raw materials used in operations.

#### (c) Other Market risk

Other market risk include foreign currency risk, which is the risk that the fair value or future cash flow of an exposure will fluctuate because of changes in foreign exchange rates the company transact business primarily in Indian rupees and USD. The Company has foreign currency trade payables and is therefore exposed to foreign exchange risk.

## 35 RELATED PARTY TRANSACTIONS

Pursuant to compliance of Indian Accounting Standard (IND AS ) 24 "Related Party Disclosures", the relevant information is provided here below:

- Related parties where control exists- NIL**

(ii) **Related parties with whom transactions have taken place during the year alongwith details of such transactions and outstanding balances as at the end of the year:**

<b>Name of related party and nature of transactions</b>	<b>Relationship</b>	<b>Year ended 31-Mar-2019</b>	<b>Year ended 31-Mar-2018</b>
<b>Rent Received</b>			
PG Infotel Pvt Ltd.	Other related party	-	3.22
<b>Purchases and receiving services</b>			
PG Infotel Pvt Ltd.	Other related party	-	5.98
<b>Rent Paid</b>			
Mr. Vishal Gupta (Executive Director)	Key Managerial Personnel	0.15	0.15
Mrs. Sudesh Gupta	Relative of Key Managerial Personnel	16.20	16.20
PG Electronics	Other related party	0.60	0.60
<b>Reimbursement of Expenses</b>			
Mr. Krishan Avatar (Chief Financial Officer)	Key Managerial Personnel	-	3.61
Mr. Mahabir Prasad Gupta (Chief Financial Officer)	Key Managerial Personnel	1.50	-
<b>Purchase of Fixed Assets</b>			
PG Infotel Pvt Ltd.	Other related party	-	99.01
<b>Loan Taken</b>			
Mr. Promod Gupta (Chairman & Managing Director)	Key Managerial Personnel	345.83	122.00
Mr. Vishal Gupta (Executive Director)	Key Managerial Personnel	37.50	653.50
Mr. Vikas Gupta (Executive Director)	Key Managerial Personnel	31.25	762.50
Mr. Anurag Gupta (Executive Director)	Key Managerial Personnel	235.00	725.00
<b>Loan Repayment</b>			
Mr. Promod Gupta (Chairman & Managing Director)	Key Managerial Personnel	409.50	471.20
Mr. Vishal Gupta (Executive Director)	Key Managerial Personnel	78.00	85.40
Mr. Vikas Gupta (Executive Director)	Key Managerial Personnel	71.00	176.50
Mr. Anurag Gupta (Executive Director)	Key Managerial Personnel	46.00	151.70
<b>Loan converted into equity share capital</b>			
Mr. Promod Gupta (Chairman & Managing Director)	Key Managerial Personnel	625.00	-
Mr. Vishal Gupta (Executive Director)	Key Managerial Personnel	654.17	-
Mr. Vikas Gupta (Executive Director)	Key Managerial Personnel	654.17	-
Mr. Anurag Gupta (Executive Director)	Key Managerial Personnel	866.67	-
<b>Remuneration</b>			
Mr. Promod Gupta (Chairman & Managing Director)	Key Managerial Personnel	77.76	72.66
Mr. Vishal Gupta (Executive Director)	Key Managerial Personnel	77.76	72.66
Mr. Vikas Gupta (Executive Director)	Key Managerial Personnel	77.76	72.66
Mr. Anurag Gupta (Executive Director)	Key Managerial Personnel	77.76	72.66
*Mr. Krishan Avatar (Chief Financial Officer)	Key Managerial Personnel	-	15.18
#Mr. Mahabir Prasad Gupta (Chief Financial Officer)	Key Managerial Personnel	13.53	-
**Mr Rahul Kumar (Company Secretary)	Key Managerial Personnel	0.67	5.51
##Mr. Sanchay Dubey (Company Secretary)	Key Managerial Personnel	2.93	-

\* Mr. Krishan Avatar had resigned w.e.f. 04-Nov-2017

\*\* Mr. Rahul Kumar had resigned w.e.f. 16-Apr-2018

# Mr. Mahabir Prasad Gupta had joined as CFO w.e.f. 17-Apr-2018

## Mr. Sanchay Dubey had joined as CS w.e.f. 17-Apr-2018

(All amounts are in Rs.lakhs, unless otherwise stated)

Name of related party and nature of transactions	Relationship	Year ended 31-Mar-2019	Year ended 31-Mar-2018
<b>Director Sitting Fee</b>			
Mr. Ayodhya Prasad Anand (Independent Non-Executive Director)	Key Managerial Personnel	1.90	1.70
Mr. Devendra Jha (Independent Non-Executive Director)	Key Managerial Personnel	1.90	1.20
Mr Sharad Jain (Independent Non-Executive Director)	Key Managerial Personnel	2.20	2.00
Mrs Rita Mohanty (Independent Non-Executive Director)	Key Managerial Personnel	1.40	1.20
<b>Salary to Relatives</b>			
Mrs. Sarika Gupta	Relative of Key Managerial Personnel	29.40	29.40
Mrs. Natasha Gupta	Relative of Key Managerial Personnel	29.40	29.40
Mrs. Neelu Gupta	Relative of Key Managerial Personnel	29.40	29.40
Mrs. Sudesh Gupta	Relative of Key Managerial Personnel	29.40	29.40
Mr. Pranav Gupta	Relative of Key Managerial Personnel	10.86	9.00
<b>Provision for Leave Encashment</b>			
Mr. Promod Gupta (Chairman & Managing Director)	Key Managerial Personnel	2.83	2.83
Mr. Vishal Gupta (Executive Director)	Key Managerial Personnel	2.96	2.83
Mr. Vikas Gupta (Executive Director)	Key Managerial Personnel	2.86	2.83
Mr. Anurag Gupta (Executive Director)	Key Managerial Personnel	2.79	2.78
Mr. Krishan Avatar (Chief Financial Officer)	Key Managerial Personnel	-	0.59
Mr Rahul Kumar (Company Secretary)	Key Managerial Personnel	-	0.07
Mr. Mahabir Prasad Gupta (Chief Financial Officer)	Key Managerial Personnel	0.52	-
Mr. Sanchay Dubey (Company Secretary)	Key Managerial Personnel	0.08	-
Mrs. Sarika Gupta	Relative of Key Managerial Personnel	1.24	1.16
Mrs. Nitasha Gupta	Relative of Key Managerial Personnel	1.18	1.15
Mrs. Neelu Gupta	Relative of Key Managerial Personnel	1.10	1.11
Mrs. Sudesh Gupta	Relative of Key Managerial Personnel	1.15	1.14
Mr. Pranav Gupta	Relative of Key Managerial Personnel	0.72	0.48
<b>Provision for Gratuity</b>			
Mr. Promod Gupta (Chairman & Managing Director)	Key Managerial Personnel	(0.03)	9.31
Mr. Vishal Gupta (Executive Director)	Key Managerial Personnel	0.13	5.38
Mr. Vikas Gupta (Executive Director)	Key Managerial Personnel	0.13	5.38
Mr. Anurag Gupta (Executive Director)	Key Managerial Personnel	0.26	5.95
Mr. Krishan Avatar (Chief Financial Officer)	Key Managerial Personnel	-	-
Mr Rahul Kumar (Company Secretary)	Key Managerial Personnel	-	0.31



(All amounts are in Rs.lakhs, unless otherwise stated)

Name of related party and nature of transactions	Relationship	Year ended 31-Mar-2019	Year ended 31-Mar-2018
Mr. Mahabir Prasad Gupta (Chief Financial Officer)	Key Managerial Personnel	0.32	-
Mr. Sanchay Dubey (Company Secretary)	Key Managerial Personnel	0.25	0.31
Mrs. Sarika Gupta	Relative of Key Managerial Personnel	0.28	3.39
Mrs. Nitasha Gupta	Relative of Key Managerial Personnel	0.33	3.60
Mrs. Neelu Gupta	Relative of Key Managerial Personnel	0.66	4.88
Mrs. Sudesh Gupta	Relative of Key Managerial Personnel	0.84	1.84
Mr. Pranav Gupta	Relative of Key Managerial Personnel	0.48	0.33
<b>Outstanding balances</b>			
Relationship	Year ended 31-Mar-2019	Year ended 31-Mar-2018	
<b>Loan Payable</b>			
Mr. Promod Gupta (Chairman & Managing Director)	Key Managerial Personnel	172.29	860.96
Mr. Vishal Gupta (Executive Director)	Key Managerial Personnel	166.73	861.39
Mr. Vikas Gupta (Executive Director)	Key Managerial Personnel	166.44	860.36
Mr. Anurag Gupta (Executive Director)	Key Managerial Personnel	183.73	861.40
<b>Rent Security Recoverable</b>			
Mrs. Sudesh Gupta	Relative of Key Managerial Personnel	4.50	4.50
<b>Payables</b>			
PG International	Other related party	6.65	6.65
J. B. Electronics	Other related party	19.94	28.71
PG Infotel Pvt Ltd.	Other related party	-	25.81

**Remuneration of key managerial personnel:**

Name of related party and nature of transactions	Year ended 31-Mar-2019	Year ended 31-Mar-2018
Short term Employee benefits	340.22	323.25
Post employment benefits	1.07	26.33
<b>Total</b>	<b>341.29</b>	<b>349.58</b>

(iv) Remuneration and outstanding balances of KMP does not include long term employee benefits by way of gratuity and compensated absences, which are currently not payable and are provided on the basis of actuarial valuation by the Company.

**(v) Terms & conditions:**

The sales to and purchases from related parties, including rendering/availment of service, are made on terms equivalent to those that prevail in arm's length transactions. The outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided to or received for any related party receivable or payables. The Company has not recorded any impairment of receivables relating to amounts owed by related parties for the year ended 31 March 2019 and 31 March 2018 other than that stated above.

(All amounts are in Rs.lakhs, unless otherwise stated)

**36 FAIR VALUE MEASUREMENTS****36.1 Financial instruments by category**

	31st March, 2019		31st March, 2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets at amortised cost</b>				
Fixed deposits with banks (Non Current)	38.78	38.78	31.09	31.09
Cash and bank balances	637.29	637.29	412.81	412.81
Trade and other receivables	8,470.68	8,470.68	5,070.78	5,070.78
Loans (current)	18.37	18.37	17.55	17.55
Other financial assets (Non Current)	195.47	195.47	196.66	196.66
Other financial assets (Current)	196.61	196.61	425.64	425.64
<b>Financial liabilities at amortised cost</b>				
Borrowings (Non Current )	5,013.30	5,013.30	7,958.35	7,958.35
Borrowings (Current )	6,812.92	6,812.92	3,560.08	3,560.08
Trade & other payables	-	-	-	6,495.37
Other financial liabilities (Non current )	16.06	16.06	30.34	30.34
Other financial liabilities (Current )	2,240.43	2,240.43	2,481.50	2,481.50

There is no financial instrument which is designated as FVTPL

**36.2 Fair value hierarchy**

The Company uses the following hierarchy for fair value measurement of the company's financial assets and liabilities:

Level 1: Quoted prices/NAV (unadjusted) in active markets for identical assets and liabilities at the measurement date.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table provides the fair value measurement hierarchy of Company's asset and liabilities:-

Particulars	Levels	31 March, 2019	31 March, 2018
		Carrying Value	Carrying Value
<b>Financial Assets at amortised cost</b>			
Other Financial Assets	Level-3	195.47	196.66
Loans	Level-3	18.37	17.55
<b>Financial Liabilities at amortised cost</b>			
Borrowings (Non Current)	Level-3	5,013.30	7,958.35
Borrowings (Current)	Level-3	6,812.92	3,560.08
Other Financial Liabilities (Non Current)	Level-3	16.06	30.34

During the year ended 31.03.2019 and 31.03.2018 there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements

**Fair valuation techniques**

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and

liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values:

- 1) Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.
- 2) Borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values.

### 37. LEASES

Operating lease arrangements

As Lessee:-

The Company has taken various warehouses / factory land under operating leases. These leases are generally cancellable except one factory land at Roorkee and one warehouse at Supa, Maharashtra. The unexpired period of the leases ranges between one year to twenty years and these are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest-free security deposits under certain agreements. There is no contingent rent, sub-lease payments or restriction imposed in the lease agreement.

Payment recognized as expenses	31st March, 2019	31st March, 2018
Lease Payments (refer note 28)	72.85	31.84
	72.85	31.84

Non-cancellable operating lease commitments	31st March, 2019	31st March, 2018
Not later than one year	35.65	33.99
Later than one year and not later than five years	27.03	61.92
Later than five years	11.76	12.51
	<b>74.44</b>	<b>108.42</b>

### 38. Commitments

	31st March, 2019	31st March, 2018
Estimated amount of contracts remaining to be executed on Capital account and not provided for (Net of advances)	282.20	1,110.97

### 39. Contingent liabilities

	31st March, 2019	31st March, 2018
<b>Contingent liability ( to the extent not provided for)</b>		
Claims against the company not acknowledged as debts (excluding interest & penalty)		
a) Central Excise (FY 2008-09 to 2011-12) {see note (i) below}	765.73	765.73
b) Anti Dumping Duty [see note (ii) below]	738.54	738.54
c) SEBI in the matter of IPO-Penalty Order Passed for which appeal is pending at SAT (Penalty only) [see note (iii) below]	100.00	100.00
<b>Total</b>	<b>1,604.27</b>	<b>1,604.27</b>

- i) Excise department has issued show cause notice dated 22nd Dec.,2011 for Rs 765.73 lakh in respect of CTV sold to ELCOT, Tamil Nadu ( a Govt. of Tamil Nadu undertaking) during the period Feb 09 to Oct 2011 for free distribution by the state Govt. to poor section of the people by paying excise duty on the basis of value determined under section 4A instead of determining the value under section 4 of the Central Excise Act, 1944. The department has the contention that sale is institutional sale & valuation based on MRP under Section 4A is not applicable to the sale to ELCOT. The appeal made by the 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. This matter was last time listed on 02/01/2017. Case is pending before Supreme Court for final 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 738.54 lakh excluding interest & penalty should not be levied in respect of import of Colour Picture Tubes (CPT) from M/s Chungwa Picture Tubes, Malaysia during the period of May 2010 to Dec 2010. The Company has deposited Rs. 145.00 lakh 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 passed an order dated 28.02.2017 confirming the demand of Rs. 738.54 lakh along with interest and penalty. The company has filed an appeal before CESTAT Allahabad Bench on 01.06.2017. The date of hearing in said matter was scheduled for March 29.03.2019. However, the hearing was adjourned and the next hearing is scheduled on 17.05.2019.



(All amounts are in Rs.lakhs, unless otherwise stated)

- iii) In matter of IPO of the Company in 2011, Adjudicating officer of SEBI has passed an order on 02.08.2017, vide which they have imposed monetary penalty of Rs.100.00 lakh on the Company & Rupees One Crore on each of four promoter Directors. The Company has filed an appeal before SAT. The date of hearing in said matter was scheduled for 27.03.2019. However, due to unavoidable circumstances the hearing was adjourned for want of time. The next hearing is scheduled on June 25.06.2019.

#### 40. Disclosures Required Under Section 22 Of The Micro, Small and Medium Enterprises Development Act, 2006

Based on the intimation received by the Company from its suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the relevant information is provided here below:

Particulars	31st March, 2019	31st March, 2018
The principle amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year; as at the end of the year		
(i) Principal Amount	288.44	135.80
(ii) Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the suppliers beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the year on delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006,	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due above are actually paid to the Small enterprise, for the purpose of disallowances of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006,	-	-

#### 41. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 issuing the following standard:

##### Ind AS 116 Leases

IND AS 116: "Leases". New standard on the accounting treatment of leases, that requires leases to be recognized as right-of-use assets and a lease liability in the balance sheet, unless the lease term is 12 months or less or the underlying asset has a low value. The standard will be implemented on April 1, 2019 using the modified retrospective method, where the right-of-use assets are equal to the lease liability. Furthermore, the implementation of IND AS 116 will require additional disclosures.

As Per Our Report of Even Date Attached

##### For Chitresh Gupta & Associates

Chartered Accountants  
Firm Registration No. 017079N

For and on behalf of Board of Directors

**CA Chitresh Gupta (Partner)**  
M. No. 098247

**Chairman**  
(Promod Gupta)  
DIN-00181800

**Executive Director**  
(Vishal Gupta)  
DIN-00184809

Place: Greater Noida, U.P.  
Dated: 15th May 2019

**Company Secretary**  
(Sanchay Dubey)

**Chief Financial Officer**  
(M P Gupta)

**PG ELECTROPLAST LIMITED**

CIN: L32109DL2003PLC119416

**Regd. Office:** DTJ209, 2nd Floor, DLF Tower-B, Jasola, New Delhi-110025**Corporate Office:** P-4/2 to 4/6, Site-B, UPSIDC Indl. Area, Surajpur, Greater Noida, Dist- Gautam Budh Nagar, U.P. - 201306

Tel No: +91-120-2569323, Fax No: +91-120-2569131, Email: investors@pgel.in, Website: www.pgel.in

**NOTICE OF THE 17<sup>TH</sup> ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 17<sup>th</sup> ANNUAL GENERAL MEETING of the shareholders of PG ELECTROPLAST LIMITED (the "Company") will be held on Friday, 09<sup>th</sup> day of August, 2019 at 11:00 AM. at Auditorium, Asia Pacific Institute of Management, No. 3 & 4 Institutional Area, Jasola, Opp. Sarita Vihar, New Delhi - 110025 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 on 31<sup>st</sup> March, 2019, the report of the Board of Directors and Auditors thereon.
2. To re-appoint Mr. Promod Gupta (DIN:00181800) as a Director, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To re-appoint Mr. Vikas Gupta (DIN:00182241) as a Director, who retires by rotation and, being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

4. **TO APPROVE/RATIFY REMUNERATION OF THE COST AUDITOR FOR THE FINANCIAL YEAR ENDING ON 31<sup>ST</sup> MARCH, 2020** 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 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 on March 31, 2020 as approved

by the Board of Directors on recommendation of the Audit Committee of the Company."

5. **TO APPOINT MR. PRAMOD CHIMMANLAL GUPTA (DIN:07066493) AS AN INDEPENDENT DIRECTOR** and in this regard to consider and, if thought fit, to pass with or without modification the following resolution as an **ORDINARY RESOLUTION:**

**"RESOLVED THAT** pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule IV to the Act, as amended from time to time and applicable provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Mr. Pramod Chimmanlal Gupta (DIN 07066493) aged 47 years, who has been appointed as an Additional Director (Non-Executive Independent Director) of the Company w.e.f. May 15, 2019 and whose term expires at this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company for a period of five consecutive years w.e.f. August 09, 2019."

6. **TO RE-APPOINT MR. SHARAD JAIN (DIN:06423452) AS AN INDEPENDENT DIRECTOR** and in this regards to consider and, if thought fit, to pass with or without modification the following resolution as a **SPECIAL RESOLUTION:**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable provisions of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Mr. Sharad Jain (DIN:06423452), be and is hereby appointed as an Independent Director of the Company for a period of five consecutive years w.e.f. August 11, 2019."

7. **TO APPOINT MR. DEVENDRA JHA (DIN:03076528)**

**AS AN INDEPENDENT DIRECTOR** and in this regards to consider and, if thought fit, to pass with or without modification the following resolution as a **SPECIAL RESOLUTION:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable provisions of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Mr. Devendra Jha (DIN:03076528), be and is hereby appointed as an Independent Director of the Company for a period of five consecutive years w.e.f. August 11, 2019.”

**8. TO APPOINT DR. RITA MOHANTY (DIN:07081546) AS AN INDEPENDENT DIRECTOR** and in this regards to consider and, if thought fit, to pass with or without modification the following resolution as a **SPECIAL RESOLUTION:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable provisions of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Dr. Rita Mohanty (DIN:07081546), be and is hereby appointed as an Independent Director of the Company for a period of five consecutive years w.e.f. September 26, 2019.”

**9. TO APPROVE REMUNERATION OF MRS. SUDESH GUPTA, WHO HOLDS OFFICE OR PLACE OF PROFIT IN THE COMPANY** & in this regards to consider and, if thought fit, to pass with or without modification the following resolution as an **ORDINARY RESOLUTION:**

**“RESOLVED THAT** pursuant to Section 188(1)(f) and other applicable provisions, if any, of the Companies Act 2013, and rule 15 of the Companies (Meeting of Board and its Power) Rules 2014; consent of the members of the Company be and is hereby accorded for reappointment of Mrs. Sudesh Gupta (who is a relative of Directors of the Company) as Senior Manager and to hold office or place of profit in the company, with such designation & remuneration as board may decide from time to time for a further period of 5 years w.e.f. August 16, 2019.

**“RESOLVED FURTHER THAT** aggregate monthly remuneration (except share allotment made by the company pursuant to ESOP & ESOS, if any) payable to Mrs. Sudesh Gupta during her tenure shall not exceed Rs. 4 Lakhs per month.”

**10. TO APPROVE REMUNERATION OF MRS. NEELU GUPTA TO HOLD OFFICE OR PLACE OF PROFIT IN THE COMPANY** & in this regards to consider and, if thought fit, to pass with or without modification the following resolution as an **ORDINARY RESOLUTION:**

**“RESOLVED THAT** pursuant to Section 188(1)(f) and other applicable provisions, if any, of the Companies Act 2013, and rule 15 of the Companies (Meeting of Board and its Power) Rules 2014; consent of the members of the Company be and is hereby accorded for reappointment of Mrs. Neelu Gupta (who is a relative of Directors of the Company) as Senior Manager and to hold office or place of profit in the company, with such designation & remuneration as board may decide from time to time for a further period of 5 years w.e.f. August 16, 2019.

**“RESOLVED FURTHER THAT** aggregate monthly remuneration (except share allotment made by the company pursuant to ESOP & ESOS, if any) payable to Mrs. Neelu Gupta during her tenure shall not exceed Rs. 4 Lakhs per month.”

**11. TO APPROVE REMUNERATION OF MRS. SARIKA GUPTA TO HOLD OFFICE OR PLACE OF PROFIT IN THE COMPANY** & in this regards to consider and, if thought fit, to pass with or without modification the following resolution as a **ORDINARY RESOLUTION:**

**“RESOLVED THAT** pursuant to Section 188(1)(f) and other applicable provisions, if any, of the Companies Act 2013, and rule 15 of the Companies (Meeting of Board and its Power) Rules 2014; consent of the members of the Company be and is hereby accorded for reappointment of Mrs. Sarika Gupta (who is a relative of Directors of the Company) as Senior Manager and to hold office or place of profit in the company, with such designation & remuneration as board may decide from time to time for a further period of 5 years w.e.f. August 16, 2019.

**“RESOLVED FURTHER THAT** aggregate monthly remuneration (except share allotment made by the company pursuant to ESOP & ESOS, if any) payable to Mrs. Sarika Gupta during her tenure shall not exceed Rs. 4 Lakhs per month.”

**12. TO APPROVE REMUNERATION OF MRS. NITASHA**



**GUPTA TO HOLD OFFICE OR PLACE OF PROFIT IN THE COMPANY** and, if thought fit, to pass with or without modification the following resolution as a **ORDINARY RESOLUTION:**

“**RESOLVED THAT** pursuant to Section 188(1)(f) and other applicable provisions, if any, of the Companies Act 2013, and rule 15 of the Companies (Meeting of Board and its Power) Rules 2014; consent of the members of the Company be and is hereby accorded for reappointment of Mrs. Nitasha Gupta (who is a

relative of Directors of the Company) as Senior Manager and to hold office or place of profit in the company, with such designation & remuneration as board may decide from time to time for a further period of 5 years w.e.f. August 16, 2019.

“**RESOLVED FURTHER THAT** aggregate monthly remuneration (except share allotment made by the company pursuant to ESOP & ESOS, if any) payable to Mrs. Nitasha Gupta during her tenure shall not exceed Rs. 4 Lakhs per month.”

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

**(Sanchay Dubey)  
Company Secretary  
Membership No. A51305**

Date: 15/05/2019  
Place: Greater Noida

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

**5. Submission of PAN and Bank details**

The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) and bank account details by every participant in securities market. Accordingly, members holding shares in electronic form are requested to submit their PAN to their DP with whom they are maintaining their demat accounts. Members holding shares in physical form are required to submit their PAN and bank account details to Company in terms of SEBI Circular dated 20<sup>th</sup> April, 2018.

**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

Fintech Pvt Ltd. as e-voting agency. **The remote e-voting shall start on 05/08/2019 at 10.00 AM. & close on 08/08/2019 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 02/08/2019 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 Mr. Rahul Kumar of M/s Rahul K Tanmay & 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.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the EVENT, i.e., PG Electroplast Limited.
- vii. 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.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- ix. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- x. Corporate/Institutional Members (i.e., other than individuals, HUF, NRI, etc.) are required to send scanned 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: [rahulksg@outlook.com](mailto:rahulksg@outlook.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.'

- xi. 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 Fintech 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 02/08/2019 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 announced at 4.00 PM on 10/08/2019 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 National Stock Exchange of India Ltd. and BSE Ltd.

### 14. Annual report:

Electronic copy of Annual Report for year 2018-19 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 02/08/2019 to 09/08/2019 (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 Fintech Pvt. Ltd.

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

Members may also note that the Notice of the 17<sup>th</sup> Annual General Meeting and the Annual Report for 2018-19 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.

**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, 2020. Remuneration payable to M/s Amit Singhal & Associates, Cost Auditors of the Company for the financial year ended 31<sup>st</sup> March, 2020 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 15<sup>th</sup> May, 2019.

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.

**Item No. 5:**

The Board of Directors on recommendation of Nomination & Remuneration Committee has appointed Mr. Pramod Chimmanlal Gupta as Additional Director (Non-Executive Independent Director) w.e.f. 15/05/2019. His tenure as additional director is expiring at the date of AGM. The Company has received declarations from Mr. Pramod Chimmanlal Gupta to the effect that he meet the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In terms of Regulation 25(8) of SEBI Listing Regulations, he have confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

**Relevant information of Mr. Pramod Chimmanlal Gupta:**

Date of Birth	23/01/1973
Education Qualification & Area of Expertise	Chartered Financial Analyst (CFA) from AIMR, USA; PG-Finance from IIM, Lucknow; B-Tech- Electronics & Communication from IIT, Kharagpur
Date of Appointment on the Board	15/05/2019

Category of Director	Independent Director (Non-Executive)
Area of Expertise/ Senior Position Held/ Work Experience	He has over 20 years of experience in Indian Equity markets across brokerage firms, Mutual fund and Insurance Company. Currently, he is involved in Business, Strategy and financial consulting to listed & unlisted companies and Investment advisory.
Names of companies in which the person also holds the directorship and the membership of Committees of the Board	Nil
Number of shares held in the Company	Nil

In the opinion of the Board, Mr. Pramod Chimmanlal Gupta fulfills the conditions for appointment as Independent Director as specified in the Companies Act 2013 and the regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Pramod Chimmanlal Gupta is independent of the management and possesses appropriate skills, experience and knowledge.

The Board based on the recommendation of Nomination & Remuneration Committee and considering benefits of his expertise, has recommended the resolution set out in Item No. 5 for approval of shareholders by way of ordinary resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Pramod Chimmanlal Gupta is interested in the Resolution at Item No. 5.

**Item No. 6 to 8:**

The Members at the 12<sup>th</sup> Annual General Meeting held on 11/08/2014 approved the appointment of Mr. Sharad Jain and Mr. Devendra Jha as Independent Directors of the Company for a period of five consecutive years w.e.f. 11/08/2014 to 10/08/2019. Also, the Members at the 13<sup>th</sup> Annual General Meeting held on 26/09/2015 approved the appointment of Dr. Rita Mohanty as an Independent Director of the Company for a period of four consecutive years.

Mr. Jain and Mr. Jha will complete their present term on 10/08/2019 and Dr. Mohanty will complete her present term on 25/09/2019. The Board of Directors of the Company at the meeting held on 15/05/2019, on the recommendation of the Nomination & Compensation Committee,

recommended for the approval of the Members, the re-appointment of Mr. Sharad Jain and Mr. Devendra Jha as Independent Directors of the Company with effect from 11/08/2019 and Dr. Rita Mohanty as Independent Director of the Company with effect from 26/09/2019, in terms of Section 149 read with Schedule IV of the Companies Act, 2013, and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, or any amendment thereto or modification thereof.

The Company has received declarations from Mr. Sharad

Jain, Mr. Devendra Jha and Dr. Rita Mohanty to the effect that they meet the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

**Relevant information of Mr. Sharad Jain, Mr. Devendra Jha and Dr. Rita Mohanty:**

Particulars	Mr. Sharad Jain	Mr. Devendra Jha	Dr. Rita Mohanty
Date of Birth	01/07/1962	01/10/1954	08/06/1952
Education Qualification & Area of Expertise	B.Sc, Fellow Member of Chartered Accountants	Civil Engineering from IIT	MBBS, MD; Health Sector & public relation
Date of Reappointment on the Board	15/05/2019	15/05/2019	15/05/2019
Category of Director	Independent Director (Non-Executive)	Independent Director (Non-Executive)	Independent Director (Non-Executive)
Area of Expertise/ Senior Position Held/ Work Experience	Over 34 years' experience in Financial & Strategic Planning, Taxation, etc. Presently engaged in profession of Chartered Accountancy for 14 years.	Over 34 years' experience in Planning, Project Management, Business Development, Techno-commercial evaluation and construction finance.	She has retired after 30 years of service under Central Government health Scheme, Ministry of health & Family welfare. She is an expert in Administration & public relation.
Names of companies in which the person also holds the directorship and the membership of Committees of the Board	NIL	Shivam Buildinfra Private Limited	NIL
Number of shares held in the Company	N.A.	N.A.	N.A.

In the opinion of the Board, Mr. Sharad Jain, Mr. Devendra Jha and Dr. Rita Mohanty fulfills the conditions for reappointment as Independent Directors as specified in the Companies Act 2013 and the regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Sharad Jain, Mr. Devendra Jha and Dr. Rita Mohanty are independent of the management and possess appropriate skills, experience and knowledge.

The Board is of the view that the continued association of Mr. Sharad Jain, Mr. Devendra Jha and Dr. Rita Mohanty would benefit the Company in terms of their knowledge, experience, performance and their valuable contribution to the Board.

The Board based on the recommendation of Nomination & Remuneration Committee and considering benefits of their expertise, has recommended the resolution set out in Item No. 6 to 8 for approval of shareholders by way of special resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives are interested except Mr. Sharad Jain in resolution set out in Item No. 6, Mr. Devendra Jha in resolution set out in Item No. 7 and Dr. Rita Mohanty in resolution set out in Item No. 8.

**Item No. 9 to 12:**

The provisions of Section 188(1)(f) of the Companies Act, 2013 provides for appointment of related party to any office or place of profit in the Company. Mrs. Sudesh Gupta, Mrs. Sarika Gupta, Mrs. Neelu Gupta and Mrs. Nitasha Gupta (who are relative of Directors of the Company), are employees of the Company. They have rich experience of working in various companies. They advise the company on various matters including Accounts, Finance, Budgeting, Human Resources, Environment Conservation, and other allied matters. The Members at the 12<sup>th</sup> Annual General Meeting held on 11/08/2014 approved the appointment of Mrs. Sudesh Gupta, Mrs. Sarika Gupta, Mrs. Neelu Gupta



and Mrs. Nitasha Gupta to hold office or place of profit in the company for a period of 5 years w.e.f. 16/08/2014. They will complete their present term on 15/08/2019. The Board of Directors of the Company at the meeting held on 15/05/2019, subject to approval of shareholders of the company, has reappointed Mrs. Sudesh Gupta, Mrs. Sarika Gupta, Mrs. Neelu Gupta and Mrs. Nitasha Gupta as Senior Managers and to hold office or place of profit in the company

for a further period of 5 years w.e.f. 16/08/2019 with such designation & remuneration as board may decide from time to time, and aggregate monthly remuneration during their tenure shall not exceed Rs. 4 Lakhs per month.

Information required under rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014 are given hereunder:

Name of Related Party	Name of Directors/ KMP who is related	Nature of relationship	Particulars of the Contract and relevant information	Yearly Monetary Value (In Rs.)
Mrs. Sudesh Gupta	Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vishal Gupta, Mr. Vikas Gupta	Relative	Mrs. Sudesh Gupta, Mrs. Neelu Gupta, Mrs. Sarika Gupta and Mrs. Nitasha Gupta will hold office or place of profit in the Company for a period of 5 years w.e.f. 16/08/2019 with such designation & remuneration as board may decide from time to time.	Up to Rs. 48 Lakh
Mrs. Neelu Gupta	Mr. Anurag Gupta	Relative		Up to Rs. 48 Lakh
Mrs. Sarika Gupta	Mr. Vishal Gupta	Relative		Up to Rs. 48 Lakh
Mrs. Nitasha Gupta	Mr. Vikas Gupta	Relative		Up to Rs. 48 Lakh

The Board considers that their association for further tenure would be immense benefit to the Company in terms of their expertise, experience and performance.

approval of shareholders by way of ordinary resolution.

The Board considering benefits of their reappointment has recommended the resolution set out in Item No. 9 to 12 for

Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vikas Gupta and Mr. Vishal Gupta & their relatives are concerned or interested resolutions set out at Item No. 9 to 12.

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

**(Sanchay Dubey)  
Company Secretary  
Membership No. A51305**

Date: 15/05/2019  
Place: Greater Noida

**PG ELECTROPLAST LIMITED  
AGM Venue - 2019 Route Map**





## PG ELECTROPLAST LIMITED

CIN: L32109DL2003PLC119416

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

### FORM MGT-11 (PROXY FORM)

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

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 Friday, 09<sup>th</sup> August, 2019 at 11:00 A.M. at Auditorium, Asia Pacific Institute of Management, No. 3 & 4 Institutional Area, Jasola, Opp. Sarita Vihar, New Delhi – 110025 and at any adjournment thereof in respect of such resolutions as are indicated below:

S.N.	Resolutions	For*	Against*
1	To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31 <sup>st</sup> March, 2019, the report of the Board of Directors and auditors thereon.		
2	To re-appoint Mr. Promod Gupta (DIN:00181800) as a Director, who retires by rotation and, being eligible, offers himself for re-appointment.		
3	To re-appoint Mr. Vikas Gupta (DIN:00182241) as a Director, who retires by rotation and, being eligible, offers himself for re-appointment.		
4	To approve/ratify remuneration of the Cost Auditor for the financial year ending on 31 <sup>st</sup> March, 2020.		

5	To appoint Mr. Pramod Chimmanlal Gupta (DIN:07066493) as an Independent Director		
6	To Re-appoint Mr. Sharad Jain (DIN:06423452) as an Independent Director		
7	To Re-appoint Mr. Devendra Jha (DIN:03076528) as an Independent Director		
8	To Re-appoint Dr. Rita Mohanty (DIN:07081546) as an Independent Director.		
9	To approve remuneration of Mrs. Sudesh Gupta, who holds office or place of profit in the company.		
10	To approve remuneration of Mrs. Neelu Gupta, who holds office or place of profit in the company.		
11	To approve remuneration of Mrs. Sarika Gupta, who holds office or place of profit in the company.		
12	To approve remuneration of Mrs. Nitasha Gupta, who holds office or place of profit in the company.		

Signed this ..... day of .....2019.

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

**Note:**

\*Please put a tick (√) 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 should be stated.

PG Electroplast Limited

**ATTENDANCE SLIP**

**17<sup>th</sup> Annual General Meeting**

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

**Day:** Friday, 09<sup>th</sup> August, 2019

**Time:** 11:00 AM.

**Place:** Auditorium, Asia Pacific Institute of Management, No. 3 & 4 Institutional Area,  
Jasola, Opp. Sarita Vihar, New Delhi - 110025

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:	
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I hereby record my presence at the 17<sup>th</sup> Annual General Meeting of the Company held on Friday, 09<sup>th</sup> August, 2019 at Auditorium, Asia Pacific Institute of Management, No. 3 & 4 Institutional Area, Jasola, Opp. Sarita Vihar, New Delhi – 110025.

**(Signature of Shareholder/Proxy)**

\*Applicable for investors holding share in electronic form.

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



Leveraging  
Technology  
to Deliver  
Quality

*PGEL is country's foremost Electronic Manufacturing Services (EMS) company. With nearly four decades of pioneering experience in delivering high quality electronics, home appliances and plastic molding products, we remain determined to create unmatched value for our stakeholders and customers, alike. We are a one stop solution provider for all EMS, PCB, Product Assembly and Tool Design verticals with high quality and high yield plants at 4 locations - Noida, Greater Noida, Roorkee and Pune.*



PG



**Competency:** Plastic Injection Molding | Tool Designs | Product Assembly  
PCB Assembly | Automotive Parts Manufacturing | Motor  
Manufacturing | Home & Kitchen Appliances | Consumer  
Electronics Products

**PG ELECTROPLAST LIMITED**

**Corporate Office:** P4/2 To 4/6, Site-B, UPSIDC Industrial Area,  
Surajpur, Greater Noida, Gautam Budh Nagar, (UP) 201306  
Tel: +91-(0120)-2569323, 2569841 Fax: +91-(0120)-2569131  
Email: [marketing@pgel.in](mailto:marketing@pgel.in) Website: [www.pgel.in](http://www.pgel.in)



## **PG ELECTROPLAST LIMITED**

(CIN: L32109DL2003PLC119416)

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