



ANNUAL REPORT
PG Electroplast Limited
10th Annual Report 2011-12

PG ELECTROPLAST LIMITED COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Promod Gupta	(Chairman & Managing Director)
Mr. Anurag Gupta	(Executive Director)
Mr. Vikas Gupta	(Executive Director)
Mr. Vishal Gupta	(Executive Director)
Mr. Bhawa Nand Choudhary	(Independent Director)
Mr. Ram Dayal Modi	(Independent Director)
Mr. Devendra Jha	(Independent Director)
Mr. Kailash Pati Sharma	(Independent Director)

COMPANY SECRETARY

Mr. Kuntal Kar

REGISTERED OFFICE

B-11, Mahendru Enclave,
Delhi -110 033
Tel-Fax: 91-11-272241326
email: investors@pgel.in

CORPORATE OFFICE

P-4/2 to 4/6, Site-B, UPSIDC Industrial Area,
Surajpur, Greater Noida,
District Gautam Budh Nagar,
Uttar Pradesh, India, Pin – 201 306
Tel No: +91 – 120 - 256 9323
Fax No: +91 - 120 - 256 9131

REGISTRAR AND SHARE TRANSFER AGENT

Karvy Computershare Pvt Ltd.
Plot No. 17 - 24, Vitthalrao Nagar,
Madhapur, Hyderabad – 500 081
Tel No: +91 40 2342 0815 – 2342 0824
Fax No: +91 40 2342 0814
Email : einward.ris@karvy.com;
Website:www.karvy.com

AUDITORS

M/s Chitresh Gupta & Associates
Chartered Accountants,
U-119A, Shakarpur,
New Delhi -11 0092

BANKERS

Standard Chartered Bank
State Bank of India

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Chairman's Message

Dear Shareholders

The Indian consumer electronics industry has been growing at a double-digit growth rate since past few years. Higher disposable income, increased product awareness, affordable pricing, and shift in lifestyles have together been instrumental in changing the amount and pattern of consumer spending; thereby, resulting in strong growth in the consumer electronics industry. But still, the consumer electronics goods, like refrigerators, televisions and air conditioners, have low penetration in the country, leaving vast room for future growth.

According to research report by "Booming Consumer Electronics Market in India", the Indian consumer electronics industry will grow at a CAGR of around 18% during 2011-2014. During this time period, we expect that LCD TV will capture majority of the television market share as it will replace Color televisions market to a large extent.

Moreover, we observed that the air-conditioner (AC) segment is one of the most important product segments driving the overall growth of the Indian home appliances market. Introduction of innovative features and technology coupled with the expansion of distribution network is helping the market to grow at a faster rate. Besides this, washing machine and microwave oven is becoming a high growth segment in the consumer electronics market in India. Your Company as a future strategy is looking to expand in Southern part of India. Your Company has paid an advance for land which is close to Chennai auto & electronics hub as a part of the future growth strategy.

Further, many international brands are increasing their presence in India's lucrative consumer electronics industry by establishing their manufacturing base in India which offers an additional opportunity for your company to expand its operations hence we have invested in our new manufacturing plants to boost the production capacity to meet the industry requirements as an OEM supplier. The year 2011 proved to be a bad year for all global markets and effects of global economic recession were also felt in India. The impact of economic stress has unfortunately carried over into the year 2012. The Indian currency took a severe beating and has devaluated quite substantially. I am confident that instability will end soon and the Indian economy will bounce back. During the year the company lost a major share of sales revenue on account of no new government tender business which had contributed around 50% of sales revenue of the company during the previous two years. Also the sales revenues planned as part of its expansion programme could not be fully generated due to problems in ramp up of new lines which has now stabilised and slowdown in sales of our major customers. The additional finance cost and depreciation on account of huge capital investments coupled with foreign exchange fluctuation on account of currency fluctuation during the second half of the year resulted into losses.

The Company is under process of investigation by SEBI and SEBI has passed an ad interim ex-parte Order WTM/PS/IVD-ID5/42/2011/DEC dated 28.12.2011 prohibiting the company to raise further capital from market, debarring the company and its director from dealing in securities market and asking the Company to call back the ICD and deposit the same together with the balance amount lying in the IPO account in an Escrow account. The company has replied to the above referred ad interim ex-parte order vide its letter dated 10th April 2012.

Keeping in mind our past experiences your company has already started diversifying into other fields like Automobile, Lighting and FMCG industry. These industries also hold immense potential for increasing our plastic moulding and electronics business and these industries are also growing at a very healthy rate. We have already started some business for these industries and our endeavour is to aggressively grow this business into a major revenue stream for your company.

As consumer electronics industry will also grow at a sustainable rate, we are making an endeavour to be the leading OEM supplier to the world's best known brands in India by adding new customers and new products and add to the wealth for all the stakeholders.

Let me put on record my appreciation for all my colleagues, staff, customers, clients, vendors, suppliers, business partners, shareholders, stakeholders, civic and government agencies who have been with us since inception of the business and have supported us all these years

Sd/-
Chairman
14th August 2012.

NOTICE

NOTICE is hereby given that the TENTH ANNUAL GENERAL MEETING of the members of PG ELECTROPLAST LIMITED (the "Company") will be held on Wednesday, 12th September, 2012 at Guru Kirpa Farms, Palla - Bakhtawarpur Road, G.T. Karnal Road, Village Alipur, Delhi - 110 036, at 10.00A.M to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit and Loss Account for the financial year ended 31st March 2012 and the Audited Balance Sheet as at that date together with the Directors' Report and Auditors' Report thereon.
2. To re-appoint Mr. Vishal Gupta as Director, who retires by rotation and, being eligible, offers him for re-appointment.
3. To re-appoint Mr. Anurag Gupta as Director, who retires by rotation and, being eligible, offers him for re-appointment.
4. To appoint M/s Chitresh Gupta & Associates, Chartered Accountants, Delhi, as Statutory Auditors of the Company and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of section 224 of the Companies Act and other applicable provisions, if any, M/s Chitresh Gupta & Associates, Chartered Accountants, Delhi, (Firm Registration No. 0170749N), be and are hereby re-appointed as Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the company on such remuneration as shall be fixed by the Board of Directors of the company."

SPECIAL BUSINESS:

5. APPOINTMENT OF MR. BHAWA NAND CHOUDHARY AS DIRECTOR:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Bhawa Nand

Choudhary, who was appointed as an Additional Director of the company w.e.f 06.02.2012, by the Board of Directors under Section 260 of the Companies Act 1956 and who shall hold office up to the date of this Annual General Meeting and for the appointment of whom the company had received a notice under Section 257 of the Companies Act, 1956 from him proposing his candidature for the office of the Director and that he has given his consent and is not disqualified to be appointed as a Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

6. APPOINTMENT OF MR. RAM DAYAL MODI AS DIRECTOR:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Ram Dayal Modi, who was appointed as an Additional Director of the company w.e.f 02.05.2012, by the Board of Directors under Section 260 of the Companies Act 1956 and who shall hold office up to the date of this Annual General Meeting and for the appointment of whom the company had received a notice under Section 257 of the Companies Act, 1956 from him proposing his candidature for the office of the Director and that he has given his consent and is not disqualified to be appointed as a Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

7. APPOINTMENT OF MR. DEVENDRA JHA AS DIRECTOR:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Devendra Jha, who was appointed as an Additional Director of the company w.e.f 02.05.2012, by the Board of Directors under Section 260 of the Companies Act 1956 and who shall hold office up to the date of this Annual General Meeting and for the appointment of whom the company had received a notice under Section 257 of the Companies Act, 1956 from him proposing his candidature for the office of the Director and that he has given his consent and is not disqualified to be appointed as a Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

8. APPOINTMENT OF MR. KAILASH PATI SHARMA AS DIRECTOR:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Kailash Pati Sharma, who was appointed as an Additional Director of the company w.e.f 02.05.2012, by the Board of Directors under Section 260 of the Companies Act 1956 and who shall hold office up to the date of this Annual General Meeting and for the appointment of whom the company had received a notice under Section 257 of the Companies Act, 1956 from him proposing his candidature for the office of the Director and that he has given his consent and is not disqualified to be appointed as a Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

9 ALTERATION/VARIATION OF UTILIZATION OF IPO PROCESS

To consider and, if thought fit, to pass with or without modifications, the following as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 61 of the Companies Act, 1956 and other applicable provisions of the laws, rules and regulations for the time being in force, the consent of the Company be and is hereby accorded empowering the Board of Directors (hereinafter called the "Board" which term shall be deemed to include any Committee which the Board may have constituted to exercise its power including the powers conferred by this resolution), to vary, alter, modify or reschedule the manner of utilization of IPO Proceeds as referred in the Prospectus dated September 14, 2011 by including but not limited to rescheduling the utilization towards the project(s) set out in the Prospectus and/or increasing/ decreasing expenditure(s); deploying the proceeds to take alternative steps for enhancing its production capacity by the process of acquisition, expansion anywhere in India, and for incurring capital expenditure or make investment of the earmarked fund for the said purpose, as the Board of Directors may deem fit.

By Order of the Board of Directors of

PG ELECTROPLAST LIMITED

Sd/-

Kuntal Kar

Company Secretary

Place: Greater Noida

Date: 14.08.2012

NOTES:

1. The relevant Explanatory Statements, pursuant to section 173 of the Companies Act, 1956, in respect of business under Item Nos. 5, 6, 7 and 8 above, are annexed hereto. In terms of the requirements of Clause 49 of the Listing Agreement, brief profiles of Directors seeking appointment / re-appointment, form part of the Notice.
2. 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 SELF 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.
3. Corporate Members intending to send their authorized representatives to attend the Tenth Annual General Meeting are requested to send a certified copy of their Board Resolution authorizing their representative to attend and vote at the said Annual General Meeting.
4. The Register of Members and Share Transfer Books shall remain closed from Monday, 10th September, 2012 to Wednesday, 12th September, 2012 (both days inclusive) for the purpose of Annual General Meeting.
5. The Board of Directors of the Company recommends no dividend.
6. Shareholders desirous of asking any questions at the Tenth Annual General Meeting are requested to send in their questions so as to reach the Company's Registered Office at least 7 (Seven) days before the date of Tenth Annual General Meeting so that the same can be suitably replied to.

By Order of the Board of Directors of

PG ELECTROPLAST LIMITED

Sd/-

Kuntal Kar

Company Secretary

ANNEXURE TO NOTICE

1. EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

Item Nos. 5, 6, 7 and 8

Mr. Bhawa Nand Choudhary, Mr. Ram Dayal Modi, Mr. Devendra Jha and Mr. Kailash Pati Sharma were appointed as Additional Directors of the Company by the Board of Directors in their meeting. Pursuant to the provisions of Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company, the term of office of the said Additional Director expires at the ensuing Annual General Meeting of the Company, and are eligible for appointment.

The Company is in receipt of the notices in writing pursuant to Section 257 of the Companies Act, 1956 proposing the candidatures of Mr. Bhawa Nand Choudhary, Mr. Ram Dayal Modi, Mr. Devendra Jha and Mr. Kailash Pati Sharma for the office of Director of the Company.

Mr. Bhawa Nand Choudhary is a technocrat with over 3 decades experience in project management, manufacturing activity and management. Currently he is working with Prakash Industries Limited (Steel and Power division). Before this he has worked with KVS Group of Companies, Rama Vision Limited, Astrotech International, Western Electronics Limited, Elcaps Capacitors Limited, UPTRON India Limited, TELCO and Bihar Airport Limited.

Mr. Ram Dayal Modi is Certified Associates of Institute of Bankers with an experience around four decades in the areas of Banking, Operations & Training. He has been a part of Central Management Committee (Planning and Development) in State Bank of Patiala for over two years. He has worked as Deputy General Manager & All India Head (SAGM and RECOVERY) in State Bank of Bikaner and Jaipur.

Mr. Devendra Jha is a Civil Engineer from IIT with overall experience of more than 3 decades in planning, project management and construction of large-scale buildings & townships. He has worked with Gannon Dunkerley Realty Limited. He is currently working as Head, Building Division in Totem Infrastructure Limited. He is a fellow member of Institute of Engineers (India) (FIE) and Institute of Valuers. He is also a member of Institute of surveyors.

Mr. Kailash Pati Sharma is a double Graduate in Science and Engineering with Electronics and Telecommunication specialization with about 16 years' experience in fields of IT, ITES and Consumer Industry and is presently associated with DELL Computers. He has worked with LG, Agilent & Panasonic.

The Board considers it desirable that the Company should continue to avail itself of the services of these persons as Directors and accordingly recommend the Resolutions at Item Nos. 5, 6, 7 and 8 for approval by the Members.

None of the Directors other than Mr. Bhawa Nand Choudhary, Mr. Ram Dayal Modi, Mr. Devendra Jha and Mr. Kailash Pati Sharma is interested in the Resolution at Item Nos. 5, 6, 7 and 8 respectively.

Item No. 9

The Company came out with a Public Issue in terms of Prospectus dated 14th September, 2011. The main object of raising funds through this issue was to Prepayment of the portion of term loan and line of credit facility, Expansion of manufacturing facility, Long term Capital Requirement etc.

The Board of Directors have decided to:

- (a) Slow down the process of installing the balance machinery/equipment in the new manufacturing facility due to the prevailing negative sentiment in the market and/or a slow down in the economy and
- (b) To pursue expansion of business in south India and other areas for reducing the transportation cost etc. The Board of Directors shall constantly review the viability of the aforesaid project as well as alternate projects.

Considering the above, the Board has utilized the proceed of public issue as per the table given below:

Particulars	Up to 30.06.2012 (Rs. In Lakhs)
Proceeds from IPO	12064.50
Less utilization	
Issue related expenses	1000.72
Expansion of manufacturing facility under Phase II*	5653.42
General Corporate Purpose	1485.00
Repayment of Loans	100.00
Working Capital	713.59
Total Expenditure	8962.73
Balance pending for utilisation	3101.77
a. Unutilised balance lying in Escrow Account	151.77
b. Unutilised balance deployed in Inter Corporate Deposits**	2950.00

* This amount represents payments/advance made toward the capital assets i.e. machinery, building etc.

** The funds have been temporarily deployed as an Interim measure to earn Interest pending deployment towards the objects of the issue. The Company has issued notice to parties for calling back of the ICD of Rs. 3100 lakhs to comply with the SEBI Directions, out of which Rs. 150.00 lakhs has been received and deposited in escrow account maintained with Standard Chartered Bank.

To confirm the decision of the board to vary the utilization of the fund as and when considered advantageous compared to the proposed utilization as disclosed in the Prospectus dated 14th September, 2011, the consent of the members is required pursuant to provisions of Section 61 of the Companies Act, 1956. Your Board recommend passing of the above resolution as set out in the Notice.

None of the Directors of the Company is interested /concerned in the resolution except as members of the Company.

By Order of the Board of Directors of
PG ELECTROPLAST LIMITED

Sd/-
Kuntal Kar
Company Secretary

2. BRIEF DETAILS OF DIRECTORS PROPOSED TO BE RE-APPOINTED/APPOINTED:

The brief details of directors seeking re-appointment/appointment at the Tenth Annual General Meeting are as under:

Mr. Vishal Gupta :

Date of Birth	25/09/1972
Education Qualification	MBA (Finance)
Date of Appointment on the Board	01/05/2010
Category of Director	Whole - Time, Executive
Area of Expertise/ Senior Position Held/ Work Experience	He has experience of around 17 years in the field of electronics manufacturing services.
Names of other Directorships in Public Limited Company	NIL
Names of Committees in which a Chairman	NIL
Names of Committees in which a Member	Audit Committee, Shareholders'/Investors' Grievance cum - Share Transfer Committee, Loan Committee and Investment Committee
Number of shares held in the Company	20, 75, 012 Equity Shares

Mr. Anurag Gupta :

Date of Birth	27/05/1969
Education Qualification	B.E. in Computer Engineering & Science
Date of Appointment on the Board	17/03/ 2003
Category of Director	Whole time, Executive
Area of Expertise/ Senior Position Held/ Work Experience	He has experience of around 17 years in the field of electronics manufacturing services.
Names of other Directorships in Public Limited Company	Kushang Technologies Limited
Names of Committees in which a Chairman	Loan Committee
Names of Committees in which a Member	Loan Committee and Investment Committee
Number of shares held in the Company	15,14, 222 Equity Shares

Mr. Bhawa Nand Choudhary:

Date of Birth	09/01/1953
Education Qualification	M. Tech (Production Management), B. Tech (Mechanical)
Date of Appointment on the Board	06/02/2012
Category of Director	Non-Executive and Independent
Area of Expertise/ Senior Position Held/ Work Experience	He is a technocrat with over three decades experience in project management, Manufacturing, Production activities and management.
Names of other Directorships in Public Limited Company	NIL
Names of Committees in which a Chairman	Remuneration Committee
Names of Committees in which a Member	Audit Committee and Remuneration Committee
Number of shares held in the Company	NIL

Mr. Ram Dayal Modi:

Date of Birth	30/06/1951
Education Qualification	MA (Pol. Science), Certified Associates of Indian Institute of Bankers
Date of Appointment on the Board	02/05/2012
Category of Director	Non-Executive and Independent
Area of Expertise/ Senior Position Held/ Work Experience	He has looked after various domains of entire Bank & Policy making thereof.
Names of other Directorships In Public Limited Company	MBL Infrastructure Limited, MBL (MP) Toll Road Company Limited
Names of Committees in which a Chairman	Audit Committee
Names of Committees in which a Member	Audit Committee and Remuneration Committee
Number of shares held in the Company	NIL

Mr. Devendra Jha:

Date of Birth	01/10/1954
Education Qualification	B. Tech (Civil) from IIT, Kanpur, ME (Highway), Diploma in Mgt.
Date of Appointment on the Board	02/05/2012
Category of Director	Non-Executive and Independent
Area of Expertise/ Senior Position Held/ Work Experience	Over 31 years of experience in Planning, Project Management & construction of large scale Building, Township and real Estate Projects.
Names of other Directorships in Public Limited Company	NIL
Names of Committees in which a Chairman	NIL
Names of Committees in which a Member	Audit Committee and Remuneration Committee
Number of shares held in the Company	NIL

Mr. Kailash Pati Sharma:

Date of Birth	10/02/1970
Education Qualification	Graduate in Science and Engineering with Electronics and Telecommunications.
Date of Appointment on the Board	02/05/2012
Category of Director	Non-Executive and Independent
Area of Expertise/ Senior Position Held/ Work Experience	He has a vast experience in the field of IT, ITES and consumer Industry.
Names of other Directorships in Public Limited Company	NIL
Names of Committees in which a Chairman	Shareholder's/Investors Grievance-cum-Share Transfer Committee
Names of Committees in which a Member	Shareholder's/Investors Grievance-cum-Share Transfer Committee
Number of shares held in the Company	NIL

DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors hereby presents the Tenth Annual Report together with the audited financial statements for the financial year ended 31st March, 2012.

FINANCIAL RESULTS

The Financial performance for the year ended 31st March, 2012 is summarized below:

Particulars	Standalone Financials (Rs. In Lacs)		Consolidated Financials (Rs. In Lacs)	
	2011-12	2010-11	2011-12	2010-11
Revenue from Operations (Net of Excise Duty)	22,182.42	42,407.57	22,182.43	42,407.58
Other Income	413.31	300.46	413.31	300.46
Less: Expenditure before depreciation	21,927.21	39,619.79	21,927.50	39,618.28
Earnings Before Interest, Tax, Exceptional Items, Depreciation and Amortization	668.52	3,088.24	668.24	3,089.76
Less: Finance Cost	1,063.68	555.65	1,063.69	556.00
Depn & Amortization Exp	450.82	206.78	450.82	206.78
Exceptional Items	11.47	2.26	11.47	2.26
Profit / (Loss) before tax	(857.45)	2,323.55	(857.74)	2,324.72
Less: Tax Expenses				
- Current Tax	-	463.10	-	463.47
- Income Tax for earlier yrs	4.39	2.73	4.40	2.73
- Deferred Tax	-	72.41	-	72.41
Profit/ (Loss) Post Taxes	(861.84)	1,785.31	(862.14)	1,788.11

BUSINESS OPERATIONS:

During the financial years 2011-12, on standalone basis, the company achieved gross revenue of ₹ 225.95 Crores and EBIT stands to ₹ 2.06 Crores. During the year under review the Company incurred losses post taxes amounting to ₹ 8.61 Crores. Major reasons for losses were on account of (a) Increase in Finance Cost, (b) Increase in Depreciation, (c) Net Exchange difference due to erosion of value of domestic currency against the dollar currency and (d) Undersized performance of newly established manufacturing units because of lack of orders due to recessive global economic conditions. With your continuous support we are looking forward for better performance in upcoming years.

CONSOLIDATED FINANCIAL STATEMENT

In terms of Section 212(8) of the Companies Act, 1956 read with the General Circular No.2/2011 dated February 8, 2011 issued by the Ministry of Corporate Affairs, Government of India, general exemption has been provided to companies from compliance of the provisions of Section 212(1) of the Companies Act, 1956 subject to compliance with conditions as referred to in the said General Circular No.2/2011 dated February 8, 2011. The Board of Directors of the Company, accordingly, has given its consent for not attaching the balance sheet of the subsidiaries and accordingly, the balance sheet, statement of profit and loss and other documents of the subsidiary companies are not being attached with the balance sheet of the Company.

However, some key information of the subsidiary companies as required to be provided in terms of the said circular, is disclosed under "Section 212 Report" forming part of this Annual Report.

The annual accounts of the subsidiary companies and the related detailed information will be made available to any member of the Company / its subsidiaries who may be interested in obtaining the same. The annual accounts of the subsidiary company i.e Diamond Mattress Company Private Limited will also be kept for inspection by any member at the Company's Registered Office and Corporate Office and that of the respective subsidiary companies.

The Annual Report of the Company contains the consolidated audited financial statements prepared pursuant to Clause 41 of the Listing Agreement entered into with the stock exchanges and prepared in accordance with the mandatory accounting standards as notified by the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.

INITIAL PUBLIC ISSUE AND DEPLOYMENT OF ISSUE PROCEEDS:

In this issue, the Company has raised ₹ 120.64 Crores in Initial Public Issue. The shares are listed on BSE and NSE. The issue constituted 35% of fully diluted post issue paid-up capital of the Company and it was subscribed 1.32 times before technical rejections.

Issue Detail:

- Issue Open : Sep 07, 2011 - Sep 12, 2011
- Issue Type : 100% Book Built Issue IPO
- Issue Size : 5,745,000 Equity Shares of Rs. 10
- Issue Size : ₹ 120.64 Crore
- Face Value : ₹ 10 Per Equity Share
- Issue Price : ₹ Rs. 210 Per Equity Share
- Paid-up Capital : 16,41,43,320.00 (Post Issue)
- Listing At : BSE, NSE
- Listing Date : Monday, September 26, 2011
- BSE Scrip Code : 533581
- NSE Symbol : PGEL
- ISIN : INE457L01011

The above funds were raised for the purpose of expansion of new units set up at Greater Noida and Ahmednagar, Repayment of term loan and line of credit, to meet working capital requirement and General Corporate purposes.

Given below are the details of utilization of proceeds raised through public issue.

Amount raised during the year through Public Issue	₹ 120.64 Crores
Less: Amount utilized during the year	
Utilised for General Corporate Purpose (Net)	₹ 16.25 Crores
Expansion of Phase II of Unit at Greater Noida & Ahmednagar	₹ 55.98 Crores
IPO Expenses	₹ 10.00 Crores
Repayment of term loan	₹ 1.00 Crores
Utilized for Working Capital	₹ 6.39 Crores
Investment in Inter Corporate Deposit	₹ 29.50 Crores
Balance in Escrow Account with Standard Chartered Bank	₹ 1.52 Crores

The funds in inter corporate deposits have been temporarily deployed as an interim measure to earn interest pending deployment towards object of the Issue. The balance in the Escrow account is as per directions of SEBI, under which the Company has deposited the amount of ICD received back for an amount of Rs. 1.50 Crores and amount lying in the IPO account to the tune of Rs. 0.02 Crore.

Amount utilized in General Corporate purposes include amount paid as advance for purchase of land keeping in mind the future expansion strategy of the Company in areas close to auto and Electronics hub.

There are no material deviations in utilization of IPO proceeds towards Objects of the Issue except increase in expenses in relation to expansion of manufacturing facility of Rs. 4.84 Crores, which was basically on account of change in equipment requirement as per prevailing market and IPO expenses of Rs. 1.00 Crore. These deviations were in line with the disclosures in the Red Herring Prospectus and the Prospectus.

CAPITAL EXPENDITURE:

During the year under review the Company started in July 2011, Unit No. III at Greater Noida on Plot No. E-14 and E-15, Surajpur, Gautam Budh Nagar, U.P. admeasuring 5779 sq. meters. With this the phase I of the project was completed. The second phase of project for expansion of the two units i.e. Unit III at Greater Noida and Unit IV at Ahmednagar, Maharashtra has started and the project is estimated to be completed by September 2012 as against March 2012 as envisaged in the Prospectus.

DIVIDEND

As the Company has incurred loss in financial year 2011-12, so the Board of Directors has not recommended any dividend for the period under review.

RESERVES

The Board of Directors do not recommend any transfer to reserves for the period under review.

PUBLIC DEPOSITS

The company has not accepted any public deposits u/s 58A of the Companies Act, 1956 during the period under review.

STATEMENT UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956

There is no employee in the company, drawing salary beyond the limit as specified under section 217(2A) of the Companies Act, 1956.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 217 (2AA) of the Companies Act, 1956, your directors wish to state that:

- 1) That in the preparation of the annual accounts for the financial year ended 31st March, 2012 the applicable accounting standards had been followed along-with proper explanation relating to material departures;
- 2) That the Directors had selected such accounting policies and applied them consistently and made judgment and estimates that were 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 of the Company for the year under the review;

- 3) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the Companies Act, 1956 for safeguarding of the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) That the Directors had prepared the accounts for the financial year ended 31st March, 2012 on a going concern basis.

DIRECTORS

During the period under review Mr. Kaushal Chand Singhal, Mr. Suresh Chandra Gupta, Mr. Prem Pal Malhotra and Pramod Kumar Mitra, Independent Directors of the Company have resigned from the directorship of the Company w.e.f. 05.01.2012.

Further Mr. Bhawa Nand Choudhary and Mr. Chandra Bhushan Mishra, were appointed as Additional Independent Directors of the Company by the Board of Directors in their meeting held on 06.02.2012. Mr. Chandra Bhushan Mishra has resigned from the directorship of the Company w.e.f. 25.04.2012.

Existing Additional Independent Directors are retiring at the ensuing Annual General Meeting and being eligible offers themselves for appointment as Director.

Mr. Vishal Gupta and Mr. Anurag Gupta who retires by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment. The Board recommends their appointment for approval in Annual General Meeting.

AUDITORS

M/s. Chitresh Gupta & Associates, Chartered Accountants, Delhi who are retiring at the ensuing Annual General Meeting under the provisions of Section 224 of the Companies Act, 1956 have offered for re-appointment as auditors of the Company. The necessary certificate pursuant to the provisions of Section 224 (1B) of the Companies Act, 1956 has been received from them. Earlier M/s Hem Sandeep & Co. Delhi, Chartered Accountants have resigned as Statutory Auditors w.e.f 17.02.2012

STATUTORY DISCLOSURES

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings/Outgo and Activities relating to Exports:-

A) Conservation of Energy:

(a.) Energy conservation measures taken:

The Company believes that efficient use of energy is a simple way to conserve it. As such, the Company continues to take conscious efforts to minimize energy consumption. As a part of continuous efforts, following steps were taken by the Company towards conservation of energy during the year under review:

- Company has introduced CFL lamps, and replaced T5 tubes instead of T8 tube lights within all the premises.
- Injection moulding equipments have been purchased, which consume 30% less energy than earlier hydraulics equipments.

b.) Additional investments and proposals:

- The Company has invested in energy saving injection moulding equipments.
- The Company has undergone an energy audit through an independent agency and the recommendations have been implemented.

1. Electricity	FY 2011-12	FY 2010-11
(a) Purchased		
Units (M. KWH)	6,477,161.00	6,971,481.00
Total Amount (Amt. in Rs.)	36,317,226.00	33,362,167.59
Average Rate/ Unit (Rs./ KWH)	5.61	4.79
(b) Own Generation		
Through Diesel Generator		
Units (M. KWH)	710,505.00	578,022.43
Total Amount (Amt. in Rs.)	15,957,092.88	12,758,281.30
Average Rate/ Unit (Rs./ KWH)	22.46	22.07

c.) Total energy consumption and energy consumption per unit of production

B) Technology Absorption, Research and Development (R&D)

The Company has a dedicated R&D team, which is engaged in the development of new products and improvements in existing products as per the customers' requirements.

The Company is working on new plastic injection moulding technologies to implement new surface finishes thereby eliminating the requirement of painting of the components.

C) Foreign Exchange Earnings and Outgo: -

Foreign Exchange Earnings : NIL

Foreign Exchange Outgo : Rs.8.18 Crores (Rs. 8.15 Crores on account of purchase of Plant & Machinery, Raw Materials, Consumables etc and Rs. 0.03 Crores on account of Foreign Travel)

CORPORATE GOVERNANCE:

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the Reports on Corporate Governance and Management Discussion and Analysis form part of this Report. The Management Discussion and Analysis Report on the operations and financial position of the Company has been provided in a separate section. A certificate from M/s Ashu Gupta & Co, Practicing Company Secretaries, confirming compliance of the Corporate Governance is appended to the Report on Corporate Governance.

GREEN INITIATIVES IN CORPORATE GOVERNANCE:

The Ministry of Corporate Affairs, Government of India, has permitted companies to send electronic copies of Annual Report, notices etc., to the e-mail ids of shareholders. We have accordingly arranged to send the soft copies of these documents to the e-mail ids of shareholders, wherever applicable. In case any of the shareholders would like to receive physical copies of these documents, the same shall be forwarded on written request.

ACKNOWLEDGEMENT

We are grateful to our shareholders, employees, bankers, suppliers, customers and other government and private agencies for their continuous cooperation and faith they have shown in the Company.

For and on behalf of Board of Directors
PG Electroplast Limited

Place : Greater Noida
Date : 14.08.2012

Sd/-
(Promod Gupta)
Chairman & Managing Director

Management Discussion and Analysis

Business Outlook

The global consumer electronics market grew by 4.7% in 2011 to reach a value of \$284.09 billion. In 2016, the global consumer electronics market is supposed to have a value of \$343.36 billion, an increase of 20.9% since 2011. India is a net importer of electronics goods, which however has declined in FY 2011 from the previous year.

Manufacturing has been recognised as the main engine for economic growth and an ambitious target of taking the share of ICT & electronic hardware manufacturing to around 20% by 2025 has been set by National Manufacturing Policy. Being the world's second largest populated country coupled with robust growth, India would remain one of the largest consumers of electronics globally.

Indian Electronics Industry is a high growth industry which is attracting global attention as apart from growing market, it also has the potential to deliver high quality products at a lower cost than its western counterparts. Sensing vast opportunity, this has led to many global players setting up their production base in the country.

While on the one hand global economic turmoil has precipitated a slowdown in investment across the board, factors such as strong consumer spending habit & the need to use more of consumer durable items in tier 3 cities & towns will continue to drive considerable positive momentum in the sector. The major growth factors are a) rising disposable income coupled with increasing consumer exposure, b) increase of manufacturing in the local grounds, c) increased reach due to better network distribution, d) advent of new technologies, increasing expenditure by companies on electronic products and several government initiatives coupled with favourable population, e) use of electronic products to augment production/other activity by automation process has been resulting in more and more companies adopting the newer technology & f) Government initiatives for better e-governance through effective administration can be achieved through the use of technology.

PGEL Outlook & Opportunities

Looking ahead the key growth factors are stronger than ever, increasing population and urbanization will drive rapid growth in electronics consumption of TVs, laptops, washing machines and CFLs. We believe the key to future competitiveness and growth lies in providing highly cost competitive solutions. The management team has laid out clear plans to address key priorities this year, namely 1) reducing interest cost; 2) reducing working capital intensity; 3) maintain total focus on timely delivery, quality, health and safety; 4) adding new products to its existing product profile; 5) entering into new industry segment. The company has started supplying to auto sector also. With these focus areas, the management team believes that the Company is ideally positioned to resume its growth trajectory and deliver significant value to our stakeholders.

Business Risks, Challenges & Threat

A major part of the Company's revenue, costs, assets and liabilities are denominated in Indian currencies. However unhedged trade exposure for the period under review created adverse impact on our cash flows & impacted profitability.

The company's raw materials are to a certain extent crude based and hence any input price increase will put pressure on margins. These risks are periodically reviewed and suitable risk management strategies including discussions with the customer for passing down the price increases are adopted by the Company so as to minimise the impact of those risks.

Slowdown in consumer electronics demand can lead to lower order booking and lesser production.

Segment-wise Performance

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

Internal Control Systems & their Adequacy

Our management periodically undertakes independent reviews of risks, controls, operations and procedures, identifying control and process gaps and recommending business solutions for risk mitigation. The management assess, evaluate, strengthen and implements good value system from the standpoint of ethical business. The Audit Committee of the Board is headed by a Non-executive Independent Director and ensures independence of the function and transparency of the process.

Highlights of Consolidated Results

The financial accounts were prepared in accordance with revised Schedule VI read along with and in pursuance to Section 210, 210A & 211 of the Companies Act, 1956 as per Notification No. SO 447(E) dated 28th February 2012. The previous year figures have been accordingly regrouped.

Revenue from operations:

During the year under review, the Company achieved revenue from operations of ₹ 221.82 Crores, It was ₹ 424.07 Crores for the year ended 31st March, 2011. The decrease in revenue was mainly on account of no new tender base business received by the company.

Other Income:

Other Income for the year was ₹ 4.13 Crores as against ₹ 3.00 Crores for the year ended 31st March, 2011. The increase was mainly on account of interest received on Inter Corporate Deposits.

Expenditure:**Cost of Raw Material and Components Consumed:**

Cost of Raw Material and Components Consumed for the year was ₹ 185.05 Crores as against ₹ 358.44 Crores for the year ended 31st March, 2011. The decrease was in line with the decrease in revenue.

Employee Benefits expenses:

Employee Benefits expenses were to the tune ₹ 11.61 Crores during the year, as against ₹ 8.75 Crores during previous year. The increase was on account of the two new units which were operational in the year under review.

Other Expenses excluding expenses incurred for product development:

During the year under review, other expenses were ₹ 15.26 Crores, It was ₹ 17.73 Crores for the year ended 31st March, 2011.

Depreciation and Amortisation expenses:

During the year under review, Depreciation and Amortisation expenses amounted to ₹ 4.50 Crores as against ₹ 2.07 Crore for the year ended 31st March, 2011. The increase was on account of depreciation on addition of capex done during the year for new units.

Finance Cost:

Interest and Finance Charges were to the tune of ₹ 10.64 Crores as against ₹ 5.56 Crores for the year ended 31st March, 2011. The increase was on account of additional facilities taken from bank for setting up new units.

Net Profit/(Loss):

Net Loss of the Company for the current year was ₹ 8.62 Crores as against profit of ₹17.86 Crores for the year ended 31st March, 2011. Losses were incurred on account of a) high interest, b) additional depreciation, c) erosion of value of domestic currency and d) undersized performance of newly established manufacturing units.

Share Capital:

At present we have only one class of Shares, Equity shares of face value ₹ 10 each. Our Authorised capital is ₹25,00,00,000 divided into ₹2,50,00,000 equity shares of ₹ 10 each. The details of issued and paid up capital as follows:

Issued, Subscribed & Paid-up Capital	As at 31.03.2012	As at 31.03.2011
	₹ 164,143,320.00	₹ 106,693,320.00

During the fiscal 2012, we issued ₹ 57,45,000 equity shares by Public Issue made through 100% Book Building. Consequently the Issued, Subscribed & Paid-up capital increased by ₹ 5,74,50,000.

Reserve and Surplus:

	(₹ In Crores)	
	FY 2011-12	FY 2010-11
Security Premium Account	109.03	4.14
Profit and Loss Account	21.99	30.61
Total Reserve and Surplus	131.02	34.75

Security Premium Account: The addition of ₹ 114.90 Crores to security premium account is primarily on account of premium received on issue of ₹ 57,45,000 equity shares in Initial Public Issue. Out of this ₹ 10.00 Crores were utilized towards IPO expenses.

Loan Fund :

Particulars	(₹ in Crores)	
	FY 2011-12	FY 2010-11
Secured Loans	82.19	59.40
Unsecured Loans	15.46	1.65
Total	77.65	61.05

The increases in borrowing were mainly on account of addition in working capital/buyer credit and receipt of unsecured loan from promoters.

Non-Current Assets:

1. Fixed Assets: The Company had fixed assets to the tune of ₹ 142.78 Crores for FY 2011-12 whereas it was ₹ 79.45 Crores in FY 2010-11. The increase was due to addition in capital expenditure for the new units.
2. Other Non-current Assets: Other non-current assets were ₹ 32.17 Crores for FY 2011-12 & ₹ 8.87 Crores for FY 2010-11. The increase was mainly on account of advance to capital goods suppliers.

Current Assets:

The Company had current Assets of ₹112.62 Crores for FY 2011-12 & ₹ 71.18 Crores for FY 2010-11. The increase was mainly on account of investments in short term Inter Corporate Deposits.

Current Liabilities:

The Company had current liabilities (other than short term borrowings) of ₹ 58.65 Crores for FY 2011-12 as against ₹ 49.84 Crores for the FY 2010-11. The increase was mainly on account of increase in current maturities of facilities availed from bank.

Human Resources & Industrial Relations

The Company's human resources continue to be its biggest asset. The Company continuously reviews HR policies and practices and carries out necessary improvements to attract and retain best talent and build intellectual capital. Continuous nurturing of talent and helping employees in their career aspirations is one of the biggest challenges addressed through several discussions, which has resulted in people being respected, their performance being rewarded and aiding employees in realising their potential. The Company continued to enjoy healthy industrial relations during the year. The total number of employees in the company as on 31st March 2012 was 403 as compared to 509 as on 31st March 2011.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward-looking statements within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could influence the Company's operations include input availability and prices, demand and pricing of finished goods in the Company's principal markets, changes in government regulations, tax laws, economic developments within the country and other incidental factors.

CORPORATE GOVERNANCE REPORT

(As required under Clause 49 of the Listing agreement with Stock Exchanges)

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's corporate governance philosophy is to continuously strive to attain higher levels of accountability, transparency, responsibility and fairness in all aspects of its operations. 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 also endeavors to enhance long-term shareholder value.

2. BOARD OF DIRECTORS

Composition and category of Directors

The Company has an appropriate mix of Executive and Independent Directors. During the fiscal, there were 8 members in the Board, out of which 4 were non-executive and Independent Directors, till 05.01.2012. After resignation tendered by all 4 Independent Directors on said date, Board appointed two Independent Directors on Board w.e.f. 06.02.2012.

As per Clause 49 I (C) (ii) of the Listing Agreement, None of the Directors are members of more than 10 (Ten) Board Committees nor are they Chairman of more than 5 (Five) Committees in which they are members.

As mandated by the Clause 49, the Independent Directors on the Board, apart from receiving Sitting Fees, do not have any other material pecuniary relationship or transactions with the Company, or its promoters, its management or its subsidiaries, which in the judgment of the Board affects the independence of judgment of the Directors. Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vikas Gupta and Mr. Vishal Gupta are promoter Directors and they are relatives pursuant to Section 6 read with Schedule IA of Companies Act, 1956.

Following Table sets forth detailed information on the composition of the Board/Committee during the financial year ended 31st March 2012

Name of the Director	Category	Whether attended last AGM	Attendance Particulars of the Board Meeting		No. of Directorships/Committee Member/Committee Chairman in other Public Companies		
			Held	Attended	Director	Committee Member	Committee Chairman
Mr. Promod Gupta	Executive, Non-Independent Promoter, Chairman	YES	12	12	-	-	-
Mr. Anurag Gupta	Executive, Non-Independent Promoter	NO	12	11	1	-	-
Mr. Vishal Gupta	Executive, Non-Independent Promoter	YES	12	10	-	-	-
Mr. Vikas Gupta	Executive, Non-Independent Promoter	YES	12	11	1	-	-

Name of the Director	Category	Whether attended last AGM	Attendance Particulars in Board		No. of Directorships/Committee Member/Committee Chairman In other Public Companies		
			Held	attended	Director	Committee Member	Committee Chairman
Mr. Kaushal Chand Singhal*	Non-Executive, Independent	YES	6	4	-	-	-
Mr. Prem Pal Malhotra*	Non-Executive, Independent	YES	6	6	-	-	-
Mr. Pramod Kumar Mitra*	Non-Executive, Independent	YES	6	6	-	-	-
Mr. Suresh Chandra Gupta*	Non-Executive, Independent	YES	6	5	1	-	-
Mr. Bhawa Nand Choudhary#	Non-Executive, Independent	N/A	3	2	-	-	-
Mr. Chandra Bhushan Mishra#	Non-Executive, Independent	N/A	3	3	-	-	-

*They have resigned from Board of Directors w.e.f. 05.01.2012

#They are appointed in the Board w.e.f. 08.02.2012

Number of Board Meetings

In the year under review, the Board of Directors held 12 meetings and the gap between two meetings did not exceed four months. The dates on which the board meetings were held were as follows:

18th May, 2011,	14th June, 2011,	17th August, 2011,	14th November, 2011,
02nd December 2011,	05th January 2012,	14th January 2012,	21st January 2012,
27th January 2012,	06th February 2012,	14th February 2012	27th February 2012.

The Board is normally presented with detailed notes on matters to be considered, as part of the agenda papers of the meeting.

The information as required under Annexure IA to Clause 49 is made available to the Board. Additional meetings of Board are held as and when deemed necessary by the Board.

Current Status: The Board comprises of 8 (Eight) Directors. Out of which 4 Directors are Executive Directors, namely Mr. Promod Gupta (Chairman & Managing Director), Mr. Anurag Gupta, Mr. Vikas Gupta and Mr. Vishal Gupta. Remaining 4 in the Board are Non-Executive and Independent Directors, namely Mr. Ram Dayal Modi, Mr. Bhawa Nand Choudhary, Mr. Devendra Jha and Mr. Kallash Patil Sharma.

3. AUDIT COMMITTEE

The term of Reference of Audit Committee, broadly are as under:

- Meetings periodically as it may deem necessary and, one meeting before finalization of annual accounts.
- overseeing the Company's financial reporting process,
- recommending to the Board, the appointment/re-appointment, if required the replacement or removal of the statutory auditor, external auditors and the fixation of audit fee(s),
- approval of payment of statutory auditors and external auditors for any other services rendered by the statutory auditors
- reviewing the annual financial statements before submission to the Board for approval, with the particular reference to:

- a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause No. (2AA) of Section 217 of the Companies Act, 1956. Changes, if any, in accounting policies and practices and reasons for the same.
 - b. Major accounting entries involving estimates based on the exercise of judgment by management.
 - c. Significant adjustments made in the financial statements arising out of audit findings.
 - d. Compliance with listing and other legal requirements relating to financial statements.
 - e. Disclosure of any related party transactions.
 - f. Qualifications in the draft audit report.
 - g. The going concern assumption.
 - h. Compliance with accounting standards.
- Reviewing, with the Management, the statement of uses/application of funds raised through an Issue (public issue, rights issue, preferential issue etc.), the statement of funds utilised for purposes other than those stated in the offer documents/prospectus/notice and the report, if any, submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
 - Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
 - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
 - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 - Discussion with internal auditors any significant findings and follow up thereon.
 - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 - 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.
 - To look into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 - To review the functioning of the Whistle Blower Mechanism, in case the same is existing.
 - Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

During the financial year five meeting of Audit Committee were held on following dates:

Date of Audit Committee Meeting	Chairman of the Committee
18.05.2011	Mr. Suresh Chandra Gupta
14.11.2011	Mr. Suresh Chandra Gupta
02.12.2011	Mr. Kaushal Chand Singhal
14.02.2012	Mr. Chandra Bhushan Mishra
18.02.2012	Mr. Chandra Bhushan Mishra

The Composition of Audit Committee, details of Meeting attended by Directors:

Name of Members	Category	No. of Meeting held	No. of Meeting attended
Mr. Kaushal Chand Singhal*	Non-Executive & Independent	3	1
Mr. Suresh Chandra Gupta*	Non-Executive & Independent	3	2
Mr. Pramod Kumar Mitra*	Non-Executive & Independent	3	3
Mr. Vishal Gupta	Executive Director	5	4
Mr. Chandra Bhushan Mishra#	Non-Executive & Independent	2	2
Mr. Bhawa Nand Choudhary#	Non-Executive & Independent	2	2

*Ceased to be member w.e.f. 05.01.2012

#appointed as member w.e.f. 06.02.2012

Current Status : The Committee was re-constituted on 02.05.2012, now it has four members : Mr. Ram Dayal Modi (Chairman), Mr. Bhawa Nand Choudhary, Mr. Devendra Jha and Mr. Vishal Gupta.

4. REMUNERATION COMMITTEE

The scope and terms of reference of the Remuneration Committee are as follows:

- finalize the appointment, terms of engagements, remuneration payable by our Company to its chairman, chief financial officer, managing director, chief executive officer, chief operation officer or any other Director including the functional Directors from time to time keeping in view the provisions of the Companies Act, 1956 read with relative Schedules thereto and that such committee be and is hereby authorized to recommend to the Board such entitlements of remuneration; and
- ensure proper compliance of the conditions precedent to appointment(s) and to generally to attend to all other formalities incidental to or connected with the payment of remuneration to Directors and/or managerial person, to decide the revision in remuneration and payment of commission to them within the sanction of the shareholders.

Composition, Name of members and Chairpersons:

Name of Director	Nature of Directorship	Status In Committee
Mr P. P. Malhotra*	Non-Executive & Independent	Chairman
Mr. K. C. Singhal*	Non-Executive & Independent	Member
Mr. S. C. Gupta*	Non-Executive & Independent	Member
Mr. C. B. Mishra#	Non-Executive & Independent	Chairman (w.e.f 06.02.2012)
Mr. B. N. Choudhary#	Non-Executive & Independent	Member

*resigned w.e.f. 05.01.2012

appointed as member w.e.f 06.02.2012

Current Status: The Committee was re-constituted on 02.05.2012, now it has three members: Mr. Bhawa Nand Choudhary (Chairman), Mr. Ram Dayal Modi and Mr. Devendra Jha.

Remuneration Policy:

The Company while deciding the Remuneration Package of Senior management member takes into consideration Managerial Talent, Job Profile, Past Remuneration, Comparative Remuneration of Industry etc. The Company pays Remuneration to Managing Directors and Whole Time Directors by way of salary, perquisite, allowance, commission and other benefits as may be decided by Board. Salary is paid within the range approved by shareholders in general meeting.

Non-Executive Directors are paid remuneration by way of sitting fees. The Company pays sitting fees of ₹ 10,000 per person for attending the Meetings of Board and ₹ 5,000 per person for attending Committee Meetings.

Remuneration Paid to Directors

Following Table provides detail of remuneration paid to Directors for the Financial Year ended 31.03.12:

1. Remuneration to Chairman-cum-Managing Director and Whole-Time Directors:

Name of the Directors	Salary and Perquisites (in ₹)	Bonus/Commission/Stock Option/Performance Linked Incentive(in ₹)	Total (in ₹)	Service Contract & Notice Period
Mr. Pramod Gupta	2,974,800	Nil	2,974,800	3 Yrs upto 14.07.2013 & 1 Month
Mr. Anurag Gupta	2,974,800	Nil	2,974,800	3 Yrs upto 14.07.2013 & 1 Month
Mr. Vikas Gupta	2,974,800	Nil	2,974,800	3 Yrs upto 14.07.2013 & 1 Month
Mr. Vishal Gupta	2,974,800	Nil	2,974,800	3 Yrs upto 14.07.2013 & 1 Month
Total	11,899,200		11,899,200	

Remuneration paid to directors are in accordance with Schedule XIII of the Companies Act, 1956.

2. Remuneration to Non-Executive Directors:

Name of the Directors	Mr. Bhawa Nand Choudhary	Mr. Chandra Bhushan Mishra	Mr. Kaushal Chand Singhal	Mr. Pramod Kumar Mitra	Mr. Prem Pal Malhotra	Mr. Suresh Chand Gupta
Sitting Fees (In ₹)	20,000	30,000	50,000	75,000	80,000	80,000
Total (in ₹)	2,95,000					

Disclosure: None of the Non-Executive Directors hold any Equity or Preference Shares of the Company. In addition to this, Company has not issued any Convertible, Partly Convertible or Non-Convertible Debentures till the date of Annual Report.

5. SHAREHOLDERS'/INVESTOR GRIEVANCE-CUM-SHARE TRANSFER COMMITTEE

Our Shareholders/Investors Grievance-cum- Share Transfer Committee comprises of 3 members. Till 05.01.2012, it was headed by Mr. Kaushal Chand Singhal (Independent Director). The Committee was re-constituted on 06.02.2012 with three members Mr. Chandra Bhushan Mishra (Independent Director and Chairman), Mr. Promod Gupta and Mr. Vishal Gupta.

Mr. Naveen Chandra Kushwaha (Company Secretary) was the Compliance Officer for FY 2011-12.

Current Status: The Committee has three members, Mr. Kailash Pati Sharma (Independent Director and Chairman), Mr. Promod Gupta and Mr. Vishal Gupta.

The Company's shares were listed on 26.09.2011. From 01.10.2011 to 31.03.2012 details of Investors' Complaints are as follows:

Description	Total Received	Total Replied	Total Pending
Securities and Exchange Board of India	0	0	0
Ministry of Company Affairs	0	0	0
Registrar & Transfer Agent	40	40	0
Stock Exchanges, CDSL & NSDL	0	0	0
Total	40	40	0

As on 31.03.2012 there were no pending complaints.

During the period under review one meeting of the Committee was held on 27.12.2011. The Committee on its meeting dated 14th August 2012 expressed satisfaction with Company's performance in dealing with Investors/Shareholders Grievance during the year 2011-12.

Demat/Remat of Shares:

During the year under review 1 (One) Equity Share was rematerialized on request of a Shareholder.

6. OTHER COMMITTEE OF BOARD

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

7. GENERAL BODY MEETING

i. The details of last 3 (Three) Annual General Meetings and Special Resolutions passed are as follows:

FY ended	Date and Time	Venue	Special Resolution passed
31.03.2011 (9 th AGM)	14.06.2011 at 10.30 A.M.	Hotel Lalit, Barakhamba Avenue, Connaught Place, New Delhi – 110 001	NIL
31.03.2010 (8 th AGM)	25.08.2010 at 11.00 A.M.	14/39, Shakti Nagar, Delhi-110 007	4 Special Resolutions were passed in this AGM. 1. Appointment and remuneration to Sh. Anurag Gupta as Whole Time Director of the Company 2. Appointment and remuneration to Sh. Vishal Gupta as whole time director of the Company 3. Appointment and remuneration to Sh. Vikas Gupta as Whole Time Director of the Company 4. Public Issue under Section 81(1A) of Companies Act
30.03.2009 (7 th AGM)	28.09.2009 at 11.30 A.M.	14/39, Shakti Nagar, Delhi-110 007	NIL

ii. **Special Resolution passed through Postal Ballot:** No Special Resolution was passed through Postal Ballot during the Financial Year 2011-12. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

8. DISCLOSURES

- i. **Subsidiary Companies:** There is only one wholly owned subsidiary company namely, Diamond Mattress Pvt Ltd for the period under review. None of the Company's Indian subsidiary companies fall under the definition of "material non-listed Indian subsidiary".
- ii. **Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large:** None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of members is drawn to the disclosure of transactions with the related parties set out in Note No. 8 of Other Notes on Accounts, forming part of the Annual Report.
- iii. **Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:**

The Company is under process of investigation by SEBI and SEBI has passed an ad Interim ex-parte Order WTM/PS/VD-ID5/42/2011/DEC dated 28.12.2011 in exercise of the powers conferred upon SEBI under Section 19 of the Securities and Exchange Board of India Act, 1992 read with Section 11(1), 11(4), 11A and 11B of the said Act and issued following directions for the company to comply with:

- The company has been prohibited from raising any further capital from the securities market till further instructions from SEBI.
- The directors of the Company have been prohibited from buying, selling or dealing in the securities market till further directions from SEBI.
- The company has been instructed to call back the ICDs to the tune of Rs 32.00 crores and the IPO proceeds still lying with the company and it shall keep in a separate interest bearing Escrow account with scheduled commercial bank, till further instructions from SEBI.

The company has replied to the above referred ad interim ex-parte order vide its letter dated 10th April 2012.

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

-The Company has constituted Remuneration Committee and IPO Committee.

9. MEANS OF COMMUNICATION

- i Quarterly/Half-yearly and Annual results: Quarterly/ Half yearly/ Annual Results of the Company are normally published in 'Financial Express' and 'Jansatta' and are displayed on the Company's website www.pgell.in shortly after its submission to Stock Exchanges. As part of green initiative, since this year the annual report is sent by email to Shareholders whose email ids are registered with the depositories/Registrar/Share transfer agents of the Company
- ii) News Releases, Presentations to Institutional Investors/Analysts: The Annual/Quarterly results of the Company, shareholding pattern, the official news releases, notifications to the stock exchanges and the presentations made by the Company to analysts and Institutional Investors, if any, are regularly posted on its website www.pgell.in. The Company is in compliance of Clause 54 of the Listing Agreement.

10. GENERAL SHAREHOLDER INFORMATION

- i. AGM : Date, Time and Venue:- Wednesday, 12.09.2012 at 10.00 A.M. at Guru Kirpa Farms, Palla - Bakhtawarpur Road, G.T. Karnal Road, Village Alipur, Delhi – 110 036

- ii. Financial Year : 01.04.2012 to 31.03.2013

Board meetings for approval of Unaudited Quarterly Results (Tentative Schedule):

1st Quarter ended on June 30, 2012: Tuesday, 14th August 2012

2nd Quarter ended on September 30, 2012: within 45 days from the close of quarter

3rd Quarter ended on December 31, 2012: within 45 days from the close of quarter

4th Quarter ended on March 31, 2013: within 45 days from the close of quarter*

*As provided in Clause 41 of the Listing Agreement, Board may also consider to publish Audited Results for the year ended 2012-13 in lieu of 4th quarter Unaudited Financial Results by 31st May 2013 or such other period as may be stipulated time to time.

- iii. Book Closure Date: Monday, 10th September 2012 to Wednesday, 12th September 2012

- iv. Listing on Stock Exchanges: Equity Shares (ISIN No. INE457L01011)

Bombay Stock Exchange Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Scrip Code: 533581	National Stock Exchange of India Limited (NSE) "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai 400 051 Scrip Symbol - PGEL
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Annual Listing Fees for the year 2012-13 has been paid by the Company to BSE and NSE and Annual Custody/ Issuer Fees for the year 2012-13 have been paid by the Company to NSDL and CDSL

- v. Market Price Data: High, Low (based on closing price) during each month in last financial year. Data is available from Sep 2011 as the shares of the Company were listed on 26th September 2011.

Month	NSE (In Rs.)		BSE (In Rs.)	
	Month's High	Month's Low	Month's High	Month's Low
September 2011	537.00	176.00	548.00	175.05
October 2011	275.00	202.65	276.50	202.00
November 2011	228.90	148.55	226.10	148.50
December 2011	245.40	137.00	234.00	140.35
January 2012	176.90	122.30	173.80	123.05
February 2012	210.90	164.10	213.30	158.45
March 2012	269.55	191.00	268.80	184.50

vi. The shares of the company are not a part of the major indices hence price comparison with any of the indices is not applicable.

vii. Registrar and Transfer Agents: **KARVY COMPUTERSHARE PRIVATE LIMITED**
PLOT NO. 17 - 24, VITTALRAO NAGAR,
MADHAPUR, HYDERABAD - 500 081
Tel:- 040-23420815-24
Fax: - 040-23420814
Email:- einward.ris@karvy.com

Shareholders can lodge complaints, requests and queries to the Registrar and Share Transfer Agent at the above-mentioned address.

viii. Share Transfer System: Entire share transfer activities are carried out by M/s Karvy Computershare Private Limited, Registrar and Share Transfer Agents of the Company. Applications for transfer of shares held in physical form are received at the office of the Registrar and Share Transfer Agents of the Company. Share transfers are approved by Sub-Committee of the Board and all valid transfers are processed within 15 days from the date of receipt. The Company obtains from a Company Secretary In Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47 (c) of the Listing Agreement and files a copy of the said certificate with the Stock Exchanges. A Company-Secretary-in-Practice carried out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL & CDSL (Depositories) and the total Issued and Listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with Depositories)

ix. Distribution of Shareholding:

SHARE HOLDING PATTERN AS ON 31.03.2012				
S.No	Description	No. of Holders	Shares	% Equity
1	CLEARING MEMBERS	18	1,687	0.01
2	FOREIGN INSTITUTIONAL INVESTOR	3	1,190,430	7.25
3	H U F	19	35,915	0.22
4	BODIES CORPORATES	241	3,585,105	21.84
5	NON RESIDENT INDIANS	8	298	0.00
6	PROMOTER DIRECTOR	4	9,676,122	58.95
7	PROMOTERS GROUP	4	993,210	6.05
8	RESIDENT INDIVIDUALS	1,453	931,565	5.68
	Total:	1,750	16,414,332	100.00

DISTRIBUTION SCHEDULE AS ON 31.03.2012					
S. No	Category	No. of Holders	% of Holding	Amount	% Amount
1	upto 1 - 5000	1,632	93.26	693,120.00	0.42
2	5001 - 10000	23	1.31	167,200.00	0.10
3	10001 - 20000	11	0.63	160,920.00	0.10
4	20001 - 30000	3	0.17	73,140.00	0.04
5	30001 - 40000	5	0.29	186,650.00	0.11
6	40001 - 50000	5	0.29	243,030.00	0.15
7	50001 - 100000	9	0.51	797,940.00	0.49
8	100001 & ABOVE	62	3.54	161,821,320.00	98.59
	Total:	1,750	100.00	164,143,320.00	100.00

x. Dematerialization of shares and liquidity: Only one equity Share of the Company is in rematerialized form.

(As on 31.03.2012)

Sl. No.	Mode of Holding	No. of Shares	% of total Issued Capital
1	NSDL	13,979,981	85.17
2	CDSL	2,434,370	14.83
2	Physical	1	0.00
	Total	16,414,332	100.00

xi. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity: NIL

xii. Plant Locations:

Company has 4 (Four) Manufacturing Facilities:

<p>Unit-I P-4/2 to 4/6, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida, District Gautam Budh Nagar, Uttar Pradesh, India, Pin – 201 306 Tel No: +91-120-2569323 Fax No: +91-120-2569131</p>	<p>Unit-II KHASRA NO. 268 & 275, 15th Milestone, Roorkee - Dehradun National Highway-73 VIII: Raipur, Pargana: Bhagwanpur, Tehsil-Roorkee, Distt. Haridwar, Uttrakhand, India, Pin – 247 667 Tel No. +91-1332-232956</p>
<p>Unit-III E-14 & 15, Site - B, UPSIDC Industrial Area, Surajpur, Greater Noida, District Gautam Budh Nagar, Uttar Pradesh, India, Pin – 201 306 Tel No: +91-120-2569323 Fax No: +91-120-2569131</p>	<p>Unit-IV Plot No. A-20/2 Supa Pamer MIDC Industrial Area, City - Supa, Taluka - Pamer, District: Ahmednagar Maharashtra, India, Pin – 414 301 Tel No. +91-2488-243343</p>

xiii. **Address for correspondence:**

PG Electroplast Limited
P-4/2 to 4/6, Site-B, UPSIDC Industrial Area, Surajpur,
Greater Noida, District-Gautam Budh Nagar, UP-201 306 (India)
Tel No: +91-120-2569323
Fax No: +91-120-2569131

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 31st March, 2012, 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 the purpose of this declaration, Senior Management Team means up to the level of Assistant General Manager (AGM) of the Company.

For PG Electroplast Limited

Sd/-
(Promod Gupta)
Managing Director

Date : 14.08.2012
Place: Greater Noida

Certificate of Corporate Governance

To,
The Members of
PG Electroplast Limited,

We have examined the compliance of conditions of Corporate Governance by PG Electroplast Limited, for the year ended on 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with stock exchange(s) in India.

The compliance of conditions of Corporate Governance are the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Management, we certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

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.

For and on behalf of
Ashu Gupta & Co
Company Secretaries

Sd/-
CS Ashu Gupta
Membership No.: CP No. 06646

Date: 14.08.2012
Place: Delhi

GEO/CFO CERTIFICATION TO THE BOARD

(Under Clause 49(V) of Listing Agreement)

We Certify that –

- a. We have reviewed financial statements and the cash flow statement for the year 2011-2012 and that to the best of their knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the company'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 company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. 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 company's internal control system over financial reporting.

For PG Electroplast Limited

Sd/-
Chairman & Managing Director

Date: 04.07.2012
Place: Greater Noida

For PG Electroplast Limited

Sd/-
Director Finance

Auditors' Report

To
The Members of
PG Electroplast Limited

1. We have audited the attached Balance Sheet of PG Electroplast Limited as at 31st March 2012, the Statement of Profit & Loss and also the Cash Flow Statement for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended, Issued by the Central Government of India, in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - a) We have 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 appears from our examination of those books.
 - c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e) On the basis of written representations received from the directors, as on 31st March 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the

said accounts, read together with the Significant Accounting Policies and Notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2012;
- ii In the case of the Statement of Profit & Loss, of the Profit/ Loss for the year ended on that date;
and
- iii In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of
Chitresh Gupta & Associates
Chartered Accountants
Firm Registration No.: 017079N

Sd/-
CA. Chitresh Gupta
Partner
Membership No.: 098247

Date : 04th July 2012
Place : Delhi

Annexure Referred

To in paragraph 3 of our Report of even date on the Accounts of PG Electroplast Limited, for the year ended 31st March 2012

- i) In respect of its fixed assets:
 - 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, the Company has not disposed off a substantial part of its fixed assets during the year and hence, going concern status of the company is not affected.
- ii) In respect of its inventories:
 - a) As explained to us, the Inventories have been physically verified by the management at reasonable intervals during the year or at the year-end at all locations of the company. In our opinion the frequency of verification is reasonable.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and according to information and explanations given to us, the Company has maintained proper records of its inventories. Discrepancies noticed on physical verification of inventories were not material and have been properly dealt with in the books of account.
- iii) In respect of the loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
 - a) The Company has given loans to its wholly owned subsidiaries. In respect of the said loans, the maximum amount outstanding at any time during the year was Rs 60,00,000/- and the year-end balance is Rs NIL.
 - b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans given by the Company, are not prima facie prejudicial to the interest of the Company.
 - c) The principal amounts are repayable on demand and there is no repayment schedule. Loan is given interest free.
 - d) In respect of the said loans and interest thereon, there are no overdue amounts.
 - e) The Company has taken unsecured loans from four directors, firms & other parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs 8,78,34,000/- and the year-end balance was Rs 8,78,34,000/-.
 - f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of loans taken by the company are not, prima facie, prejudicial to the interest of the Company.
 - g) The loan of Rs 5,93,00,000/- has been given by directors as per the commitments given to lending bank and balance loan of Rs 2,85,34,000/- is repayable on demand and there is no repayment schedule. Loan is taken interest free.
 - h) In respect of the said loans taken and interest thereon, there are no overdue amounts.

- iv) According to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the internal control systems.
- v) In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
- In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts / arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs 5, 00,000 in respect of each party during the year have been made at prices which appear reasonable as per information available with the Company.
- vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of clause (vi) of paragraph 4 of the Order are not applicable to the company.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) We have broadly reviewed the books of account maintained by the Company in respect of products where pursuant to the Rules made by the Central Government the maintenance of cost records has been prescribed under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima-facie the prescribed accounts and 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.
- ix) In respect of Statutory dues:
- The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty & cess were in arrears, as at 31st March, 2012 for a period of more than six months from the date they became payable.
- According to the information and explanations given to us, the details of statutory dues of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty & cess which have not been deposited on account of dispute are given below:

S.No.	Name of the Statute	Nature of Dues	Amount (Rs)	Year to which relates	Forum where dispute is pending
1	Central Excise Act, 1944	Excise Duty	16,626	2006-07	Assistant Commissioner Central Excise
2	Income Tax	Income Tax	36,55,425	2006-07 to 2010-11	Assistant Commissioner of Income Tax

- x) The Company has incurred accumulated losses of Rs NIL as at 31st March 2012 and has incurred cash losses of Rs 4,10,79,820/- during the financial year covered by our audit and of Rs NIL in the immediately preceding financial year.
- xi) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution or bank or debenture holders during the year.
- xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, provisions of clause (xiii) of Paragraph 4 of the Order are not applicable to the Company.
- xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of Paragraph 4 of the Order are not applicable to the Company.
- xv) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions.
- xvi) To the best of our knowledge and belief and according to the information and explanations given to us, the term loans availed by the Company were applied for the purposes for which the loans were obtained.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, in our opinion, there are no funds raised on short-term basis which have been used for long term investment.
- xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix) The Company has not issued any debentures during the year. Therefore, the provisions of clause (xix) of Paragraph 4 of the Order are not applicable to the Company.
- xx) According to the information and explanations given to us, the Company has raised a sum of Rs 1,20,64,50,000 /- by way of public issue during the year under review. Out of the said amount Rs 89,62,72,599 /- has been utilized and the balance of Rs 31,01,77,401 /- is unutilized [refer note no. 28(10) of the notes on accounts].
- xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For and on behalf of
Chitresh Gupta & Associates
Chartered Accountants
Firm Registration No.: 017079N

Sd/-
CA. Chitresh Gupta
Partner
Membership No.: 098247

Date : 4th July 2012
Place : Delhi

PG ELECTROPLAST LTD
Balance sheet as at 31st March 2012

Amount (Rs.)

	Notes	As at 31st March, 2012	As at 31st March, 2011
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	164,143,320.00	106,693,320.00
Reserves and surplus	4	1,310,115,553.74	347,371,416.18
		<u>1,474,258,873.74</u>	<u>454,064,736.18</u>
Non-current liabilities			
Long-term borrowings	5	288,792,975.57	283,391,743.64
Deferred tax liabilities (Net)	6	29,982,560.30	29,982,560.30
Long-term provisions	7	8,498,030.00	4,822,180.00
		<u>327,273,565.87</u>	<u>318,196,483.94</u>
Current liabilities			
Short-term borrowings	8	486,950,566.92	326,310,305.83
Trade payables	9	353,106,291.35	335,871,803.23
Other current liabilities	10	232,712,028.09	158,714,438.46
Short-term provisions	7	644,181.00	3,732,675.83
		<u>1,073,413,067.36</u>	<u>824,629,223.35</u>
Total		<u><u>2,874,945,506.97</u></u>	<u><u>1,596,890,443.47</u></u>
ASSETS			
Non-current assets			
Fixed assets			
-Tangible assets	11	1,205,524,685.43	615,246,621.85
-Intangible assets	11	10,304,799.90	788,894.76
-Capital work-in-progress		209,082,222.85	174,699,165.01
Non-current investments	12	3,000,000.00	6,500,000.00
Long-term loans and advances	13	279,608,579.22	35,891,489.06
Trade receivables	14.2	40,695,855.21	40,396,915.06
Other non-current assets	14.1	1,416,463.00	6,808,410.00
		<u>1,749,632,605.61</u>	<u>880,331,495.74</u>
Current assets			
Current investments	15	295,000,000.00	-
Inventories	16	238,811,726.69	166,594,491.31
Trade receivables	14.2	177,296,627.65	329,055,169.89
Cash and bank balances	17	117,790,659.28	59,736,049.62
Short-term loans and advances	13	268,463,053.03	159,496,288.28
Other current assets	14.1	27,950,834.71	1,676,948.63
		<u>1,125,312,901.36</u>	<u>716,558,947.73</u>
Total		<u><u>2,874,945,506.97</u></u>	<u><u>1,596,890,443.47</u></u>
Significant Accounting Policies	2		
Contingent Liability and Commitments	27		
Other Notes on Accounts	28		

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

As per our report of even date
For Chitresh Gupta & Associates
Firm registration number: 017079N
Chartered Accountants

For and on behalf of the board of directors of PG Electroplast Limited

Sd/-
CA. Chitresh Gupta
Partner
Membership No.: 098247
Place: Greater Noida
Date: 4th July 2012

Sd/-
Promod Gupta
[Managing Director]

Sd/-
Vishal Gupta
[Executive Director]

Sd/-
Kuntal Kar
[Company Secretary]

PG ELECTROPLAST LTD

Statement of Profit and loss for the year ended 31st March 2012

		Amount (Rs.)	
	Notes	As at 31st March, 2012	As at 31st March, 2011
INCOME			
Revenue from operations (gross)	18	2,316,177,581.16	4,481,938,935.33
Less: excise duty		(97,934,780.92)	(241,181,064.74)
Revenue from operations (net)		<u>2,218,242,800.24</u>	<u>4,240,757,870.59</u>
Other income	19	41,331,061.08	30,045,922.74
Total revenue (I)		<u>2,259,573,861.32</u>	<u>4,270,803,793.33</u>
EXPENDITURE			
Cost of raw material and components consumed	20	1,850,520,023.30	3,584,429,230.48
Purchase of traded goods		85,532,967.98	117,211,702.74
Changes in inventories of finished goods, work in -progress	21	(12,067,176.11)	(4,629,681.35)
Employee benefits expense	22	116,129,245.67	87,323,824.56
Other expenses	23	152,605,831.47	177,644,610.36
Exceptional items	24	1,147,405.16	225,695.58
Total (II)		<u>2,193,868,297.47</u>	<u>3,962,205,382.37</u>
Earnings before interest, tax, depreciation and amortization (EBITDA) (I)-(II)		65,705,563.85	308,598,410.96
Depreciation and amortization expense	25	45,082,362.93	20,677,728.79
Finance costs	26	106,368,267.62	55,564,834.59
Profit/(loss) before tax		<u>(85,745,066.70)</u>	<u>232,355,847.58</u>
Tax expenses:			
Current tax		-	46,309,682.98
Income tax for earlier years		439,016.17	273,151.88
Deferred tax		-	7,241,020.56
Total tax expense		<u>439,016.17</u>	<u>53,823,855.42</u>
Profit/(loss) for the year		<u>(86,184,082.87)</u>	<u>178,531,992.16</u>
Earning per equity share [Refer Note No. 28(2)]			
[nominal value of equity share Rs 10 /- each]			
Basic and Diluted earning per share		(6.33)	16.73

Significant Accounting Policies 2
Contingent Liability and Commitments 27
Other Notes on Accounts 28

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

As per our report of even date

For Chitresh Gupta & Associates

Firm registration number: 017079N

Chartered Accountants

For and on behalf of the board of directors of PG Electroplast Limited

Sd/-
CA. Chitresh Gupta
Partner
Membership No.: 098247
Place: Greater Noida
Date: 4th July 2012

Sd/-
Promod Gupta
[Managing Director]

Sd/-
Vishal Gupta
[Executive Director]

Sd/-
Kuntal Kar
[Company Secretary]

Cash flow statement for the year ended 31st March 2012

	31 March 2012	Amount (Rs.) 31 March 2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	(85,745,066.70)	232,355,847.58
Adjustment For :		
Depreciation/amortization	45,082,362.93	20,677,728.79
Preliminary expenses w/o	21,900.00	21,900.00
Loss/(profit) on sale of fixed assets	425,736.82	64,795.00
Loss on sale of non current investments	595,517.77	-
Interest Expense	106,368,267.62	55,564,834.59
Interest Income	(31,752,059.19)	(3,392,145.47)
Operating profit before working capital changes	<u>34,996,659.25</u>	<u>305,292,960.49</u>
Movements in working capital :		
Increase/(decrease) in Current Liabilities & Provisions	9,789,471.78	123,756,282.56
Decrease/(Increase) in trade receivables	151,459,602.09	(13,188,379.05)
Decrease/(Increase) in inventories	(72,217,235.38)	(13,080,564.72)
Decrease / (Increase) in loans and advances	<u>(335,477,766.06)</u>	<u>(125,541,771.45)</u>
Cash generated from / (used in) operations	(211,449,268.32)	277,238,527.83
Direct taxes paid (net of refunds)	(21,106,570.85)	(45,950,359.15)
Net cash flow from/ (used in) operating activities (A)	<u>(232,555,839.17)</u>	<u>231,288,168.68</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including intangible assets, CWIP	(679,865,126.20)	(503,062,367.98)
Proceeds from sale of fixed assets	179,999.89	2,419,027.00
Proceeds from sale of investments	2,904,482.23	33,553.86
Purchase of investments	(295,000,000.00)	(5,050,000.00)
Interest received	5,456,273.11	3,531,287.12
Net cash flow from/(used in) Investing activities (B)	<u>(966,324,370.97)</u>	<u>(502,128,500.00)</u>
Cash flows from financing activities		
Proceeds from issuance of share capital & share premium (net off IPO expenses)	1,113,186,630.43	(6,808,410.00)
Proceeds from long-term borrowings	213,381,630.00	339,498,931.20
Repayment of long-term borrowings	(121,034,933.89)	(25,798,940.08)
Short-term borrowings (Net)	160,640,261.09	(33,095,834.37)
Interest paid	(107,822,304.83)	(51,349,061.16)
Net cash flow from/(used in) In financing activities (C)	<u>1,258,351,282.80</u>	<u>222,446,685.59</u>
Net increase/(decrease) in cash and cash equivalents (A + B + C)	59,471,072.64	(48,393,645.73)
Cash and cash equivalents at the beginning of the year	59,736,049.62	108,129,695.35
Cash and cash equivalents at the end of the year	<u>119,207,122.28</u>	<u>59,736,049.62</u>
Components of cash and cash equivalents		
Cash on hand	2,327,743.25	5,988,426.00
Cheques/drafts on hand	60,000,000.00	-
With banks		
-on current account	19,506,608.03	2,341,222.62
-on deposit account	37,372,771.00	51,406,401.00
Total cash and cash equivalents (refer note 17)	<u>119,207,122.28</u>	<u>59,736,049.62</u>

Notes

1. Cash & Cash equivalents include the restricted cash and bank balance as follows:

- Balance in Escrow account opened as per directives of SEBI
- Margin money deposits

15,177,401.00
37,372,371.00

51,406,401.00

2. Figures in negative/brackets show cash outflow

3. *Represents expenses incurred on IPO during the year 2010-11 which were adjusted from share premium in the year 2011-12

As per our report of even date

For Professional Accountants & Associates

Firm registration number:

Chartered Accountants

Sd/-

CA. Chitresh Gupta

Partner

Membership No.: 098247

Place: Greater Noida

Date: 4th July 2012

Sd/-

Pramod Gupta

(Managing Director)

Sd/-

Kuntal Kar

(Company Secretary)

Sd/-

Vishal Gupta

(Executive Director)

Note to the financial statements for the year ended 31 March 2012

1 Background

PG Electroplast Limited is an Electronic Manufacturing Services (EMS) provider for original Equipment Manufacturers (OEMs) of consumer electronic products in India. The Company manufacture and / or assemble a comprehensive range of consumer electronic components and finished products such as colour television (CTV) sets & components, air conditioners (ACs) sub- assemblies, DVD players, water purifiers and compact Fluorescent Lamps (CFL) for third parties. As backward integration, we also do plastic injection moulding and manufacture Printed Circuit Boards (PCB) assemblies for CTVs, DVD players and CFL.

2 Statement of Significant Accounting Policies

i) Accounting Convention

The financial statements have been prepared under the historical cost convention on accrual basis in accordance with generally accepted accounting principles (GAAP) and the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

ii) Basis of Preparation

During the year ended March 31 2012, the revised schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financials statements. However, it has significant impact on presentation and disclosure made in the financial statements. The company has also reclassified the previous year figure in accordance with the requirements applicable in the current year.

iii) Accounting for Estimates

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

iv) Revenue Recognition

- (a) **Sale of goods:** Sales are recognised when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognised net of trade discounts, rebates, sales taxes and excise duties. Sales returns are recognised on receipt of finished goods in the factory.
- (b) **Sale of Services:** In contracts involving the rendering of services, revenue is measured using the proportionate completion method and are recognised net of service tax.
- (c) Interest income is recognized on accrual basis.
- (d) Dividends income is recognised when the right to receive dividend is established.

v) Fixed Assets and Depreciation

Tangible Assets

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

(c) Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

vi) Depreciation

- (a) The depreciation on assets acquired/sold/discarded/demolished during the year is provided from/upto the month the asset is commissioned/sold or discarded.
- (b) Depreciation is charged on straight line method (SLM) at the rates prescribed in Schedule XIV of the Companies Act, 1956.
- (c) Lease hold land is not amortized over lease period.

vii) Intangible Assets

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

	Period of Amortisation
Computer Software	6 year
Product Development	10 year

viii) Inventories

Raw Material, components, stores and spares are valued at lower of cost and net realisable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined using the first-in, first-out (FIFO) method.

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

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

ix) Investments

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

x) Borrowing Costs

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

xi) Employee Benefits

(a) Short Term Employee Benefits

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

(b) Long Term Employee Benefits

i Defined Contribution Plan

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

The Company operates the following defined contribution plan.

- Provident Fund Plan & Employee Pension Scheme.

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

- Employee State Insurance

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

(c) Defined benefit plan

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

- Gratuity

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

- Earned Leaves

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

xii) **Foreign Currency Transactions**

Initial Recognition

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

Subsequent Recognition

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

Exchange Differences

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

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

Government Grants

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

xiii) **Current and deferred tax**

- (a) Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current Tax on Income is determined on the basis of taxable income computed in accordance with the applicable provisions of the Income Tax Act, 1961.
- (b) Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised except in case of unabsorbed depreciation or carry forward of losses under Income Tax Act, 1961, deferred tax asset is recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset

can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the company reassesses unrecognised deferred tax assets, if any.

xiv) Lease Accounting

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

xv) Miscellaneous Expenditure

Preliminary expenditure is amortized over a period of 10 years.

xvi) Impairment of Assets

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

xvii) Segment Reporting

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

xviii) Provisions, Contingent liabilities and Contingent Assets

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

PG ELECTROPLAST LTD

Notes to Financial Statements for the year ended 31st March, 2012

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

3 SHARE CAPITAL	Amount (Rs.)	
	As at 31st March, 2012	As at 31st March, 2011
Authorized shares		
2,50,00,000 (31 March 2011: 2,50,00,000) equity shares of Rs.10/- each	250,000,000.00	250,000,000.00
Issued, Subscribed and Paid-up shares		
1,64,14,332 (31 March 2011: 1,06,69,332) equity shares of Rs.10/- each	164,143,320.00	106,693,320.00
Total	164,143,320.00	106,693,320.00

3.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares:	As at 31st March, 2012		As at 31st March, 2011	
	No of shares	Amount (Rs.)	No of shares	Amount (Rs.)
	At the beginning of the year	10,669,332	106,693,320.00	10,669,332
Issued during the year - IPO	5,745,000	57,450,000.00	-	-
Outstanding at the end of the year	16,414,332	164,143,320.00	10,669,332	106,693,320.00

3.2 Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim dividend. In the event of liquidation of the company, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

3.3 Shares allotted as fully paid up by way of bonus shares (during five years immediately preceding March 31, 2012):

	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
Equity shares allotted as fully paid up bonus shares by capitalization of Security premium	-	-	-	7,112,888	-

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

	As at 31st March, 2012		As at 31st March, 2011	
	No of shares	% holding	No of shares	% holding
Equity shares of Rs.10 each fully paid				
Mr. Promod Gupta	4,016,166	24.47%	4,016,166	37.84%
Mr. Anurag Gupta	1,514,222	9.22%	1,514,222	14.19%
Mr. Vishal Gupta	2,075,012	12.64%	2,075,012	19.45%
Mr. Vikas Gupta	2,070,722	12.62%	2,070,722	19.41%
Mrs. Neelu Gupta	615,000	3.75%	615,000	5.76%

4 Reserves and surplus

	Amount (Rs.)	
	As at 31st March, 2012	As at 31st March, 2011
Security Premium Account		
Balance as per the last financial statements	41,370,680.00	41,370,680.00
Add: Premium on Issue of IPO	1,149,000,000.00	-
Less: Amounts utilized toward IPO expenses	100,071,779.57	-
Closing Balance	1,090,298,900.43	41,370,680.00
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statements	306,000,736.18	127,468,744.02
Profit/(loss) for the year	(86,184,082.87)	178,531,992.16
Net surplus in the statement of profit and loss	219,816,653.31	306,000,736.18
Total reserves and surplus	1,310,115,553.74	347,371,416.18

5 Long-term borrowings

Amount (Rs.)

	Non-current portion		Current maturities	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
Secured				
Term Loan:				
From banks:-				
- State Bank of India	19,990,000.00	10,197,323.20	18,201,323.20	11,202,206.55
- Standard Chartered Bank	166,379,780.77	157,395,833.36	56,016,052.59	12,604,166.64
- Vehicle loans from ICICI Bank, HDFC Bank, Axis Bank	2,062,409.24	2,387,557.96	3,422,555.86	2,303,101.45
Buyers' Credit from banks for capital goods:-				
- State Bank of India	-	27,994,000.00	9,809,700.00	12,351,160.00
- Standard Chartered Bank	36,684,406.25	82,938,364.08	69,223,567.90	32,404,468.13
From others:-				
- Vehicle loans from Tata Capital Limited	488,289.31	1,087,505.86	599,216.55	544,331.33
Unsecured				
Unsecured loans from directors	59,300,000.00	749,000.00	-	-
Deferred Payment Against land	3,888,090.00	642,159.18	1,279,044.18	196,562.00
Total	288,792,975.57	283,391,743.64	158,551,460.28	71,605,996.10
The above amount includes :				
Secured borrowings	225,604,885.57	282,642,743.64	157,272,416.10	71,605,996.10
Unsecured borrowings	63,188,090.00	749,000.00	1,279,044.18	-
	288,792,975.57	283,391,743.64	158,551,460.28	71,605,996.10
Amount disclosed under the head "other current liabilities" (refer note no.10)	-	-	158,551,460.28	71,605,996.10
Net amount	288,792,975.57	283,391,743.64	-	-

Term Loan from State Bank of India

- 5.1 a. Term loans from State Bank of India are secured by way of first hypothecation and mortgage charge over entire fixed assets & moveable assets present and future including Equitable Mortgage of property situated at plot no- P-4/2, 4/3, 4/4, 4/5 site-B, Surajpur, Greater Noida of factory Land & Building of the Company & Personal guarantee of directors i.e Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vikas Gupta and Mr. Vishal Gupta and;
- b. Collateral Security:- Second charge on entire current assets of Unit I & II of the company and;
- c. Mortgage of leasehold rights for 28 years (valid upto May 2038) of factory of land measuring 11370 sq.mtr of PG Electronics (Partnership firm) & of land measuring 3390 sq mtr. of Sh. Vishal Gupta at Raipur, Pargana Bhagwanpur, Roorkee and;
- d. Corporate Guarantee of M/s Kushang Technologies Limited & Guarantee of PG Electronics (Partnership Firm).
- e. Outstanding term loan of Rs 10.197 million as on reporting date is repayable in 80 monthly instalments from the date of loan which commence from April 2008 to March 2013 & Outstanding term loan of Rs 27.884 million as on reporting date is repayable in 50 monthly instalments which commence from Oct 2010 to Nov 2014 alongwith interest at the rate of "base rate" + 4.25% p.a.

Term Loan from Standard Chartered Bank

- 5.2 a. Term loans from Standard Chartered Bank are secured by way of exclusive charge over land, Building, Plant & Machinery, stocks, receivable at E-14 & E-15, Site-B, UPSIDC, Surajpur Industrial Area, Greater Noida, U.P. & at A-20/2, MIDC Supa, District- Ahmandnagar Maharashtra & Personal Guarantee of directors i.e. Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vikas Gupta and Mr. Vishal Gupta and;
- b. Exclusive Charge on property no. D-37, Hoslery Complex, Phase -II, Noida, U.P. owned by Hansall Import (P) Ltd & Unit-II, Tower A, Lobe-2, 2nd floor, Unit-I Tower A Lobe-1, 6th floor & Unit-II Tower A Lobe-1, 6th floor situated at plot no. A-41, Institutional Area, Sector 62, Noida, U.P. Owned by T.V. Palace (Partnership Firm).
- c. Corporate Guarantee of M/s Kushang Technologies Limited & Guarantee of PG Electronics (Partnership Firm).
- d. Outstanding term loan of Rs 222.396 million as on reporting date is repayable in 48 equal monthly instalments commencing from the end of 12th month from disbursement alongwith interest @ 11.25% p.a. for Rs 22.396 million, 11.85% p.a. for Rs 50.51 million, 13% p.a. for Rs 84.48 million, 12.80% p.a. for Rs 35.00 million, 13.15% p.a. for Rs 10.00 million and 12% p.a. for Rs. 20 million."

- 5.3 Buyer's Credit for capital goods from Standard Chartered Bank is repayable in 8 equal quarterly instalments along with interest at the rate of LIBOR plus bank margin and is secured as mentioned in 5.2 above.

- 5.4 Buyer's Credit for capital goods from State Bank of India is repayable in single installment after six month from the date of buyer's credit along with interest at the rate of LIBOR plus bank margin.

Buyer's Credit for capital goods from State Bank of India is secured as follows:

- a. Secured against first exclusive charge on the entire current assets of unit I at Greater Noida & unit II at Roorkee of the company including goods in transit, debtors but excluding specific Stock and receivables pertaining to Elcot order.
- b. Extension of first charge on assets mortgaged under Term loan facility from State Bank of India as per clause no 5.1(a), (c) & (d)."

- 5.5 Unsecured loans from directors of Rs 69.30 million represents loans given by directors as per commitment given to Banks and are interest free.
- 5.6 Deferred payment against land includes Rs 0.64 million to UPSIDC against Plot no-P-4/6 Site- B Surajpur and is payable in 10 equal half yearly instalments of Rs.0.101 million each, starting from July 2010 along with interest @ 16% p.a.

Deferred payment include Rs 4.62 million payable to New Okhla Industrial Development Authority against Plot no A-147, Sector-138, Noida and is payable in 14 equal half yearly instalments of Rs 0.348 million each, starting from Sept-2011 along with interest @ 10% p.a.

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

Bank Name	Sanctioned amount Rs. (Million)	Amount outstanding as on March 31, 2012 Rs. (Million)	Repayment terms- no of EMI & amount of EMI per month	Vehicles no hypothecated as security for loan	Type of Vehicle
From ICICI Bank	1.00	0.47	36 EMI of Rs. 0.03 Million	Reg. No. DL1CM2241	Car
	0.40	0.19	36 EMI of Rs. 0.01 Million	Reg. No. UP17E3313	Car
	0.40	0.19	36 EMI of Rs. 0.01 Million	Reg. No. UK0860083	Car
From HDFC Bank Ltd.	3.60	1.28	36 EMI of Rs. 0.11 Million	Reg. No. DL1CM1808	Car
From AXIS Bank Ltd.	1.00	0.18	36 EMI of Rs. 0.03 Million	Reg. No. DL1CM0613	Car
	0.35	0.07	36 EMI of Rs. 0.01 Million	Reg. No. DL3CBF7608	Car
	0.35	0.29	36 EMI of Rs. 0.01 Million	Reg. No. DL3CB7291	Car
	0.35	0.29	36 EMI of Rs. 0.01 Million	Reg. No. DL3CB7292	Car
	0.35	0.29	36 EMI of Rs. 0.01 Million	Reg. No. DL3CB7293	Car
	0.35	0.29	36 EMI of Rs. 0.01 Million	Reg. No. DL3CB7294	Car
	0.35	0.29	36 EMI of Rs. 0.01 Million	Reg. No. DL3CB7295	Car
From HDFC Bank Ltd.	0.58	0.43	36 EMI of Rs. 0.02 Million	Reg. No. UP16AT2211	Commercial Vehicle
	0.58	0.43	36 EMI of Rs. 0.02 Million	Reg. No. UP16AT2212	Commercial Vehicle
	0.73	0.58	36 EMI of Rs. 0.02 Million	Reg. No. MH16AE7217	Commercial Vehicle
	0.27	0.21	36 EMI of Rs. 0.01 Million	Reg. No. MH16AJ4806	Commercial Vehicle
Vehicles Loan from others					
From TATA Capital Ltd.	0.73	0.45	36 EMI of Rs. 0.02 Million	Reg. No. DL1CM2916	Car
	1.03	0.84	36 EMI of Rs. 0.03 Million	Reg. No. DL8CL8973	Car
Total	12.44	6.57			

6 Deferred tax (net)

	Amount (Rs.)	
	As at 31st March, 2012	As at 31st March, 2011
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	52,540,819.78	30,981,340.88
Gross deferred tax liability	52,540,819.78	30,981,340.88
Deferred tax assets		
Disallowance under section 43B of the	2,134,314.73	998,780.58
Carried forward loss and unabsorbed depreciation *	20,423,944.75	
Gross deferred tax assets	22,558,259.48	998,780.58
Deferred Tax (net)	29,982,560.30	29,982,560.30

* Deferred tax asset on carried forward business loss and unabsorbed depreciation are recognised to the extent of change in deferred tax liability during the year. Balance deferred tax asset has not been recognised by the company.

7 Provisions

Amount (Rs.)

	Long-term		Short-term	
	As at 31st March, 2012	As at 31 March 2011	As at 31st March, 2012	As at 31st March, 2011
Provision for employee benefits				
Provision for gratuity [refer note no. 28(3)]	4,375,865.00	1,949,906	-	271,210.00
Provision for leave benefits	4,122,165.00	2,872,274	644,181.00	-
	8,498,030.00	4,822,180.00	644,181.00	271,210.00
Other provisions				
Provision for income tax F.Y.10-11	-	-	-	3,461,465.83
	-	-	-	3,461,465.83
Total	8,498,030.00	4,822,180	644,181.00	3,732,675.83

8 Short-term borrowings

Amount (Rs.)

	As at	
	31st March, 2012	31st March, 2011
Secured		
Working capital loans are repayable on demand from banks:-		
- Cash Credit Limit from State Bank of India	340,851,478.26	215,153,874.67
- Overdraft from Standard Chartered Bank	46,757,987.46	60,378,691.48
- Buyers Credit for raw materials from State Bank of India	8,709,980.00	35,823,534.99
Total Secured	396,319,445.72	311,356,101.14
Unsecured		
Bill discounting from banks:-		
- HDFC Bank	38,325,374.00	
- Standard Chartered Bank	23,771,747.20	14,954,204.69
Unsecured loans from directors	28,534,000.00	
Total Unsecured	90,631,121.20	14,954,204.69
Total	486,950,566.92	326,310,305.83

8.1 Cash Credit Limit from State Bank of India

- Secured against first exclusive charge on the entire current assets of unit-I at Greater Noida & unit-II at Roorkee of the company including goods in transit, debtors but excluding specific Stock and receivables pertaining to Elcot order.
- Extension of first charge on assets mortgaged under Term loan facility from State Bank of India as per clause no 5.1(a), (c) & (d).

8.2 Overdraft from Standard Chartered Bank (SCB).

- Secured against first charge on the fixed assets & current assets of Unit III at Greater Noida & Unit IV at Pune.
- Extension of first charge on assets mortgaged under Term loan facility from Standard Chartered Bank as per Note no 5.2(a), (b) & (c).

8.3 Buyer's Credit are secured against same securities as mentioned at note no. 8.1 (a) & (b) above.

8.4 Bill discounting from HDFC Bank and Standard Chartered Bank are guaranteed by promoter directors i.e Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta.

9 Trade Payables

Amount (Rs.)

	As at 31st March, 2012	As at 31st March, 2011
Trade payables [refer note no. 28(11)]	206,193,622.81	221,175,864.54
Acceptances:		
Letter of Credit from State Bank of India	146,912,668.54	114,695,938.69
Total	353,106,291.35	335,871,803.23

10 Other Current liabilities

Current maturities of long-term borrowings (Refer note no. 5)	168,651,480.28	71,805,988.10
Interest accrued but not due on borrowings	505,573.41	4,436,806.35
Interest accrued and due on borrowings	2,743,145.73	265,950.00
Advance from customers	573,517.85	499,695.01
Expenses payable	4,167,184.71	2,414,247.81
Audit fee payable	270,000.00	297,810.00
Capital goods Creditors	22,762,959.68	54,471,163.36
Expenses Creditors	16,085,179.74	11,898,076.95
Security from service provider	125,000.00	-
Wages & salary payable	5,469,905.00	7,322,047.00
Statutory dues:-		
- Excise duty payable on finished goods	1,083,117.00	-
- Service tax payable	51,608.45	1,815.00
- TDS payable	1,305,628.09	1,480,619.00
- ESI Payable	105,332.00	56,809.00
- PF payable	829,410.00	832,829.00
- Bonus payable	1,351,910.00	1,247,327.00
- CST, Wct & Vat payable	16,648,901.15	1,858,920.88
- Professional tax payable	19,375.00	24,326.00
- Wealth Tax Payable	62,820.00	-
Total	232,712,028.09	158,714,438.46

11 Fixed Assets

Sl. NO.	Description	Gross Block					Depreciation					Net Block	
		As at 01-04-2011	Additions	Sale/ Disposals	Other adjustments		As at 31-03-2012	As at 01-04-2011	For the year	Disposals/Adj ustment	As at 31-03-2012	As at 31-03-2012	As at 31-03-2011
					Exchange differences	Borrowing costs							
a)	Tangible assets												
1	Land -Leasehold	16,401,961.74	31,145,166.00	0.00	0.00	0.00	47,547,127.74	0.00	0.00	0.00	0.00	47,547,127.74	16,401,961.74
2	Buildings	204,048,841.60	238,410,922.03	0.00	0.00	0.00	446,459,763.63	12,404,982.96	8,409,519.79	0.00	20,814,502.75	425,645,260.88	195,440,858.64
3	Plant and machinery	404,655,098.74	330,729,743.13	115,000.00	18,478,729.92	1,126,592.71	754,875,164.50	49,723,481.14	31,083,232.93	6,708.57	80,800,005.50	674,075,159.00	354,931,617.60
4	Electric installation	25,744,876.91	6,446,667.57	0.00	0.00	0.00	32,191,544.48	2,663,288.75	1,403,283.52	0.00	4,066,582.27	28,124,962.21	23,081,588.16
5	Furniture and fixtures	6,160,403.92	2,122,607.00	0.00	0.00	0.00	8,283,010.92	1,700,388.77	431,277.02	0.00	2,131,665.79	6,151,345.13	4,460,015.15
6	Vehicles	18,897,133.12	5,117,964.00	795,009.00	0.00	0.00	23,220,088.12	3,315,074.58	2,083,689.58	297,563.72	5,101,200.44	18,118,887.68	15,582,058.54
7	Office equipment	7,462,658.20	1,739,726.00	0.00	0.00	0.00	9,202,384.20	2,317,136.17	1,023,305.23	0.00	3,340,441.40	5,861,942.80	5,145,522.03
	Total-Tangible assets	687,370,974.23	615,712,795.73	910,009.00	18,478,729.92	1,126,592.71	1,321,779,083.59	72,124,352.38	44,434,318.07	304,272.29	116,254,398.15	1,205,524,685.43	615,246,621.85
	Previous Year	332,371,211.22	356,910,983.33	2,575,840.00	(1,285,699.75)	1,950,319.43	687,370,974.23	51,620,248.34	20,596,122.03	92,018.00	72,124,352.37	615,246,621.85	280,750,962.88
b)	Intangible assets												
1	Product development expenditure	0.00	10,033,950.00	0.00	0.00	0.00	10,033,950.00	0.00	501,697.10	0.00	501,697.10	9,332,252.90	0.00
2	Computer software	870,501.52	130,000.00	0.00	0.00	0.00	1,000,501.52	81,606.76	146,347.76	0.00	227,954.52	772,547.00	788,894.76
	Total-Intangible assets	870,501.52	10,163,950.00	0.00	0.00	0.00	11,034,451.52	81,606.76	648,044.86	0.00	729,651.62	10,304,799.90	788,894.76
	Previous Year	0.00	870,501.52	0.00	0.00	0.00	870,501.52	0.00	81,606.76	0.00	81,606.76	788,894.76	0.00
c)	Capital Work-in-progress	174,699,165.01	224,836,278.14	190,453,220.28	0.00	0.00	209,082,222.85	0.00	0.00	0.00	0.00	209,082,222.85	174,699,165.01
	Previous Year	38,891,311.94	189,630,598.17	61,704,561.81	0.00	0.00	164,817,347.90	0.00	0.00	0.00	0.00	164,817,347.90	38,891,311.54
	Total-Current Year	862,940,640.76	850,713,023.87	191,363,229.28	18,478,729.92	1,126,592.71	1,541,899,757.96	72,205,959.14	45,082,362.93	304,272.29	116,984,049.77	1,424,911,708.18	790,734,681.62
	Total-Previous Year	369,262,522.76	547,412,083.02	64,280,401.81	(1,285,699.75)	1,950,319.43	853,058,823.69	51,620,248.34	20,677,728.79	92,018.00	72,205,959.13	780,852,864.51	317,642,174.42

Notes:

The Ministry of Corporate Affairs (MCA) has issued the amendment dated 29 December 2011 to AS 11 The Effects of Changes in Foreign Exchange Rates, to allow companies to determine/capitalize of exchange differences arising on long-term foreign currency monetary items. In accordance with the amendment/wife amendment to AS 11, the company has capitalized exchange loss, arising on long-term foreign currency loan, amounting to Rs.16.46 million (31 March 2011: exchange profit Rs.1.28million) to the cost of plant and equipments.

12 Non-current investments

	Amount (Rs.)	
	As at 31st March, 2012	As at 31st March, 2011
Trade Investments (valued at cost unless stated otherwise)		
Unquoted equity shares		
Investment in subsidiaries		
1000 (31 March 2011: 1000) Equity shares of Rs.100 each fully paid-up in Diamond Mattress Company Private Limited	3,000,000.00	3,000,000.00
Other investment:-	3,000,000.00	3,000,000.00
Mutual Fund (quoted)		
Investment in SBI Mangam Insta cash	-	1,000,000.00
UTI Nifty Index fund	-	1,450,000.00
UTI Master gain	-	1,050,000.00
	-	3,500,000.00
Total	3,000,000.00	6,500,000.00
Aggregate amount of quoted investments	-	3,500,000.00
Aggregate market value of quoted investments	-	3,120,000.00
Aggregate amount of unquoted investments	3,000,000.00	3,000,000.00

13 Loans and advances

	Non-Current		Current	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
Unsecured, considered good				
Capital advances	267,756,986.15	28,692,421.22	-	-
Security deposit	11,138,285.14	4,556,297.14	6,116,028.05	529,773.17
Loan and advances to M/s Diamond Mattress Company Pvt. Ltd. (wholly owned subsidiary company)	-	-	-	6,000,000.00
Advance Recoverable in Cash or Kinds:				
Advance Income Tax for current year (net of provision for taxation)	-	-	16,786,384.85	-
Recoverable from Standard Chartered bank	-	-	-	392,430.00
Income Tax Refund 2007-08	-	-	1,165,813.28	1,165,813.28
Income Tax Refund 2010-11	-	-	419,704.00	-
Advance to trade suppliers*	-	-	105,509,047.70	30,854,582.71
Advance for expenses	-	-	1,600,193.12	495,795.00
Advance Recoverable	-	-	5,238,912.67	-
Other Loans and Advances:				
Prepaid expenses	-	-	3,682,929.44	4,190,523.89
Loans to employees	-	-	2,110,487.00	779,497.00
Balances With Statutory & Government Authorities	713,307.93	2,642,770.70	125,833,552.92	115,087,873.23
Total	279,608,579.22	38,891,489.06	268,463,053.03	159,496,288.28

* Includes Rs. 27,18,675/- (previous year Rs. NIL) receivable from PG International, a partnership firm in which executive director is partner.

14 Trade receivables and other assets

14.1 Other assets

	Non-Current		Current	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
Unamortized expenses-Pre IPO expenses & Preliminary expenses	-	6,808,410.00	21,900.00	43,800.00
-Interest accrued on deposits	-	-	1,863,689.73	1,623,148.63
-Interest accrued on investments	-	-	20,420,629.05	-
-Interest accrued on other	-	-	5,634,615.93	-
-Margin money with banks originally more than twelve months**	1,416,463	-	-	-
Earnest money deposits	-	-	10,000.00	10,000.00
Total	1,416,463.00	6,808,410.00	27,950,834.71	1,676,948.63

** Margin money deposits with SBI given as security against non fund based limits.

14.2 Trade receivables	Amount (Rs.)			
	Non-Current		Current	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment	40,695,855.21	40,396,915.06	3,717,259.90	2,101,594.00
Other receivables	-	-	173,579,367.73	326,953,575.88
Total	40,695,855.21	40,396,915.06	177,296,627.63	329,055,169.88

Trade receivables include:	Amount (Rs.)	
	As at 31st March, 2012	As at 31st March, 2011
Dues from partnership firms in which executive director is a partner		
P.G.International	-	16,661,826.56
Clearvision Industries	-	43,086,792.00
JB Electronics	-	31,858,126.00
Dues from company in which the company's executive director is a director		
Bigesto Technologies Limited	1,386,366.00	104,384,591.78

15 Current investments	Amount (Rs.)	
	As at 31st March, 2012	As at 31st March, 2011
Other Investments		
Inter Corporate Deposits*	295,000,000.00	-
Total	295,000,000.00	-

* Represents short-term investments made from the unutilized portion of public issue raised during the year, names of the bodies Corporate & relationship are as under:-

S.No	Name of Bodies Corporate	Relationship	Amount (In Millions)
1	Raw Gold Securities Pvt. Ltd.	Seprate Legal Entity	70
2	Saptrishi Suppliers Pvt. Ltd.	Seprate Legal Entity	140
3	Wattkins Commerce Pvt. Ltd.	Seprate Legal Entity	85

The company has issued notice to all the above parties for calling back ICD of Rs. 310 millions to comply with the SEBI Directions, out of which Rs. 15 million has been received and was deposited in Escrow account with Standard Chartered Bank [Also refer note no. 28(10)]

16 Inventories (valued at lower of cost and net realizable value)	Amount (Rs.)	
	As at 31st March, 2012	As at 31st March, 2011
Raw materials and components	172,547,127.49	116,317,440.07
Stock in transit -raw materials	13,508,094.70	14,189,584.56
Work-in-progress	27,126,344.07	8,181,063.32
Finished goods	18,052,580.41	24,930,685.05
Stock in transits -finished goods	5,915,425.00	-
Stores & spares	429,710.02	2,705,938.31
Other - diesel	1,232,445.00	269,780.00
Total	238,811,726.69	166,594,491.31

17 Cash and bank balances

Amount (Rs.)

	Current	
	As at 31st March, 2012	As at 31st March, 2011
Cash and Cash Equivalents		
Balance with banks:-		
- State Bank Of India, Delhi	245,434.01	43,022.00
- State Bank Of India, Noida	1,696,719.55	393,823.84
- State Bank Of India, Supa at Pune- Over Issuance of Cheques	(214,956.72)	(263,205.00)
- State Bank of India -Employee Group Gratuity trust fund, Noida	13,146.00	12,338.00
- State Bank Of India -Roorkee	37,353.97	57,491.73
- Standard Chartered Bank, New Delhi	2,227,244.74	1,897,387.39
- Standard Chartered bank -Escrow a/c, Gurgaon *	15,177,401.00	-
- HDFC Bank Ltd., Noida	143,583.82	-
- ICICI Bank Ltd, Noida	167,847.66	187,309.66
- Bank of Baroda, Noida	12,834.00	13,055.00
Cheques, Drafts on hand:-		
- Cheques in hand	60,000,000.00	-
Cash on hand:-		
- Cash in hand	2,327,743.25	5,988,426.00
Total (A)	81,834,351.28	8,329,648.62
Other bank balances		
Margin money originally maturity more than 12 months with SBI **	15,272,771.00	31,406,401.00
Margin money originally maturity more than 3 months & upto 12 months with Standard Chartered Bank **	22,100,000.00	20,000,000.00
Total (B)	37,372,771.00	51,406,401.00
Amount disclosed under Margin money deposit more than 12 months shown under non-current assets (refer note no. 14.1)-(C)	1,416,463.00	
Total (A+B-C)	117,790,659.28	59,736,049.62

* Withdrawal from Escrow a/c with SCB are subject to SEBI approval [refer note no. 28(10)]

** Margin money deposits with SBI given as security against non-fund based limits & deposits with SCB given as security for term loans repayment.

18 Revenue from Operations

Amount (Rs.)

	As at 31st March, 2012	As at 31st March, 2011
Sale of Products:		
- Finished goods	2,216,487,995.98	4,357,222,983.62
- Traded goods	93,804,408.87	119,132,970.01
Income from services	2,296,758.31	1,047,961.70
Other operating revenue:		
- Scrap sales	3,588,418.00	4,535,020.00
Revenue from operations (gross)	2,316,177,581.16	4,481,938,935.33
Less: Excise duty	(97,934,780.92)	(241,181,064.74)
Revenue from operations (net)	2,218,242,800.24	4,240,757,870.59

18.1 Details of Products Sold

Amount (Rs.)

	As at 31st March, 2012	As at 31st March, 2011
Finished goods sold		
Colour Television	1,080,418,737.38	3,442,618,020.12
DVD	-	34,366,576.50
CFL	201,408,774.15	73,452,650.00
Water Purifier	23,324,532.44	-
Chasis For CTV	-	17,685,751.00
Sub Assembly/Assembly	-	2,500,000.00
Plastic Parts		
Colour Television	509,893,172.16	404,168,947.00
Air Conditioners	205,712,829.00	364,159,437.00
DVD	-	4,080,169.00
Water Purifier	7,647,821.00	3,014,584.00
Telecommunication	1,753,157.00	6,695,659.00
Washing Machine	89,629,701.00	-
Refrigerator	60,026,864.00	117,800.00
Automotive	24,472,084.00	-
Other	12,200,323.85	4,363,390.00
Total	2,216,487,995.98	4,357,222,983.62

	Amount (Rs.)	
	As at 31st March, 2012	As at 31st March, 2011
18.2 Traded goods sold		
Plastic Granules	25,394,266.00	32,116,317.31
CTV Components	54,964,460.29	58,743,415.52
DVD Components	4,487,801.00	23,756,960.91
CFL Components	281,264.00	-
Refrigerator Components	2,697,469.00	-
Others	5,979,148.58	4,516,276.27
Total	93,804,408.87	119,132,970.01
	Amount (Rs.)	
	As at 31st March, 2012	As at 31st March, 2011
18.3 Details of services rendered		
Job Work Charges	1,123,562.81	903,161.70
Repair Of Moulds	1,173,195.50	144,800.00
Total	2,296,758.31	1,047,961.70
	Amount (Rs.)	
	As at 31st March, 2012	As at 31st March, 2011
19 Other income		
Interest Income		
Interest on Bank deposits	2,801,785.21	3,392,145.47
Interest from Investments #	22,689,589.05	-
Interest on others	6,260,684.93	-
PSI Incentive 2007 at MIDC *	5,536,652.00	-
Commission Income	2,970,320.00	-
Liabilities written back to the extent no longer required	711,369.44	-
Miscellaneous Income	360,660.45	26,653,777.27
Total	41,331,061.08	30,045,922.74

represents interest on inter-corporate deposits recognised as per terms of ICD agreement.

* The Company has recognized the incentive of Rs 5.536 million under Packaged Scheme of Incentives issued by government of Maharashtra for the promotion of industrial investment in the State. This is subject to fulfillment of specified conditions as envisaged in the scheme.

	Amount (Rs.)	
	As at 31st March, 2012	As at 31st March, 2011
20 Cost of raw material & components consumed		
Inventory at the beginning of the year	116,317,440.07	122,777,046.48
Add: Purchases	2,019,780,571.70	3,730,775,858.36
Less: Discount received from suppliers	20,293,864.07	35,594,531.85
Less: Cost of goods traded	85,532,967.98	117,211,702.74
Less: Consumed for product development	7,204,028.93	-
	2,023,067,150.79	3,700,746,670.55
Less: Inventory at the end of the year	172,547,127.49	116,317,440.07
Cost of raw material consumed	1,850,520,023.30	3,584,429,230.48

	Amount (Rs.)	
	As at 31st March, 2012	As at 31st March, 2011
20.1 Details of raw material consumed		
Plastic Granules	460,498,756.92	347,766,667.89
Colour Picture Tube	496,060,326.82	1,571,833,326.15
Chasis For Ctv	404,464,660.04	451,852,224.91
Loader For Dvd	-	6,059,864.00
Mpeg Card Dvd	-	12,627,924.32
Populated Circuit Board of CFL	111,526,641.62	40,877,667.00
Bulb CFL	90,524,693.64	19,476,071.00
Other	287,444,944.26	1,133,935,485.21
Total	1,850,520,023.30	3,584,429,230.48

		Amount (Rs.)	
		As at 31st March, 2012	As at 31st March, 2011
20.2	Details of Inventory		
	Raw materials		
	Plastic Granules	78,141,418.42	41,450,632.75
	Colour Picture Tube	19,727,017.88	19,770,362.00
	Chassis For CTV	13,384,495.29	7,602,553.00
	Loader For DVD	-	235,429.00
	Apeg Card -DVD	-	65,106.00
	Populated Circuit Board of CFL	3,358,806.00	3,027,064.00
	Bulb CFL	3,525,262.82	988,205.00
	Other	54,410,127.08	43,178,088.32
	Total	172,547,127.49	116,317,440.07
			Amount (Rs.)
		As at 31st March, 2012	As at 31st March, 2011
20.3	Details of purchase of traded goods		
	Plastic Granules	23,050,079.00	31,647,617.54
	CTV Components	50,905,043.00	57,590,216.79
	DVD Components	3,046,292.00	23,477,186.53
	CFL Components	260,857.00	-
	Refrigerator Components	2,365,916.98	-
	Others	5,904,780.00	4,496,681.88
	Total	85,532,967.98	117,211,702.74
			Amount (Rs.)
		As at 31st March, 2012	As at 31st March, 2011
21	(Increase)/decrease in inventories		
	Inventories at the end of the year		
	Work-in-progress	27,126,344.07	8,181,063.32
	Finished goods	18,052,580.41	24,930,685.05
	Total	45,178,924.48	33,111,748.37
	Inventories at the beginning of the year		
	Work-in-progress	8,181,063.32	5,579,745.64
	Finished goods	24,930,685.05	22,902,321.38
	Total	33,111,748.37	28,482,067.02
	(Increase)/decrease in Inventories	12,067,176.11	4,629,681.35
			Amount (Rs.)
		As at 31st March, 2012	As at 31st March, 2011
21.1	Finished goods		
	Colour Television	6,998,706.85	18,829,017.05
	DVD	381,811.50	343,630.35
	CFL	1,158,212.19	-
	Plastic Parts:-		
	Colour Television	3,616,001.25	2,353,602.58
	Air Conditioners	2,833,620.81	3,310,251.87
	Water Purifier	218,258.38	91,035.00
	Washing Machine	1,216,187.86	-
	Refrigerators	833,638.22	-
	Automotive	315,238.14	-
	Other	478,905.21	3,148.20
	Total	18,052,580.41	24,930,685.05

21.2 Work In Progress	Amount (Rs.)	
	As at 31st March, 2012	As at 31st March, 2011
Water Purifier	232,723.20	-
Plastic Granules	841,396.49	-
Other goods	3,333,471.54	-
Plastic Parts		
Colour Television	7,353,101.73	3,289,037.07
Air Conditioners	11,913,585.29	4,783,742.15
Water Purifier	3,624.19	66,694.10
Washing Machine	452,978.53	-
Refrigerators	1,314,997.46	41,590.00
Automotive	1,583,216.01	-
Other	97,249.63	-
Total	27,128,344.07	8,181,063.32

22 Employee benefit expense	Amount (Rs.)	
	As at 31st March, 2012	As at 31st March, 2011
Salaries, wages and bonus	99,218,524.22	75,013,526.00
Contribution to provident and other fund	5,651,039.00	3,300,117.00
Leave encashment [refer note no. 28(3)]	2,402,981.00	1,517,173.00
Gratuity expense [refer note no. 28(3)]	2,914,228.00	484,752.00
Employee Benefits	5,942,473.45	7,008,256.56
Total	116,129,245.67	87,323,824.56

Employee benefit expenses include managerial remuneration as detailed below:

Salaries, wages and bonus	11,064,000.00	9,878,435.00
Contribution to provident and other fund	835,200.00	980,212.20
Gratuity expense *	-	-
Total	11,899,200.00	10,858,647.20

* Gratuity not reflected above since provided determined for the company as a whole.

23 Other expenses *	Amount (Rs.)	
	As at 31st March, 2012	As at 31st March, 2011
Consumption of stores and spares	3,311,863.03	5,075,082.16
Power and fuel	52,274,318.88	40,475,916.34
Consumption of loose tools & Tackles	486,470.13	453,545.15
Sub-contracting expenses	16,038,954.49	70,797,634.95
Increase of excise duty on Inventory	1,083,117.00	-
Freight and forwarding charges	21,658,278.05	19,271,304.60
Rent & Hiring charges of machinery , DG set	1,045,726.00	179,486.00
Rates and taxes (Service tax paid, ROC & Rates, Reversal of ITC)	942,861.49	1,541,901.82
Insurance	1,624,423.77	2,002,528.12
Repairs and Maintenance -Plant and machinery	10,269,381.36	6,420,671.26
Repairs & Maintenance- Buildings	1,952,590.05	1,534,091.43
Repairs & Maintenance - Others	2,449,348.76	1,558,129.70
Advertising and sales promotion	256,818.00	571,560.00
Travelling and conveyance	10,014,835.59	8,168,287.07
Communication costs	1,848,048.33	1,251,760.02
Printing and stationery	1,276,453.91	981,049.18
Legal and professional fees	3,616,323.00	1,925,953.00
Directors sitting fees	295,000.00	246,000.00
Payment to auditor (Refer details below)	1,009,763.00	400,000.00
Exchange differences (net)	6,413,230.88	-

Loss on sale of fixed assets (net)	425,736.82	64,795.00
Electricity & Lighting expenses	34,080.00	32,740.00
Membership & subscription	86,272.25	70,183.00
General expenses	36,362.05	28,718.07
Security Guard expenses	5,158,860.08	3,695,979.00
Newspapers, books & periodicals	899,767.29	657,691.00
Vehicle running & maintenance	2,986,594.47	2,136,911.66
Festival expenses	1,491,949.00	1,682,140.00
Office upkeep expenses	1,865,491.27	2,124,935.50
Business Promotion	333,759.72	262,344.69
Donation	167,501.00	421,000.00
Gardening Expenses	40,330.00	136,126.00
Testing & trial charges	473,639.75	451,739.43
Recruitment expenses	14,829.00	70,200.00
Lease rent land	14,860.50	79,464.00
Conference & meeting	2,500.00	27,000.00
Liquidation damages & penalty	421,158.79	2,322,648.00
Software expenses	35,530.90	132,428.68
Maintenance charges to UPSIDC	164,149.00	96,630.00
Preliminary expenses W/O	21,900.00	21,900.00
Miscellaneous expenses	62,753.86	274,135.53
Total	152,605,831.47	177,644,610.36

* Excluding expenses incurred for product development.

	Amount (Rs.)	
	As at 31st March, 2012	As at 31st March, 2011
Details of payment to auditor are as under:		
As auditor:		
Audit fee	300,000.00	300,000.00
Tax audit fee	100,000.00	100,000.00
Limited review	609,763.00	-
Total	1,009,763.00	400,000.00

24 Exceptional items	Amount (Rs.)	
	As at 31st March, 2012	As at 31st March, 2011
Prior period expenses:-		
- Purchase	76,626.39	-
- Discount on sales	3,978.00	93,884.00
- Advertisement	30,800.00	-
- Repair & Maintenance- P & M	10,928.00	-
- Repair & Maintenance- Vehicles	-	20,414.15
- Testing & trial charges	344,184.00	-
- Professional charges	15,000.00	12,000.00
- Travelling and conveyance	68,022.00	-
- Freight & Forwarding charges	-	53,005.00
- Other expenses	2,349.00	46,392.43
Loss on sale of investments	595,517.77	-
Total	1,147,405.16	225,695.58

25 Depreciation and amortization expenses	Amount (Rs.)	
	As at 31st March, 2012	As at 31st March, 2011
Depreciation on tangible assets	44,434,318.07	20,596,122.03
Amortization on Intangible assets	648,044.86	81,606.76
Total	45,082,362.93	20,677,728.79

		Amount (Rs.)	
		As at 31st March, 2012	As at 31st March, 2011
26	Finance costs		
	Interest to Bank	72,635,947.10	30,020,053.21
	Interest to Other	770,973.00	416,940.47
	Interest On Car Loan	690,948.97	449,355.99
	Bank charges, Commission & Processing Fees	32,270,398.55	24,678,484.92
	Total	106,368,267.62	55,564,834.59

		Amount (Rs.)	
		As at 31st March, 2012	As at 31st March, 2011
27	Contingent liabilities and Commitments		
A	Contingent liability (to the extent not provided for)		
	Claims against the company not acknowledged as debts		
	a) Sales Tax Demand (FY 2006-07)	-	3,556,091.00
	b) Central Excise (FY 2006-07)	16,626.00	16,626.00
	c) Income Tax (FY 2006-2007)	-	56,671.00
	d) Income Tax (FY 2006-07 -2010-11)	3,655,425	-
	Bank Guarantees given to Customers		
	a) Bank Guarantees given in favour of L.G. Electronics (P) Ltd.	1,000,000.00	1,000,000.00
	b) Bank Guarantee for ELCOT	103,170,900.00	149,444,820.00
	Bank Guarantee given to BSE	6,032,250.00	-
	LC Utilized Limits- Acceptance not given	6,431,952.46	7,463,000.00
	Total	120,307,153.46	161,537,208.00

B Commitments

Estimated amount of contracts remaining to be executed on Capital account and not provided for (Net of advances) 75,328,742.00 60,348,461.06

- i. For FY 2006-07, the Sales Tax Department raising a demand for Rs. 3.556 million toward CST paid @ 2% instead of 4% on CTV-Plastics Parts. The company has been contesting this claim and was of the view that the demand raised by the Sales Tax department was not tenable. To support its view, the company had filed an appeal at Additional Commissioner VAT (Appeal). The Company had deposited 50% of the above demand against the stay Order passed by the above mentioned Authority. The Additional Commissioner VAT (Appeal) had passed an order during the year in favour of the company, hence all deposit amount was refunded by Sales Tax Department.
- ii. For the FY 2006-07, the Central Excise Department raised a Show Cause Notice demanding for Rs. 0.017 million toward Cenvat credit of SAD taken on the basis of Supplementary Invoice issued by the M/s LG Electronics India Pvt. Ltd. The company has been contesting this claim and was of the view that the demand raised by the excise department was not tenable. To support its view, the company had also obtained legal opinion. Hence, it had not created provision toward this liability in the year ended 31 March 2012.
- iii. The company had received three show cause notice on 31/03/08, 01/05/2008 & 24/10/2008 raising a aggregate demand of Rs. 0.435 million from assistant commissioner, Central Excise, division-V, Noida. The issue involved was avallment and utilisation of CENVAT credit of service tax paid on outward freight. The company has paid the said demand by debiting the CENVAT account under protest.
- iv. Income tax demand for F.Y. 2006-07 has been settled during the F.Y. 2011-12 by the Commissioner Appeals, New Delhi allowing partly the appeal. No demand is pending on reporting date.
- v. Directorate of Revenue Intelligence (DRI) had conducted a search on the factory premises of the Company and the residence of the Promoters on March 08, 2011. The Company has deposited anti dumping duty on import of CPT of Rs. 14.5 Million. However, no show cause notice is received by company from DRI.

28 Other Notes on Accounts

- 1 The Company has started commercial production of at unit-III at Greater Noida (Uttar Pradesh) during the year. Pre-operative expenses till the date of start of commercial production amounting to Rs. 15.18 million has been capitalized to the carrying cost of fixed assets on a pro-rata basis.

2 Earnings per share (EPS)

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

	As at 31st March, 2012	As at 31st March, 2011
Numerator for earning per share		
Profit/(loss) before taxation	(85,745,066.70)	232,356,847.59
Provision for deferred tax and income tax	439,016.17	53,823,855.42
Profit/(loss) after tax	(86,184,082.87)	178,531,992.16
Denominator for earning per share		
Weighted average number of equity shares outstanding during the period	13,620,316	10,669,332
Earning per share- Basic and Diluted (one equity share of Rs. 10 each)	(6.33)	16.73

3 Employee Benefits

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

A	Defined Contribution Plan	Amount (Rs.)	
		2011-12	2010-11
	Employer's contribution to Provident Fund	4792449.00	2840933.00
	Employer's contribution to Employee State Insurance Fund	858590.00	459184.00
	Total	5,651,039.00	3,300,117.00

B Defined Benefit Plans

	Amount (Rs.)		Amount (Rs.)	
	Leave Encashment Non Funded		Gratuity Partly Funded	
	As at	As at	As at	As at
	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
Current service cost	1,641,029.00	1,091,829.00	2,077,186.00	1,549,970.00
Interest cost on benefit obligation	234,971.00	160,403.00	351,229.00	253,865.00
Past Service Cost	-	338,885.00	-	-
Expected return on plan assets	-	-	(224,180.00)	(134,741.00)
Net actuarial (gain)/loss recognized in the year	526,981.00	(268,352.00)	709,993.00	(406,091.00)
Net benefit expense	2402981.00	1322765.00	2914228.00	1263003.00

C Amounts recognised in balance sheet

	Amount (Rs.)		Amount (Rs.)	
	Leave Encashment Non Funded		Gratuity Partly Funded	
	As at	As at	As at	As at
	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
Present value of defined benefit obligation (Note I)	4,766,346.00	2872274.00	7,152,021.00	4297504.00
Fair value of plan assets (Note II)	-	-	2,776,156.00	2076388.00
Plan asset/(liability)	(4,766,346.00)	(2,872,274.00)	(4,375,865.00)	(2,221,116.00)

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

	Amount (Rs.)		Amount (Rs.)	
	Leave Encashment Non Funded		Gratuity Partly Funded	
	As at	As at	As at	As at
	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
Opening defined benefit obligation	2,872,274.00	1,980,286.00	4,297,504.00	3,134,138.00
Current service cost	1,641,029.00	1,091,829.00	2,077,186.00	1,333,848.00
Interest cost	234,971.00	160,403.00	351,229.00	253,865.00
Benefits paid	(508,909.00)	(430,777.00)	(271,210.00)	(28,817.00)
Past Service Cost	-	338,885.00	-	-
Actuarial (gains)/losses on obligation	526,981.00	(268,352.00)	697,312.00	(395,530.00)
Closing defined benefit obligation	4,766,346.00	2,872,274.00	7,152,021.00	4,297,504.00

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

	Amount (Rs.)		Amount (Rs.)	
	Leave Encashment Non Funded		Gratuity Partly Funded	
	As at	As at	As at	As at
	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
Opening fair value of plan assets	-	-	2,076,388.00	1,340,483.00
Expected return	-	-	224,180.00	134,741.00
Contributions by employer	-	-	715,610.00	619,420.00
Benefits paid	-	-	(227,341.00)	(28,817.00)
Actuarial gains/(losses) on plan assets	-	-	(12,681.00)	10,561.00
Closing fair value of plan assets	-	-	2,776,156.00	2,076,388.00

Investments with Insurer

	Leave Encashment Non Funded		Gratuity Partly Funded	
	As at	As at	As at	As at
	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
With LIC	0.00	0.00	100%	100%

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

	Leave Encashment Non Funded		Gratuity Party Funded	
	As at	As at	As at	As at
	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
Discount rate	8.20%	8.60%	8.60%	8.00%
Expected rate of return on assets	N.A.	N.A.	9.00%	8.00%
Employee turnover-all ages	3.00%	3.00%	3.00%	3.00%
Rate of increase in compensation levels	10.00%	10.00%	10.00%	10.00%
Mortality table				LIC (1994 - 1996) duly modified

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

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

Amounts for the current and previous periods are as follows:

	Amount (Rs.)		
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Gratuity *			
Defined benefit obligation	7152021.00	4,297,504.00	3,134,138.00
Plan assets	2,776,156.00	2,076,388.00	1,340,483.00
Surplus/(deficit)	(4,375,865.00)	(2,221,116.00)	(1,793,655.00)
Experience adjustments on plan liabilities & assets #	-	-	-
Leave Encashment *			
Defined benefit obligation	4766346.00	2,872,274.00	1,980,286.00
Plan assets	-	-	-
Surplus/(deficit)	(4,766,346.00)	(2,872,274.00)	(1,980,286.00)
Experience adjustments on plan liabilities & assets #	-	-	-

* The amounts for financial year ending on 31st March 2009 & 2008 were not readily available and hence not disclosed.

The experience adjustments on plan liabilities and assets are not readily available and hence not disclosed.

- In the opinion of the Board, any of the assets, other than fixed assets and non-current investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and provision for all known liabilities have been made.
- The Company has a system of obtaining periodic confirmations from debtors and creditors. Necessary entries have been passed on reconciliation of accounts wherever required.
- During the year, the company has capitalized the following expenses of revenue nature to the cost of fixed asset/ capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the company.

	Amount (Rs.)	
	As at 31st March, 2012	As at 31st March, 2011
Salaries, wages and bonus, Gratuity	6,904,189.00	4,384,894.00
Consumption of stores and spares, tools etc	18,775.00	97,429.31
Power and fuel	-	2,178,221.00
Finance costs	6,469,172.50	3,764,405.40
Tour & travelling	845,219.00	2,416,702.35
Other expenses	940,567.80	5,290,425.58
Total	15,177,923.30	18,132,077.64

7 Details of expenses capitalised under Product Development Expenditure:

Expense head	Amount (Rs.)
	As at 31st March, 2012
Raw materials consumed	7,204,028.93
Employee benefit expenses	2,251,942.00
Power & fuel	568,004.70
Repair -Plant & Machinery	9,974.37
Total	10,033,950.00

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

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

(a) Related Party where control exists

- I) Mr. Promod Gupta, Chairman & Managing Director (Key Management Person)
- II) Wholly Owned Subsidiary
- Diamond Mattress Company Private Limited

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

- I) Wholly Owned Subsidiary (Group A)
 - Diamond Mattress Company Private Limited (DMCPL)
- II) Associate & Joint Venture (Group B) NIL
- III) Key Management Personnel (Group C)
 - Mr. Promod Gupta, Chairman & Managing Director (PG)
 - Mr. Vishal Gupta, Executive Director (VSG)
 - Mr. Vikas Gupta, Executive Director (VKG)
 - Mr. Anurag Gupta, Executive Director (AG)
- IV) Relatives of Key Management Personnel (Group D)
 - Mrs. Natasha Gupta (NTG Wife of Mr. Anurag Gupta)
 - Mrs. Sarika Gupta (SG Wife of Mr. Vishal Gupta)
 - Mrs. Neelu Gupta (NLG Wife of Mr. Vikas Gupta)
 - Mrs. Sudesh Gupta (SG1 - Wife of Mr. Promod Gupta)
 - Legal heirs of late Smt. Amarwati Aggarawal (AA Mother of Mr. Promod Gupta)
- V) Companies/ Parties in which Key Management Personnel or their relatives have substantial interest / significant influence (Group E)

S.No.	Name of Parties
1	Bigesto Technologies Limited
2	Kushang Appearels Limited
3	PG International
4	J. B. Electronics
5	PG Electronics
6	Clearvision Industries
7	TV Palace
8	M/s Promod Gupta -Proprietor

CY: Current Year, PY: Previous Year

Group E

Group D

Group C

Group A

Details of Transactions (in Rs.)

S.No.	Nature of Transaction	Year	Group A		Group C			Group D		Group E					TV Palace Total			
			DMCP		Mr. Pramod Gupta	Mr. Vishal Gupta	Mr. Anurag Gupta	Mrs. Sushesh Gupta	Legal heir of Late Smt. Anurag Gupta	J. B. International	PG Electronics	Kushang Apparels (Pvt) Ltd	Bigestech Technologies (Pvt) Ltd	JAI's Pramod Gupta - Proprietor		PG International	J. B. Electronics	PG Electronics
1	Sales & Rendering Services	CY	-	-	-	-	-	-	-	79,493,288	-	-	64,590,901	139,929	-	175,850	-	144,401,968
		PY	-	-	-	-	-	-	-	1,213,074,650	-	-	123,182,575	258,530,608	-	330,470,356	-	2,423,258,187
2	Purchases	CY	-	-	-	-	-	-	-	393,089,377	-	-	65,740,366	-	-	-	-	489,269,743
		PY	-	-	-	-	-	-	-	451,028,973	-	-	106,959,443	-	-	-	-	561,788,416
3	Job Work charges	CY	-	-	-	-	-	-	626,784	-	-	-	-	-	-	-	-	799,794
		PY	935,258	-	-	-	-	-	1,250,711	31,036,036	9,228,366	-	-	-	-	-	-	42,427,391
4	Bank Paid	CY	-	15,000	-	-	-	60,000	-	-	-	-	-	-	60,000	-	-	125,000
		PY	-	15,000	-	-	-	60,000	-	-	-	-	-	-	60,000	-	-	125,000
5	Reimbursement of Expenses (Paid)	CY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		PY	-	-	-	-	-	-	318,933	103,540	-	-	-	-	20,096	-	-	761,791
6	Reimbursement of Expenses (Received)	CY	-	-	-	-	-	-	-	117,760	-	-	379,538	-	-	-	-	497,298
		PY	797,800	-	-	-	-	-	-	13,760,000	-	-	-	-	-	-	-	797,800
7	Purchase of Fixed Asset	CY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,760,000
		PY	6,000,000	-	-	-	-	-	-	27,000,000	-	-	11,700,000	12,300,000	-	8,597,041	-	63,597,041
9	Loan Taken	CY	-	54,440,000	20,234,000	19,373,000	26,538,000	-	-	-	-	-	-	-	-	-	-	119,585,000
		PY	-	650,000	900,000	500,000	9,500,000	-	-	-	-	-	3,000,000	-	-	1,900,000	-	16,650,000
10	Remuneration	CY	-	2,974,800	2,974,800	2,974,800	2,974,800	-	-	-	-	-	-	-	-	-	-	11,899,200
		PY	-	2,722,145	2,492,145	1,844,000	2,722,145	140,000	-	-	-	-	-	-	-	-	-	9,878,435
11	Investment in Shares	CY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		PY	3,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,000,000
12	Liquidation Damage Charge, Inspection	CY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		PY	-	-	-	-	-	-	1,165,033	-	-	-	-	-	-	-	-	1,165,033

Outstanding balances as on 31-03-2012

1	Investment	CY	3,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,000,000
		PY	3,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,000,000
2	Loan Payable	CY	-	49,070,000	12,434,000	11,073,000	19,237,000	-	-	-	-	-	-	-	-	-	-	87,814,000
		PY	-	650,000	-	-	99,000	-	-	-	-	-	-	-	-	-	-	749,000
3	Payable	CY	-	-	21,250	-	-	62,499	45,744,129	-	-	27,728	-	-	93,908	-	-	46,911,504
		PY	-	-	6,150	-	2,747	28,222,666	51,941	4,410,909	-	-	-	25,000	-	-	-	32,744,433
4	Receivable/Debitors	CY	-	-	-	-	-	-	1,386,366	-	-	2,718,675	-	-	-	-	-	4,105,041
		PY	6,000,000	-	-	-	-	104,384,293	16,461,827	31,858,126	-	-	-	-	48,793,833	-	-	207,698,377
5	Guarantees	CY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,252,700
		PY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,252,700

Loans given to Wholly-owned subsidiary adjusted during the current year against balance payment of land purchased & Security deposit with MIDC of Rs. 5,655,550/ for electricity connection which was transferred in our name from Diamond Mattresses Private Limited.

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

9 Pursuant to compliance of clause 32 of the listing agreement, on disclosure of loans/ advances in the nature of loans, the relevant information is provided hereunder:

	Amount (Rs.)	
	As at 31st March, 2012	As at 31st March, 2011
(I) Loans and advances in the nature of loans given to subsidiaries and associates		
Loan to Subsidiary: Diamond Mattresses (P) Ltd.		
Balance as at the year end	-	6,000,000.00
Maximum amount outstanding at any time during the year	6,000,000.00	6,000,000.00
(II) Loans and advances in the nature of loans to firms/companies in which directors are interested		
	As at 31st March, 2012	As at 31st March, 2011
Loan to Bigesto Technologies Limited		
Balance as at the year end	-	-
Maximum amount outstanding at any time during the year	-	27,000,000.00
Loan to PG International		
Balance as at the year end	-	-
Maximum amount outstanding at any time during the year	-	11,700,000.00
Loan to J.B. Electronics		
Balance as at the year end	-	-
Maximum amount outstanding at any time during the year	-	12,300,000.00
Loan to Clearvision Industries		
Balance as at the year end	-	-
Maximum amount outstanding at any time during the year	-	6,557,041.00

10 Utilization of money raised through public issue

During the year ended 31st March, 2012, the company has raised Rs.1206.45 million through public issue, specifically to meet its share in the cost of setting-up a new manufacturing facility at Supa-district Ahmednagar, G.Noida, repayment of term loan, working capital & corporate expenses. Given below are the details of utilization of proceeds raised through public issue.

	As at 31st March, 2012
Amount raised during the year through Public Issue	1,206,450,000.00
Less: amount utilized during the year	
Utilized for General Corporate Purpose (Net)	162,500,000.00
Purchase of plant and machinery & Construction of Building	559,824,035.00
IPO Expenses	100,071,780.00
Repayment of Term Loan	10,000,000.00
Utilized for Working Capital	63,876,784.00
Unutilized amount at the end of the year	<u>310,177,401.00</u>

Details of short-term investments made from unutilized portion of public issue raised during the year ended 31st March, 2012.

	Amount (Rs.)
	As at 31st March, 2012
Investment in Inter-corporate deposits	295,000,000.00*
Balance in Escrow a/c with SCB	15,177,401.00

* The funds has been temporarily deployed as an interim measure to earn interest pending deployment towards the object of the issue. As per directions of SEBI, the company has issued notices to parties calling back ICD of Rs 310 million and deposit the same in the Escrow account. Out of the said ICD of Rs 310 million, the company has received Rs 15 million and deposited in Escrow account maintained with Standard Chartered Bank.

The Company is under process of investigation as per SEBI ad Interim exparte order WTM/PS/IVD-ID5/42/2011/DEC dated 28.12.2011 in exercise of the powers conferred upon SEBI under section 19 of the Securities and Exchange Board of India Act 1992 read with Section 11(1), 11(4), 11A and 11B of SEBI Act 1992 and has issued certain directions for the company and directors to comply with. Further, The company has submitted written reply on 11th April 2012.

11 The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid/payable under this Act & as required by Schedule VI of Companies Act, 1956 have not been given.

	As at 31st March, 2012	Amount (Rs.) As at 31st March, 2011
12 Value of Imports calculated on CIF basis		
Plant & Machinery	32,617,574.45	184,382,277.25
Spare Parts	383,372.48	2,130,175.49
Raw materials	48,485,274.03	843,442,143.65
Tools & Tackles	19,162.00	
Software	-	13,000.00
Total	81,505,382.96	1,029,967,596.39

	As at 31st March, 2012	Amount (Rs.) As at 31st March, 2011
13 Expenditure in foreign currency (accrual basis)		
Project professional fees	-	5,527,681.00
Travelling and conveyance	320,151.38	664,580.01
Total	320,151.38	6,192,261.01

14 Imported and indigenous raw materials, components and spare parts consumed Year ended 31st March, 2012	% of total consumption 31 March 2012	Value Amount (Rs.) 31 March 2012	% of total consumption 31 March 2011	Value Amount (Rs.) 31 March 2011
	Raw Materials			
Imported	2.45	45,334,350	25.97	930,886,535.41
Indigenously obtained	97.55	1,805,185,673	74.03	2,653,542,695.07
Total	100.00	1,850,520,023	100.00	3,584,429,230.48

15 Note No. 1 to 28 form Integral part of the balance sheet and statement of profit and loss.

As per our report of even date
For Chitresh Gupta & Associates
Firm registration number: 017079N
Chartered Accountants

For and on behalf of the board of directors of PG Electroplast Limited

Sd/-
Chitresh Gupta
Partner
Membership no.: 098247

Sd/-
Promod Gupta
[Managing Director]

Sd/-
Vishal Gupta
[Executive Director]

Sd/-
Kuntal Kar
[Company Secretary]

Place: Greater Noida
Date: 4th July 2012

Auditors' Report

To
The Members of
PG Electroplast Limited

1. We have audited the attached Consolidated Balance Sheet of PG Electroplast Limited Group as at 31st March 2012, and also the Consolidated Statement of Profit & Loss and also the Consolidated Cash Flow Statement for the year ended on that date both annexed thereto. These financial statements are the responsibility of the management of PG Electroplast Limited and have been prepared by the management on the basis of separate financial statement and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the Consolidated Financial Statement had been prepared by the management of PG Electroplast Limited in accordance with the requirements of Accounting Standard AS-21, Consolidated Financial Statements issued by the Institute of Chartered Accountants of India (ICAI).
4. On the basis of information and explanation given to us, in our opinion, the attached Consolidated Financial Statement give to and fair view in conformity with accounting principles generally accepted in India
 - a) In the case of Consolidated Balance Sheet, of the state of affairs of the PG Electroplast Limited Group as at 31 March 2012;
 - b) In the case of Consolidated Profit & Loss, of the profit/loss for the year ended on that date; and
 - c) In the case of Consolidated Cash Flow Statement, of the Cash Flow for the year ended on that date;

For and on behalf of
Chitresh Gupta & Associates
Chartered Accountants
Firm Registration No.: 017079N

Sd/-
CA. Chitresh Gupta
Partner
Membership No.: 098247

Date :04th July 2012
Place : Delhi

CONSOLIDATED FINANCIAL STATEMENT OF PG ELECTROPLAST LTD AND ITS SUBSIDIARY
Consolidated Balance sheet as at 31 March 2012

		Amount (Rs.)	
		As at	As at
	Notes	31st March, 2012	31st March, 2011
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	16,41,43,320.00	10,66,93,320.00
Reserves and surplus	4	1,31,01,64,904.74	34,74,51,191.18
		<u>1,47,43,08,224.74</u>	<u>45,41,44,511.18</u>
Non-current liabilities			
Long-term borrowings	5	28,87,92,975.57	28,33,91,743.64
Deferred tax liabilities (Net)	6	2,99,82,560.30	2,99,82,560.30
Long-term provisions	7	84,98,030.00	48,22,180.00
		<u>32,72,73,565.87</u>	<u>31,81,96,483.94</u>
Current liabilities			
Short-term borrowings	8	48,77,12,866.92	32,70,72,605.83
Trade payables	9	35,31,06,291.35	33,59,32,975.23
Other current liabilities	10	23,27,19,893.09	15,88,27,392.46
Short-term provisions	7	6,44,181.00	37,50,971.83
		<u>1,07,41,83,232.36</u>	<u>82,55,83,945.35</u>
Total		<u>2,87,57,65,022.97</u>	<u>1,59,79,24,940.47</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11	1,20,55,24,685.43	61,60,44,421.85
Intangible assets	11	1,32,72,689.90	37,56,784.76
Capital work-in-progress		20,90,82,222.85	17,46,99,165.01
Non-current investments	12	-	35,00,000.00
Long-term loans and advances	13	27,96,08,579.22	4,15,47,039.06
Trade receivables	14.2	4,06,95,855.21	4,03,96,915.06
Other non-current assets	14.1	14,16,463.00	68,08,410.00
		<u>1,74,96,00,495.61</u>	<u>88,67,52,735.74</u>
Current assets			
Current investments	15	29,50,00,000.00	-
Inventories	16	23,88,11,726.69	16,65,94,491.31
Trade receivables	14.2	17,72,96,627.65	32,90,55,169.89
Cash and bank balances	17	11,86,24,278.28	6,03,49,306.62
Short-term loans and advances	13	26,84,81,060.03	15,34,96,288.28
Other current assets	14.1	2,79,50,834.71	16,76,948.63
		<u>1,12,61,64,527.36</u>	<u>71,11,72,204.73</u>
Total		<u>2,87,57,65,022.97</u>	<u>1,59,79,24,940.47</u>
Significant Accounting Policies	2		
Contingent Liability and Commitments	27		
Other Notes on Accounts	28		

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

As per our report of even date

For Chitresh Gupta & Associates

Firm registration number: 017079N

Chartered Accountants

Sd/-
CA. Chitresh Gupta
Partner

Sd/-
Promod Gupta
[Managing Director]

Sd/-
Vishal Gupta
[Executive Director]

Sd/-
Kuntal Kar
[Company Secretary]

Membership no.: 098247

Place: Greater Noida

Date: 4th July 2012

CONSOLIDATED FINANCIAL STATEMENT OF PG ELECTROPLAST LTD AND ITS SUBSIDIARY
Consolidated Statement of Profit and loss for the year ended 31 March 2012

	Notes	As at 31st March, 2012	Amount (Rs.) As at 31st March, 2011
INCOME			
Revenue from operations (gross)	18	2,31,61,77,581.16	4,48,19,38,935.33
Less: excise duty		(9,79,34,780.92)	(24,11,81,064.74)
Revenue from operations (net)		2,21,82,42,800.24	4,24,07,57,870.59
Other income	19	4,13,31,061.08	3,00,45,922.74
Total revenue (I)		2,25,95,73,861.32	4,27,08,03,793.33
EXPENDITURE			
Cost of raw material and components consumed	20	1,85,05,20,023.30	3,58,44,29,230.48
Purchase of traded goods		8,55,32,967.98	11,72,11,702.74
Changes in inventories of finished goods, work in -progress	21	(1,20,67,176.11)	(46,29,681.35)
Employee benefits expense	22	11,61,29,245.67	8,75,20,563.56
Other expenses	23	15,26,34,718.47	17,72,96,270.36
Exceptional items	24	11,47,405.16	2,25,695.58
Total (II)		2,19,38,97,184.47	3,96,20,53,781.37
Earnings before Interest, tax, depreciation and amortization (EBITDA) (I)-(II)		6,56,76,676.85	30,87,50,011.96
Depreciation and amortization expense	25	4,50,82,362.93	2,06,77,728.79
Finance costs	26	10,63,68,817.62	5,55,99,660.59
Profit/(loss) before tax		(8,57,74,503.70)	23,24,72,622.58
Tax expenses:			
Current tax		-	4,63,46,682.98
Income tax for earlier years		4,40,003.17	2,73,151.88
Deferred tax		-	72,41,020.56
Total tax expense		4,40,003.17	5,38,60,855.42
Profit/(loss) for the year		(8,62,14,506.87)	17,86,11,767.16

Earning per equity share [Refer Note No. 28(2)]

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

Basic and Diluted earning per share (6.33) 16.74

Significant Accounting Policies 2

Contingent Liability and Commitments 27

Other Notes on Accounts 28

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

As per our report of even date

For Chitresh Gupta & Associates

Firm registration number: 017079N

Chartered Accountants

Sd/-
CA. Chitresh Gupta
Partner
Membership no.: 098247
Place: Greater Noida
Date: 4th July 2012

Sd/-
Promod Gupta
[Managing Director]

Sd/-
Vishal Gupta
[Executive Director]

Sd/-
Kuntal Kar
[Company Secretary]

CONSOLIDATED FINANCIAL STATEMENT OF PG ELECTROPLAST LTD AND ITS SUBSIDIARY
Consolidated Cash Flow Statement

	31 March 2012	31 March 2011*
A: CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	(85,774,503.70)	232,355,847.58
Adjustment For :		
Depreciation/amortization	45,082,362.93	20,677,728.79
Preliminary expenses w/o	21,900.00	21,900.00
Loss/(profit) on sale of fixed assets	425,736.82	64,795.00
Loss on sale of non current investments	595,517.77	-
Interest Expense	106,368,267.62	55,564,834.59
Interest Income	(31,752,059.19)	(3,392,145.47)
Operating profit before working capital changes	34,967,772.25	305,292,960.49
Movements in working capital :		
Increase/(decrease) in Current Liabilities & Provisions	9,789,471.78	123,756,282.56
Decrease/(increase) in trade receivables	151,459,602.09	(13,188,379.05)
Decrease/(increase) in Inventories	(72,217,235.38)	(13,080,564.72)
Decrease / (increase) in loans and advances	(335,822,2166.06)	(125,541,771.45)
Cash generated from / (used in) operations	(211,449,268.32)	277,238,527.83
Direct taxes paid (net of refunds)	(21,143,860.85)	(45,950,359.15)
Net cash flow from/ (used in) operating activities (A)	(233,132,727.17)	231,288,168.68
B: CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including Intangible assets, CWIP	(679,067,326.20)	(503,062,367.98)
Proceeds from sale of fixed assets	179,999.89	2,419,027.00
Proceeds from sale of investments	2,904,482.23	33,553.86
Purchase of Investments	(295,000,000.00)	(5,050,000.00)
Interest received	5,456,273.11	3,531,287.12
Net cash flow from/(used in) investing activities (B)	(965,526,570.97)	(502,128,500.00)
Cash flows from financing activities		
Proceeds from Issuance of share capital & share premium (net off IPO expenses)	1,113,186,630.43	**6,808,410.00
Proceeds from long-term borrowings	213,381,630.00	339,498,931.28
Repayment of long-term borrowings	(120,272,633.89)	(25,798,940.08)
Short-term borrowings (Net)	159,877,961.09	(33,095,834.37)
Interest paid	(107,822,304.83)	(51,349,061.16)
Net cash flow from/(used in) in financing activities (C)	1,258,350,732.80	222,446,685.59
Net Increase/(decrease) in cash and cash equivalents (A + B + C)	59,691,434.66	(48,393,645.73)
Cash and cash equivalents at the beginning of the year	60,349,306.62	108,129,695.35
Cash and cash equivalents at the end of the year	120,040,741.28	59,736,049.62
Components of cash and cash equivalents		
Cash on hand	3,085,253.25	5,988,426.00
Cheques/drafts on hand	60,000,000.00	-
With banks		
-on current account	19,587,717.03	2,341,222.62
-on deposit account	37,372,771.00	51,406,401.00
Total cash and cash equivalents (refer note 17)	120,040,741.28	59,736,049.62

Notes

1. Cash & Cash equivalents include the restricted cash and bank balance as follows:

- Balance in Escrow account opened as per directives of SEBI

-Margin money deposits

15,177,401.00

37,372,371.00

51,406,401.00

2. Figures in negative/brackets show cash outflow

3. *Represents the standalone figures of PG Electroplast Limited, parent company since the Diamond Mattress Company Private Limited became the subsidiary on 25th September 2010.

4. **Represents expenses incurred on IPO during the year 2010-11 which were adjusted from share premium in the year 2011-12

As per our report of even date

For Chitresh Gupta & Associates

Firm registration number:017079N

Chartered Accountants

Sd/-

CA. Chitresh Gupta

Partner

Membership No.: 098247

Place: Greater Noida

Date: 4th July 2012

Sd/-

Pramod Gupta

(Managing Director)

Sd/-

Kuntal Kar

(Company Secretary)

Sd/-

Vishal Gupta

(Executive Director)

Note to the consolidated financial statements for the year ended 31 March 2012

1 Background

PG Electroplast Limited is an Electronic Manufacturing Services (EMS) provider for original Equipment Manufacturers (OEMs) of consumer electronic products in India. The Company manufacture and / or assemble a comprehensive range of consumer electronic components and finished products such as colour television (CTV) sets & components, air conditioners (ACs) sub- assemblies, DVD players, water purifiers and compact Fluorescent Lamps (CFL) for third parties. As backward integration, we also do plastic Injection moulding and manufacture Printed Circuit Boards (PCB) assemblies for CTVs, DVD players and CFL.

2 Statement of Significant Accounting Policies

i) Accounting Convention

The financial statements have been prepared under the historical cost convention on accrual basis in accordance with generally accepted accounting principles (GAAP) and the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

ii) Basis and principles of consolidation:

- a) The consolidated financial statements have been prepared on a going concern basis to comply with the requirements of clause 32 of the listing agreement and in accordance with Accounting Standard AS-21 on "Consolidated Financial Statements" and Accounting Standard AS-3 "Cash Flow Statements".
- b) The consolidated financial statements comprise the financial statements of PG Electroplast Limited (Holding Company) incorporated in India, its 100% subsidiary, incorporated in India, namely Dimond Mattress Company Private Limited.
- c) The financial statement of subsidiary used in consolidation is drawn upto the same reporting date as that of parent company.
- d) The consolidated financial statements have been prepared based on a line-by-line consolidation using uniform accounting policies. The effect of inter company transactions are eliminated in consolidation.
- e) The excess of the cost to the parent company of its investment in subsidiary, on the acquisition date, is recognized in the financial statements as Goodwill.

iii) Basis of Preparation

During the year ended March 31 2012, the revised schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosure made in the financial statements. The company has also reclassified the previous year figure in accordance with the requirements applicable in the current year.

iv) Accounting for Estimates

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

v) Revenue Recognition

- (a) Sale of goods: Sales are recognised when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognised net of trade discounts, rebates, sales taxes and excise duties. Sales returns are recognised on receipt of finished goods in the factory.

- (b) Sale of Services: In contracts involving the rendering of services, revenue is measured using the proportionate completion method and are recognised net of service tax.
- (c) Interest income is recognized on accrual basis.
- (d) Dividends income is recognised when the right to receive dividend is established.

vi) **Fixed Assets and Depreciation**
Tangible Assets

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

vii) **Depreciation**

- (a) The depreciation on assets acquired/sold/discarded/demolished during the year is provided from/upto the month the asset is commissioned/sold or discarded.
- (b) Depreciation is charged on straight line method (SLM) at the rates prescribed in Schedule XIV of the Companies Act, 1956.
- (c) Lease hold land is not amortized over lease period.

viii) **Intangible Assets**

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

	Period of Amortisation
Computer Software	6 year
Product Development	10 year

ix) **Inventories**

Raw Material, components, stores and spares are valued at lower of cost and net realisable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined using the first-in, first-out (FIFO) method.

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

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

x) **Investments**

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

xi) Borrowing Costs

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

xii) Employee Benefits

(a) Short Term Employee Benefits

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

(b) Long Term Employee Benefits

i Defined Contribution Plan

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

The Company operates the following defined contribution plan.

- Provident Fund Plan & Employee Pension Scheme.

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

- Employee State Insurance

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

(c) Defined benefit plan

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

- Gratuity

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

- Earned Leaves

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

xiii) Foreign Currency Transactions

Initial Recognition

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

Subsequent Recognition

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

Exchange Differences

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

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

Government Grants

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

xiv) Current and deferred tax

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

xv) Lease Accounting

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

xvi) Miscellaneous Expenditure

Preliminary expenditure is amortized over a period of 10 years.

xvii) Impairment of Assets

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

xviii) Segment Reporting

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

xix) Provisions, Contingent liabilities and Contingent Assets

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

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

Contingent Assets : Contingent assets are neither recognised nor disclosed.

CONSOLIDATED FINANCIAL STATEMENT OF PG ELECTROPLAST LTD AND ITS SUBSIDIARY
Notes to Consolidated Financial Statements for the year ended 31st March, 2012

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

3 SHARE CAPITAL	Amount (Rs.)	
	As at 31st March, 2012	As at 31st March, 2011
Authorized shares		
2,50,00,000 (31 March 2011: 2,50,00,000) equity shares of Rs.10/- each	25,00,00,000.00	25,00,00,000.00
Issued, Subscribed and Paid-up shares		
1,64,14,332 (31 March 2011: 1,06,69,332) equity shares of Rs.10/- each	16,41,43,320.00	10,66,93,320.00
Total	16,41,43,320.00	10,66,93,320.00

3.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares:	As at 31st March, 2012		As at 31st March, 2011	
	No of shares	Amount (Rs.)	No of shares	Amount (Rs.)
	At the beginning of the year	1,06,69,332	10,66,93,320.00	1,06,69,332
Issued during the year - IPO	57,45,000	5,74,50,000.00	-	-
Outstanding at the end of the year	1,64,14,332	16,41,43,320.00	1,06,69,332	10,66,93,320.00

3.2 Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the company, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

3.3 Shares allotted as fully paid up by way of bonus shares (during five years immediately preceding March 31, 2012):

	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
Equity shares allotted as fully paid up bonus shares by capitalization of Security premium	-	-	-	71,12,888	-

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

	As at 31st March, 2012		As at 31st March, 2011	
	No of shares	% holding	No of shares	% holding
Equity shares of Rs.10 each fully paid				
Mr. Promod Gupta	40,16,166	24.47%	40,16,166	37.84%
Mr. Anurag Gupta	15,14,222	9.22%	15,14,222	14.18%
Mr. Vishal Gupta	20,75,012	12.64%	20,75,012	19.45%
Mr. Vikas Gupta	20,70,722	12.62%	20,70,722	19.41%
Mrs. Neelu Gupta	6,15,000	3.75%	6,15,000	5.76%

4 Reserves and surplus

	Amount (Rs.)	
	As at 31st March, 2012	As at 31st March, 2011
Security Premium Account		
Balance as per the last financial statements	4,13,70,680.00	4,13,70,680.00
Add: Premium on issue of IPO	1,14,90,00,000.00	-
Less: Amounts utilized toward IPO expenses	10,00,71,779.57	-
Closing Balance	1,09,02,98,900.43	4,13,70,680.00
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statements	30,60,80,511.18	12,74,68,744.02
Profit/(loss) for the year	(8,62,14,506.87)	17,86,11,767.16
Net surplus in the statement of profit and loss	21,98,66,004.31	30,60,80,511.18
Total reserves and surplus	1,31,01,64,904.74	34,74,51,191.18

5 Long-term borrowings

	Amount (Rs.)			
	Non-current portion		Current maturities	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
Secured				
Term Loan:				
From banks:-				
- State Bank of India	1,99,90,000.00	1,01,97,323.20	1,82,01,323.20	1,12,02,206.55
- Standard Chartered Bank	16,63,79,780.77	15,73,95,833.36	5,60,16,052.59	1,26,04,166.64
- Vehicle loans from ICICI Bank, HDFC Bank, Axis Bank	20,62,409.24	23,87,557.96	34,22,555.86	23,03,101.45
Buyers Credit from banks for capital goods:-				
- State Bank of India	-	2,79,94,000.00	98,09,700.00	1,23,51,160.00
- Standard Chartered Bank	3,66,84,406.25	8,29,38,364.08	6,92,23,567.90	3,24,04,468.13
From others:-				
- Vehicle loans from Tata Capital Limited	4,88,289.31	10,87,505.86	5,99,216.55	5,44,331.33
Unsecured				
Unsecured loans from directors	5,93,00,000.00	7,49,000.00	-	-
Deferred Payment Against land	38,88,090.00	6,42,159.18	12,79,044.18	1,96,562.00
Total	28,87,92,975.57	28,33,91,743.64	15,85,51,460.28	7,16,05,996.10
The above amount includes :				
Secured borrowings	22,56,04,885.57	28,26,42,743.64	15,72,72,416.10	7,16,05,996.10
Unsecured borrowings	6,31,88,090.00	7,49,000.00	12,79,044.18	-
	28,87,92,975.57	28,33,91,743.64	15,85,51,460.28	7,16,05,996.10
Amount disclosed under the head "other current liabilities" (refer note no.10)	-	-	15,85,51,460.28	7,16,05,996.10
Net amount	28,87,92,975.57	28,33,91,743.64	-	-

Term Loan from State Bank of India

- 5.1 a. Term loans from State Bank of India are secured by way of first hypothecation and mortgage charge over entire fixed assets & moveable assets present and future including Equitable Mortgage of property situated at plot no- P-4/2, 4/3, 4/4, 4/5 site-B, Surajpur, Greater Noida of factory Land & Building of the Company & Personal guarantee of directors i.e Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vikas Gupta and Mr. Vishal Gupta and;
- b. Collateral Security:- Second charge on entire current assets of Unit I & II of the company and;
- c. Mortgage of leasehold rights for 29 years (valid upto May 2036) of factory of land measuring 11370 sq.mtr of PG Electronics (Partnership firm) & of land measuring 3390 sq.mtr. of Sh. Vishal Gupta at Raipur, Pargana Bhagwanpur, Roorkee and;
- d. Corporate Guarantee of M/s Kushang Technologies Limited & Guarantee of PG Electronics (Partnership Firm).
- e. Outstanding term loan of Rs 10.197 million as on reporting date is repayable in 60 monthly instalments from the date of loan which commence from April 2008 to March 2013 & Outstanding term loan of Rs 27.994 million as on reporting date is repayable in 50 monthly instalments which commence from Oct 2010 to Nov 2014 alongwith interest at the rate of "base rate" + 4.25% p.a.

*Term Loan from Standard Chartered Bank

- 5.2 a. Term loans from Standard Chartered Bank are secured by way of exclusive charge over land, Building, Plant & Machinery, stocks, receivable at E-14 & E-15, Site-B, UPSIDC, Surajpur Industrial Area, Greater Noida, U.P. & at A-20/2, MIDC Supa, District- Ahmandnagar Maharashtra & Personal Guarantee of directors i.e. Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vikas Gupta and Mr. Vishal Gupta and;
- b. Exclusive Charge on property no. D-37, Hosiery Complex, Phase -II, Noida, U.P. owned by Hansali Import (P) Ltd & Unit-II, Tower A, Lobe-2, 2nd floor, Unit-I Tower A Lobe-1, 6th floor & Unit-II Tower A Lobe-1, 6th floor situated at plot no. A-41, Institutional Area, Sector 62, Noida, U.P. Owned by T.V. Palaca (Partnership Firm).
- c. Corporate Guarantee of M/s Kushang Technologies Limited & Guarantee of PG Electronics (Partnership Firm).
- d. Outstanding term loan of Rs 222.396 million as on reporting date is repayable in 49 equal monthly instalments commencing from the end of 12th month from disbursement alongwith interest @ 11.25% p.a. for Rs 22.396 million, 11.85% p.a. for Rs 50.51 million, 13% p.a. for Rs 84.49 million, 12.90% p.a. for Rs 35.00 million, 13.15% p.a. for Rs 10.00 million and 12% p.a. for Rs. 20 million. *
- 5.3 Buyer's Credit for capital goods from Standard Chartered Bank is repayable in 8 equal quarterly instalments along with interest at the rate of LIBOR plus bank margin and is secured as mentioned in 5.2 above.
- 5.4 Buyer's Credit for capital goods from State Bank of India is repayable in single installment after six month from the date of buyer's credit along with interest at the rate of LIBOR plus bank margin.
Buyer's Credit for capital goods from State Bank of India is secured as follows:
- a. Secured against first exclusive charge on the entire current assets of unit I at Greater Noida & unit II at Roorkee of the company including goods in transit, debtors but excluding specific Stock and receivables pertaining to Export order.
- b. Extension of first charge on assets mortgaged under Term loan facility from State Bank of India as per clause no 5.1(a), (c) & (d).*

5.5 Unsecured loans from directors of Rs 59.30 million represents loans given by directors as per commitment given to Banks and are interest free.

5.6 Deferred payment against land includes Rs 0.64 million to UPSIDC against Plot no-P-4/6 Site- B Surjapur and is payable in 10 equal half yearly installments of Rs.0.101 million each, starting from July 2010 along with interest @ 16% p.a.

Deferred payment include Rs 4.52 million payable to New Okhla Industrial Development Authority against Plot no A-147, Sector-136, Noida and is payable in 14 equal half yearly installments of Rs 0.348 million each, starting from Sept-2011 along with interest @ 10% p.a.

5.7 Vehicle loans

The terms of repayment and security of vehicle loans are as follows:

Bank Name	Sanctioned amount Rs. (Million)	Amount outstanding as on March 31, 2012 Rs. (Million)	Repayment terms- no of EMI & amount of EMI per month	Vehicles no hypothecated as security for loan	Type of Vehicle
From ICICI Bank	1.00	0.47	36 EMI of Rs. 0.03 Million	Reg. No. DL1CM2241	Car
	0.40	0.19	36 EMI of Rs. 0.01 Million	Reg. No. UP17E3313	Car
	0.40	0.19	36 EMI of Rs. 0.01 Million	Reg. No. UK0850063	Car
From HDFC Bank Ltd.	3.60	1.28	36 EMI of Rs. 0.11 Million	Reg. No. DL1CM1809	Car
From AXIS Bank Ltd.	1.00	0.18	36 EMI of Rs. 0.03 Million	Reg. No. DL1CM0513	Car
	0.35	0.07	36 EMI of Rs. 0.01 Million	Reg. No. DL3CBF7608	Car
	0.35	0.29	36 EMI of Rs. 0.01 Million	Reg. No. DL3CB7291	Car
	0.35	0.29	36 EMI of Rs. 0.01 Million	Reg. No. DL3CB7292	Car
	0.35	0.29	36 EMI of Rs. 0.01 Million	Reg. No. DL3CB7293	Car
	0.35	0.29	36 EMI of Rs. 0.01 Million	Reg. No. DL3CB7294	Car
	0.35	0.29	36 EMI of Rs. 0.01 Million	Reg. No. DL3CB7295	Car
From HDFC Bank Ltd.	0.59	0.43	36 EMI of Rs. 0.02 Million	Reg. No. UP16AT2211	Commercial Vehicle
	0.59	0.43	36 EMI of Rs. 0.02 Million	Reg. No. UP16AT2212	Commercial Vehicle
	0.73	0.58	36 EMI of Rs. 0.02 Million	Reg. No. MH16AE7217	Commercial Vehicle
	0.27	0.21	36 EMI of Rs. 0.01 Million	Reg. No. MH16AJ4906	Commercial Vehicle
Vehicles Loan from others					
From TATA Capital Ltd.	0.73	0.45	36 EMI of Rs. 0.02 Million	Reg. No. DL1CM2916	Car
	1.03	0.64	36 EMI of Rs. 0.03 Million	Reg. No. DL8CL8973	Car
Total	12.44	6.57			

6 Deferred tax (net)

	Amount (Rs.)	
	As at 31st March, 2012	As at 31st March, 2011
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	52,540,819.78	30,981,340.88
Gross deferred tax liability	52,540,819.78	30,981,340.88
Deferred tax assets		
Disallowance under section 43B of the	2,134,314.73	998,780.58
Carried forward loss and unabsorbed depreciation *	20,423,944.75	
Gross deferred tax assets	22,558,259.48	998,780.58
Deferred Tax (net)	29,982,560.30	29,982,560.30

* Deferred tax asset on carried forward business loss and unabsorbed depreciation are recognised to the extent of change in deferred tax liability during the year. Balance deferred tax asset has not been recognised by the company.

7 Provisions

	Long-term		Short-term		Amount (Rs.)
	As at	As at	As at	As at	
	31st March, 2012	31 March 2011	31st March, 2012	31st March, 2011	
Provision for employee benefits					
Provision for gratuity [refer note no. 28(3)]	43,75,865.00	19,49,906	-	-	2,71,210.00
Provision for leave benefits	41,22,165.00	28,72,274	6,44,181.00	-	-
	<u>84,98,030.00</u>	<u>48,22,180.00</u>	<u>6,44,181.00</u>	<u>-</u>	<u>2,71,210.00</u>
Other provisions					
Provision for Income tax F.Y.10-11	-	-	-	-	34,79,761.83
					<u>34,79,761.83</u>
Total	84,98,030.00	48,22,180	6,44,181.00	-	37,50,971.83

8 Short-term borrowings

	Amount (Rs.)	
	As at	As at
	31st March, 2012	31st March, 2011
Secured		
Working capital loans are repayable on demand from banks:-		
- Cash Credit Limit from State Bank of India	34,08,51,478.26	21,51,53,674.67
- Overdraft from Standard Chartered Bank	4,67,57,987.46	6,03,78,691.48
- Buyers Credit for raw materials from State Bank of India	87,09,980.00	3,58,23,534.99
Total Secured	39,63,19,445.72	31,13,56,101.14
Unsecured		
Bill discounting from banks:-		
- HDFC Bank	3,83,25,374.00	-
- Standard Chartered Bank	2,37,71,747.20	1,49,54,204.69
Unsecured loans from directors	2,92,96,300.00	7,62,300.00
Total Unsecured	9,13,93,421.20	1,57,16,504.69
Total	48,77,12,866.92	32,70,72,605.83

8.1 Cash Credit Limit from State Bank of India

- a. Secured against first exclusive charge on the entire current assets of unit-I at Greater Noida & unit-II at Roorkee of the company including goods in transit, debtors but excluding specific Stock and receivables pertaining to Elcot order.
b. Extension of first charge on assets mortgaged under Term loan facility from State Bank of India as per clause no 5.1(a), (c) & (d).

8.2 Overdraft from Standard Chartered Bank (SCB).

- a. Secured against first charge on the fixed assets & current assets of Unit III at Greater Noida & Unit IV at Pune.
b. Extension of first charge on assets mortgaged under Term loan facility from Standard Chartered Bank as per Note no 5.2(a), (b) & (c).

8.3 Buyer's Credit are secured against same securities as mentioned at note no. 8.1 (a) & (b) above.

8.4 Bill discounting from HDFC Bank and Standard Chartered Bank are guaranteed by promoter directors i.e Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta.

9 Trade Payables

	Amount (Rs.)	
	As at	As at
	31st March, 2012	31st March, 2011
Trade payables [refer note no. 28(11)]	20,61,93,622.81	22,12,37,036.54
Acceptances:		
Letter of Credit from State Bank of India	14,69,12,668.54	11,46,95,938.69
Total	35,31,06,291.35	33,59,32,975.23

10 Other Current liabilities

	Amount (Rs.)	
	As at	As at
	31st March, 2012	31st March, 2011
Current maturities of long-term borrowings (Refer note no. 5)	15,85,51,460.28	7,18,05,996.10
Interest accrued but not due on borrowings	5,05,573.41	44,36,806.35
Interest accrued and due on borrowings	27,43,145.73	2,65,950.00
Advance from customers	5,73,517.85	4,99,695.01
Expenses payable	41,75,049.71	24,21,968.81
Audit fee payable	2,70,000.00	2,97,810.00
Capital goods Creditors	2,27,62,959.68	5,44,71,163.36
Expenses Creditors	1,60,85,179.74	1,18,98,076.95
Security from service provider	1,25,000.00	-
Wages & salary payable	54,69,905.00	74,27,280.00
Statutory dues:-		
- Excise duty payable on finished goods	10,83,117.00	-
- Service tax payable	51,608.45	1,815.00
- TDS payable	13,05,628.09	14,80,619.00
- EST Payable	1,05,332.00	56,809.00
- PF payable	8,29,410.00	8,32,829.00
- Bonus payable	13,51,910.00	12,47,327.00
- CST, Wct & Vat payable	1,66,48,901.15	18,58,920.88
- Professional tax payable	19,375.00	24,326.00
- Wealth Tax Payable	62,820.00	-
Total	23,27,19,893.09	15,88,27,392.46

CONSOLIDATED FINANCIAL STATEMENT OF PG ELECTROPLAST LTD AND ITS SUBSIDIARY

11 Fixed Assets

Sl. NO.	Description	Gross Block					Depreciation					Net Block	
		As at 01-04-2011	Additions	Sale/ Disposals	Other adjustments		As at 31-03-2012	As at 01-04-2011	For the year	Disposals/Adjus tment	As at 31-03-2012	As at 31-03-2012	As at 31-03-2011
					Exchange differences	Borrowing costs							
a)	Tangible assets												
1	Land -Leasehold	1,71,99,761.74	3,03,47,366.00	0.00	0.00	0.00	4,75,47,127.74	0.00	0.00	0.00	0.00	4,75,47,127.74	1,71,99,761.74
2	Buildings	20,80,48,841.60	23,84,10,922.03	0.00	0.00	0.00	44,64,59,763.63	1,24,04,982.98	84,09,519.79	0.00	2,08,14,502.75	42,56,45,260.88	19,56,43,858.64
3	Plant and machinery	40,46,53,098.74	31,07,29,743.13	1,18,000.00	1,84,78,729.92	11,26,592.71	75,48,75,164.50	4,97,23,481.14	3,10,81,232.93	6,708.57	8,08,00,005.50	67,40,75,159.00	35,49,31,617.60
4	Electric installation	2,57,44,876.91	64,46,667.57	0.00	0.00	0.00	3,21,91,544.48	26,63,288.75	14,03,293.52	0.00	40,66,582.27	2,81,24,962.21	2,30,81,588.16
5	Furniture and fixtures	61,60,403.92	21,22,607.00	0.00	0.00	0.00	82,83,010.92	17,00,388.77	4,31,277.02	0.00	21,31,665.79	61,31,345.33	44,60,015.15
6	Vehicles	1,88,97,131.12	51,17,964.00	7,95,009.00	0.00	0.00	2,32,20,088.12	33,15,074.58	20,83,689.58	2,97,561.72	51,01,200.44	1,81,18,887.68	1,55,82,058.54
7	Office equipment	74,62,658.20	17,39,726.00	0.00	0.00	0.00	92,02,384.20	23,17,136.17	10,23,305.23	0.00	33,40,441.40	58,61,942.80	51,45,522.03
	Total-Tangible assets	68,81,68,774.23	61,49,14,995.73	9,10,009.00	1,84,78,729.92	11,26,592.71	1,32,17,79,083.59	7,21,24,352.38	4,44,34,318.07	3,04,272.29	11,62,34,398.15	1,20,55,24,685.43	61,60,44,421.85
	Previous Year	33,31,69,011.22	35,69,10,983.33	25,75,840.00	-12,85,699.75	19,50,319.43	68,81,68,774.23	5,16,20,248.34	2,05,96,122.03	92,018.00	7,21,24,352.37	61,60,44,421.86	28,15,46,762.88
b)	Intangible assets												
1	Goodwill	29,67,890.00	0.00	0.00	0.00	0.00	29,67,890.00	0.00	0.00	0.00	0.00	29,67,890.00	29,67,890.00
2	Product development expenditure	0.00	1,00,33,950.00	0.00	0.00	0.00	1,00,33,950.00	0.00	5,01,697.10	0.00	5,01,697.10	95,37,252.90	0.00
3	Computer software	8,70,501.52	1,30,000.00	0.00	0.00	0.00	10,00,501.52	81,606.76	1,46,347.76	0.00	2,27,954.52	7,72,547.00	7,88,894.76
	Total-Intangible assets	38,38,391.52	1,01,63,950.00	0.00	0.00	0.00	1,40,02,341.52	81,606.76	6,48,044.86	0.00	7,29,651.62	1,32,72,689.90	37,56,784.76
	Previous Year	29,67,890.00	8,70,501.52	0.00	0.00	0.00	38,38,391.52	0.00	81,606.76	0.00	81,606.76	37,56,784.76	29,67,890.00
c)	Capital Work-In-progress	17,46,99,163.01	22,48,36,178.14	19,04,53,220.28	0.00	0.00	20,90,82,222.83	0.00	0.00	0.00	0.00	20,90,82,222.83	17,46,99,163.01
	Previous Year	3,68,91,311.54	18,96,30,988.17	6,17,04,561.81	0.00	0.00	16,48,17,347.90	0.00	0.00	0.00	0.00	16,48,17,347.90	3,68,91,311.54
	Total-Current Year	66,67,04,330.76	84,99,15,223.87	19,13,63,229.28	1,84,78,729.92	11,26,592.71	1,54,48,63,647.96	7,22,05,939.14	4,50,82,362.93	3,04,272.29	11,69,84,049.77	1,42,78,79,598.18	79,45,00,371.62
	Total-Previous Year	37,30,28,212.76	54,74,12,083.02	6,42,80,401.81	(12,85,699.75)	19,50,319.43	85,68,24,513.65	5,16,20,248.34	2,06,77,728.79	92,018.00	7,22,05,939.13	78,46,18,584.52	32,14,07,964.42

Notes:

The Ministry of Corporate Affairs (MCA) has issued the amendment dated 29 December 2011 to AS 11 The Effects of Changes in Foreign Exchange Rates, to allow companies deferral/capitalization of exchange differences arising on long-term foreign currency monetary items. In accordance with the amendment/earlier amendment to AS 11, the company has capitalized exchange loss, arising on long-term foreign currency loan, amounting to Rs.18.48 million (31 March 2011: exchange profit Rs.1.29million) to the cost of plant and equipments.

12 Non-current investments

	Amount (Rs.)	
	31st March, 2012	31st March, 2011
Trade Investments (valued at cost unless stated otherwise)		
Unquoted equity shares	-	-
Other Investment:-		
Mutual Fund (quoted)		
Investment in SBI Mangam Insta cash	-	1,000,000.00
UTI Nifty Index fund	-	1,450,000.00
UTI Master gain	-	1,050,000.00
	-	3,500,000.00
Total		3,500,000.00
Aggregate amount of quoted investments	-	3,500,000.00
Aggregate market value of quoted investments	-	3,120,000.00
Aggregate amount of unquoted investments	-	-

13 Loans and advances

	Amount (Rs.)			
	Non-Current		Current	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
Unsecured, considered good				
Capital advances	267,756,986.15	28,692,421.22	-	-
Security deposit	11,138,285.14	10,211,847.14	6,116,028.05	529,773.17
Advance Recoverable in Cash or Kinds:				
Advance Income Tax for current year (net of provision for taxation)	-	-	16,786,384.85	-
Recoverable from Standard Chartered bank	-	-	-	392,430.00
Income Tax Refund 2007-08	-	-	1,165,813.28	1,165,813.28
Income Tax Refund 2010-11	-	-	437,711.00	-
Advance to trade suppliers	-	-	105,509,047.70	30,854,582.71
Advance for expenses	-	-	1,600,193.12	495,795.00
Advance Recoverable	-	-	5,238,912.67	-
Other Loans and Advances:				
Prepaid expenses	-	-	3,682,929.44	4,190,523.89
Loans to employees	-	-	2,110,487.00	779,497.00
Balances With Statutory & Government Authorities	713,307.93	2,642,770.70	125,833,552.92	115,087,873.23
Total	279,608,579.22	41,547,039.06	268,481,060.03	153,496,288.28

*Includes Rs.27,18,675/- (previous year Rs. Nil) receivable from PG International, a partnership firm in which executive director is a partner

14 Trade receivables and other assets

14.1 Other assets

	Amount (Rs.)			
	Non-Current		Current	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
Unamortized expenses-Pre IPO expenses & Preliminary expenses	-	6,808,410.00	21,900.00	43,800.00
Interest accrued on deposits	-	-	1,863,689.73	1,623,148.63
Interest accrued on investments	-	-	20,420,629.05	-
Interest accrued on other	-	-	5,634,615.93	-
Margin money with banks originally more than twelve months**	1,416,463.00	-	-	-
Earnest money deposits	-	-	10,000.00	10,000.00
Total	1,416,463.00	6,808,410.00	27,950,834.71	1,676,948.63

** Margin money deposits with SBI given as security against non fund based limits.

14.2 Trade receivables

	Non-Current		Current		Amount (Rs.)
	As at	As at	As at	As at	
	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011	
Unsecured, considered good unless stated otherwise					
Outstanding for a period exceeding six months from the date they are due for payment	4,06,95,855.21	4,03,96,915.06	37,17,259.90		21,01,594.00
Other receivables	-	-	17,35,79,367.73		32,69,53,575.88
Total	4,06,95,855.21	4,03,96,915.06	17,72,96,627.63		32,90,55,169.88

Trade receivables include:

	Current		Amount (Rs.)
	As at	As at	
	31st March, 2012	31st March, 2011	
Dues from partnership firms in which executive director is a partner			
P.G.International	-		1,66,61,826.56
Clearvision Industries	-		4,30,86,792.00
JB Electronics	-		3,18,58,126.00
Dues from company in which the company's executive director is a director			
Bigesto Technologies Limited	13,86,366.00		10,43,84,591.78

15 Current investments

	Amount (Rs.)	
	As at	As at
	31st March, 2012	31st March, 2011
Other investments		
Inter Corporate Deposits*	29,50,00,000.00	-
Total	29,50,00,000.00	-

* Represents short-term investments made from the unutilized portion of public issue raised during the year, names of the bodies Corporate & relationship are as under:-

S.No	Name of Bodies Corporate	Relationship	Amount (in Millions)
1	Raw Gold Securities Pvt. Ltd.	Seprate Legal Entity	70
2	Saptrishi Suppliers Pvt. Ltd.	Seprate Legal Entity	140
3	Watkins Commerce Pvt. Ltd.	Seprate Legal Entity	85

The company has issued notice to all the above parties for calling back ICD of Rs. 310 millions to comply with the SEBI Directions, out of which Rs. 15 million has been received and was deposited in Escrow account with Standard Chartered Bank [Also refer note no. 28(10)]

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

	Amount (Rs.)	
	As at	As at
	31st March, 2012	31st March, 2011
Raw materials and components	17,25,47,127.49	11,63,17,440.07
Stock in transit -raw materials	1,35,08,094.70	1,41,89,584.56
Work-in-progress	2,71,26,344.07	81,81,063.32
Finished goods	1,80,52,580.41	2,49,30,685.05
Stock in transit -finished goods	59,15,425.00	-
Stores & spares	4,29,710.02	27,05,938.31
Other- diesel	12,32,445.00	2,69,780.00
Total	23,88,11,726.69	16,65,94,491.31

17 Cash and bank balances

	Amount (Rs.)	
	Current	
	As at	As at
	31st March, 2012	31st March, 2011
Cash and Cash Equivalents		
Balance with banks:-		
- State Bank Of India, Delhi	3,21,543.01	1,16,641.00
- State Bank Of India, Noida	16,96,719.55	3,93,823.84
- State Bank Of India, Supa at Pune- Over Issuance of Cheques	(2,14,956.72)	(2,63,205.00)
- State Bank of India -Employee Group Gratuity trust fund, Noida	13,146.00	12,338.00
- State Bank Of India -Roorkee	37,353.97	57,491.73
- Standard Chartered Bank, New Delhi	22,27,244.74	18,97,387.39
- Standard Chartered bank -Escrow a/c, Gurgaon *	1,51,77,401.00	-
- HDFC Bank Ltd., Noida	1,43,583.82	-

- ICICI Bank Ltd, Noida	1,67,847.66	1,87,309.66
- Bank of Baroda, Noida	12,834.00	13,055.08
Cheques, Drafts on hand:-		
- Cheques in hand	6,00,00,000.00	
Cash on hand:-		
- Cash in hand	30,85,253.25	65,28,064.00
Total (A)	8,26,67,970.28	89,42,905.62
Other bank balances		
Margin money originally maturity more than 12 months with SBI **	1,52,72,771.00	3,14,06,401.00
Margin money originally maturity more than 3 months & upto 12 months with Standard Chartered Bank **	2,21,00,000.00	2,00,00,000.00
Total (B)	3,73,72,771.00	5,14,06,401.00
Amount disclosed under Margin money deposit more than 12 months shown under non-current assets (refer note no. 14.1)-(C)	14,16,463.00	
Total (A+B-C)	11,86,24,278.28	6,03,49,306.62

* Withdrawal from Escrow a/c with SCB are subject to SEBI approval [refer note no. 28(10)]

** Margin money deposits with SBI given as security against non-fund based limits & deposits with SCB given as security for term loans repayment.

18 Revenue from Operations

	Amount (Rs.)	
	As at	As at
	31st March, 2012	31st March, 2011
Sale of Products:		
- Finished goods	2,21,64,87,995.98	4,35,72,22,983.62
- Traded goods	9,38,04,408.87	11,91,32,970.01
Income from services	22,96,758.31	10,47,961.70
Other operating revenue:		
- Scrap sales	35,88,418.00	45,35,020.00
Revenue from operations (gross)	2,31,61,77,581.16	4,48,19,38,935.33
Less: Excise duty	(9,79,34,780.92)	(24,11,81,064.74)
Revenue from operations (net)	2,21,82,42,800.24	4,24,07,57,870.59

18.1 Details of Products Sold

	Amount (Rs.)	
	As at	As at
	31st March, 2012	31st March, 2011
Finished goods sold		
Colour Television	1,08,04,18,737.38	3,44,26,18,020.12
DVD	-	3,43,66,576.50
CFL	20,14,08,774.15	7,34,52,650.00
Water Purifier	2,33,24,532.44	-
Chassis For Ctv	-	1,76,85,751.00
Sub Assembly / Assembly	-	25,00,000.00
Plastic Parts		
Colour Television	50,98,93,172.16	40,41,68,947.00
Air Conditioners	20,57,12,829.00	36,41,59,437.00
DVD	-	40,80,169.00
Water Purifier	76,47,821.00	30,14,584.00
Telecommunication	17,53,157.00	66,95,659.00
Washing Machine	8,96,29,701.00	-
Refrigerator	6,00,26,864.00	1,17,800.00
Automotive	2,44,72,084.00	-
Other	1,22,00,323.85	43,63,390.00
Total	2,21,64,87,995.98	4,35,72,22,983.62

18.2 Traded goods sold

	Amount (Rs.)	
	As at	As at
	31st March, 2012	31st March, 2011
Plastic Granuals	2,53,94,266.00	3,21,16,317.31
CTV Components	5,49,64,460.29	5,87,43,415.52
DVD Components	44,87,801.00	2,37,56,960.91
CFL Components	2,81,264.00	-
Refrigerator Components	26,97,469.00	-
Others	59,79,148.58	45,16,276.27
Total	9,38,04,408.87	11,91,32,970.01

	As at 31st March, 2012	Amount (Rs.) As at 31st March, 2011
18.3 Details of services rendered		
Job Work Charges	11,23,562.81	9,03,161.70
Repair Of Moulds	11,73,195.50	1,44,800.00
Total	22,96,758.31	10,47,961.70

	As at 31st March, 2012	Amount (Rs.) As at 31st March, 2011
19 Other income		
Interest Income		
Interest on Bank deposits	28,01,785.21	33,92,145.47
Interest from investments #	2,26,89,589.05	-
Interest on others	62,60,684.93	-
PSI Incentive 2007 at MIDC *	55,36,652.00	-
Commission Income	29,70,320.00	-
Liabilities written back to the extent no longer required	7,11,369.44	-
Miscellaneous Income	3,60,660.45	2,66,53,777.27
Total	4,13,31,061.08	3,00,45,922.74

represents Interest on Inter-corporate deposits recognised as per terms of ICD agreement.

* The Company has recognized the Incentive of Rs 5.536 million under Packaged Scheme of Incentives issued by government of Maharashtra for the promotion of Industrial Investment in the State. This is subject to fulfillment of specified conditions as envisaged in the scheme.

	As at 31st March, 2012	Amount (Rs.) As at 31st March, 2011
20 Cost of raw material & components consumed		
Inventory at the beginning of the year	11,63,17,440.07	12,27,77,046.48
Add: Purchases	2,01,97,80,571.70	3,73,07,75,858.36
Less: Discount received from suppliers	2,02,93,864.07	3,55,94,531.55
Less: Cost of goods traded	8,55,32,967.98	11,72,11,702.74
Less: Consumed for product development	72,04,028.93	-
	2,02,30,67,150.79	3,70,07,46,670.55
Less: Inventory at the end of the year	17,25,47,127.49	11,63,17,440.07
Cost of raw material consumed	1,85,05,20,023.30	3,58,44,29,230.48

	As at 31st March, 2012	Amount (Rs.) As at 31st March, 2011
20.1 Details of raw material consumed		
Plastic Granules	46,04,98,756.92	34,77,66,667.89
Colour Picture Tube	49,60,60,326.82	1,57,18,33,326.15
Chassis For Ctv	40,44,64,660.04	45,18,52,224.91
Loader For Dvd	-	60,59,864.00
Mpeg Card -Dvd	-	1,26,27,924.32
Populated Circuit Board of CFL	11,15,26,641.62	4,08,77,667.00
Bulb CFL	9,05,24,693.64	1,94,76,071.00
Other	28,74,44,944.27	1,13,39,35,485.21
Total	1,85,05,20,023.31	3,58,44,29,230.48

	As at 31st March, 2012	Amount (Rs.) As at 31st March, 2011
20.2 Details of inventory		
Raw materials		
Plastic Granules	7,81,41,418.42	4,14,50,632.75
Colour Picture Tube	1,97,27,017.88	1,97,70,362.00
Chassis For Ctv	1,33,84,495.29	76,02,553.00
Loader For Dvd	-	2,35,429.00
Mpeg Card -Dvd	-	65,106.00
Populated Circuit Board of CFL	33,58,806.00	30,27,064.00
Bulb CFL	35,25,262.82	9,88,205.00
Other	5,44,10,127.08	4,31,78,088.32
Total	17,25,47,127.49	11,63,17,440.07

	As at 31st March, 2012	Amount (Rs.) As at 31st March, 2011
20.3 Details of purchase of traded goods		
Plastic Granules	2,30,50,079.00	3,16,47,617.54
CTV Components	5,09,05,043.00	5,75,90,216.79
DVD Components	30,46,292.00	2,34,77,186.53
CFL Components	2,60,857.00	
Refrigerator Components	23,65,916.98	
Others	59,04,780.00	44,96,681.88
Total	8,55,32,967.98	11,72,11,702.74
21 (Increase)/decrease in inventories		
Inventories at the end of the year	As at 31st March, 2012	Amount (Rs.) As at 31st March, 2011
Work-In-progress	2,71,26,344.07	81,81,063.32
Finished goods	1,80,52,580.41	2,49,30,685.05
Total	4,51,78,924.48	3,31,11,748.37
Inventories at the beginning of the year		
Work-In-progress	81,81,063.32	55,79,745.64
Finished goods	2,49,30,685.05	2,29,02,321.38
Total	3,31,11,748.37	2,84,82,067.02
(Increase)/decrease in inventories	1,20,67,176.11	46,29,681.35
21.1 Finished goods	As at 31st March, 2012	Amount (Rs.) As at 31st March, 2011
Colour Television	69,98,706.85	1,88,29,017.05
DVD	3,81,811.50	3,43,630.35
CFL	11,58,212.19	-
Plastic Parts:-		
Colour Television	36,16,001.25	23,53,602.58
Air Conditioners	28,33,620.81	33,10,251.87
Water Purifier	2,18,258.38	91,035.00
Washing Machine	12,18,187.86	-
Refrigerators	8,33,638.22	-
Automotive	3,15,238.14	-
Other	4,78,905.21	3,148.20
Total	1,80,52,580.41	2,49,30,685.05
21.2 Work In Progress	As at 31st March, 2012	Amount (Rs.) As at 31st March, 2011
Water Purifier	2,32,723.20	-
Plastic Granules	8,41,396.49	-
Other goods	33,33,471.54	-
Plastic Parts		
Colour Television	73,53,101.73	32,89,037.07
Air Conditioners	1,19,13,585.29	47,83,742.15
Water Purifier	3,624.19	66,694.10
Washing Machine	4,52,978.53	-
Refrigerators	13,14,997.46	41,590.00
Automotive	15,83,216.01	-
Other	97,249.63	-
Total	2,71,26,344.07	81,81,063.32
22 Employee benefit expense	As at 31st March, 2012	Amount (Rs.) As at 31st March, 2011
Salaries, wages and bonus	9,92,18,524.22	7,52,10,265.05
Contribution to provident and other fund	56,51,039.00	33,00,117.00
Leave encashment [refer note no. 28(3)]	24,02,981.00	15,17,173.00
Gratuity expense [refer note no. 28(3)]	29,14,228.00	4,84,752.00
Employee Benefits	59,42,473.45	70,08,256.56
Total	11,61,29,245.67	8,75,20,563.56

Employee benefit expenses include managerial remuneration as detailed below:

Salaries, wages and bonus	1,10,64,000.00	98,78,435.00
Contribution to provident and other fund	8,35,200.00	9,80,212.20
Gratuity expense *	-	-
Total	1,18,99,200.00	1,08,58,647.20

* Gratuity not reflected above since provided determined for the company as a whole.

2.3 Other expenses *

	As at 31st March, 2012	Amount (Rs.) As at 31st March, 2011
Consumption of stores and spares	33,11,863.03	50,75,082.16
Power and fuel	5,22,74,318.88	4,06,27,416.34
Consumption of loose tools & Tackles	4,86,470.13	4,53,545.15
Sub-contracting expenses	1,60,38,954.49	6,99,23,548.95
Increase of excise duty on inventory	10,83,117.00	-
Freight and forwarding charges	2,16,58,278.05	1,92,71,304.60
Rent & Hiring charges of machinery, DG set	10,45,726.00	2,97,486.00
Rates and taxes (Service tax paid, ROC & Rates, Reversal of ITC)	9,52,653.49	15,41,901.82
Insurance	16,24,423.77	20,02,528.12
Repairs and Maintenance -Plant and machinery	1,02,69,381.36	64,20,671.26
Repairs & Maintenance- Buildings	19,52,590.05	15,34,091.43
Repairs & Maintenance - Others	24,49,348.76	15,58,129.70
Advertising and sales promotion	2,56,818.00	5,71,560.00
Travelling and conveyance	1,00,14,835.59	81,68,287.07
Communication costs	18,48,048.33	12,51,760.02
Printing and stationery	12,76,453.91	9,81,049.18
Legal and professional fees	36,27,553.00	19,59,253.00
Directors sitting fees	2,95,000.00	2,46,000.00
Payment to auditor (Refer details below)	10,17,628.00	4,13,236.00
Exchange differences (net)	64,13,230.88	-
Loss on sale of fixed assets (net)	4,25,736.82	64,795.00
Electricity & lighting expenses	34,080.00	2,42,450.00
Membership & subscription	86,272.25	70,183.00
General expenses	36,362.05	28,718.07
Security Guard expenses	51,58,860.08	36,95,979.00
Newspapers, books & periodicals	8,99,767.29	6,57,691.00
Vehicle running & maintenance	29,86,594.47	21,36,911.66
Festival expenses	14,91,949.00	16,82,140.00
Office upkeep expenses	18,65,491.27	21,24,935.50
Business Promotion	3,33,759.72	2,62,344.69
Donation	1,67,501.00	4,21,000.00
Gardening Expenses	40,330.00	1,36,126.00
Testing & trial charges	4,73,639.75	4,51,739.43
Recruitment expenses	14,829.00	70,200.00
Lease rent land	14,860.50	79,464.00
Conference & meeting	2,500.00	27,000.00
Liquidation damages & penalty	4,21,158.79	23,22,648.00
Software expenses	35,530.90	1,32,428.68
Maintenance charges to UPSIDC	1,64,149.00	96,630.00
Preliminary expenses W/O	21,900.00	21,900.00
Miscellaneous expenses	62,753.86	2,74,135.53
Total	15,26,34,718.47	17,72,96,270.36

* Excluding expenses incurred for product development.

	As at 31st March, 2012	Amount (Rs.) As at 31st March, 2011
Details of payment to auditor are as under:		
As auditor:		
Audit fee	3,07,865.00	3,13,236.00
Tax audit fee	1,00,000.00	1,00,000.00
Limited review	6,09,763.00	-
Total	10,17,628.00	4,13,236.00

	As at 31st March, 2012	Amount (Rs.) As at 31st March, 2011
24 Exceptional items		
Prior period expenses:-		
- Purchase	76,626.39	-
- Discount on sales	3,978.00	93,884.00
- Advertisement	30,800.00	-
- Repair & Maintenance- P & M	10,928.00	-
- Repair & Maintenance- Vehicles	-	20,414.15
- Testing & trial charges	3,44,184.00	-
- Professional charges	15,000.00	12,000.00
- Travelling and conveyance	68,022.00	-
- Freight & Forwarding charges	-	53,005.00
- Other expenses	2,349.00	46,392.43
Loss on sale of Investments	5,95,517.77	-
Total	11,47,405.16	2,25,695.58
	As at 31st March, 2012	Amount (Rs.) As at 31st March, 2011
25 Depreciation and amortization expenses		
Depreciation on tangible assets	4,44,34,318.07	2,05,96,122.03
Amortization on Intangible assets	6,48,044.86	81,606.76
Total	4,50,82,362.93	2,06,77,728.79
	As at 31st March, 2012	Amount (Rs.) As at 31st March, 2011
26 Finance costs		
Interest to Bank	7,26,35,947.10	3,00,41,028.21
Interest to Other	7,70,973.00	4,16,940.47
Interest On Car Loan	6,90,948.97	4,49,355.99
Bank charges, Commission & Processing Fees	3,22,70,948.55	2,46,92,335.92
Total	10,63,68,817.62	5,55,99,660.59
	As at 31st March, 2012	Amount (Rs.) As at 31st March, 2011
27 Contingent liabilities and Commitments		
A Contingent liability (to the extent not provided for)		
Claims against the company not acknowledged as debts		
a) Sales Tax Demand (FY 2006-07)	-	35,56,091.00
b) Central Excise (FY 2006-07)	16,626.00	16,626.00
c) Income Tax (FY 2006-2007)	-	56,671.00
d) Income Tax (FY 2006-07 to 2010-11)	36,55,425	-
Bank Guarantees given to Customers		
a) Bank Guarantees given in favour of L.G. Electronics (P) Ltd.	10,00,000.00	10,00,000.00
b) Bank Guarantee for ELCOT	10,31,70,900.00	14,94,44,820.00
Bank Guarantee given to BSE	60,32,250.00	-
LC Utilized Limits- Acceptance not given	64,31,952.46	74,63,000.00
Total	12,03,07,153.46	16,15,37,208.00
B Commitments		
Estimated amount of contracts remaining to be executed on Capital account and not provided for (Net of advances)	7,53,28,742.00	6,03,48,461.06
<p>I. For F.Y 2006-07, the Sales Tax Department raising a demand for Rs. 3.556 million toward CST paid @ 2% instead of 4% on CTV-Plastics Parts. The company has been contesting this claim and was of the view that the demand raised by the Sales Tax department was not tenable. To support its view, the company had filed an appeal at Additional Commissioner VAT (Appeal). The Company had deposited 50% of the above demand against the stay Order passed by the above mentioned Authority, The Additional Commissioner VAT (Appeal) had passed an order during the year in favour of the company, hence all deposit amount was refunded by Sales Tax Department.</p>		
<p>II. For the F.Y 2006-07, the Central Excise Department raised a Show Cause Notice demanding for Rs. 0.017 million toward Cenvat credit of SAD taken on the basis of Supplementary Invoice issued by the M/s LG Electronics India Pvt. Ltd. The company has been contesting this claim and was of the view that the demand raised by the excise department was not tenable. To support its view, the company had also obtained legal opinion. Hence, it had not created provision toward this liability in the year ended 31 March 2012.</p>		
<p>III. The company had received three show cause notice on 31/03/08, 01/05/2008 & 24/10/2008 raising a aggregate demand of Rs 0.435 million from assistant commissioner, Central Excise, division-V, Noida. The Issue involved was avallment and utilisation of CENVAT credit of service tax paid on outward freight. The company has paid the said demand by debiting the CENVAT account under protest.</p>		
<p>iv. Income tax demand for F.Y. 2006-07 has been settled during the F.Y. 2011-12 by the Commissioner Appeals, New Delhi allowing partly the appeal. No demand is pending on reporting date.</p>		

v. Directorate of Revenue Intelligence (DRI) had conducted a search on the factory premises of the Company and the residence of the Promoters on March 08, 2011. The Company has deposited anti dumping duty on Import of CPT of Rs. 14.5 Million. However, no show cause notice is received by company from DRI.

28 Other Notes on Accounts

1 The Company has started commercial production of at unit-III at Greater Noida (Uttar Pradesh) during the year. Pre-operative expenses till the date of start of commercial production amounting to Rs. 15.18 million has been capitalized to the carrying cost of fixed assets on a pro-rata basis.

2 Earnings per share (EPS) Amount (Rs.)

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

	As at 31st March, 2012	As at 31st March, 2011
Numerator for earning per share		
Profit/(loss) before taxation	(8,57,74,503.70)	23,24,72,622.58
Provision for deferred tax and income tax	4,40,003.17	5,38,60,855.42
Profit/(loss) after tax	<u>(8,62,14,506.87)</u>	<u>17,86,11,767.16</u>
Denominator for earning per share		
Weighted average number of equity shares outstanding during the period	1,36,20,316	1,06,69,332
Earning per share- Basic and Diluted (one equity share of Rs. 10 each)	(6.33)	16.74

3 Employee Benefits

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

	2011-12	2010-11
A Defined Contribution Plan		
Employer's contribution to Provident Fund	47,92,449.00	28,40,933.00
Employer's contribution to Employee State Insurance Fund	8,58,590.00	4,59,184.00
Total	<u>56,51,039.00</u>	<u>33,00,117.00</u>

B Defined Benefit Plans

Amount Recognised in the statement of profit & loss

	Amount (Rs.)		Amount (Rs.)	
	Leave Encashment Non Funded		Gratuity Partly Funded	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
Current service cost	16,41,029.00	10,91,829.00	20,77,186.00	15,49,970.00
Interest cost on benefit obligation	2,34,971.00	1,60,403.00	3,51,229.00	2,53,865.00
Past Service Cost	-	3,38,885.00	-	-
Expected return on plan assets	-	-	(2,24,180.00)	(1,34,741.00)
Net actuarial (gain)/loss recognized in the year	5,26,981.00	(2,68,352.00)	7,09,993.00	(4,06,091.00)
Net benefit expense	<u>24,02,981.00</u>	<u>13,22,765.00</u>	<u>29,14,228.00</u>	<u>12,63,003.00</u>

C Amounts recognised in balance sheet

	Amount (Rs.)		Amount (Rs.)	
	Leave Encashment Non Funded		Gratuity Partly Funded	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
Present value of defined benefit obligation (Note I)	47,66,346.00	28,72,274.00	71,52,021.00	42,97,504.00
Fair value of plan assets (Note II)	-	-	27,76,156.00	20,76,388.00
Plan asset/(Liability)	<u>(47,66,346.00)</u>	<u>(28,72,274.00)</u>	<u>(43,75,865.00)</u>	<u>(22,21,116.00)</u>

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

	Amount (Rs.)		Amount (Rs.)	
	Leave Encashment Non Funded		Gratuity Partly Funded	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
Opening defined benefit obligation	28,72,274.00	19,80,286.00	42,97,504.00	31,34,138.00
Current service cost	16,41,029.00	10,91,829.00	20,77,186.00	13,33,848.00
Interest cost	2,34,971.00	1,60,403.00	3,51,229.00	2,53,865.00
Benefits paid	(5,08,909.00)	(4,30,777.00)	(2,71,210.00)	(28,817.00)
Past Service Cost	-	3,38,885.00	-	-
Actuarial (gains)/losses on obligation	5,26,981.00	(2,68,352.00)	6,97,312.00	(3,95,530.00)
Closing defined benefit obligation	<u>47,66,346.00</u>	<u>28,72,274.00</u>	<u>71,52,021.00</u>	<u>42,97,504.00</u>

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

	Amount (Rs.)		Amount (Rs.)	
	Leave Encashment Non Funded		Gratuity Partly Funded	
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012	As at 31st March, 2011
Opening fair value of plan assets	-	-	20,76,388.00	13,40,483.00
Expected return	-	-	2,24,180.00	1,34,741.00
Contributions by employer	-	-	7,15,610.00	6,19,420.00
Benefits paid	-	-	(2,27,341.00)	(28,817.00)
Actuarial gains/(losses) on plan assets	-	-	(12,681.00)	10,561.00
Closing fair value of plan assets	-	-	27,76,156.00	20,76,388.00
Investments with Insurer	Leave Encashment Non Funded		Gratuity Partly Funded	
	As at	As at	As at	As at
	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
With LIC	0.00	0.00	100%	100%

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

	Leave Encashment Non Funded		Gratuity Partly Funded	
	As at	As at	As at	As at
	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
Discount rate	8.20%	8.60%	8.60%	8.00%
Expected rate of return on assets	N.A.	N.A.	9.00%	8.00%
Employee turnover-all ages	3.00%	3.00%	3.00%	3.00%
Rate of increase in compensation levels	10.00%	10.00%	10.00%	10.00%
Mortality table	LIC (1994 - 1996) duly modified			

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The rate used to discount post employment benefit obligations (both funded and unfunded) should be determined by reference to market yields at the balance sheet date on government bonds. The currency and term of the government bonds should be consistent with the currency and estimated term of the post employment benefit obligations.

Amounts for the current and previous periods are as follows:

	Amount (Rs.)		
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Gratuity *			
Defined benefit obligation	71,52,021.00	42,97,504.00	31,34,138.00
Plan assets	27,76,156.00	20,76,388.00	13,40,483.00
Surplus/(deficit)	(43,75,865.00)	(22,21,116.00)	(17,93,655.00)
Experience adjustments on plan liabilities & assets #	-	-	-
Leave Encashment *			
Defined benefit obligation	47,66,346.00	28,72,274.00	19,80,286.00
Plan assets	-	-	-
Surplus/(deficit)	(47,66,346.00)	(28,72,274.00)	(19,80,286.00)
Experience adjustments on plan liabilities & assets #	-	-	-

* The amounts for financial year ending on 31st March 2009 & 2008 were not readily available and hence not disclosed.

The experience adjustments on plan liabilities and assets are not readily available and hence not disclosed.

- In the opinion of the Board, any of the assets, other than fixed assets and non-current investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and provision for all known liabilities have been made.
- The Company has a system of obtaining periodic confirmations from debtors and creditors. Necessary entries have been passed on reconciliation of accounts wherever required.
- During the year, the company has capitalized the following expenses of revenue nature to the cost of fixed asset/ capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the company.

	Amount (Rs.)	
	As at 31st March, 2012	As at 31st March, 2011
Salaries, wages and bonus, Gratuity	69,04,189.00	43,84,894.00
Consumption of stores and spares, tools etc	18,775.00	97,429.31
Power and fuel	-	21,78,221.00
Finance costs	64,69,172.50	37,64,405.40
Tour & travelling	8,45,219.00	24,16,702.35
Other expenses	9,40,567.80	52,90,425.58
Total	1,51,77,923.30	1,81,32,077.64

7 Details of expenses capitalised under Product Development Expenditure:

Expense head	Amount (Rs.)
	As at 31st March, 2012
Raw materials consumed	72,04,028.93
Employee benefit expenses	22,51,942.00
Power & fuel	5,68,004.70
Repair -Plant & Machinery	9,974.37
Total	1,00,33,950.00

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

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

(a) Related Party where control exists

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

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

i) Associate & Joint Venture (Group B) NIL

ii) Key Management Personnel (Group C)

- Mr. Promod Gupta, Chairman & Managing Director (PG)
- Mr. Vishal Gupta, Executive Director (VSG)
- Mr. Vikas Gupta, Executive Director (VKG)
- Mr. Anurag Gupta, Executive Director (AG)

iii) Relatives of Key Management Personnel (Group D)

- Mrs. Natasha Gupta (NTG Wife of Mr. Anurag Gupta)
- Mrs. Sarika Gupta (SG Wife of Mr. Vishal Gupta)
- Mrs. Neelu Gupta (NLG Wife of Mr. Vikas Gupta)
- Mrs. Sudesh Gupta (SG1 - Wife of Mr. Promod Gupta)
- Legal heirs of late Smt. Amarwati Aggarawal (AA Mother of Mr. Promod Gupta)

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

S.No.	Name of Parties
1	Bigesto Technologies Limited
2	Kushang Apparels Limited
3	PG International
4	J. B. Electronics
5	PG Electronics
6	Clearvision Industries
7	TV Palace
8	M/s Promod Gupta -Proprietor

c)

Details of Transactions (In Rs.)		CY- Current Year, PY- Previous Year														
S.No.	Nature of Transaction	Group C				Group D		Group E							Total	
		Mr. Promod Gupta	Mr. Vishal Gupta	Mr. Vikas Gupta	Mr. Anurag Gupta	Mrs. Sudesh Gupta	Legal heir of Late Smt. Amarwati Aggarwal	M/s Promod Gupta - Proprietor	Bigesto Technologies Limited	Kushang Apparels Limited	PG International	J. B. Electronics	PG Electronics	Clearvision Industries		TV Palace
1	Sales & Rendering Services								79,495,288		64,590,901	139,929		175,850		144,401,968
									1,713,074,650		123,182,575*	256,530,686		330,470,356		2,423,258,187
2	Purchase								393,029,377		66,740,368					459,769,743
									452,828,973		108,959,443					561,788,416
3	Job Work charges							826,784	(26,990)							799,794
								1,250,711	31,036,036	9,205,386						41,492,133
4	Rent Paid		15,000				60,000						60,000			135,000
			15,000				60,000					60,000				135,000
5	Reimbursement of Expenses (Paid)															
									321,200		316,933	103,540			20,096	761,769
6	Reimbursement of Expenses (Received)										52,478					52,478
									112,760		379,538					492,298
7	Purchase of Fixed Asset															
									13,760,000							13,760,000
8	Loan Granted															
									27,000,000		11,700,000	12,300,000		6,557,041		63,557,041
9	Loan Taken	54,440,000	20,234,000	18,373,000	26,938,000											119,985,000
		850,000	900,000	500,000	9,500,000						3,000,000			1,900,000		16,650,000
10	Remuneration *	2,974,800	2,974,800	2,974,800	2,974,800											11,899,200
		2,702,145	2,490,145	1,844,000	2,702,145	140,000										9,878,435
11	Investment in Shares															
12	Liquidation damage Charge, Inspection Charge															
									1,165,033							1,165,033

Outstanding balances as on 31-03-2012

1	Investment															
2	Loan Payable	49,090,000	12,434,000	11,073,000	15,237,000											87,834,000
		650,000			99,000											749,000
3	Payable							62,459	45,744,129		27,758		31,908			43,911,504
			21,250					27,747	28,222,686	51,941	4,410,909		25,000			32,744,433
			6,190						1,386,366		2,718,673					4,105,041
4	Receivable/ Debtors								104,384,592		16,861,827	31,858,126		46,793,633		201,898,377
												3,678,000		6,574,700		10,252,700
5	Guarantees											3,678,000		6,574,700		10,252,700
												3,678,000		6,574,700		10,252,700

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

9 Pursuant to compliance of clause 32 of the listing agreement, on disclosure of loans/ advances in the nature of loans, the relevant information is provided hereunder:

	As at 31st March, 2012	As at 31st March, 2011
(i) Loans and advances in the nature of loans to firms/companies in which directors are interested		
Loan to Bigesto Technologies Limited		
Balance as at the year end	-	-
Maximum amount outstanding at any time during the year	-	2,70,00,000.00
Loan to PG International		
Balance as at the year end	-	-
Maximum amount outstanding at any time during the year	-	1,17,00,000.00
Loan to J.B. Electronics		
Balance as at the year end	-	-
Maximum amount outstanding at any time during the year	-	1,23,00,000.00
Loan to Clearvision Industries		
Balance as at the year end	-	-
Maximum amount outstanding at any time during the year	-	65,57,041.00

10 Utilization of money raised through public issue

During the year ended 31st March, 2012, the company has raised Rs.1206.45 million through public issue, specifically to meet its share in the cost of setting-up a new manufacturing facility at Supa-district Ahmednagar, G.Noida, repayment of term loan, working capital & corporate expenses. Given below are the details of utilization of proceeds raised through public issue.

	As at 31st March, 2012
Amount raised during the year through Public Issue	1,20,64,50,000.00
Less: amount utilized during the year	
Utilized for General Corporate Purpose (Net)	16,25,00,000.00
Purchase of plant and machinery & Construction of Building	55,98,24,035.00
IPO Expenses	10,00,71,780.00
Repayment of Term Loan	1,00,00,000.00
Utilized for Working Capital	6,38,76,784.00
Unutilized amount at the end of the year	<u>31,01,77,401.00</u>

Details of short-term investments made from unutilized portion of public issue raised during the year ended 31st March, 2012.

	Amount (Rs.) As at 31st March, 2012
Investment in Inter-corporate deposits	29,50,00,000.00*
Balance in Escrow a/c with SCB	1,51,77,401.00

* The funds has been temporarily deployed as an interim measure to earn interest pending deployment towards the object of the issue. As per directions of SEBI, the company has issued notices to parties calling back ICD of Rs 3100 million and deposit the same in the Escrow account. Out of the said ICD of Rs 3100 million, the company has received Rs 15 million and deposited in Escrow account maintained with Standard Chartered Bank.

The Company is under process of investigation as per SEBI ad Interim exparte order WTM/PS/IVD-ID5/42/2011/DEC dated 28.12.2011 in exercise of the powers conferred upon SEBI under section 19 of the Securities and Exchange Board of India Act 1992 read with Section 11(1), 11(4), 11A and 11B of SEBI Act 1992 and has issued certain directions for the company and directors to comply with. Further, the company has submitted written reply on 11th April 2012.

- 11 "The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid/payable under this Act & as required by Schedule VI of Companies Act, 1956 have not been given."

	As at 31st March, 2012	Amount (Rs.) As at 31st March, 2011
12 Value of imports calculated on CIF basis		
Plant & Machinery	3,26,17,574.45	18,43,82,277.25
Spare Parts	3,83,372.48	21,30,175.49
Raw materials	4,84,85,274.03	84,34,42,143.65
Tools & Tackles	19,162.00	
Software	-	13,000.00
Total	<u>8,15,05,382.96</u>	<u>1,02,99,67,596.39</u>
Amount (Rs.)		
13 Expenditure in foreign currency (accrual basis)		
Project professional fees	-	55,27,681.00
Travelling and conveyance	3,20,151.38	6,64,580.01
Total	<u>3,20,151.38</u>	<u>61,92,261.01</u>

14 Imported and Indigenous raw materials, components and spare parts consumed
Year ended 31st March, 2012

	% of total		Value	
	consumption 31 March 2012	Amount (Rs.) 31 March 2012	consumption 31 March 2,011	Amount (Rs.) 31 March 2,011
Raw Materials				
Imported	2.45	4,53,34,350	25.97	93,08,86,535.41
Indigenously obtained	97.55	1,80,51,85,673	74.03	2,65,35,42,695.09
Total	100.00	1,85,05,20,023	100.00	3,58,44,29,230.48

15 Note No. 1 to 28 form integral part of the balance sheet and statement of profit and loss.

As per our report of even date
For Chitresh Gupta & Associates
Firm registration number: 017079N
Chartered Accountants

For and on behalf of the Board of Directors

Sd-/
Chitresh Gupta
Partner
Membership no.: 098247
Place: Greater Noida
Date: 4th July 2012

Sd-/
Promod Gupta
[Managing Director]

Sd-/
Vishal Gupta
[Executive Director]

Sd-/
Kuntal Kar
[Company Secretary]

**Statement Regarding Subsidiary Company
Pursuant to Section 212 of The Companies Act, 1956**

Diamond Mattress Company Private Limited

		Amount (Rs.)
Share Capital		100,000
Reserves & Surplus		(18,539)
Total Assets	Total Fixed Assets	-
	Total Investment	-
	Total Current Assets	851,626
	Deferred Tax Assets	-
	Misc. Expenditure	-
	Profit & Loss	-
Total Liability	Total Loans	762,300
	Deferred Tax Liability	-
	Current Liability & Provision	7,865
Details of investments	Other Than in subsidiaries	-
Turnover		-
Profit Before Tax		(29,437)
Provision For Tax		987
Profit After Tax		(30,424)
Proposed Dividend		-

NOTES :

The Annual Accounts alongwith the reports thereon and other documents/statements as required to be attached in accordance with Section 212 of the subsidiary companies are not being attached in view of the consent given by the Board of Directors in terms of the general exemption granted by Government of India, Ministry of Corporate affairs vide circular no. 2/2011 dated 8th February, 2011. The said annual accounts and the related detailed information will be made available to the holding and subsidiary Companies' investor seeking such information, at any point of time. The annual accounts of the subsidiary companies will also be kept for inspection by any investor at the Head/ Corporate office of the Company/subsidiary companies during the business hours.

For Chitresh Gupta & Associates

Firm registration number: 017079N
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
Chitresh Gupta
Partner
Membership no.:098247
Place: Greater Noida
Date: 4th July 2012

Sd/-
Promod Gupta
(Managing Director)

Sd/-
Vishal Gupta
(Executive Director)

Sd/-
Kuntal Kar
(Company Secretary)

PROXY FORM
PG ELECTROPLAST LIMITED

Regd. Office: B-11, Mahendru Enclave, Delhi - 110 033

Regd. Folio No. / DPID No. and Client ID No. No. of shares

held:.....

I/We.....of

..... in the district of
..... being a member / members of the above
named Company hereby appoint

..... in the district of or failing him
..... of in the district

of as my/our proxy to vote for me/our behalf at
the 10TH ANNUAL GENERAL MEETING of the Company to be held on Wednesday, 12th day of September, 2012 at 10.00 A.M. at
Guru Kirpa Farms, Palla - Bakhtawarpur Road, G.T. Karnal Road, Village Alipur, Delhi - 110 036 and at any adjournment thereof.

Signed this day of 2012.

Affix Rupee 1/- Revenue Stamp
--

NOTE: This form duly completed and signed should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

TEAR HERE



ATTENDANCE SLIP

PG ELECTROPLAST LIMITED

Regd. Office: B-11, Mahendru Enclave, Delhi - 110 033

Regd. Folio No. / DPID No. Client ID No. No. of Shares held

..... I certify that I am a registered Shareholder/Proxy for the registered Shareholder of the Company.

I hereby record my presence at the 10TH ANNUAL GENERAL MEETING of the Company to be held on Wednesday, 12th day of September, 2012 at 10.00 A.M. at Guru Kirpa Farms, Palla - Bakhtawarpur Road, G.T. Karnal Road, Village Alipur, Delhi - 110 036

.....
Member's / Proxy's Name in Block Letters

.....
Member's / Proxy Signature

Note: Please fill in this attendance slip and hand it over at the ENTRANCE OF THE HALL.
Please read errata for typeselling matter.

Book-Post

If undelivered, please return to :

PG ELECTROPLAST LIMITED

B-11, Mahendru Enclave, Delhi - 110 033