



PG ELECTROPLAST LIMITED

Corporate Office :

P-4/2, 4/3, 4/4, 4/5, 4/6, Site-B, UPSIDC Industrial Area, Surajpur

Greater Noida-201306, Distt. Gautam Budh Nagar (U.P.) India

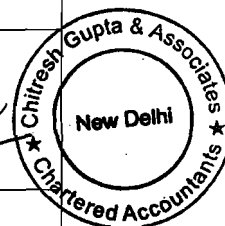
Phones # 91-120-2569323, Fax # 91-120-2569131

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Form A

Covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	PG Electroplast Limited
2.	Annual financial statements for the year ended	31st March 2014
3.	Type of Audit observation	Un-qualified / Matter of Emphasis -----N.A.-----
4.	Frequency of observation	-----N.A.-----
5.	To be signed by-	
	• CEO/Managing Director	
	• CFO	
	• Auditor of the company	
	• Audit Committee Chairman	





ANNUAL REPORT
PG Electroplast Limited
12th Annual Report
2013-14

PG ELECTROPLAST LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Promod Gupta	(Managing Director)
Mr. Anurag Gupta	(Executive Director)
Mr. Vikas Gupta	(Executive Director)
Mr. Vishal Gupta	(Executive Director)
Mr. Sharad Jain	(Independent Director)
Mr. Ram Dayal Modi	(Independent Director)
Mr. Devendra Jha	(Independent Director)
Mr. Ayodhya Prasad Anand	(Independent Director)

CHIEF FINANCIAL OFFICER

Mr. K. A. Khandelwal

COMPANY SECRETARY

Mr. Rahul Kumar

REGISTERED OFFICE

B-11, Mahendru Enclave,
Delhi -110 033
Tel-Fax: 91-11-27241326
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, Vittalrao 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

State Bank of India
Standard Chartered Bank

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DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors hereby presents the Twelfth Annual Report together with the audited financial statements for the financial year ended March 31, 2014.

FINANCIAL RESULTS

The Financial performance for the year ended 31st March, 2014 is summarized below:

(Rs. in Lacs)

Particulars	2013-14	2012-13
Revenue from Operations (Net of Excise Duty)	21,812.60	30,264.05
Add: Other Income	577.79	657.39
Less: Expenditure	22,140.36	29,765.51
Earnings before Interest, Tax, depreciation and amortization (EBITDA)	250.03	1,155.93
Less: Depreciation & Amortization Exp.	1,125.50	923.12
Finance Cost	1,152.84	1,112.35
Profit/(Loss) before tax	(2,028.31)	(879.54)
Less: Tax Expenses		
- Income Tax for earlier yrs	—	—
- Deferred Tax	—	(379.82)
Profit/(Loss) Post Tax	(2,028.31)	(499.72)

BUSINESS OPERATIONS

Gross revenue from the operations has gone down by around 28% and EBITDA has decreased to Rs. 250.03 Lacs. It is mainly because your company has stopped the business of making CTV sets for their main customer LG, LG has taken a decision in the month of January 2013 that as a part of their marketing strategy they will stop making CTV sets in Indian market and consequent to that decision they stopped buying CTV sets from company w.e.f. April 2013. The company also stopped making washing machines during the year 2013-14 as the company's customer 'Onida' shifted the production of this product in house to their own factory in Roorkee, Uttarakhand. The company lost around Rs. 130 crores of sales as a result of this. The company has been focusing on their plastic injection moulding business and in year 2013-14 the plastic moulding business has increased by around 30%. The company has been trying to diversify their customer profile by adding new customers. The company has been also trying to add new products also. All these issue are being addressed by the Company to overcome losses and board is confident that Company will generate cash profits from next fiscal year.

SUBSIDIARY COMPANY & CONSOLIDATED FINANCIAL STATEMENT

Diamond Mattress Company Private Limited, only subsidiary of the Company, has filed a form FTE with ROC to get its name struck off from register of ROC. Board of Subsidiary Company had given approval for the same on March 31, 2014. This Company was inoperative for last one year and does not have any assets or liabilities as on March 27, 2014. Net worth of this Company was nil as on March 27, 2014. Hence, consolidated financial statement has not been prepared.

DEPLOYMENT OF IPO PROCEEDS:

Given below are the details of utilization of IPO proceeds as on 31st March, 2014:
Rs. In Lacs

Particulars	Up to 31.03.2014	As mentioned in the prospectus
Proceeds from IPO	12,064.50	12,064.50
Less utilization		
Issue related expenses (net of reimbursements)	993.39	900.74
Expansion of manufacturing facility under Phase II	5,977.05	5,114.29
General Corporate Purpose	903.00	2,139.47
Repayment of Loans	424.95	2,410.00
Working Capital	745.34	1,500.00
Total Expenditure	9,043.73	12,064.50
Balance pending for utilization	3,020.77	
Unutilized balance lying in Escrow Account	485.77	
Unutilized balance deployed in Inter Corporate Deposits	2,535.00	

Out of IPO proceeds, The Company has deployed Rs. 3200 Lacs as Inter corporate deposits as an interim measure to earn interest pending deployment towards the object of the issue. Further the Company has given advances for purchase of Land.

As on 28.05.2014, details of money recovered pursuant to SEBI order are as follows:
(Rs. in crore)

	Amount Given	Amount Recovered	Amount outstanding
ICDs	32.00	19.78	12.22
Cancellation of Land Deal	13.50	4.47	9.03
Recovery of Advance paid for purchase of Raw material	7.25	3.36	3.89

In accordance with authority given to the Board vide resolution passed at 10th Annual General Meeting of members pursuant to Section 61 of the Companies Act 1956, the Board of Directors of the Company has taken decision to utilize the proceeds of the IPO recovered on account of (a) recovery of the ICDs for Rs.32 Crores (b) cancellation of land deals and (c) repayment of other advances given for raw material purchases for the purpose of:

1. Repayment of term loans, working capital term loan, buyers credit etc. to State Bank of India and Standard Chartered Bank,
2. Payment of interest to State Bank of India & Standard Chartered Bank,
3. Purchase of Moulds and other equipments/instruments related to plant and machinery, construction activities in factory premises etc&
4. Repayment of ICDs taken and for Working capital requirements

CAPITAL EXPENDITURE

The Company has till date invested around Rs. 7.50 crore in the expansion of the existing facilities and adding new production facilities for starting the production of kitchen appliances such as Juicer Mixer Grinders, Mixer grinders, Choppers and Room Heaters and other electronic products. The company further plans to invest around Rs. 3 to 4 Crores for plant and machinery and adding new building in the existing factory premises. The part of funds received in form of refund of ICDs and Land advance are being used for these expansion purposes. All these efforts will help the Company in increasing its sales and adding new products and new customers.

DIVIDEND

As the Company has incurred loss in financial year 2013-14, the Board of Directors has not recommended any dividend for the period under review.

RESERVES

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

PUBLIC DEPOSITS

The company has not accepted any public deposits 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, 2014 all 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 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 the 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, 2014 on a going concern basis.

DIRECTORS

During the period under review Mr. Kailash Pati Sharma, Independent Director of the Company, resigned from directorship of the Company w.e.f. 12.08.2013. Directors place on record their deep appreciation and wish to thank him for his immense and fruitful contribution during his tenure as Director on the Board.

Further Ayodhya Prasad Anand has been appointed as an Additional Independent Director of the Company w.e.f. 8.02.2014. His term of office expires at the ensuing Annual General Meeting. The Company has received a notice in writing, proposing his appointment as an Independent Director.

As per the Companies Act 2013, Board has been restructured. All the independent directors will not be liable to retire by rotation. The Company has received a notice in writing, proposing their appointment as an Independent Director. Thus Board recommends their appointment as independent director for a term of 5 years for approval in Annual General Meeting. The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed in the Companies Act 2013 and clause 49 of the listing Agreement.

Mr. Anurag Gupta, who retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. The Board recommends his appointment for approval in Annual General Meeting.

AUDITORS

M/s. Chitresh Gupta & Associates, Chartered Accountants, Delhi being Statutory Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. As per section 139 of the Companies Act 2013 and rules made thereunder, The Board recommends to appoint them for a period of 3 (three) consecutive years for a balance term up to conclusion of 15th Annual General Meeting of the Company in the calendar year 2017.

A certificate from them confirming compliance of section 141(3)(g) of the Companies Act, 2013 has also been received by the Company.

Your Directors recommend their re-appointment, as set out in the accompanying notice of the Annual General Meeting.

COST AUDITORS

The Company has re-appointed, subject to approval of central government, M/s Ravi Sahani & Company, Cost Accountants, as Cost Auditors' of the Company for conducting cost Audit of cost records of the Company for the financial year 2014 15.

CORPORATE SOCIAL RESPONSIBILITY

As per the Companies Act 2013, all the Companies, having net worth of Rs. 500 crore or more, or turnover of Rs. 1,000 crore or more, or profit of Rs. 5 Crore or more during any financial year, will requires to constitute a Corporate Social Responsibility Committee of the Board; However the Company does not fall in any of the laid criteria, hence no such committee has been constituted.

INTERNAL COMPLAINTS COMMITTEE: The Company has created Internal Complaints Committee as per applicable provisions of "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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 has taken many initiatives for energy conservation and for reduction in energy consumption. Following steps were taken by the Company towards conservation of energy during the year under review:

- Company has further installed variable frequency drive (VFD) in motors and pumps including cooling tower and pump house at low rpm and we have achieved 30%-35% saving of energy.
- Company is in the process of changing the lighting system in their shop floors from existing sodium vapour lamps to LED lamps, which will further result in saving of energy to the tune of around 30-40%

(b)) Total energy consumption and energy consumption per unit of production

	(Amount in Rs.)	
Electricity	FY 2013-14	FY 2012-13
(a) Purchased		
Units (M. KWH)	89,95,196	8,292,013
Total Amount	6,59,25,620	5,44,53,641
Average Rate/ Unit (Rs./KWH)	7.33	6.57
(b) Own Generation		
Through Diesel Generator		
Units (M. KWH)	6,14,736	905,286
Total Amount	1,23,15,872	15,705,267
Average Rate/ Unit (Rs./ KWH)	20.03	17.35

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.

C) Foreign Exchange Earnings and Outgo

Foreign Exchange Earnings : NIL

Foreign Exchange Outgo : Rs. 773.86 Lacs (Rs. 762.92 Lacs on account of purchase of Raw Materials, Consumables, Plant & Machinery etc. and Rs. 10.94 Lacs on account foreign travel)

CORPORATE GOVERNANCE:

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the Report on Corporate Governance and Management Discussion and Analysis form part of this Directors' Report. The Management Discussion and Analysis Report on the operations and financial position of the Company have 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.

ACKNOWLEDGEMENT

Your Directors take this opportunity to express their sincere appreciation for the excellent support and co-operation extended by the 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: 10.06.2014

(Promod Gupta)
Chairman & Managing Director

CORPORATE GOVERNANCE REPORT
(As required under Clause 49 of the Equity Listing Agreement)

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 policy is to maintain optimum Combination of Executive and Non-Executive Directors. The composition of the Board and category of Directors as follows:

Name of Directors	Designation
Promod Gupta	Managing Director
Anurag Gupta	Whole time Director
Vishal Gupta	Whole time Director
Vikas Gupta	Whole time Director
Sharad Jain	Independent Director
Devendra Jha	Independent Director
Ram Dayal Modi	Independent Director
Mr. Ayodhya Prasad Anand	Independent Director

The Company has an equal ratio of Executive and Non-Executive Independent Directors. During the fiscal, Mr. Kailash Pati Sharma Independent Director, resigned from the office w.e.f. 12.08.2013 and Mr. Ayodhya Prasad Anand has been appointed as Independent Director w.e.f 08.02.2014.

Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vikas Gupta and Mr. Vishal Gupta are promoter Directors and they are relatives pursuant to Section 2(77) of Companies Act, 2013. Apart from them, No director is inter say, related to any other Director.

As per Clause 49 I (C) (ii) of the Listing Agreement, None of the Directors are members of more than 10 (Ten) Board Committees and/or act as Chairman of more than 5 (Five) Committees across all the Public Companies in which they are Directors.

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.

Code of Conduct

The code of conduct for Directors & senior management personnel lay down the standards of the business conduct, ethics and governance.

A copy of this code has been put on the Company's website www.pgcl.in.

A declaration signed by the Company's Chairman and Managing Director is attached with this report.

Following Table sets forth detailed information on the composition of and attendance in the Board Meeting during the financial year ended 31st March 2014

Name of the Director	Category	Whether attended last AGM	Particulars of Board Meeting		No. of Directorships and Committee the Directors Memberships / Chairmanships in other Public Companies		
			No. of Board Meetings Held	No. of Board Meetings Attended	Other Directorship	Committee Membership	Committee Chairmanship
Mr. Promod Gupta	Managing Director	Yes	4	4	-	-	-
Mr. Anurag Gupta	Whole time Director	Yes	4	3	1	-	-
Mr. Vishal Gupta	Whole time Director	Yes	4	4	-	-	-
Mr. Vikas Gupta	Whole time Director	Yes	4	4	1	-	-
Mr. Sharad Jain	Independent Director	Yes	4	4	-	-	-
Mr. Kailash Pati Sharma *	Independent Director	N.A.	1	1	-	-	-
Mr. Devendra Jha	Independent Director	Yes	4	4	-	-	-
Mr. Ram Dayal Modi	Independent Director	Yes	4	4	3	1	-
Mr. Ayodhya Prasad Anand#	Independent Director	N.A.	1	1	-	-	-

* He has resigned from the Board w.e.f. 12.08.2013

He was appointed on the Board w.e.f. 08.02.2014

Number of Board Meetings

In the year under review, the Board of Directors met 4 times and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows:

Date	Board Strength	No. of Directors Present
May 30, 2013	8	7
August 12, 2013	8	8
November 14, 2013	7	7
February 08, 2014	8	8

Beside this some resolution were passed by Board vide passing of resolution by circulation, notice of which was circulated

on September 4, 2013. Consents of all Directors were received on September 7, 2013.

The Meetings are usually held at P- 4/2 to 4/6, Site - B, UPSIDE Industrial Area, Surajpur, Greater Noida, Uttar Pradesh.

The Board is normally presented with detailed notes on matters to be considered, as part of the agenda papers of the meeting. The agenda and notes on agenda are circulated to Directors in advance, if practicable; In case it is not possible, the same is tabled before the Board. In special circumstances additional item(s) on the agenda are permitted.

The information as required under Annexure IA to Clause 49 is made available to the Board.

3. AUDIT COMMITTEE

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

- The Audit Committee shall have powers, which should include the following:
 - a. To investigate any activity within its terms of reference.
 - b. To seek information from any employee.
 - c. To obtain outside legal or other professional advice.
 - d. To secure attendance of outsiders with relevant expertise, if it considers

• **The role of the Audit Committee shall include the following:**

- a. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- c. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d. Examining/Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - ii. Changes, if any, in accounting policies and practices and reasons for the same
 - iii. Major accounting entries involving estimates based

on the exercise of judgment by management

- iv. Significant adjustments made in the financial statements arising out of audit findings
 - v. Compliance with listing and other legal requirements relating to financial statements
 - vi. Disclosure of any related party transactions
 - vii. Qualifications in the draft audit report
- e. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 - f. 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 utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency
 - g. monitoring the end use/utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - h. Review and monitor the auditor's independence and performance, and Effectiveness of audit process;
 - i. Approval or any subsequent modification of transactions of the company with related parties;
 - j. Scrutiny of inter-corporate loans and investments;
 - k. Valuation of undertakings or assets of the company, wherever it is necessary;
 - l. Evaluation of internal financial controls and risk management systems;
 - m. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

- n. 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;
- o. Discussion with internal auditors of any significant findings and follow up there on;
- p. 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;
- q. 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;
- r. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- s. To review the functioning of the Whistle Blower mechanism;
- t. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- u. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee

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

Date of Audit Committee Meeting

Date	Committee Strength	No. of Directors Present
May 30, 2013	4	4
August 12, 2013	4	4
November 14, 2013	4	4
February 08, 2014	4	4

Mr. Ram Dayal Modi, Independent Director, was chairman in all the above mentioned Meeting of the Committee.

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

Name of Members	Category	No. of Meeting Held	No. of Meeting Attended
Mr. Ram Dayal Modi	Independent Director	4	4
Mr.Devendra Jha	Independent Director	4	4
Mr.Sharad Jain	Independent Director	4	4
Mr. Vishal Gupta	Executive Director	4	4

The Committee's composition meets with requirements of section 177 of the Companies Act 2013 and clause 49 of the Listing Agreement.

4. Stakeholders Relationship Committee:

Our Stakeholders Relationship Committee (Earlier named as Shareholders/Investors Grievance - cum - Share Transfer Committee) comprises of 3 members.

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

Company Secretary of the Company acts as Secretary of the Committee as well as the Compliance Officer pursuant to Clause 47(c) of the listing agreement.

From 01.04.2013 to 31.03.2014 status of Investors' Complaints is as follows:

Description	Pending at the Beginning of the Year	Total Received & Redressed	Pending at the End of the Year
SEBI/ SCORES	0	0	0
Ministry of Company Affairs	0	0	0
Registrar & Transfer Agent	0	0	0
Direct to Company	0	0	0
Stock Exchanges, CDSL & NSDL	0	0	0
Total	0	0	0

Date of Committee Meeting

Date	Committee Strength	No. of Directors Present
May 30, 2013	3	3
August 12, 2013	3	3
November 14, 2013	3	3
February 08, 2014	3	3

Demat/Remat of Shares: NIL

5. Nomination and Remuneration committee

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

- 1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- 2) Formulation of criteria for evaluation of Independent Directors and the Board;
- 3) Devising a policy on Board diversity;
- 4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

Composition, Name of Members and Chairman:

Name of Director	Nature of Directorship	Status in Committee
Mr. Ram Dayal Modi	Independent Director	Member
Mr. Devendra Jha	Independent Director	Chairman
Mr. Kailash Pati Sharma #	Independent Director	Chairman
Mr. Ayodhya Prasad Anand*	Independent Director	Member

* resigned w.e.f. 12.08.2013

#appointed as member of the Committee w.e.f 28.05.2014

One meeting of the Committee took place on May 30, 2013, during the reporting financial year. Mr. Kailash Pati Sharma was the Chairman of the Committee. Mr. Ram Dayal Modi and Mr. Devendra Jha were present in the meeting.

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 Director 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 not paid any remuneration but paid sitting fees for attending Board and Committee Meetings. 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 31.03.2014:

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 ₹)
Mr. Promod Gupta	2,974,800	Nil	2,974,800
Mr. Anurag Gupta	2,974,800	Nil	2,974,800
Mr. Vikas Gupta	2,974,800	Nil	2,974,800
Mr. Vishal Gupta	2,974,800	Nil	2,974,800
Total	11,899,200		11,899,200

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

2. Remuneration to Non-Executive Directors:

Name of the Directors	Mr. Kailash Pati Sharma	Mr. Devendra Jha	Mr. Ram Dayal Modi	Mr. Sharad Jain	Mr. Ayodhya Prasad Anand	Total Sitting Fees (in ₹)
Sitting Fees (in ₹)	15,000/-	65,000/-	65,000/-	85,000/-	10,000/-	2,40,000/-

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.

6. OTHER COMMITTEES OF BOARD:

The Board of the Company has three more Committees, namely IPO Committee, 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 MEETINGS

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

Financial Year	Date and Time	Venue	Special Resolution Passed
31.03.2013 (11 th AGM)	30.09.2013 at 10:30 A.M.	Guru Kirpa Farms, Palla -Bakhtawarpur Road, G.T. Karnal Road, Village -Alipur, Delhi -110 036	Five (5) Special Resolutions were passed in the AGM. 1. Re-appointment and remuneration to Sh. Promod Gupta as Whole Time Director of the Company. 2. Re-appointment and remuneration to Sh. Anurag Gupta as Whole Time Director of the Company 3. Re-appointment and remuneration to Sh. Vishal Gupta as whole time director of the Company 4. Re-appointment and remuneration to Sh. Vikas Gupta as Whole Time Director of the Company 5. Alteration in Articles of Association
31.03.2012 (10 th AGM)	12.09.2012 at 10:00 A.M.	Guru Kirpa Farms, Palla -Bakhtawarpur Road, G.T. Karnal Road, Village -Alipur, Delhi -110 036	NIL
31.03.2011 (9 th AGM)	14.06.2011 at 10.30 A.M.	Hotel Lalit, Barakhambha Avenue, Connaught Place, New Delhi - 110 001	NIL

(ii) Special Resolution passed through Postal Ballot: One (1) special resolution, for alteration in object clause of the Memorandum of Association of the Company was passed through Postal Ballot during the Financial Year 2013-14. 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 was only one wholly owned subsidiary company namely, Diamond Mattress Pvt. Ltd for the period under review. None of the Company's Indian Subsidiary falls under the definition of "material non-listed Indian subsidiary". However this Company has filed application to ROC to get its name struck off from the register of Registrar of Companies.

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, and strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

The Company was 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. The process of investigation was initiated by SEBI in the IPO of the company. In this matter SEBI has passed an order and directed to take urgent and efficient measure to recover all money recoverable on account of investments in ICDs, contract for purchase of land etc and has restricted the Company and its promoter directors from raising funds from/dealing in securities market for 10 years w.e.f. 28.12.2011. The Company has filed its report on recovery of funds with SEBI vide letter dated 10.05.2014 & filed an appeal with Securities Appellate Tribunal against this order. Beside this SEBI has issued a show cause notice dated 11/09/2013 under SEBI (Procedure for holding Enquiry and imposing penalties by Adjudicating Officer) Rules, 1995, for adjudication under section 15HA & 15HB of the SEBI Act.

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 Remuneration Committee and IPO Committee.

9. MEANS OF COMMUNICATION

- (i) Quarterly/Half-yearly/Nine Months ended and Annual results: Quarterly/Half yearly/Nine Months ended/ Annual Results of the Company are normally published in 'Financial Express' and 'Jansatta'/'Mint' and 'Rastriya sahara' and are displayed on the Company's website www.pgcl.in shortly after its submission to Stock Exchanges. The annual report 2013-14 is being sent by email to Shareholders whose email id are registered with the depositories/ Registrar/Share transfer agents of the

Company. The Annual Report shall also be available at our company's website, mentioned above. The shareholders/members may also request for the physical copy of the Annual Report of FY 2013-14 by emailing us at investors@pgcl.in or send us a request letter at our Registered Office or Corporate Office.

- (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.pgcl.in. The Company is in compliance of Clause 54 of the Listing Agreement.

10. GENERAL SHAREHOLDER INFORMATION:

- i. AGM : Date, Time and Venue:- Monday, 11.08.2014 at 10.30 A.M. at place notified in notice calling AGM
- ii. Financial Year : April 01 to March 31

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

- 1st Quarter ended 30th June, 2014: within 45 days from the close of quarter
- 2nd Quarter ended on 30th September, 2014: within 45 days from the close of quarter
- 3rd Quarter ended on 31st December, 2014: within 45 days from the close of quarter
- 4th Quarter ended on 31st March, 2015: within 60 days from the close of quarter*

- iii. **Book Closure Date:** 04.08.2014 to 11.08.2014 (both days inclusive)

iv. Listing on Stock Exchanges:

Equity Shares (ISIN No. INE457L01011)

Bombay Stock Exchange Limited (BSE) 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001	National Stock Exchange of India Limited (NSE) "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai 400 051
Scrip Code: 533581	Scrip Symbol – PGEL

Annual Listing Fees for the year 2014-15 has been paid by the Company to BSE and NSE and Annual Custody/ Issuer Fees for the year 2014-15 have been paid by the Company to NSDL and CDSL.

- v. **Market Price Data:** Monthly High, Low of Stock Prices of the Company in BSE & NSE (Stock Exchanges, where shares of the Company are listed) during each month in financial year. Ended March 31, 2014 is given hereunder:

Month	NSE (In Rs.)		BSE (In Rs.)	
	Month's High	Month's Low	Month's High	Month's Low
April 2013	90.90	76.00	89.85	75.75
May 2013	83.70	54.20	84.25	54.85
June 2013	75.00	55.00	77.75	54.00
July 2013	111.00	70.00	111.00	70.00
August 2013	109.70	73.40	109.00	79.00
September 2013	153.00	97.05	150.00	97.00
October 2013	166.90	125.70	175.90	133.40
November 2013	180.00	150.00	181.80	150.00
December 2013	236.40	145.15	237.90	149.00
January 2014	237.45	168.00	229.50	185.90
February 2014	196.65	170.00	214.90	175.00
March 2014	186.50	130.35	185.00	133.80

- 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 500081

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 Transfer Agents of the Company. Applications for transfer of shares held in physical form are received at the office of the Registrar and Share Transfer Agents of the Company. Share transfers are approved by Authorized persons as authorized/empowered in the meeting of Stakeholders Relationship Committee and all valid transfers are processed within 15 days from the date of receipt. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities 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):

Status as on 31.03.2014

S. No.	Mode of Holding	No. of Shares	% of Total Issued Capital
1	NSDL	1,31,37,807	80.04
2	CDSL	32,76,474	19.96
3	Physical	51	0.00
	Total	1,64,14,332	100

ix. Distribution of Shareholding:

SHARE HOLDING PATTERN AS ON 31.03.2014				
S. No	Description	No. of Holders	Shares	% Equity
1	Clearing Members	19	17,216	0.10
2	HUF	27	52,944	0.32
3	Bodies Corporate	154	37,84,012	23.05
4	Non Resident Indians	10	484	0.00
5	Promoter Director	4	96,76,122	58.95
6	Promoter Group	4	9,93,210	6.05
7	Resident Individuals	1,243	18,90,344	11.52
	Total	1,461	1,64,14,332	100.00

DISTRIBUTION SCHEDULE AS ON 31.03.2014					
S. No.	Category	No. of Holders	% of Holding	Amount	% of Amount
1	1 - 5,000	1320	90.35	5,28,350	0.32
2	5,001 - 10,000	25	1.71	1,93,020	0.12
3	10,001 - 20,000	10	0.68	1,59,410	0.10
4	20,001 - 30,000	7	0.48	1,82,420	0.11
5	30,001 - 40,000	10	0.68	3,60,040	0.22
6	40,001 - 50,000	4	0.27	1,75,880	0.11
7	50,001 - 1,00,000	20	1.37	14,09,400	0.86
8	1,00,001 & Above	65	4.45	16,11,34,800	98.17
	Total:	1461	100.00	164143320	100.00

x. Dematerialization of shares and liquidity: Only Fifty One equity Shares of the Company is in rematerialized form.

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:

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	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
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	Unit-IV Plot No. A-20/2 Supa Parner MIDC Industrial Area, City - Supa, Taluka - Parner, District: Ahmednagar Maharastra, India, Pin – 414 301 Tel No. +91-2488-243343

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,
Uttar Pradesh, India, Pin – 201 306
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, 2014, received from the senior management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For PG Electroplast Limited

Place: Greater Noida

Date: 10.06.2014

(Promod Gupta)
Managing Director

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

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, 2014 as stipulated in Clause 49 of the listing agreement (s) of the said company with stock exchange(s) in India.

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

In our opinion and to the best of our information and 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 the efficiency for effectiveness with which the management has conducted the affairs of the Company.

For Ashu Gupta & Co.
Practising Company Secretary

Place: Greater Noida

Date: 10.06.2014

Ashu Gupta
Proprietor
C.P. No. 6646

CEO/CFO CERTIFICATION TO THE BOARD

(Under Clause 49 of Listing Agreement)

We certify that

- a) we have reviewed the financial statements and the cash flow statement for the quarter & Year ending 31st March 2014 and that to the best of our 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) To the best of our knowledge and belief, no transactions entered into by the company during the year which is 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 We have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which 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, if any;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements , if any; 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, if any.

For **PG Electroplast Limited**

For **PG Electroplast Limited**

Chairman & Managing Director

Director Finance

Place: Greater Noida

Date: 28.05.2014

Management Discussion & Analysis Report

OVERVIEW

The following operating and financial review is intended to convey the management's perspective on the financial condition and on the operating performance of the Company for the Financial Year 2013-14. The following discussion of the Company's financial condition and result of operations should be read in conjunction with the Company's financial statements, schedules and notes thereto and the other information included elsewhere in the Annual Report.

Indian Consumer Durable Industry:

India is expected to become the fifth largest consumer durable market in the world; however Indian industry is currently going through very tough times mainly because of the competition from countries like China and Thailand and also because of the higher input costs because of the significant depreciation of Indian Rupee.

Urban markets account for the major share (65 per cent) of total revenues in the consumer durables sector in India. Demand in urban markets is likely to increase for products such as LED TVs, laptops, split ACs and beauty and wellness products. In rural and semi-urban markets, durables like refrigerators and washing machines as well as consumer electronic goods are likely to witness growing demand in the coming years as the Government of India plans to invest significantly in rural electrification. But in short and medium term because of the high food inflation and uncertain economic environment, the consumer confidence is low which is impacting the growth in sales and consumer spending

Company Operation:

Our Company has been an Electronic Manufacturing Services (EMS) provider for Original Equipment Manufacturers (OEMs) of consumer electronic products in India. We have been manufacturing and assembling a comprehensive range of consumer electronic products such as air conditioners (ACs), Colour TV sets, DVD players, Air Coolers, Compact Fluorescent Lamps (CFL), washing machines and plastic parts for Air conditioners, Color TV/LCD, Washing Machine, Refrigerators, washing machines, automotive components, bathroom fittings, LED lights. Our customers include major reputed OEMs like LG Electronics, Carrier, Sharp, HUL, Kohler, Usha, Kenstar, Videocon, SMR, Bright Auto, Groupo-Antolin etc. In last 3-4 years the company has expanded its business operations in plastic injection moulding field by expanding capacities, adding new products and adding new customers.

Financial performance with respect to operational performance:

The Company reported a loss of Rs. 20.28 crores in FY 2013-14. Revenue from operation was Rs. 211.82 Crores during the year as against Rs. 302.64 Crores in previous year.

The sales figure of the major products in term of revenue, both increase in sale or decrease in sale, is shown in the following table below:
(Rs. in crore)

Product	2013-14	2012-13	% Change
Colour Television	8.45	121.61	-93.05
CFL	34.04	32.58	4.49
Electrical Switch Parts	9.43	Nil	N.A.
Plastic Parts			
Colour Television	1.07	38.34	-97.21
Air Conditioners	51.58	37.17	38.77
Refrigerator	39.60	14.95	164.88
Automotive	11.59	8.42	37.65
Bathroom fittings	2.83	1.09	159.63

Management Discussion & Analysis Report

The Company is not operating in Television business anymore & it was one of the main reasons for decrease in overall sale of the Company.

However Company has recorded a significant increase in sale of the plastic moulded parts for washing Machines, air conditioners, refrigerators and automotive components. The Company has started manufacturing new products like solar lamp and Juicer mixer grinders and mixer grinders, but there has been a slower than expected ramp up of the production of these products, however the company has already overcome initial hurdles and this year expect to have a healthy growth in this segment.

Outlook, Opportunity & Threats

In the Financial Year 2013-14, the Company faced several challenges due to adverse market and business conditions. Beside this, Company also faced higher Interest burden and higher depreciation because of massive expansion undertaken by the Company. The promoter has inducted funds to meet the repayment obligation of Banks and cash loss. During the current year the company is expecting cash accruals.

The Company is now mainly manufacturing plastic moulded parts for white goods where import threat is almost nil because of heavy freight cost and minimal effect of foreign exchange fluctuations. Competition threat in respect of white goods is also low because of inherent strength of your company in form of high volumes, established quality credentials and timely delivery to major OEMs. Overall demand of white goods such as air conditioners, washing machine, Refrigerators is on increasing trend

although the growth has been single digits. The Company has started developing tools/moulds for their customers, which will be used for supplying moulded parts to them ultimately.

Segment-wise Performance

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

Risks and concerns

There are uncertainties in today's economic environment; some of them are listed below:

- **Change in technology:**

The Company has already discontinued the business of CTV and other electronics product carrying technology risk. The risk in moulding business has been minimized on account of increase in product mix and customer mix. Further since we make & supply moulded parts to OEMs, hence risk associated with inventory of becoming obsolete is also minimized.

- **Interest Rate:**

The Company is enjoying credit facilities from banks and the cost of finance mainly depends upon credit rating. The company is taking steps for reduction in overall borrowing of the company by selling non-essential assets. The Company is expecting substantial improvement in credit rating by end of March 2015.

Management Discussion & Analysis Report

• **Long term fund arrangement:**

On account of restrictions imposed by SEBI, The Company cannot arrange funds from securities market & Banks also has reservation in increasing the exposure; thus the Company cannot take any major expansion in current year.

Internal control systems and their adequacy:

The Company has started implementation of ERP software for better and effective management of day to day operations. This will also help the management to have all the necessary internal Check systems in place. The internal Audit by external auditors also helps the management in identifying the weaknesses in the existing systems.

Material developments in Human Resources / Industrial Relations front, including number of people employed

The Company's management believes human resources are its biggest asset. The Company continuously reviews HR policies and practices and carries out necessary improvements to attract and retain best talent and build intellectual capital. Continuous nurturing of talent and helping employees in their career aspirations is one of the biggest challenges addressed through several discussions, which has resulted in people being respected, their performance being rewarded and aiding employees in realising their potential. On 31st March 2014, the Company had 597 employees on its roll. The Company continued to enjoy healthy industrial relations during the year.

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, rules 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.

INDEPENDENT AUDITOR'S REPORT

To the Members of
PG Electroplast Limited

Report on the Financial Statements

We have audited the accompanying financial statements of PG Electroplast Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular No. 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of Statement of Profit and Loss Account, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements-

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by section 227(3) of the Act, 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 purpose 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 and 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 of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular No. 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

CA. Chitresh Gupta
Partner
Membership no.: 098247
Date : 28th May 2014
Place : Greater Noida, U.P.

Annexure to Independent Auditors Report

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

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 not given loans to any parties covered under section 301 of the Companies Act, 1956.

(b) The Company has taken unsecured loans from eight 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 23,75,19,000 /- and the year-end balance was Rs 23,66,49,000 /-.

(c) 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.

(d) The loan of Rs 22,00,00,000 /- has been given by directors on long term basis and repayable after one year and balance loan of Rs 1,66,49,000 /- is repayable on demand and there is no repayment schedule. Loan is taken interest free.

e) 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:

(a) 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.

(b) 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:

(a) 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, 2014 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the 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	5,77,368	2006-07 to 2013-14	Assistant Commissioner Central Excise
2	Income Tax	Income Tax	36,55,425	2006-07 to 2010-11	Assistant Commissioner of Income Tax
3	Income Tax	Income Tax	4,14,696	2009-10	Assistant Commissioner of Income Tax

x) The Company has accumulated losses as at 31st March 2014. However, the accumulated losses does not exceed fifty percent of its net worth as on that date. The company has incurred cash losses during the current financial year 2013-2014 but has not incurred cash losses during the preceding financial year 2012-2013.

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 generally 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 given guarantee for credit facility taken by Bigesto Technologies Limited of Rs 10, 50,00,000 /- from banks. The terms and conditions of which are not prejudicial to the interest of the company.

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 financial year 2011-2012. Out of the said amount Rs 90,43,72,599 /- has been utilized and the balance of Rs 30,20,77,401 /- is unutilized [refer note no. 28(8) 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

CA. Chitresh Gupta
Partner
Membership no.: 098247
Date : 28th May 2014
Place : Greater Noida, U.P.

PG ELECTROPLAST LTD
Balance Sheet as at 31st March, 2014

		Amount (Rs.) As at 31st March, 2014	Amount (Rs.) As at 31st March, 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	16,41,43,320	16,41,43,320
Reserves and surplus	4	1,06,03,01,888	1,26,08,76,776
		1,22,44,45,208	1,42,50,20,096
Non-current liabilities			
Long-term borrowings	5	46,22,43,517	28,01,10,159
Long-term provisions	7	75,74,173	94,31,591
		46,98,17,690	28,95,41,750
Current liabilities			
Short-term borrowings	8	31,39,28,980	52,00,65,883
Trade payables	9	63,36,86,298	45,46,61,066
Other current liabilities	10	18,64,26,637	18,85,77,438
Short-term provisions	7	23,40,248	16,95,000
		1,13,63,82,163	1,16,49,99,387
Total		2,83,06,45,061	2,87,95,61,233
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11	1,36,82,06,647	1,43,10,37,369
Intangible assets	11	79,98,626	91,39,224
Capital work-in-progress	11	2,30,49,064	67,63,038
Intangible assets under development	11	8,66,742	-
Non-current investments	12	-	78,046
Long-term loans and advances	13	2,32,62,432	13,78,93,512
Deferred tax assets (Net)	6	80,00,000	80,00,000
Other non-current assets	14.1	8,99,36,595	5,04,15,317
		1,52,13,20,106	1,64,33,26,506
Current assets			
Current investments	15	25,35,00,000	26,16,00,000
Inventories	16	16,92,23,482	27,85,51,600
Trade receivables	14.2	49,79,24,197	35,35,68,374
Cash and bank balances	17	11,00,100	4,49,45,841
Short-term loans and advances	13	31,30,30,672	25,37,55,837
Other current assets	14.1	7,45,46,504	4,38,13,075
		1,30,93,24,955	1,23,62,34,727
Total		2,83,06,45,061	2,87,95,61,233
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

CA. Chitresh Gupta
Partner
Membership no.: 098247
Place: Greater Noida, U.P.
Date: 28.05.2014

(Promod Gupta)
Managing Director

(Vishal Gupta)
Executive Director

(K.A.Khandelwal)
CFO & Company
Secretary

PG ELECTROPLAST LTD

Statement of Profit and loss for the Year ended 31st March, 2014

	Notes	Amount (Rs.) 31st March, 2014	Amount (Rs.) 31st March, 2013
INCOME			
Revenue from operations (gross)	18	2,38,88,71,681	3,19,93,81,469
Less: excise duty		(20,76,12,080)	(17,29,76,451)
Revenue from operations (net)		2,18,12,59,601	3,02,64,05,018
Other income	19	5,77,79,176	6,57,38,734
Total revenue (I)		<u>2,23,90,38,777</u>	<u>3,09,21,43,752</u>
EXPENDITURE			
Cost of Raw Material & Components consumed	20	1,69,20,46,201	2,55,06,61,808
Purchase of traded goods (input cleared as such)	20.3	13,62,13,347	10,17,52,938
Changes in inventories of finished goods, work in progress	21	1,76,20,872	(2,33,00,610)
Employee benefits expense	22	17,13,45,481	15,87,44,915
Other expenses	23	19,35,86,041	18,62,89,561
Prior period expenses	24	32,24,281	24,02,266
Total (II)		<u>2,21,40,36,223</u>	<u>2,97,65,50,878</u>
Earnings before interest, tax, depreciation and amortization (EBITDA) (I)-(II)		2,50,02,554	11,55,92,874
Depreciation and amortization expense	25	11,25,49,949	9,23,12,366
Finance costs	26	11,52,83,895	11,12,34,651
Loss before tax		<u>(20,28,31,290)</u>	<u>(8,79,54,143)</u>
Tax expenses:			
Current tax		-	-
Income tax for earlier years		-	-
Deferred tax		-	(3,79,82,560)
Total tax expense		-	<u>(3,79,82,560)</u>
Loss for the year		<u>(20,28,31,290)</u>	<u>(4,99,71,583)</u>
Earning per equity share [Refer Note No. 28(2)] [nominal value of equity share Rs 10 /- each]			
Basic and Diluted earning per share		(12.36)	(3.04)

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

CA. Chitresh Gupta
Partner
Membership no.: 098247
Place: Greater Noida, U.P.
Date: 28.05.2014

(Promod Gupta)
Managing Director

(Vishal Gupta)
Executive Director

(K.A.Khandelwal)
CFO & Company Secretary

PG ELECTROPLAST LTD

Cash Flow Statement for the year ended 31st March 2014

Amount (Rs.)

	31-Mar-14	31-Mar-13
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	(20,28,31,290)	(8,79,54,144)
Adjustment for:		
Depreciation/amortization	11,25,49,949	9,43,21,252
Depreciation - Prior Period	1,14,672	-
Preliminary expenses written off	-	21,900
Loss/(profit) on sale of fixed assets	54,31,413	2,27,860
Provision for doubtful debts	35,43,517	-
Provision for diminution in value of investment	78,046	29,21,954
Liabilities written back	(16,25,082)	(1,46,772)
Interest expense	11,20,39,152	11,12,34,651
Interest income	(4,64,28,957)	(4,52,92,293)
Operating profit before working capital changes	(1,71,28,581)	7,53,34,408
Movements in working capital :		
Increase/(decrease) in trade Payables	17,90,25,232	10,15,54,775
Increase/(decrease) in Long - term provisions	(18,57,418)	9,33,561
Increase/(decrease) in Short - term provisions	6,45,248	10,50,819
Increase/(decrease) in Other Current Liabilities	92,45,600	(31,38,180)
Decrease/(increase) in trade receivables	(14,78,99,340)	(13,55,75,890)
Decrease/(increase) in inventories	10,93,28,117	(3,97,39,874)
Decrease / (increase) in Long - term loans and advances	(45,80,907)	14,17,15,067
Decrease / (increase) in Short - term loans and advances	4,09,04,447	3,04,07,311
Decrease / (increase) in Other Current Assets	-	10,000
Cash generated from /(used in) operations	16,76,82,398	17,25,51,997
Direct taxes paid (net of refunds)	(76,22,880)	(1,57,00,094)
Net cash flow from/ (used in) operating activities (A)	16,00,59,519	15,68,51,902
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including intangible assets, CWIP	(4,63,00,518)	(13,33,81,783)
Proceeds from sale of fixed assets	54,13,392	1,68,04,748
Proceeds from repayment of ICD & sale of investments	81,00,000	3,34,00,000
Investment in Bank Deposit having maturity more than 3 months	-	(9,01,69,171)
Redemption/Maturity of Bank Deposit having maturity more than 3 months	40,50,509	-
Interest received	1,32,94,058	2,93,98,153
Net cash flow from/(used in) investing activities (B)	(1,54,42,559)	(14,39,48,053)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital & Share premium (Net of IPO exp.)	-	7,32,806
Proceeds from Long-term borrowings	8,39,18,493	12,53,19,054
Repayment of long-term borrowings	(13,36,02,838)	(17,32,15,674)
Short-term borrowings (Net)	88,63,097	3,31,15,316
Interest paid	(10,64,71,135)	(11,28,70,488)
Net cash flow from/(used in) in financing activities (C)	(14,72,92,384)	(12,69,18,985)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(26,75,425)	(11,40,15,135)
Cash and cash equivalents at the beginning of the year	37,75,524	11,77,90,659
Cash and cash equivalents at the end of the year	11,00,100	37,75,524
Components of cash and cash equivalents		
Cash on hand	97,250	8,81,500
Cheques/ drafts on hand	10,401	-
With banks:		
-on current account	9,92,449	28,94,024
-on deposit account	-	-
Total cash and cash equivalents (refer note no. 17)	11,00,100	37,75,524

NOTES

Figures in negative/brackets shows Cash outflow

As per our report of even date

For Chitresh Gupta & Associates

Firm registration number: 017079N

Chartered Accountants

For and on behalf of the board of directors

CA. Chitresh Gupta

Partner

Membership no.: 098247

Place: Greater Noida, U.P.

Date: 28th May 2014

(Promod Gupta)

Managing Director

(Vishal Gupta)

Executive Director

(K.A.Khandelwal)

CFO & Company

Secretary

Note to the financial statements for the year ended 31 March 2014

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), Washing Machine for third parties. As backward integration, the company 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) Basis of Preparation

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 2013 (to the extent notified), the Companies Act, 1956 (to the extent applicable), and guidelines issued by the Securities and Exchange Board of India (SEBI).

ii) Use of Estimates

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

iii) Revenue Recognition

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

iv) 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 are recognised in the Statement of Profit and Loss.

v) Depreciation

- (a) The depreciation on assets acquired/sold/discarded/demolished during the year is provided from/upto the month the asset is commissioned/sold or discarded.

- (b) Depreciation is charged on straight line method (SLM) at the rates prescribed in Schedule XIV of the Companies Act, 1956.
- (c) Lease hold land is amortized over lease period.

vi) Intangible Assets

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

	Period of Amortisation
Computer Software	6 year
Product Development	10 year

vii) Inventories

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

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

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

viii) Investments

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

ix) Borrowing Costs

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

x) Employee Benefits

(a) Short Term Employee Benefits

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

(b) Long Term Employee Benefits

Defined Contribution Plan

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

The Company operates the following defined contribution plan.

- Provident Fund Plan & Employee Pension Scheme.

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

- Employee State Insurance

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

(c) Defined benefit plan

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

• **Gratuity**

The Company provides for gratuity obligations through a defined benefit retirement plans (the 'Gratuity Plan') 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

xi) **Foreign Currency Transactions**

Initial Recognition

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

Subsequent Recognition

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

Exchange Differences

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

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

xii) **Government Grants**

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

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

xiii) **Current and deferred tax**

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

xiv) **Lease Accounting**

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

xv) **Impairment of Assets**

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

xvi) **Segment Reporting**

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

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

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

PG ELECTROPLAST LTD

Notes to Financial Statements for the year ended 31st March, 2014

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, 2014	As at 31st March, 2013
Authorized shares		
2,50,00,000 (31 March 2013: 2,50,00,000) equity shares of Rs.10/- each	25,00,00,000	25,00,00,000
Issued, Subscribed and Paid-up shares		
1,64,14,332 (31 March 2013: 1,64,14,332) equity shares of Rs.10/- each	16,41,43,320	16,41,43,320
Total	16,41,43,320	16,41,43,320

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

Equity shares:

	As at 31st March, 2014		As at 31st March, 2013	
	No of shares	Amount (Rs.)	No of shares	Amount (Rs.)
At the beginning of the year	1,64,14,332	16,41,43,320	1,64,14,332	16,41,43,320
Issued during the year	-	-	-	-
Outstanding at the end of the year	1,64,14,332	16,41,43,320	1,64,14,332	16,41,43,320

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 preceeding March 31, 2014):

	31st March, 2014	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010
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:

Name of Shareholder	As at 31st March, 2014		As at 31st March, 2013	
	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	24.47%
Mr. Anurag Gupta	15,14,222	9.22%	15,14,222	9.22%
Mr. Vishal Gupta	20,75,012	12.64%	20,75,012	12.64%
Mr. Vikas Gupta	20,70,722	12.62%	20,70,722	12.62%

4 Reserves and surplus

Security Premium Account	Amount (Rs.)	
	As at 31st March, 2014	As at 31st March, 2013
Balance as per the last financial statements	1,09,10,31,706	1,09,02,98,900
Add: Premium on Issue	-	-
Less: Amounts utilized toward IPO expenses #	-	(7,32,806)
Closing Balance	1,09,10,31,706	1,09,10,31,706

represents reimbursements received of initial public offer expenses adjusted against share premium account in last year.

Capital Reserve

Balance as per the last financial statements	-	-
Add: Addition during the year *	22,56,402	-
Closing Balance	22,56,402	-

* represents Central Capital Investment subsidy receivable in respect of Roorkee Unit

Surplus/(deficit) in the statement of profit and loss

Balance as per last financial statements	16,98,45,070	21,98,16,653
Loss for the year	(20,28,31,290)	(4,99,71,583)
Net surplus / (deficit) in the statement of profit and loss	(3,29,86,220)	16,98,45,070
Total reserves and surplus	1,06,03,01,888	1,26,08,76,776

5 Long-term borrowings

	Non-Current portion		Current maturities	
	As at	As at	As at	As at
	31st March, 2014	31st March, 2013	31st March, 2014	31st March, 2013
Secured				
Term Loan:				
From banks:-				
- State Bank of India	-	-	-	1,99,90,000
- Standard Chartered Bank	4,74,59,505	10,29,14,334	5,54,54,828	5,54,72,250
- Working Capital Term Loan from SBI	19,25,00,000	-	1,80,00,000	-
- Vehicle loans from ICICI Bank, HDFC Bank, Axis Bank	22,84,012	35,88,155	26,26,636	30,76,962
Buyers Credit from banks for capital goods:-				
- Standard Chartered Bank	-	-	-	4,00,75,338
From others:-				
- Vehicle loans from Tata Capital Limited	-	-	-	4,88,289
Unsecured				
Unsecured loans from directors	22,00,00,000	13,94,04,000	-	-
Unsecured loans from other	-	3,40,00,000	2,60,00,000	-
Deferred Payment Against Leasehold land	0	2,03,670	4,38,489	2,34,819
Total	46,22,43,517	28,01,10,159	10,25,19,953	11,93,37,658
The above amount includes :				
Secured borrowings	24,22,43,517	10,65,02,489	7,60,81,464	11,91,02,839
Unsecured borrowings	22,00,00,000	17,36,07,670	2,64,38,489	2,34,819
	46,22,43,517	28,01,10,159	10,25,19,953	11,93,37,658
Amount disclosed under the head "other current liabilities"(refer note no.10)	-	-	10,25,19,953	11,93,37,658
Net amount	46,22,43,517	28,01,10,159	-	-

5.1 Term Loan from State Bank of India

- Term loans & WCTL 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;
- Collateral Security:- Second charge on entire current assets of Unit I & II of the company and;
- Mortgage of leasehold rights for 29 years (valid upto May 2036) of factory land measuring 11370 sq.mtr. of PG Electronics(Partnership firm) & of land measuring 3390 sq mtr. of Sh. Vishal Gupta at village- Raipur, Pargana Bhagwanpur, Roorkee and;
- Corporate Gurarantee of M/s Kushang Technologies Limited & Gurarantee of PG Electronics (Partnership Firm).
- Outstanding working capital term loan of Rs 2105 lacs (previous year Rs. Nil) as on reporting date is repayable in monthly instalments @ 15 lacs in 2014-15, @20 lacs in 2015-16, @40 lacs in 2016-17, @50 lacs 2017-18 & 2018-19 & balance Rs 5 lacs on 31.03.2019 (previous year : Nil) alongwith interest at the rate of "base rate" + 5.00% p.a.
- Outstanding term loan of Rs. NIL (Previous year Rs 199.90 lacs) as on reporting date is repayable in 0 (Previous year:12)monthly instalments upto March 2014 alongwith interest at the rate of "Base Rate" plus 4.10% p.a.

5.2 Term Loan from Standard Chartered Bank

- 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 Maharastra & Personal Guarantee of directors i.e. Mr.Promod Gupta, Mr.Anurag Gupta, Mr. Vikas Gupta and Mr. Vishal Gupta and;
- Exclusive Charge on property no.office No.1, Tower A, Lobe-2, 6th floor situated at plot no. A-41, Institutional Area, Sector 62, Noida, U.P Owned by T.V. Palace (Partnership Firm).
- Outstanding term loan of Rs 10.29 crore (previous year Rs 15.84 Crore) as on reporting date is repayable in 49 equal monthly installments commencing from the end of 12th month from disbursement alongwith interest @ 13.10% p.a. for Rs 0.99 crore, 13.10% p.a. for Rs 2.36 crore, 13% p.a. for Rs 4.04, 12.90% p.a. for Rs 1.75 Crore, 13.15% p.a. for Rs 0.57 crore and 14.25% p.a. for Rs. 0.58 crore.

5.3 Buyer's credit for Capital Goods from Standard Chartered Bank was repayable in 8 equal intalments alongwith interest at the rate of LIBOR plus bank margin and is secured as mentioned in 5.2 above.

5.4 Unsecured loans from directors of Rs 22.00 Crore (previous year Rs 13.94 Crore) was given by directors on long term basis and are interest free.

5.5 Unsecured loans from others of Rs 2.60 Crore (previous year Rs. 3.40 Crore) carries a interest rate of 13%.for loan of Rs 2.40 crore & 14% for loan of Rs 20 lacs.

5.6 Deferred payment against leasehold land includes Rs 4.38 lacs to UPSIDC against Plot no-P-4/6, Site- B, Surjapur Industrial Area, Greater Noida, U.P. and is payable in 10 equal half yearly installments of Rs.1.01 lac each, starting from July 2010 along with interest @ 14% p.a.. The company has not paid two half yearly instalments of Rs 1.01 lacs each alongwith interest of Rs 1.24 lacs.

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

Name of the Bank/Others	Rate of Interest	Term Loan Outstanding (Rs in Lacs)		Repayment of Term Loan Outstanding	Nature of Security
		31.03.2014	31.03.2013		
1. HDFC Bank Ltd.	10.13 % to 11.51 %	41,05,534	55,56,902	in equated monthly instalments ranging from 1 to 28 months (13 to 31 months)	Secured by hypothecation of vehicle acquired under the respective vehicle loans
2. Axis Bank Ltd.	10.76 % to 11.20 %	8,05,114	8,91,045	in equated monthly instalments ranging from 5 to 34 months (17 months)	
3. ICICI Bank Ltd.	9.18 % to 10.43 %	0	2,17,170	in equated monthly instalments ranging from 0 to 0 months (4 to 6 months)	
4. Tata Capital Ltd.	9.51%	0	4,88,290	in equated monthly instalments of 0 months (10 months)	
TOTAL- Vehicle Loans		49,10,648	71,53,407		

6 Deferred tax (net)

	As at 31st March, 2014	As at 31st March, 2013
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	11,36,60,897	9,13,20,384
Gross deferred tax liability	11,36,60,897	9,13,20,384
Deferred tax assets		
Disallowance under section 43B of the Income Tax Act, 1961	34,35,973	25,79,844
Provision for Doubtful Debts	10,94,916	-
Carried forward loss and unabsorbed depreciation	11,71,30,008	9,67,40,540
Gross deferred tax assets	12,16,60,897	9,93,20,384
Deferred Tax (net)	80,00,000	80,00,000

7 Provisions

	Non-Current		Current	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
Provision for employee benefits	31,52,058	38,42,721	17,64,589	5,64,630
Provision for gratuity [refer note no. 28(3)]	44,22,115	55,88,870	5,75,659	11,30,370
Total	75,74,173	94,31,591	23,40,248	16,95,000

8 Short-term borrowings

	As at 31st March, 2014	As at 31st March, 2013
Secured		
Working capital loans are repayable on demand from banks:-		
- Cash Credit Limit from State Bank of India	16,23,59,003	34,26,30,355
- Overdraft from Standard Chartered Bank	5,13,28,641	4,75,19,485
- WCDL from Standard Chartered Bank	1,00,00,000	1,00,00,000
- Buyers Credit for Capital Goods from State Bank of India	36,82,058	-
Total Secured	22,73,69,702	40,01,49,840
Unsecured		
Bill discounting from banks:-		
- HDFC Bank	6,99,10,278	5,99,20,758
- Standard Chartered Bank	-	1,97,81,242
LC discounting from State Bank of India	-	1,33,14,043
Unsecured loans from Directors & their Relatives	1,66,49,000	2,69,00,000
Total Unsecured	8,65,59,278	11,99,16,043
Total	31,39,28,980	52,00,65,883

8.1 Cash Credit Limit including Buyer credit for capital goods 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.
- Collateral Security : Extension of first charge on assets mortgaged under Term loan & WCTL facility from State Bank of India as per clause no 5.1(a), (c) & (d).
- Buyer's Credit for capital goods from State Bank of India is repayable in single installment on 27.05.2014 along with interest at the rate of LIBOR plus bank margin and is secured against 100 % margin in form of term deposits with SBI.

8.2 Overdraft & WCDL 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. Collateral Security:- 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 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, 2014	31st March, 2013
Trade payables [refer note no. 28(9)]	45,70,51,403
Acceptances:	28,76,60,071
Letter of Credit from State Bank of India	17,66,34,895
Total	16,70,00,995
	63,36,86,298
	45,46,61,066

10 Other Current liabilities

	As at	As at
	31st March, 2014	31st March, 2013
Current maturities of long-term borrowings (Refer note no. 5)	10,25,19,953	11,93,37,658
Interest accrued but not due on borrowings	26,428	6,27,752
Interest accrued and due on borrowings	71,54,470	9,85,131
Advance from customers	1,41,72,286	32,00,330
Expenses payable	68,72,926	48,44,671
Capital goods Creditors	1,15,96,195	1,01,17,826
Expenses Creditors	1,92,14,992	2,56,69,314
Security from service provider	1,00,000	1,25,000
Wages & salary payable	85,26,957	64,92,027
Other Current liabilities	14,14,550	3,53,932
Statutory dues:-		
- Excise duty payable on finished goods	16,05,154	37,28,455
- Entry tax payable	33,330	.
- Service tax payable	4,46,168	7,18,357
- TDS payable	12,81,882	13,02,900
- ESI Payable	1,93,608	1,17,011
- PF payable	9,50,689	7,66,715
- Bonus payable	12,05,233	12,93,927
- CST, Wct & Vat payable	90,03,235	86,36,276
- Professional tax payable	22,975	19,975
- Wealth Tax Payable	85,606	2,40,181
Total	18,64,26,637	18,85,77,438

11 Fixed Assets-31.03.2014

		Gross Block					Depreciation					Net Block	
Sr. No.	Description	As at 01-04-2013	Additions	Sale/ Disposals	Other adjustments		As at 31-03-2014	As at 01-04-2013	For the year	Disposals/Adj ustment	As at 31-03-2014	As at 31-03-2014	As at 31-03-2013
					Exchange differences	Borrowing costs							
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
a)	Tangible assets												
1	Land -Leasehold	3,93,52,159	-	-	-	-	3,93,52,159	24,51,758	4,53,916	-	29,05,674	3,64,46,485	3,69,00,401
2	Buildings	44,62,91,976	76,58,949	-	-	-	45,39,50,925	3,56,09,031	1,49,71,665	-	5,05,80,696	40,33,70,229	41,06,82,945
3	Plant and machinery	1,05,98,44,844	4,42,90,065	1,58,77,090	29,74,515	-	1,09,12,32,334	15,07,85,197	8,88,47,952	57,46,661	23,38,86,488	85,73,45,846	90,90,59,647
4	Electric installation	4,63,63,635	78,311	-	-	-	4,64,41,946	60,72,380	23,85,541	-	84,57,921	3,79,84,025	4,02,91,255
5	Furniture and fixtures	86,25,953	14,34,014	-	-	-	1,00,59,967	26,25,683	5,24,179	-	31,49,862	69,10,105	60,00,270
6	Vehicles	2,93,93,203	22,22,134	12,28,132	-	-	3,03,87,205	68,06,615	31,42,446	5,13,106	94,35,955	2,09,51,250	2,25,86,588
7	Office equipment	99,48,525	8,53,584	-	-	-	1,08,02,109	44,32,262	11,71,790	650	56,03,402	51,98,707	55,16,263
	Total-Tangible assets	1,63,98,20,295	5,65,37,057	1,71,05,222	29,74,515	-	1,68,22,26,645	20,87,82,926	11,14,97,489	62,60,417	31,40,19,998	1,36,82,06,647	1,43,10,37,369
	Previous Year	1,32,17,79,084	33,05,01,133	1,76,59,757	51,99,835	-	1,63,98,20,295	11,62,54,398	9,31,55,676	6,27,147	20,87,82,928	1,43,10,37,369	1,20,55,24,685
b)	Intangible assets												
	Product Development	1,00,33,950	-	-	-	-	1,00,33,950	15,05,092	6,66,968	-	21,72,060	78,61,890	85,28,858
	Computer Software	10,00,502	26,534	-	-	-	10,27,036	3,90,136	5,00,164	-	8,90,300	1,36,736	6,10,366
	Total-Intangible assets	1,10,34,452	26,534	-	-	-	1,10,60,986	18,95,228	11,67,132	-	30,62,360	79,98,626	91,39,224
	Previous Year	1,10,34,452	-	-	-	-	1,10,34,452	7,29,652	11,65,576	-	18,95,228	91,39,224	1,03,04,800
C)	CapitalWork- In- Progress - Tangible Assets	67,63,038	2,42,78,394	79,92,368		-	2,30,49,064	-	-	-	-	2,30,49,064	67,63,038
	Previous Year	20,90,82,223	1,91,26,319	22,14,45,504		-	67,63,038	-	-	-	-	67,63,038	20,90,82,223
	Intangible Asset under development	-	8,66,742				8,66,742					8,66,742	-
	Previous Year	-	-				-					-	-
	Total-Current Year	1,65,76,17,785	8,17,08,727	2,50,97,590	29,74,515	-	1,71,72,03,437	21,06,78,154	11,26,64,621	62,60,417	31,70,82,358	1,40,01,21,079	1,44,69,39,631
	Total-Previous Year	1,54,18,95,758	34,96,27,452	23,91,05,261	51,99,835	-	1,65,76,17,784	11,69,84,050	9,43,21,252	6,27,147	21,06,78,156	1,44,69,39,631	1,42,49,11,708

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.29.74 lacs (31 March 2013: exchange loss Rs.51.99 Lacs) to the cost of plant and machinery.
- During the year extra shift depreciation of Rs. 61.84 Lacs (31st March, 2013 Nil) has been provided on the machines which have been operated on triple shift basis.

12 Non-current investments

	Amount (Rs.)	
	As at	As at
	31st March, 2014	31st March, 2013
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity shares		
Investment in subsidiaries		
1000 (31 March 2013: 1000) Equity shares of Rs.100 each fully paid-up in Diamond Mattress Company Private Limited	30,00,000	30,00,000
Less - Provision for diminution in the value of investment	30,00,000	29,21,954
Total	-	78,046
Aggregate amount of unquoted investments	-	78,046

13 Loans and advances

	Non-Current		Current	
	As at	As at	As at	As at
	31st March, 2014	31st March, 2013	31st March, 2014	31st March, 2013
Unsecured, considered good				
Capital advances	72,55,213	12,64,67,199	9,03,00,000	-
Security deposit	1,24,58,041	1,11,75,388	60,62,500	60,62,250
Advance Recoverable in Cash or Kinds:				
TDS receivable FY 2013-14	-	-	68,82,348	-
TDS receivable FY 2012-13	-	-	1,64,40,626	1,57,00,094
Income Tax Refund 2007-08	-	-	11,65,813	11,65,813
Income Tax Refund 2010-11	-	-	2,50,287	2,50,287
Income Tax Refund 2011-12	-	-	1,70,83,804	1,70,83,804
Advance to trade suppliers	-	-	8,42,92,024	8,32,29,728
Advance for expenses	-	-	22,02,655	20,03,767
Advance Recoverable	-	-	2,32,804	1,12,42,182
Other Loans and Advances:				
Prepaid expenses	-	-	64,74,939	40,12,085
Loans to employees	-	-	5,07,190	14,60,027
Balances due from Statutory Government Authorities	35,49,178	2,50,925	8,11,35,682	11,15,45,800
Total	2,32,62,432	13,78,93,512	31,30,30,672	25,37,55,837

14 Trade receivables and other assets

14.1 Other assets

	Non Current		Current	
	As at	As at	As at	As at
	31st March, 2014	31st March, 2013	31st March, 2014	31st March, 2013
Unsecured, considered good				
Interest accrued on deposits	24,01,470	-	-	15,51,123
Interest accrued on investments (ICD)	-	-	7,00,96,309	3,54,20,670
Interest accrued on other	-	-	44,50,195	68,41,282
Margin money / FDR with banks originally more than twelve months [refer note no. 17]	8,75,35,125	5,04,15,317	-	-
Total	8,99,36,595	5,04,15,317	7,45,46,504	4,38,13,075

14.2 Trade receivables

	Non Current		Current	
	As at	As at	As at	As at
	31st March, 2014	31st March, 2013	31st March, 2014	31st March, 2013
Outstanding for a period exceeding six months from the date they are due for payment				
- Unsecured Considered good			9,55,81,360	2,10,19,478
- Unsecured Considered Doubtful			35,43,517	-
			9,91,24,877	2,10,19,478
Less: Provision for Doubtful Debts			35,43,517	-
			9,55,81,360	2,10,19,478
Other receivables (Unsecured, considered good)			40,23,42,837	33,25,48,896
Total	-	-	49,79,24,197	35,35,68,374

Trade Receivable include :

Dues from Partnership firm in which the company's directors are partner
M/s Clearvision Industries

Current	
As at	As at
31st March, 2014	31st March, 2013
9,77,313	-

15 Current investments

Amount (Rs.)

	As at	As at
	31st March, 2014	31st March, 2013
Other Investments		
Inter Corporate Deposits*	25,35,00,000	26,16,00,000
Total	25,35,00,000	26,16,00,000

* Represents short-term investments made from the unutilized portion of public issue raised during the financial year 2011-12, names of the bodies Corporate & relationship are as under:-

Name of Bodies Corporate	Relationship	As at	As at
		31st March, 2014	31st March, 2013
Raw Gold Securities Pvt Ltd	Separate Legal Entity	7,00,00,000	7,00,00,000
Saptrishi Suppliers Pvt Ltd	Separate Legal Entity	13,19,00,000	14,00,00,000
Wattkins Commerce Pvt. Ltd.	Separate Legal Entity	5,16,00,000	5,16,00,000
		25,35,00,000	26,16,00,000

The company has issued notices to all the above parties for calling back ICD of Rs. 3100 lacs to comply with the SEBI Directions, out of which Rs. 150 lacs, 334 lacs & 81 lacs had been received during financial year 2011-12, 2012-13 & 2013-14 respectively. Out of balance of Rs 2535 lacs, Rs 1176 lacs received in 2014-15 till 27.05.2014. The balance amount of Rs. 1359 lacs is yet to be received by the company.

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

	As at	As at
	31st March, 2014	31st March, 2013
Raw materials and components	10,21,65,715	19,78,45,797
Stock in transit -raw materials	1,26,14,128	1,11,42,932
Work-in-progress	3,05,06,329	3,25,52,297
Finished goods	2,03,52,333	3,59,27,238
Stores & spares	30,53,260	5,63,618
Other- diesel	5,31,717	5,19,718
Total	16,92,23,482	27,85,51,600

17 Cash and bank balances

	Non-Current		Current	
	As at	As at	As at	As at
	31st March, 2014	31st March, 2013	31st March, 2014	31st March, 2013
Cash and Cash Equivalents				
- Balance with bank in current accounts	-	-	9,92,449	28,94,024
- Cheques, Drafts on hand	-	-	10,401	-
- Cash in hand	-	-	97,250	8,81,500
Total (A)	-	-	11,00,100	37,75,524
Other bank balances				
Balance under lien/margin/kept as security etc:				
"- Margin money originally maturity more than 12 months *	23,15,348	-	-	-
"- Margin money originally maturity more than 3 months & upto 12 months *	3,21,55,202	-	-	3,81,08,315
Other balances				
"- Fixed deposit originally maturity more than 12 months	-	8,75,000	-	30,62,002
- Standard Chartered bank Escrow a/c, Gurgaon **	1,64,575	1,40,317	-	-
"- Fixed deposit in Escrow a/c with SCB **	5,29,00,000	4,94,00,000	-	-
Total (B)	8,75,35,125	5,04,15,317	-	4,11,70,317
Total(A+B)	8,75,35,125	5,04,15,317	11,00,100	4,49,45,841
Amount disclosed under margin money / fixed deposit originally more than 12 months shown under non-current assets (refer note no. 14.1)-(C)	8,75,35,125	5,04,15,317	-	-
Total (A+B-C)	-	-	11,00,100	4,49,45,841

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

** Withdrawal from Escrow a/c with SCB are subject to SEBI approval [refer note no. 28(8)]

18 Revenue from Operations

	Amount (Rs.)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
Sale of Products:		
- Finished goods	2,22,63,73,764	3,06,97,46,211
- Traded goods (Input cleared as such)	14,28,23,964	11,62,95,460
Income from services	1,19,28,196	39,53,884
Other operating revenue:		
- Scrap sales	77,45,757	93,85,914
Revenue from operations (gross)	2,38,88,71,681	3,19,93,81,469
Less: Excise duty	(20,76,12,080)	(17,29,76,451)
Revenue from operations (net)	2,18,12,59,601	3,02,64,05,018

18.1 Details of Products Sold

	Amount (Rs.)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
Finished goods sold		
Colour Television	8,44,85,026	1,21,60,58,831
DVD	-	2,80,945
CFL	34,04,29,330	32,57,88,899
Solar Lamp	2,06,92,315	-
Washing Machine	44,25,11,784	13,63,80,331
Water Purifier	-	2,76,035
Air Cooler and Air Cooler Parts	4,25,74,282	1,90,55,360
Chasis For Ctv	-	2,45,93,391
Electrical Switch Parts	9,42,80,836	
Plastic Parts		
Colour Television	1,07,15,251	38,34,26,642
Air Conditioners	51,58,05,584	37,16,97,066
DVD	-	4,27,723
Water Purifier	1,44,91,593	3,11,22,808
Washing Machine	47,37,906	30,21,95,550
Refrigerator	39,60,55,029	14,94,56,558
Automotive	11,59,57,038	8,42,04,348
Air Cooler	-	92,15,244
Bathroom fitting	2,83,34,965	1,08,87,906
Plastic Container	1,33,77,577	-
Juicer Mixer Grinder/LED Plastic Parts	31,64,224	-
Monitor Parts	34,61,888	-
Microwave Parts	9,52,061	-
Other	9,43,47,075	46,78,574
Total	2,22,63,73,764	3,06,97,46,211

18.2 Traded good sold (Input cleared as such)

	Amount (Rs.)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
Plastic Granuals	11,16,69,585	4,00,63,716
CTV Components	3,78,950	4,08,42,366
CFL Components	94,569	35,343
Refrigerator Components	331	1,33,44,017
Air Conditioner Components	1,20,92,057	1,09,62,123
Washing Machine Components	25,12,613	58,04,607
Air Cooler Components	0	66,429
Packing Material	82,52,529	-
LCD	60,42,010	-
Others	17,81,320	51,76,859
Total	14,28,23,964	11,62,95,460

18.3 Details of services rendered

	Amount (Rs.)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
Job Work Charges	1,06,87,486	30,68,484
Repair Of Moulds	12,40,710	8,85,400
Total	1,19,28,196	39,53,884

19 Other income

	Amount (Rs.)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
Interest income		
Interest on Bank deposits	86,42,214	45,95,252
Interest from investments(ICD) #	3,65,99,030	3,93,56,301
Interest on others	11,87,714	13,40,740
PSI Incentive 2007 at MIDC *	92,63,403	1,03,57,771
Commission income	-	98,83,294
Liabilities/Excess provision written back to the extent no longer required	16,25,082	1,46,772
Miscellaneous income	4,61,733	58,604
Total	5,77,79,176	6,57,38,734

The Inter-corporate deposit agreements (ICD agreement) were expired during the year 2012-13. However, the company has recognised interest on ICD's at the rates specified in the Inter-corporate deposit agreement pending receipt of amount from the party.

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

20 Cost of raw material & components consumed

	Amount (Rs.)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
Inventory at the beginning of the year	19,78,45,797	17,25,47,127
Add: Purchases	1,73,62,97,118	2,68,87,16,283
Less: Discount received from suppliers	37,17,652	1,10,02,867
Less: Cost of goods traded (Input cleared as such)	13,62,13,347	10,17,52,938
	1,79,42,11,916	2,74,85,07,605
Less: Inventory at the end of the year	10,21,65,715	19,78,45,797
Cost of raw material & components consumed	1,69,20,46,201	2,55,06,61,808

	Amount (Rs.)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
20.1 Details of raw material & components consumed		
Plastic Granules	91,90,29,439	73,59,60,511
Colour Picture Tube	1,26,68,152	52,33,48,198
Chasis For Ctv	91,01,994	43,02,24,257
Wash Motor	-	2,83,06,104
Populated Circuit Board (PCB) of CFL	17,72,25,552	15,00,09,690
Bulb CFL	11,47,02,041	14,19,02,419
Other	45,93,19,023	54,09,10,629
Total	1,69,20,46,201	2,55,06,61,808

	Amount (Rs.)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
20.2 Details of inventory		
Raw materials		
Plastic Granules	5,34,78,815	9,42,94,638
Colour Picture Tube	67,10,876	1,93,79,028
Chasis For Ctv	41,79,550	1,32,81,544
Washing Machine Component	2,47,523	35,91,194
Populated Circuit Board of CFL	14,39,659	23,98,649
Bulb CFL	16,33,071	42,57,645
Other	3,44,76,221	6,06,43,099
Total	10,21,65,715	19,78,45,797

	Amount (Rs.)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
20.3 Details of cost of traded goods (Input cleared as such)		
Plastic Granules	10,56,08,288	3,39,86,723
CTV Components	3,78,933	3,77,04,399
CFL Components	94,569	35,343
Refrigerator Components	324	1,12,62,521
Air Conditioner Components	1,18,43,085	91,32,274
Washing Machine Components	25,04,420	48,96,606
Air Cooler Components	-	59,123
Packing Material	81,23,987	-
LCD	59,21,170	-
Others	17,38,571	46,75,949
Total	13,62,13,347	10,17,52,938

	Amount (Rs.)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
21 Changes in inventories of finished goods, work in -progress		
Inventories at the end of the year		
Work-in-progress	3,05,06,330	3,25,52,297
Finished goods	2,03,52,333	3,59,27,238
Total	5,08,58,663	6,84,79,535
Inventories at the beginning of the year		
Work-in-progress	3,25,52,297	2,71,26,344
Finished goods	3,59,27,238	1,80,52,581
Total	6,84,79,535	4,51,78,925
Changes in inventories	1,76,20,872	(2,33,00,610)

		Amount (Rs.)	
		Year ended	Year ended
		31st March, 2014	31st March, 2013
21.1 Finished goods			
Colour Television	-	11,12,527	
CFL	6,43,863	11,23,055	
PCB	32,78,743	5,68,881	
Eco Light	7,51,626		
Air Coolers	16,12,008	36,53,964	
Washing Machine	-	1,78,843	
Plastic Parts:-			
Colour Television/LCD Parts	16,43,009	33,20,417	
Air Conditioners	33,44,486	1,69,85,582	
Water Purifier	-	15,96,698	
Washing Machine	15,17,431	19,29,078	
Refrigerators	47,12,738	30,50,251	
Automotive	22,51,146	15,29,907	
Air Coolers Parts	1,03,477	5,79,681	
Bath Room Fitting Parts	1,56,723	1,66,035	
LED Plastics Parts	1,56,339	-	
Other	1,80,744	1,32,319	
Total	2,03,52,333	3,59,27,238	

		Amount (Rs.)	
		Year ended	Year ended
		31st March, 2014	31st March, 2013
21.2 Work In Progress			
Water Purifier	16,536	-	
CTV	32,18,134	-	
Plastic Parts			
Colour Television	68,26,788	43,83,301	
Air Conditioners	1,09,23,968	2,24,25,512	
Washing Machine	30,24,278	16,07,331	
Refrigerators	21,03,209	5,39,991	
Automotive	22,14,531	19,65,969	
Air Coolers Parts	20,55,404	8,49,490	
Bath Room Fitting Parts	6,687	3,70,109	
Other	1,16,795	4,10,594	
Total	3,05,06,330	3,25,52,297	

	Amount (Rs.)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
22 Employee benefit expense		
Salaries, wages and bonus	15,20,04,019	14,15,12,771
Contribution to provident and other fund	80,10,098	58,38,194
Leave encashment [refer note no. 28(3)]	8,57,791	27,85,834
Gratuity expense [refer note no. 28(3)]	38,39,368	12,30,035
Employee Benefits	66,34,205	73,78,081
Total	17,13,45,481	15,87,44,915

	Amount (Rs.)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
23 Other expenses		
Consumption of stores and spares	17,87,192	50,29,948
Power and fuel	8,30,90,740	7,01,58,908
Sub-contracting expenses	1,16,16,243	1,62,16,496
(Decrease)/Increase of excise duty on inventory	(14,33,439)	26,45,338
Freight and forwarding charges	3,26,77,231	3,08,32,433
Rent & Hiring charges of machinery , DG set	5,26,320	3,50,880
Rent of Factory Building & Office	9,75,000	1,95,000
Rates and taxes (Service tax paid, ROC & Reversal of ITC)	22,33,191	47,97,761
Insurance	35,32,632	22,52,077
Repairs and Maintenance -Plant and machinery	82,16,692	85,98,668
Repairs & Maintenance- Buildings	8,16,572	11,68,447
Repairs & Maintenance - Others	25,97,282	33,87,877
Travelling and conveyance	1,02,96,922	82,75,744
Vehicle running & maintenance	54,97,283	42,11,664
Communication costs	17,35,996	16,34,632
Printing and stationery	7,78,398	10,21,396
Security Guard expenses	55,57,308	53,77,900
Legal and professional fees	53,11,916	64,42,035
Payment to auditor (Refer details below)	10,92,821	9,50,000
Payment to cost auditor	1,90,000	3,80,000
Directors sitting fees	2,40,000	3,10,000
Exchange differences (net)	1,00,659	16,23,475
Loss on sale of fixed assets (net)	54,31,413	2,27,860
Late delivery charges from customers	14,23,651	4,41,347
Provision for Diminution in value of investement	78,046	29,21,954
Brokrage on Sale of Assets	-	5,00,000
Provision for Doubtful Debts	35,43,517	-
Miscellaneous expenses	56,72,455	63,37,721
Total	19,35,86,041	18,62,89,561

Details of payment to auditor are as under:

As auditor:

	Year ended 31st March, 2014	Amount (Rs.) Year ended 31st March, 2013
Audit fee	3,30,000	3,30,000
Tax audit fee	20,000	20,000
Limited review	6,00,000	6,00,000
For others	1,42,921	-
Total	10,92,921	9,50,000

24 Prior period expenses:-

	Year ended 31st March, 2014	Amount (Rs.) Year ended 31st March, 2013
- Discount on sales	29,963	-
- Annual Membership Fee	46,160	-
- Repair & Maintenance- P & M	-	24,157
- Rate & Taxes	-	1,12,418
- Staff Welfare Expenses	-	70,000
- Sales tax for earlier years	-	40,833
- Testing & trial charges	20,225	28,674
- Professional charges	-	30,008
- Freight Charges	28,66,626	-
- Amortisation cost of leasehold land	-	20,08,886
- Lease rent to Upside	39,044	68,460
- Depreciation	1,14,672	-
- Other expenses	1,07,591	18,830
Total	32,24,281	24,02,266

25 Depreciation and amortization expenses

Depreciation / amortisation on tangible assets *

Amortisation on intangible assets

Total

	Year ended 31st March, 2014	Amount (Rs.) Year ended 31st March, 2013
Depreciation / amortisation on tangible assets *	11,13,82,817	9,11,46,791
Amortisation on intangible assets	11,67,132	11,65,575
Total	11,25,49,949	9,23,12,366

* excludes Rs 1,14,672 /- being depreciation related to prior periods.

26 Finance costs

	Year ended 31st March, 2014	Amount (Rs.) Year ended 31st March, 2013
Interest to Bank	8,45,30,261	7,69,00,137
Interest to Other	48,41,606	13,22,149
Interest On Car Loan	6,49,085	7,19,993
Bank charges, Commission & Processing Fees	2,52,62,943	3,22,92,372
Total	11,52,83,895	11,12,34,651

		Amount (Rs.)	
		As at 31st March, 2014	As at 31st March, 2013
27	Contingent liabilities and Commitments		
A	Contingent liability (to the extent not provided for)		
	Claims against the company not acknowledged as debts (excluding interest & penalty)		
	a) Central Excise (FY 2006-07 to 2013-14)	5,77,368	16,626
	d) Income Tax- TDS (FY 2006-07 to 2010-11)	36,55,425	36,55,425
	c) Income Tax- (FY 2009-10)	4,14,696	4,14,696
	Bank Guarantees given to Customers	5,00,000	10,00,000
	Bills discounted under LC with State Bank of India	93,81,703	-
	Bank Guarantee given to BSE	-	60,32,250
	Corporate Guarantee given to SBI for Bigesto Technologies Limited (BTL) #	10,50,00,000	10,50,00,000
	Total	11,95,29,192	11,61,18,997

The contingent liability against corporate guarantee given to SBI has become NIL as on 23.05.2014, since the BTL has fully repaid the outstanding against the credit facilities given by SBI

i) 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.

ii) The company was under process of investigation, as per SEBI ad-interim Order No. WTM/PS/IVD-ID5/42/2011/DEC dated 28-12-2011, in exercise of powers conferred upon SEBI under section 19 of the Securities and Exchange Board of India Act, 1992 read with section 11(1), 11(4), 11A and 11B of the said Act, SEBI has issued certain directions for the company/ directors/ other entities to comply with. However, as per SEBI Order No. WTM/PS/16/IVD/ID-5/OCT/2012 dated 31-10-2012, SEBI has revoked interim directions issued vide its order dated 28-12-2011 on all the entities except company and its promoter directors. Now the company has received the final order dated 11.03.2014 and in exercise of powers conferred under section 11(1), 11(4), 11(B) and 11(A) of the SEBI Act, following directions has been issued by SEBI (a) Company & its promoter directors are prohibited from raising any further capital from the securities market and also prohibited from buying and selling or dealing in securities market for a period of ten years from 28.12.2011 (b) The company is directed to take urgent and effective measures to recover all moneys recoverable on account of investments in ICDs, contracts for purchase of land which have not fructified till now etc and to report the progress to SEBI on or before 10.05.2014. The company has filed the appeal with Securities Appellate Tribunal and also submitted the progress report with SEBI. Based on progress report further directions are awaited. In view of the uncertainty of the ultimate outcome, the impact, if any, cannot be presently ascertained.

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

		Amount (Rs.)	
		As at 31st March 2014	As at 31st March, 2013
B	Commitments		
	Estimated amount of contracts remaining to be executed on Capital account and not provided for (Net of advances)	67,13,661	5,75,38,374

28 Other Notes on Accounts

1 The Company has not made any provision for cess payable u/s 441A of the Companies Act, 1956. The said provision shall be made as and when the requisite notification is issued by the Central Government in this regard.

2 Earnings per share (EPS)

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

		Amount (Rs.)	
		As at 31st March 2014	As at 31st March, 2013
Numerator for earning per share			
Loss before taxation		(20,28,31,290)	(8,79,54,143)
Less : Provision for deferred tax and income tax		-	(3,79,82,560)
Loss after tax		(20,28,31,290)	(4,99,71,583)
Denominator for earning per share			
Weighted average number of equity shares outstanding during the period		1,64,14,332	1,64,14,332
Earning per share- Basic and Diluted (one equity share of Rs. 10 each)		(12.36)	(3.04)

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.

		Amount (Rs.) 2013-14	Amount (Rs.) 2012-13
A	Defined Contribution Plan		
	Employer's contribution to Provident Fund	61,55,009	48,97,800
	Employer's contribution to Employee State Insurance Fund	18,55,089	9,40,394
	Total	80,10,098	58,38,194

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, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
Current service cost	20,06,160	23,53,284	22,93,925	20,29,802
Interest cost on benefit obligation	5,46,432	4,09,906	6,51,191	6,15,073
Past Service Cost	-	-	-	-
Expected return on plan assets	-	-	(3,19,185)	(2,82,558)
Net actuarial(gain)/loss recognized in the year	(16,94,801)	22,644	12,13,437	(11,32,282)
Net benefit expense	8,57,791	27,85,834	38,39,368	12,30,035

C Amounts recognised in balance sheet

	Amount (Rs.)		Amount (Rs.)	
	Leave	Encashment Non Funded	Gratuity Partly Funded	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
Present value of defined benefit obligation (Note i)	49,97,774	67,19,240	87,92,679	80,18,112
Fair value of plan assets (Note ii)	-	-	(38,76,033)	36,10,761
Plan asset/(liability)	(49,97,774)	(67,19,240)	(49,16,646)	(44,07,351)

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

	Amount (Rs.)		Amount (Rs.)	
	Leave	Encashment Non Funded	Gratuity Partly Funded	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
Opening defined benefit obligation	67,19,240	47,66,346	80,18,112	71,52,021
Current service cost	20,06,160	23,53,284	22,93,925	20,29,802
Interest cost	5,46,432	4,09,906	6,51,191	6,15,073
Benefits paid	(25,79,257)	(8,32,940)	(33,30,073)	(6,46,502)
Past Service Cost	0	0	0	0
Actuarial (gains)/losses on obligation	(16,94,801)	22,644	11,59,524	(11,32,282)
Closing defined benefit obligation	49,97,774	67,19,240	87,92,679	80,18,112

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

	Amount (Rs.)		Amount (Rs.)	
	Leave	Encashment Non Funded	Gratuity Partly Funded	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
Opening fair value of plan assets	-	-	36,10,761	27,76,156
Expected return	-	-	3,19,185	2,82,558
Contributions by employer	-	-	0	8,11,859
Benefits paid	-	-	0	(2,59,812)
Actuarial gains/(losses) on plan assets	-	-	(53,913)	0
Closing fair value of plan assets	-	-	38,76,033	36,10,761

Investments with insurer

	Leave	Encashment Non Funded	Gratuity Partly Funded	
	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
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 31st March, 2014	As at 31st March, 2013	As at 31st March, 2014	As at 31st March, 2013
Discount rate	9.10%	8.20%	9.10%	8.10%
Expected rate of return on assets	N.A	N.A.	6.75%	9.00%
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 (2006 - 2008) 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:

	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Gratuity *					
Defined benefit obligation	87,92,679	80,18,112	71,52,021	42,97,504	31,34,138
Plan assets	38,76,033	36,10,761	27,76,156	20,76,388	13,40,483
Surplus/(deficit)	(49,16,646)	(44,07,351)	(43,75,865)	(22,21,116)	(17,93,655)
Experience adjustments on plan liabilities & assets #	-	-	-	-	-
Leave Encashment *					
Defined benefit obligation	49,97,774	67,19,240	47,66,346	28,72,274	19,80,286
Plan assets	0	0	0	0	0
Surplus/(deficit)	(49,97,774)	(67,19,240)	(47,66,346)	(28,72,274)	(19,80,286)
Experience adjustments on plan liabilities & assets #	-	-	-	-	-

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

- 4 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.
- 5 The Company has a system of obtaining periodic confirmations for debtors, loans & advances, current investments and creditors. Necessary entries have been passed on reconciliation of accounts wherever required.
- 6 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, 2014	As at 31st March, 2013
Salaries, wages and bonus, Gratuity	-	2,63,866
Consumption of stores and spares, tools etc	-	-
Total	-	2,63,866

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

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

v) E)

S.No.	Name of the party	S.No.	Name of the party
1	M/s Promod Gupta -Proprietor	5	PG Electronics
2	Bigesto Technologies Limited	6	Clearvision Industries
3	PG International		
4	J. B. Electronics		

Outstanding balances as on 31-03-2014												
1	Investment	2013-14	-	-	-	-	-	-	-	-	-	-
		PV	78,046									
2	Loan Payable	2013-14	-	12,64,19,000	3,08,25,000	3,02,00,000	7,00,000	61,00,000	6,50,000	21,30,000	-	-
		PV	-	10,40,00,000	2,00,33,000	2,61,47,000	-	-	-	-	-	-
3	Payable	2013-14	-	1,58,100	1,62,550	1,59,400	1,59,340	58,500	1,63,05,147	1,06,97,699	15,83,858	5,000
		PV	-	1,73,100	1,73,100	1,59,447	1,59,140	79,210	24,27,939	-	-	-
4	Receivable/ Debtors	2013-14	-	-	-	-	-	-	-	-	-	-
		PV	-	-	-	-	-	-	-	-	-	-
5	Guarantees	2013-14	-	-	-	-	-	-	-	-	-	-
		PV	-	-	-	-	-	-	-	-	-	-
		2013-14	-	-	-	-	-	-	-	-	-	-
		PV	-	-	-	-	-	-	-	-	-	-
		2013-14	-	-	-	-	-	-	-	-	-	-
		PV	-	-	-	-	-	-	-	-	-	-
		2013-14	-	-	-	-	-	-	-	-	-	-
		PV	-	-	-	-	-	-	-	-	-	-
		2013-14	-	-	-	-	-	-	-	-	-	-
		PV	-	-	-	-	-	-	-	-	-	-
		2013-14	-	-	-	-	-	-	-	-	-	-
		PV	-	-	-	-	-	-	-	-	-	-
		2013-14	-	-	-	-	-	-	-	-	-	-
		PV	-	-	-	-	-	-	-	-	-	-
		2013-14	-	-	-	-	-	-	-	-	-	-
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(a) *The figure in bracket here represents Sales return.

(d) Diamond Matters Company Private Limited, the subsidiary company has filed application for striking off the name of the company under Section 560 of the Companies Act 1956 which is pending for

(d) Diamond Matters Company Private Limited, the subsidiary company has filed application for striking off the name of the company under Section 560 of the Companies Act 1956 which is pending for approval.

8 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 & general corporate expenses. Given below are the details of utilization of proceeds raised through public issue.

	Amount (Rs.)	
	As at 31st March, 2014	As at 31st March, 2013
Amount raised through Public issue	1,20,64,50,000	1,20,64,50,000
Less: amount utilized till date		
Utilized for General Corporate Purpose (Net)	9,03,00,000	13,15,00,000
Purchase of plant and machinery & Construction of Building	59,77,04,923	57,24,06,019
IPO Expenses (Net of reimbursements received)	9,93,38,974	9,93,38,974
Repayment of Term Loan	4,24,94,692	1,00,00,000
Utilized for Working Capital	7,45,34,010	8,30,27,606
Unutilized amount at the end of the year	30,20,77,401	31,01,77,401

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

	Amount (Rs.)	
	As at 31st March, 2014	As at 31st March, 2013
Investment in Inter-corporate deposits	25,35,00,000	26,16,00,000
Balance in Escrow a/c with SCB	4,85,77,401	4,85,77,401
	30,20,77,401	31,01,77,401

* 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 notice to all the above parties for calling back ICD of Rs. 3100 lacs, out of which Rs. 150 lacs, Rs 334 lacs and Rs 81 lacs had been received during financial year 2011-12, 2012-13 and 2013-14 respectively. Out of balance amount the company has received Rs 1176 lacs has been received till 27.05.2014. The balance amount of Rs 1359 lacs is yet to be received by the company.

The company was under process of investigation, as per SEBI ad-interim Order No. WTM/PS/IVD-ID5/42/2011/DEC dated 28-12-2011, in exercise of powers conferred upon SEBI under section 19 of the Securities and Exchange Board of India Act, 1992 read with section 11(1), 11(4), 11A and 11B of the said Act, SEBI has issued certain directions for the company/ directors/ other entities to comply with. However, as per SEBI Order No. WTM/PS/16/IVD/ID-5/OCT/2012 dated 31-10-2012, SEBI has revoked interim directions issued vide its order dated 28-12-2011 on all the entities except company and its promoter directors. Now the company has received the final order dated 11.03.2014 and in exercise of powers conferred under section 11(1), 11(4), 11(B) and 11(A) of the SEBI Act, following directions has been issued by SEBI. (i) Company & its promoter directors are prohibited from raising any further capital from the securities market and also prohibited from buying and selling or dealing in securities market for a period of ten years from 28.12.2011. (ii) The company is directed to take urgent and effective measures to recover all moneys recoverable on account of investments in ICDs, contracts for purchase of land which have not fructified till now etc and to report the progress to SEBI on or before 10.05.2014. The company has filed the appeal with Securities Appellate Tribunal and also submitted the progress report with SEBI. Based on progress report further directions are awaited.

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

- 9 The Company is under process of compiling the additional information required to be disclosed 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.

10 Value of imports calculated on CIF basis

	Amount (Rs.)	
	As at 31st March, 2014	As at 31st March, 2013
Plant & Machinery	2,30,44,115	2,19,762
Spare Parts	7,76,640	6,85,469
Raw materials	5,24,71,416	83,77,160
Research & Development	-	56,029
Total	7,62,92,171	93,38,420

		Amount (Rs.)	
11	Expenditure in foreign currency (accrual basis)	As at	As at
		31st March, 2014	31st March, 2013
	Travelling and conveyance	10,94,151	1,83,746

12 Imported and indigenous raw materials, components consumed

	As at 31st March 2014		As at 31st March 2014	
	% of total Consumption	Amount (Rs.)	% of total Consumption	Amount (Rs.)
Raw Materials				
Imported	3.48%	5,88,15,710	0.76%	1,92,77,473
Indigenously obtained	96.52%	1,63,32,30,491	99.24%	2,53,13,84,335
Total	100.00%	1,69,20,46,201	100.00%	2,55,06,61,808

13 Statement Regarding Subsidiary Company

Pursuant to Section 212 of The Companies Act, 1956

Diamond Mattress Company Private Limited

		Amount(Rs.)	
		As at	As at
		27th March, 2014	31st March, 2013
Share Capital		1,00,000	1,00,000
Reserve & surplus		(1,00,000) -	21,954
Total Assets	Total Fixed Assets	-	-
	Total Investment	-	-
	Total Current Assets	-	8,48,211
	Deferred Tax Assets	-	-
	Misc. Expenditure	-	-
	Profit & Loss	-	-
Total Liability	Total Loans	-	7,62,300
	Deferred Tax Liability	-	-
	Current Liability & Provision	-	7,865
Turnover		-	30,000
Profit Before Tax		-	(3,415)
Provision for Tax		-	0
Profit After Tax		-	(3,415)

NOTES :

Since the subsidiary company, Diamond Mattresses Company Private Limited has insignificant transactions during the year & assets & liabilities of the company has become NIL. Hence the financial statements of subsidiary company has not been consolidated. However the subsidiary company has filed application for striking off the name of the Company under Section 560 of the Companies Act 1956 which is pending for approval.

14 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

CA. Chitresh Gupta

Partner

Membership no.: 098247

Place: Greater Noida, U.P.

Date: 28th May 2014

(Promod Gupta) (Vishal Gupta)
Managing Director Executive Director

(K.A.Khandelwal)
CFO & Company Secretary

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