



## PG ELECTROPLAST LIMITED

CIN-L32109DL2003PLC119416

### 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

E-mail # info@pgel.in Website # www.pgel.in

**September 07, 2020**

To,  
The Manager (Listing)  
**BSE Limited,**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001

To,  
The Manager (Listing)  
**National Stock Exchange of India Limited,**  
Exchange Plaza,  
Bandra Kurla Complex,  
Bandra (East),  
Mumbai - 400 051

Scrip Code: 533581

Scrip Symbol: PGEL

By means of BSE Listing Centre

By means of NEAPS

### Sub.: Annual Report 2019-20

Dear Sir,

Pursuant to regulation 34 of the SEBI (Listing obligation & Disclosure Requirements) Regulations 2015, we are enclosing Annual Report 2019-20 of PG Electroplast Limited.

Further, the 18<sup>th</sup> Annual General Meeting of PG Electroplast Limited is scheduled to be held on Tuesday, 29<sup>th</sup> day of September, 2020 at 11.00 AM through Video Conferencing Facility (VC).

This is for your information and record.

Thanking you,

Yours Faithfully,

For **PG Electroplast Limited**

**(Sanchay Dubey)**  
**Company Secretary**



Encl: as above

■ **Registered Office**  
DTJ-209, Second Floor  
DLF Tower-B, Jasola  
New Delhi-110025  
Tele-Fax # 011-41421439



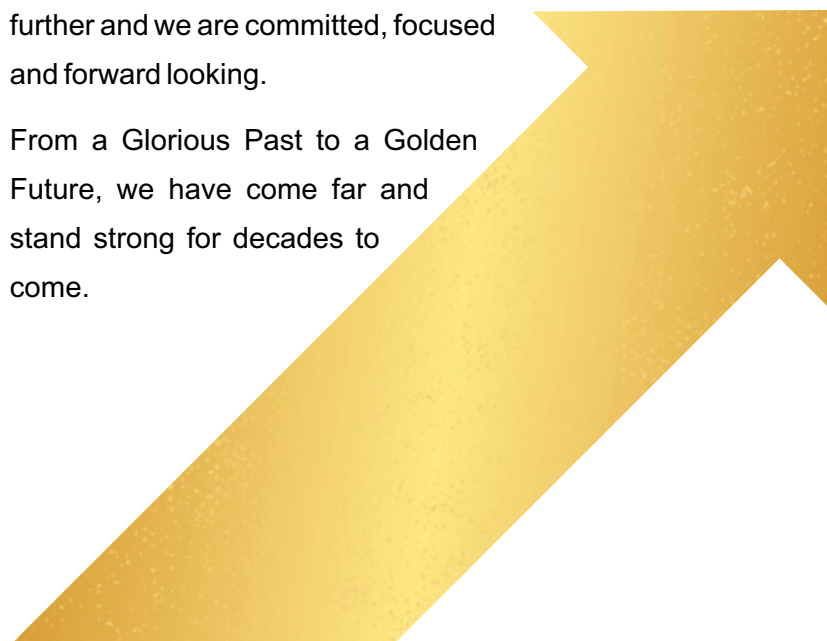
# A Glorious Legacy To A Golden Future



**A Glorious Legacy  
To A Golden Future**

A journey is all about where you came from i.e. the past, where you are now which is the present and where you are headed i.e. the future. It is upto the leaders, visionaries and successful people who leave endearing milestones all the way, on their journey. At PG Electroplast Ltd (PGEL), we have been truly blessed to have a glorious past which witnessed some great business acumen, seized opportunities and foresight for sustainable growth for its future. The foundation laid by our glorious past has actually seen us through till today where we stand with a shining present and a golden future. With heavy hearts we remember our dear Founder, Late Mr. Promod Gupta for leading us to where we are today. Now, it is upto us to keep the flag flying high today and ensure that next 10 or next 100 or even further and we are committed, focused and forward looking.

From a Glorious Past to a Golden Future, we have come far and stand strong for decades to come.



# Inside This Report

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### CAUTION REGARDING FORWARD LOOKING STATEMENTS

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

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



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## **FINANCIAL STATEMENTS**

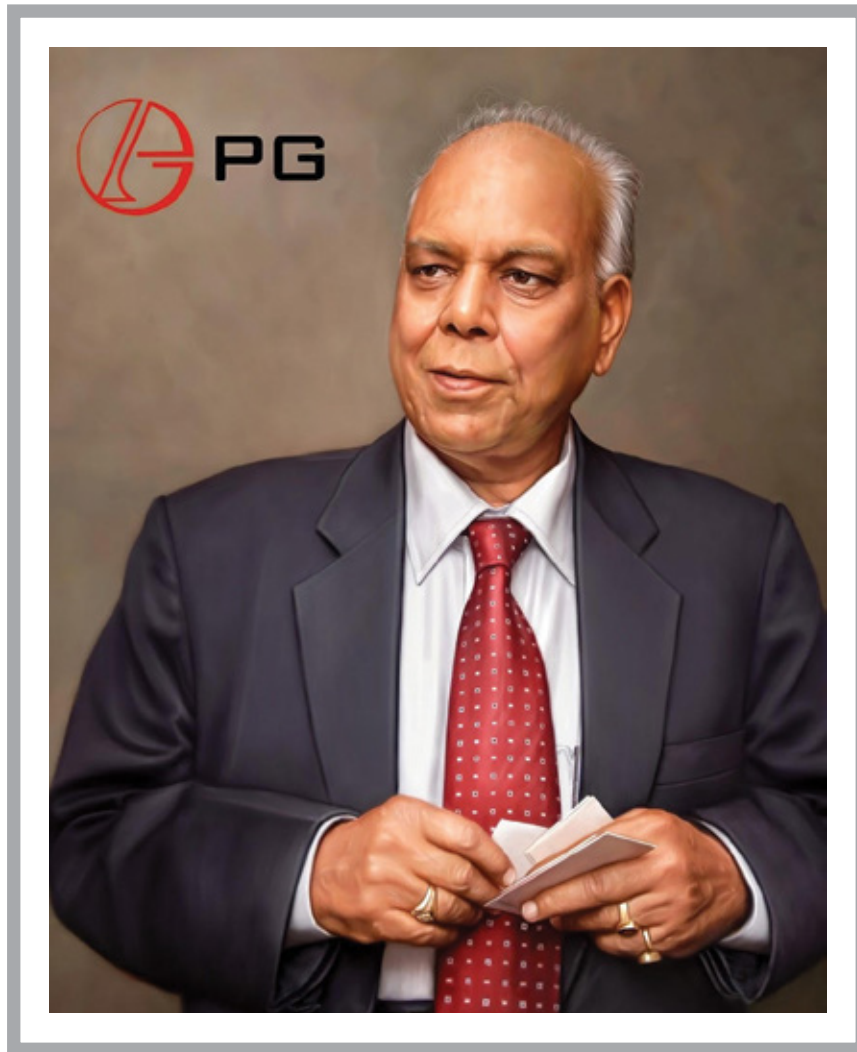
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# A Tribute to a Visionary



23.03.1942 – 29.11.2019

**Late Mr. Promod Gupta**

Founder of PG Electroplast Limited

A visionary, a first-generation entrepreneur, and a natural leader, Mr. Promod Gupta founded the PG Group in 1977. An engineer from The Birla Institute of Technology & Science, Pilani's Class of 1966, he got his start as a senior scientist at the Defense Research and Development Organization (DRDO), where he worked on development and testing of semiconductor for use in various defense systems and installations from 1966 to 1978. While there, he invented a new strain gauge, an achievement for which he received the President's Award. In 1984, he was elected as Fellow member of the Institution of Electronics and Telecommunication Engineers (FIETE). But possessing an innate entrepreneurial nature, he wasn't satisfied, and when he saw an opportunity in the electronics space, he jumped at the chance to grab it.

In 1975, he started making transistor radios at a small workshop on the terrace of his house, and soon started a TV repair venture on the side. To focus on PG full time, in 1977, he made the decision to leave the safety of his well-respected government job and faced a lot of resistance for the same. Nevertheless, even in the face of naysayers, he kept going, soon launching a proprietorship to manufacture deflection components for black and white TVs. Feeling the need to supplement his technical skillset with some commercial know-how, he went back to school to pick-up a Postgraduate Diploma in Marketing and Sales Management from Faculty of Management Sciences, Delhi University in 1977.

## A glimpse into the Visionary's life



In the early 90s, after having formed good working relationships with brands like Weston, Televista, Beltek, and Singer to manufacture TV components, PG made the big leap to manufacture complete TV sets. In 1995, PG opened its first factory in Noida, soon acquiring brands like Onida as one of its key customers. After that, there was no looking back, and PG became the leading player in the Indian TV manufacturing market, adding new businesses like plastic injection moulding, PCB assemblies, motor manufacturing, CFL manufacturing, product assemblies, and finally ODM products.

A great mentor, and always leading by example, Mr. Promod Gupta worked relentlessly to grow the organization from a one-man operation, to the group of companies employing 2000+ people it has become today. Inculcating principles like transparency, camaraderie, and dedication in the company culture, he moulded PG into a customer-driven organization, with a never-say-die attitude. His open nature, his adaptability to change and his ability to evolve quickly are all traits reflecting prominently in the company he founded. Committed to upholding his glorious legacy, we dedicate our journey forward to the man who started it all with nothing, but a dream.



# A Glorious Legacy

**The Journey of PG Electroplast, started in 1977 with a humble first step with manufacturing of electronic components as PG Group. Ever since, we have endeavoured to remain true to our spirit of creating impactful today and building progressive tomorrow. All these years, all our initiatives and actions have been aligned to create greater stakeholder value.**

On course our journey of excellence, we were able to set some benchmarks. We delivered 2.5 million Color TVs over a period of 3 years, starting 2008. In 2010, we were rated biggest manufacturer in India for Consumer Electronics. We went ahead to set up PU Paint Shop facility in 2018 as part of our vision to become one-stop-solution provider to our clients. In 2020, it was truly a right milestone of our glorious journey when we achieved highest ever revenue in the Company's history i.e ₹642 Crores (₹6 Billion)

Our vision to “emerge as a global one-stop solution partner in the field of Plastic Molding and Electronic Manufacturing Services” has been driving all our investments, planning and execution. The same is evident from our diversification and expansion milestones. As on today, we are steadfast to our vision and have the task set out for ourselves to create an even glittering future on the back of our glorious legacy and promising today.



# Timeline of Glorious Legacy

PG Group starts as a small electronic components manufacturing unit in Delhi.

1977

A TV manufacturing plant was set up in Noida.

1995

Started manufacturing Color TVs & Audio Products.

1997

A PCB Assembly Line was set up at Noida.

1999

Started Plastic Injection Molding Plant.

2003

Got first tender from Tamil Nadu Govt. for supplying CTV. Supplied 2.5 million CTV in next 3 years.

2008

Started Manufacturing of CFL LIGHTS.

2009

Diversified into Automotive industry ● and started working with Leading Indian and Global Automotive OEMs

PGEL rated the biggest manufacturer in India for Consumer Electronics ●

2010

2011

Expanded Foot print by setting up state of art plastic injection molding plant near Pune.

2012

Expanded plastic injection molding business by adding new factory at Greater Noida.

2014

Diversified in to small domestic appliances industry by setting up state of the art motor plant and started manufacturing Juicers, Mixer Grinders for leading Indian brands.

2015

Assembly Plant for Set-Top-Box gets started.

2016

New Tooling Division set up to cater to burgeoning demand of our existing customers.

2017

Adopted "Process Excellence" approach to focus on process improvement, ongoing business process management and continuous improvement in overall operations

2018

- Installed PU Paint Shop facility
- Set up of Thermoset - Urea-Formaldehyde (UF) Toilet Seats manufacturing facility

2019

- Crossed ₹500 Crore mark in revenues
- Successfully launched 2nd Model of Semi-Automatic Washing Machine
- A Product Showroom at Corporate Office was set up

2020

- Achieved highest ever revenue - Crossed ₹6 billion (₹600 Crores) mark
- Commissioned assembly of AC IDU (Indoor Unit) along with heat exchanger coil

# A Golden Future

**PG Electroplast has been built on strong foundation as a forward looking business entity. Ever since our inception, all our strategies, planning and execution has always focused on creating a stronger today and a much brighter tomorrow. Today, having built a robust business model and impeccable infrastructure, the future opportunities are immense.**

The vision to diversify and build capabilities over the years has started showing initial results promising greater possibilities for future. We worked on two-pronged approach. We diversified in most promising segment of Electronic Manufacturing Services i.e. Consumer Durables. Today, we make Indoor Units for Air Conditioners, Washing Machines (Semi-Automatic & Fully Automatic) and Air Coolers among others. These three products are doing really well and provide for immense opportunities. On the other hand, we consistently drove the agenda of becoming

'one-stop-solution' for our customers. We added new Tooling Division in 2016, PU Paint Shop in 2018, Heat-Exchanger Assembly Unit for AC IDUs in 2020. Today, we are nearing completion our mission to provide end-to-end solutions to our customer. This integration provides for higher customer engagement, higher margins for us and a win-win situation for us as well as our customers. Going forward, these capabilities will play a large role in acquiring new customers and retaining & growing existing customers.





The macro environment for the industry we operate in is presenting us with some impeccable and long-term opportunities, to build a promising future. The Indian ACE (Appliances and Consumer Electronics) market, other than mobile phones, is going to become double over next six years from its present size of ₹764 billion in 2019 to ₹1480 billion by 2025. Moreover, in line with policy initiatives of present government, the share of domestic manufacturing in the overall manufacturing is going to increase from 45% in 2019 to 54% by 2025. Due to current geo-political developments, the conditions for the Indian manufacturers have turned favourable and the same is likely to stay longer in view of present government's policies.



**Capex FY18 - FY20: ₹180 Crores+**

**Total No. of New Products  
in pipeline: 10 Nos.**

We are steadily heading towards increasing overall contribution of complete end-to-end products as ODM partners to our customers. FY20, has been first year wherein we started institutionalizing the operations strategy for the same.

## The Legacy Today

### Key numbers defining PGEL's today

At PG Electroplast, our approach is always forward looking and creating milestones, on the course. As we create milestones and build our future, we are creating a new today, every day. We believe that it is every single day in present that is put to task, that matters the most. As we remember our legacy today and looking upon a promising future, we are creating a strong today.

Sales CAGR (FY16-FY20)	19.50%
EBIDTA CAGR (FY16-FY20)	13.67%

**Total Income ₹642 Crores**

**Networth ₹176.23 Crores**

**Total Employees 921 Nos.**

**Total No. of Customers served: 30 Nos.**





# Financial Highlights

## Financial Performance

₹ in Lakhs

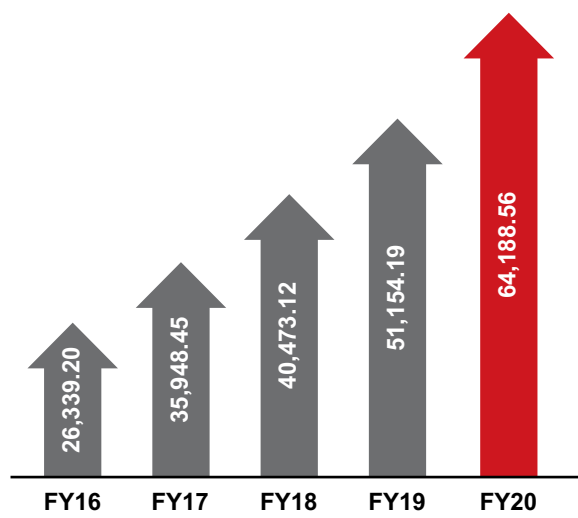
Particulars	FY2015-16	FY2016-17	FY2017-18	FY2018-19	FY 2019-20
Total Income	26,339.20	35,948.45	40,473.12	51,154.19	64,188.56
Gross Block	19,802.83	17,509.36	22,439.42	26,157.23	31,066.07
EBIDTA	2,127.79	2,384.39	2,986.71	3,385.63	4,037.43
PBT	190.56	336.18	748.50	1,015.60	930.95
PAT	190.56	336.18	748.50	994.25	261.47*
<b>Ratios in %</b>					
EBIDTA (%)	8.08%	6.63%	7.38%	6.62%	6.29%
PBT (%)	0.72%	0.94%	1.85%	1.99%	1.45%
PAT%	0.72%	0.94%	1.85%	1.94%	0.41%
ROI/ROCE (%)	7.06%	7.63%	8.48%	9.18%	5.06%
ROE (%)	11.61%	20.48%	45.60%	53.30%	13.39%
Sales Value Growth (%)	17.64%	36.48%	12.59%	26.39%	25.48%
<b>Ratio in Times</b>					<b>In Times</b>
DEBT/EBIDTA (Times)	3.92	4.68	4.30	3.84	4.66

\* PAT reduced because of unutilized MAT credit been written off.

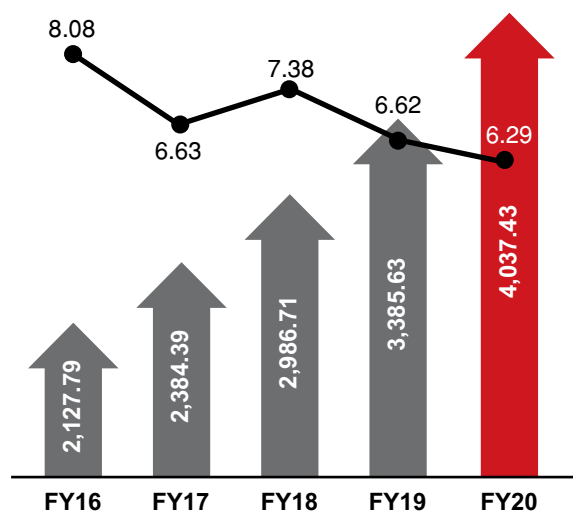
## Business Breakup FY2019-20

Segment	Q1 FY20	Q2 FY20	Q3 FY20	Q4 FY20	12M FY20
Plastic Moulding	75%	74%	63%	61%	68%
Electronics	5%	10%	7%	5%	7%
Mould Manufacturing	1%	1%	2%	0%	1%
Product Sale	19%	15%	28%	34%	24%
Total	100%	100%	100%	100%	100%

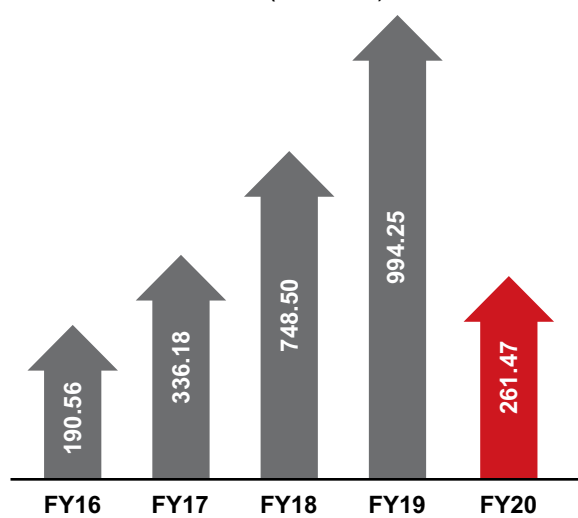
Total Income (₹ Lakhs)



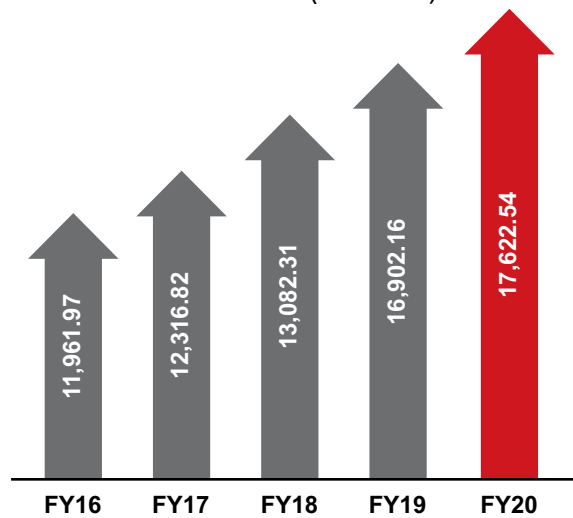
EBIDTA (₹ Lakhs) — EBIDTA Margin (%)



PAT (₹ Lakhs)



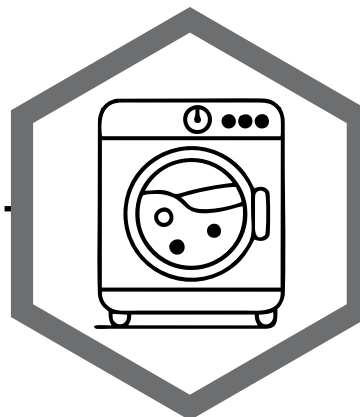
Net Worth (₹ Lakhs)



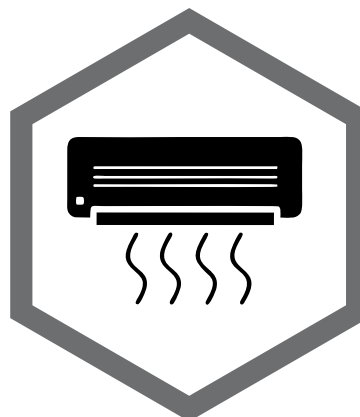
# Operational Highlights



ODM washing machine business doing well. Encouraging response to semi-automatic platforms.



Commissioned assembly of AC IDU (Indoor Unit) along with Heat Exchanger Coil.

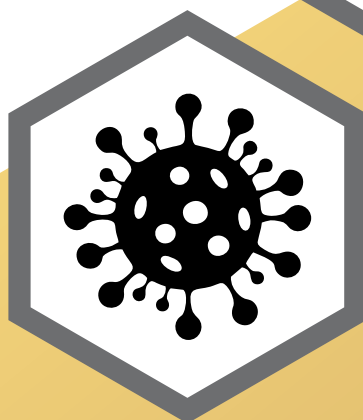




Achieved highest Revenues -  
Crossed ₹6 billion (₹600 Crores)  
mark in FY20.



Ramped up Design Shop and  
Tool Room capacity - significant  
competitive advantage for  
the Company



Covid-19 impacted the operations  
of the Company from  
Mid-March, 2020. Numbers could  
have been better.

Client engagements are expanding  
in product categories of AC's,  
Washing Machines and Refrigerators.

Nearing completion of mission “One-Stop-Solution” for clients



# Message from the Chairman



“Our strategy of building new capabilities and capacities has borne fruitful results across segments.”

## *Dear Shareholders,*

It's an honour and privilege to present you the FY 2019 – 20 Annual Report of PG Electroplast Ltd (PGEL). During the previous year, my father and the erstwhile Chairman of our Company Late Shri Promod Gupta left for his heavenly abode. He was a visionary, first generation entrepreneur and a charismatic leader. He was truly a people's person and fostered enduring relationships. Along with his ethos of hard work and ethics, he has left a rich legacy of vision, mission and compassion for the existing leadership team of PGEL.

PG Group was started in 1977 with a humble beginning, a single dimensional plastic moulding business that has turned into multi-dimensional diverse businesses covering a wide spectrum of capabilities and capacities in different fields. All

these are achievements of his astute determination and persistent hard work. We, at PGEL are fortunate to have been guided by such legend and are determined to uphold and grow his rich legacy. He will remain with us forever to motivate and inspire us and will continue to be a guiding light for the PGEL family.

Although, the external market environment continued to pose challenges, we are glad to share that the year under review has been satisfactory for the Company in terms of operational performance. The long term objective of enhancing our value-added deliveries was streamlined through better economies of scale, focus towards the ODM model, forward integration and acquisition of new clients.

### **Economic Developments**

Global economy was in a precarious position in early 2019, due to trade war and rising protectionism, although was starting to stabilise post the US-China trade deal, however, the Novel Coronavirus (Covid-19) hit the world in late

December 2019. The outbreak of Covid-19 has triggered major supply-chain disruptions across industries. Also severe demand and supply shocks are being observed across discretionary spend categories. Given the severity of the pandemic and the related lockdowns, the global economy is projected to contract sharply by close to 5% in 2020.

The Indian economy has started to recover from the severe lockdown in April-May 2020, and many sectors are seemingly adjusting to a new normal. To aid economic recovery, Government of India and regulators have announced a slew of measures to ease liquidity and improve sentiments among the general public and small businesses. On the positive side, despite a slowdown in GDP, consumption is likely to remain resilient with strong demand growth from rural India and semi-urban India.

### Industry Updates

Rising disposable income, increasing urbanisation, changing lifestyle and easy financing options are the major factors driving the growth of electronics and home appliance industry in India. The government's increased focus on domestic electronic manufacturing with initiatives like 'Make in India' and 'Digital India', also the schemes like production linked incentives (PLI) and Phased manufacturing plan (PMP) augur well for the domestic contract manufacturers and electronic manufacturing service (EMS) providers.

Furthermore, rising labour costs in China and the global trade war are compelling various global brands to shift or expand manufacturing location outside China. With a favourable policy structure to develop a manufacturing ecosystem for value additions, lower corporate tax rate and lower cost of labour, India could be one of the beneficiaries from this shift. To support the industry and attract global players, recently in April 2020, the government launched several incentives including ₹410 billion production linked incentive (PLI) programme to incentivise large electronic manufacturers to set up production bases in the Country.

### Performance Overview and Way Forward

PGEL has emerged as a leading and prominent player in plastic moulding and electronic manufacturing services. Our Company has established long standing relationship with diversified and reputed client base. With proven capabilities and large-scale manufacturing capacities, our Company today is a one-stop solution partner and preferred vendor of choice to its OEM clients in the consumer durable and automotive space in India.

Our strategy of building new capabilities and capacities has borne fruitful results across segments. In the last few years, our client relationship have strengthened and enabled us to increase our market share within their outsourcing requirements. We have achieved new milestone this year by foraying into Room AC IDU (Indoor Unit) and successfully commissioned the new heat exchanger and assembly line

setup for it. During the year under review, our semi-automatic washing machine platform under ODM models were well received by the market and going forward, we aim to expand ODM Model by introducing new products like fully automatic washing machine, air conditioner, air cooler etc.

Our Company has achieved the highest revenue mark which crossed ₹6 billion in FY 2020. Total Income stood at ₹6,418.9 million in FY 2020 as compared to ₹5,115.4 million in FY 2019, recording a growth rate of 25.5% despite loss of last 15 days revenue due to 'lockdown' in March 2020. EBITDA for the FY 2020 stood at ₹423.83 million a growth of 25.2% YoY. The Company reported Net Profit of ₹26.2 million in FY 2020 as compared to ₹99.4 million in FY 2019, representing a decline of 73.7%. The decline in net profit is attributed to exceptional loss of ₹20.1 million owing to unfortunate fire incident in the factory and forex losses. The profit was further impacted by higher tax expense as the Company adopted section 115BAA of the Income Tax Act, 1961 during the year under review.

For FY 2021 and beyond, we see the current economic challenges due to Covid 19 as a temporary phase and expect the business to ramp up significantly as normalcy returns. We will continue to focus on introducing new products, higher value addition in the existing offerings, acquiring new clients, deepening existing relationships and improving operational efficiencies while strengthening the balance sheet.

Every year we at PGEL, strive to grow stronger with better capabilities, stronger client relationships and higher value add in our offerings. We envisage a stronger and robust business for PGEL with improving profitability, stronger balance sheet and higher share of revenues being driven by products. We are looking to clearly move to higher orbits and grow faster than the Industry in our focus segments. As the Chairman, I promise to continue to uphold the value system that binds the large PGEL family together.

### A Gratitude to Our Stakeholders

I take this opportunity to convey thanks to our Board Members for their constant guidance and support. I would like to thank all our stakeholders, including our vendors, customers, bankers, financial institutions, central and state government bodies, business associates and employees for their firm support and involvement. On behalf of the Board, I thank our shareholders for believing in us, and assure them that we will strive for higher goals and better profitability in coming years.

Sincerely,

**Anurag Gupta**  
Chairman

# Board of Directors



**Mr. Anurag Gupta**  
Chairman & Executive Director – Technical

Mr. Anurag Gupta has an experience of more than 28 years in the field of Electronic Manufacturing Services. He has a Bachelor's Degree of Electronics in Computer Engineering and Science from Bengaluru University. He is responsible for development and implementation of technical policies, quality assurance, technological advancement, plant & machinery monitoring and Research & Development.



**Mr. Bhawa Nand Choudhary**  
Managing Director

Mr. Bhawa Nand Choudhary has over 40 years of experience in the field of Project Management, Manufacturing Operations, Techno-commercial Negotiations, Production, Business Development and Quality Assurance. He is an Engineer by profession and has completed his Graduation (B.Tech - Mechanical) and Post-Graduation (M.Tech - Production Management) from the University of Ranchi. He has expertise in managing entire operations with an ability to develop the streamline systems.



**Mr. Vishal Gupta**  
Executive Director – Finance

Mr. Vishal Gupta holds a Master's Degree in Business Administration from University of Pune and has experience of 25 years in the field of Electronic Manufacturing Services. His core responsibilities include financial accounting and general management including financial budgeting and planning besides human resource management and secretarial compliance.



**Mr. Vikas Gupta**  
Executive Director – Operations

Mr. Vikas Gupta has 25 years' experience in the field of Electronic Manufacturing Services. He holds a Master's Degree in Business Administration from University of Pune. He is responsible for products and services delivery to customers in an efficient and timely manner besides managing and increasing the operational efficiency.



**Mr. Sharad Jain**  
Independent Non-Executive Director

Mr. Sharad Jain is a Chartered Accountant and a Fellow Member of the Institute of Chartered Accountants of India (ICAI). He has experience of over 35 years in Financial & Strategic Planning, Taxation, Accounting, Budgeting and Auditing. He is presently engaged in the profession of Chartered Accountancy for over 14 years. He is also the Chairman of Audit Committee and Stakeholders Relationship Committee of the Board.



**Mr. Devendra Jha**  
Independent Non-Executive Director

Mr. Devendra Jha holds an Engineering Degree from IIT. He has a rich experience of over 35 years in Planning, Project Management, Business Development, Techno-commercial evaluation and Construction Finance. He is also the Chairman of Nomination and Remuneration Committee of the Board.



**Dr. Rita Mohanty**  
Independent Non-Executive Director

Dr. Rita Mohanty holds a Degree of Bachelor of Medicine, Bachelor of Surgery (MBBS) and Doctor of Medicines (MD) (OBS & GYNAE). She had retired after 31 years of service under Central Government Health Scheme, Ministry of Health & Family Welfare. She is an expert in Administration & Public Relations. She is Chairperson of Corporate Social Responsibility Committee of the Board.



**Mr. Pramod Chimmanlal Gupta**  
Independent Non-Executive Director

Mr. Pramod Chimmanlal Gupta is a Chartered Financial Analyst (CFA) from AIMR, USA. He did his Post Graduation in Finance from IIM, Lucknow and B-Tech (Hon.) in Electronics & Communication from IIT, Kharagpur. He has over 20 years of experience in Indian Equity markets across brokerage firms, Mutual Funds and Insurance companies. He has been involved in Business, Strategy and Financial Consulting to listed & unlisted companies and Investment Advisory.



# ABOUT US

## Who we are

PG Electroplast Limited (PGEL) is the flagship company of PG Group. While the PG Group had started its journey in 1977, PGEL was formally set up in 2003. PGEL is India's leading player in Electronic Manufacturing Services, Printed Circuit Boards and Plastic Manufacturing – Plastic Injection Molding. We serve Consumer Electronics, Home and Kitchen Appliances, Automotive Industry, Lighting Industry and Sanitary-ware Products.

## Our Vision

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

## Our Mission

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

## Our Manufacturing Infrastructure

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

The facilities boast of highest quality standards and they have leading quality certifications to their credit namely ISO 9001:2008 and ISO/TS 16949:2009 for all its facilities.



## Our 05 Manufacturing Units

### Unit I – Greater Noida, Uttar Pradesh

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

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

### Unit II – Roorkee, Uttarakhand\*

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

\*Non-Operational

### Unit IV – Ahmednagar, Maharashtra

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

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

### Unit III – Greater Noida, Uttar Pradesh

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

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

### Unit V – Greater Noida, Uttar Pradesh

I-15, I-26 & I-27, Site-C, UPSIDC Industrial  
Area, Surajpur, Greater Noida,  
District Gautam Budh Nagar,  
Uttar Pradesh, India, Pin - 201 306

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

# Products & Services



## PLASTIC INJECTION MOULDING

Among India's largest manufacturers of Plastic Molded Parts for Consumer Electronics & Automotive Industry, PGEL produces a wide range of products comprising small, medium and big sized, high-precision and surface critical injection moulded components.



## THERMOSET MOULDING

Among leaders in moulding thermoset polymers with finest surface finish and high tenacity for high temperature applications.



## PLASTIC BLOW MOULDING

PGEL has one of the highest standard technology in the segment of Plastic Blow Moulding. Our facilities are equipped to meet rigorous standards and specifications. We produce an extensive range of hollow plastic components for many a industries.



## PCB ASSEMBLIES

PGEL provides evolved interconnect solutions for all types of Printed Circuit Board (PCB) assemblies for a wide range of applications for products such as Flat LED TVs, Smart TVs, Energy Meters, Set Top Boxes and Multi Media speakers, for leading Indian brands.



### TOOL MANUFACTURING

One of PGEL's big strength is its capability to produce small and medium sized tools for applications in the Automotive, White Goods, Home Appliances, Lighting and Electrical Equipment industries.



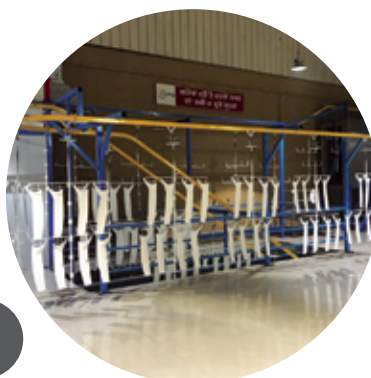
### AC-IDU (INDOOR UNIT) ASSEMBLY

PGEL provides complete assembly of AC-IDU (Indoor unit), including heat-exchange part, for Tier-I OEMs and is focused on becoming one-stop-shop for our clients' requirements.



### FINAL PRODUCT ASSEMBLY

With accent on exclusive customization for our clients, we offer end-to-end assembly for products such as washing machines, air coolers and UF toilet seats for leading brands in the country. Recently, the Company has started manufacturing fully-automatic washing machines during the year.



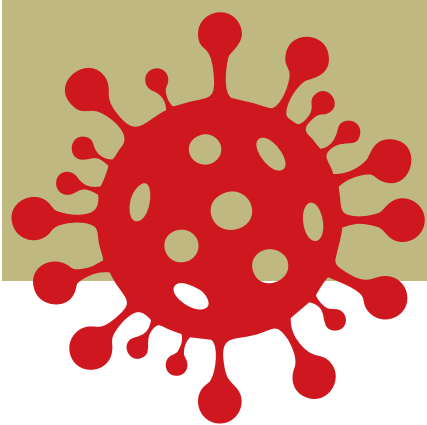
### PU PAINT SHOP

PGEL has set up a state-of-the-art PU Paint Shop in Greater Noida having capabilities to provide superior surface finish solutions that is comprised of a wide range of parts in different shapes and sizes for automotive, electrical and consumer durable industries.



## ON COVID-19

**Towards end of FY 2019-20, the world witnessed one of mankind's worst threat to healthcare, economy and livelihood.**



Due to Covid-19 pandemic and the consequent lock down as announced by the Government of India, the operations of the Company were temporarily suspended at manufacturing units, offices and warehouses. Demand was impacted due to sudden stalling of economic activity as well as reduced movement of people. With relaxations granted by the concerned authorities the Company has restarted operations from mid May 2020 and is focused on regularising operations in a progressive manner. The Company has undertaken necessary design changes at manufacturing facilities to ensure sanitization and social distancing.

# Corporate Information

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

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

**Corporate Office:**  
P-4/2 to 4/6, Site-B, UPSIDC Industrial Area,  
Surajpur, Greater Noida,  
Dist. Gautam Budh Nagar U.P.-201306  
Website: www.pgel.in  
Telephone No.: 91-120-2569323  
Fax No.: 91-120-2569131

**Board of Directors**

NAME	DIN	DESIGNATION
Mr. Bhawa Nand Choudhary	05166209	Managing Director
Mr. Anurag Gupta	00184361	Whole Time Director
Mr. Vikas Gupta	00182241	Whole Time Director
Mr. Vishal Gupta	00184809	Whole Time Director
Mr. Devendra Jha	03076528	Independent Director
Mr. Sharad Jain	06423452	Independent Director
Dr. Rita Mohanty	07081546	Independent Director
Mr. Pramod Chimmanlal Gupta	07066493	Independent Director

**Management Team**

NAME	DESIGNATION
Mr. Mahabir Prasad Gupta	Chief Financial Officer
Mr. Sanchay Dubey	Company Secretary

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

**Bankers**  
State Bank of India  
HDFC Bank

**Registrars & Share Transfer Agent**  
KFin Technologies Private Limited,  
Selenium Building, Tower B, Plot 31 & 32,  
Financial District, Nanakramguda,  
Serilingampally, Hyderabad – 500 032  
Email: einward.ris@kfintech.com

# Management Discussion and Analysis

## GLOBAL ECONOMY OVERVIEW

Due to persistent impact of growing trade disputes between the US and China, rising economic uncertainties in Europe over the impact of the UK's withdrawal from the European Union, the Global economy was showing clear signs of slowdown along with falling commodity prices. The outbreak of novel coronavirus (Covid-19) in the beginning of 2020 has shocked the world and impacted every aspect of human lives, thus leading to drastic economic contraction. Covid-19 related lockdowns has disrupted the global supply chains and global trade has suffered further setback. Demand has been weak across sectors and inflation has softened in most emerging markets (EMs). As a result of the pandemic, the global economy is projected to contract sharply by 4.9% in 2020. Both advanced and emerging market economies are expected to be in recession in 2020.

World Economic Output Growth in %				
	2018	2019	2020P	2021P
World Output	3.6	2.9	-4.9	5.4
Advanced Economies	2.2	1.7	-8.0	4.8
Emerging Market and Developing Economies	4.5	3.7	-3.0	5.9
Emerging and Developed Asia	6.3	5.5	-0.8	7.4
China	6.7	6.1	1.0	8.2
India	6.1	4.2	-4.5	6.0
ASEAN- 5 (Indonesia, Malaysia, Philippines, Thailand, Vietnam)	5.3	4.9	-2.0	6.2

Source: IMF, June 2020

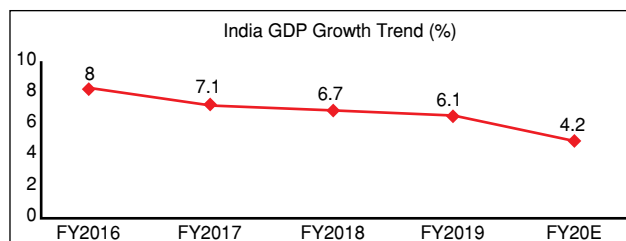
Governments and central banks across the world are rolling out fiscal and monetary support measures to combat the pandemic and minimize the impact of a catastrophic economic downturn. A partial recovery is projected in 2021 with growth in Emerging Asia seen improving significantly by 7.4% in 2021. However, the growth prospects are contingent on factors like the duration of shutdowns, absence of second wave of pandemic, consumer confidence, the implementation of fiscal and monetary policy support and finally the evolution of vaccine for the virus.

## INDIAN ECONOMY OVERVIEW

The Indian economy was already undergoing slowdown over the past few years. Investment and consumption demand had been weakening and a number of stimulus measures have been taken to revive the economy. The outbreak of Covid-19 pandemic and the ensuing lockdown have created unprecedented challenges for the Indian economy, causing severe disruptions to both demand and supply across several sectors.

As per the provisional estimates of Central Statistics Organisation (CSO), the growth of India real GDP during FY 2020 is estimated at 4.2% as compared to

6.1% in FY 2019. The current scenario raises uncertainty about the future trajectory of the GDP due to the on-going lockdowns and recovery timelines across various sectors. Given the large share of informal sector employment in India, the slowdown will have severe consequences on employees in the informal sector, which in turn will adversely impact consumption and investment in the economy in the short term.



Source: Central Statistics Organisation, 3rd Advance Estimates dated 29th May, 2020

However, Indian economy is expected to recover faster and resume its growth trajectory on the back of digitization, favourable demographics, Government's structural reforms and fiscal stimulus packages.

India is estimated to be the third largest economy in 2019 on the basis of purchasing power parity (PPP). The Government of India, under its Make in India

initiative is trying to boost the manufacturing sector with an aim to take it to 25% of the GDP in the coming years from the current 17%. Besides 'Digital India' initiative, Government is focusing on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy. Lowering of Corporate Tax rate during the year has placed India as a competitive manufacturing base and now with announcement of slew of incentives including ₹ 410 billion production linked incentive (PLI) programme for electronic manufacturing, India could eventually see higher manufacturing sector growth in the coming years.

The Government of India and the Reserve Bank of India (RBI) have also announced a series of measures to counter the social and economic crisis arising out of the Covid-19 breakout. The Government has laid out a road map towards building a self-reliant India to uplift the economic gloom. This, hopefully will make India more competitive and could lead to shift of global manufacturing supply chains to India in some sectors. The Government has announced economic stimulus named 'the Atmanirbhar Bharat Abhiyan package' of 20 trillion, stressing on the need for self-reliance and a stronger focus on manufacturing locally. Overall, the economic stimulus has focus on land, labour, agriculture, supply chain and tax reforms. RBI's initiatives to inject large liquidity into the system through open market transactions and reducing cash reserve ratios, reverse repo rate, providing six months moratorium on loan etc. will also support the liquidity in economy.

Indian economy's growth is expected to revive from second half of FY 2021 led by fiscal, monetary and administrative measures. However, in a rapidly evolving environment, the shape of economic recovery could differ depending on the intensity and duration of the pandemic, the extent of global slump and further domestic policy support.

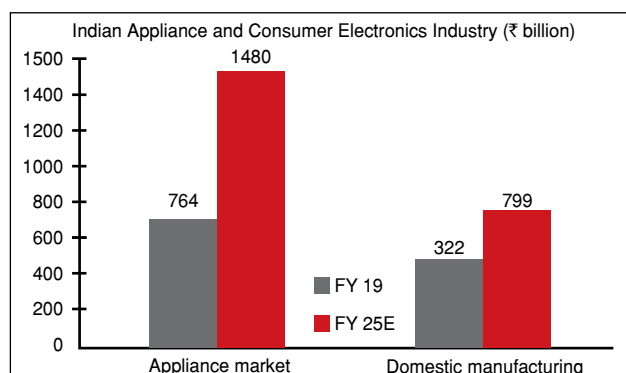
## INDUSTRY OVERVIEW

India's electronics manufacturing industry remains one of the bright spot in the gloomy economic environment. The Industry is supported by the large domestic market, which has grown to become one of the largest and fastest growing consumer electronics markets in the Asia Pacific Region. Consumer electronics is the largest segment contributing approximately 50% of the domestic electronics market, out of which mobile phones alone contribute one-third of the market.

The Indian appliance and consumer electronics (ACE) market (ex-mobiles) stood at ₹764 billion (US\$ 10.93 billion) in 2019 and it is expected to reach ₹1,480 billion



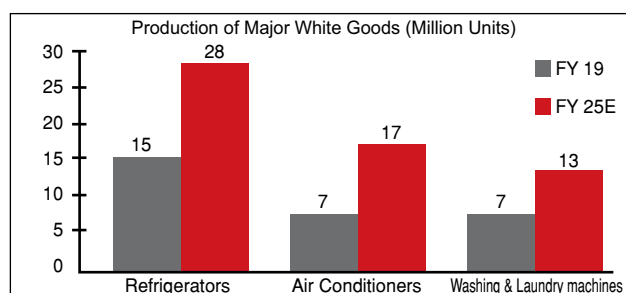
(US\$ 21.18 billion) in 2025, representing a CAGR of 11.7% over 2019-2025E. The market is expected to double over the next six years with share of domestic manufacturing to increase from 42% to 54% over the same period.



Source: Indian Brand Equity Foundation (IBEF), Ambit Research  
Note: Appliances includes AC, television, washing machine and refrigerator categories.

Rising disposable income of the people and their shift in preferences towards smart homes and smart offices environment are major driving force for the growth of the industry. The growth is expected to further accelerate on account of surging rural consumption, reducing replacement cycles, increasing penetration of retail, a wide choice of brands and products at various price points.

The government has placed electronics manufacturing on high priority with major focus on initiatives such as Digital India, Make in India, and supportive policies to bolster electronic manufacturing. As a result, almost all consumer appliance segments are expected to witness robust growth over the forecasted period.



Source: Indian Brand Equity Foundation (IBEF)



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India has the potential to become global hub for electronic components manufacturing due to availability of cost-effective skilled manpower, improving infrastructure and Government initiatives. Electronics hardware production in the country increased at a CAGR of 16.7% from ₹1,900 billion (US\$ 31.13 billion) in FY14 to ₹4,580 billion (US\$ 65.53 billion) in FY19. Demand for electronics hardware in India is expected to reach US\$ 400 billion by FY24.

#### **Growing stature of EMS in the electronics ecosystem**

Electronic Manufacturing Service (EMS) companies have expanded their scope over the past four decades and now provide expertise in materials procurement, design capabilities besides assembly and

manufacturing. Indian EMS presently captures less than 25% market share of the total addressable market across all categories. Large domestic demand for consumer electronics, low penetration of electronics in India and low EMS share in consumer electronics imply significant growth potential for EMS providers. Besides providing opportunity to smaller-tier players, EMS companies also offers large Original Equipment Manufacturers (OEMs) to outsource manufacturing function, so that they can concentrate on consumer-facing functions such as design, marketing ,sales and customer support.

Through EMS, OEMs can gain access to latest equipment and manufacturing know-how without significant capital investment and reduced time-to-market for newer products. Global OEMs are seeking to enter the Indian market by leveraging the local supply chain and favorable operating environments for cost reductions. This creates significant opportunities for local EMS players as initially the focus of large OEMs may be for local market but eventually if cost dynamics works, Indian EMS players could become part of Global supply chain of large OEMs as well.

#### **Services catered by EMS Companies**



### **INDUSTRY TRENDS AND GROWTH DRIVERS**

- **Low Product Penetration:** Large domestic demand for consumer electronics makes India a natural choice for manufacturing. India has lower penetration rates across the product categories as compared to other markets. Also, increase in discretionary income and evolving life styles along with easy financing schemes have led to shortened product replacement cycles.
- The industry is also gearing up to accommodate consumer demands for higher value-added features and augmented sizes across product categories like inverter models in ACs, bigger screen sizes in TV panels, large capacity in refrigerators and washing machines along with Internet of Things (IoT) features in selected models, which provides better value as well as higher margins for manufacturers.

Category	% Penetration	Life cycle of product (years)	Share of consumer appliance industry
Television	65%	5-7	15%
Refrigerator	35%	10-15	6%
Washing Machine	15%	8-10	3%
Air Conditioner	11%	10-15	3%
Mobiles (Smartphones)	36%	2-3	70%

- Increased affordability of products:** Consumer durable loans in India increased by 43% y-o-y to ₹65 billion (US\$ 921 million) in FY 2020. With the initiative of “Make in India” and “Digital India” campaign, many domestic and overseas manufactures are investing in India to set up their manufacturing plants, which would produce more affordable products.
- Demographics:** It is estimated that India's middle class will increase from 250 million to 583 million people by 2025, and will constitute about 40% of the population. The increasing working population and growing middle class with higher incomes will result into higher disposable income and consequently an increase in electronics product consumption.
- Rural Demand:** With government focus on rural electrification, growth in demand from rural and semi-urban markets is likely to outpace demand from urban markets. Rural demand for durables like refrigerators and other consumer electronic goods is likely to grow significantly.
- Rising Contract Manufacturing:** There is growing demand for Electronic Contract Manufacturing Services as cost pressures on OEMs are increasing with the rising competition in the electronics industry and increasing complexity of electronic products along with decreased product lifecycles. OEMs are now aiming to outsource design and manufacturing to EMS providers to focus more on consumer-facing functions. EMS accounts for approximately 42% of all electronics assembly and the share is expected to rise significantly owing to increased contract manufacturing in consumer electronics.
- Low Labour Cost:** India has the competitive advantage of low labour costs. Growing domestic electronics market along with cheap labour should provide significant opportunity to attract high investments in India over the next few years.

- Government Initiatives:** India is witnessing significant changes in its policies, mainly related to the regulatory and business conditions. The government introduced reforms to improve India's 'Ease of Doing Business' rankings by introducing initiatives such as 'Digital India' and 'Make in India' to bolster domestic manufacturing. Electronic System Design and Manufacturing (ESDM) is one of the major sectors of 'Make in India' and one of the nine pillars of Digital India, with a focus on boosting the production of electronics in India.

The National Policy on Electronics (NPE), launched in February 2019, envisages India as a global hub for ESDM by encouraging and driving capabilities for developing core components and creating an enabling environment for the industry to compete globally. It also aimed to generate 10 million employment opportunities in the country by 2025. In an effort to push the vision of National Policy of Electronics (NPE) 2019, the Ministry of Electronics & IT has officially launched the three key schemes in April 2020 under National Policy for Electronics as a second iteration of earlier schemes such as Modified Special Incentive Package Scheme (M-SIPS) to encourage electronics manufacturing in the country.



The new schemes announced by the government target the entire electronics manufacturing ecosystem

Production-linked incentive scheme (PLI) scheme	Promotion of Manufacturing of Electronic Components and Semiconductors (SPECs)	Modified Electronics Manufacturing Clusters (EMC 2.0)
Large scale mobile manufacturing	Domestic electronics supply chain of components	Infrastructure and common facilities for large manufacturers and value chain companies

### Highlights of the schemes

1. A production-linked incentive (PLI) scheme for large scale electronics manufacturing, proposes a financial incentive to boost domestic manufacturing and attract large investments in the electronics value chain including electronic components and semiconductor packaging. The scheme shall extend an incentive of 4% to 6% on incremental sales (over base year) of goods manufactured in India and covered under target segments. The scheme will have financial budget outlay of ₹409.5 billion over five years.

2. The Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS) will provide a 25% incentive for capital expenditure for the identified electronic goods, which involve high value-added manufacturing. This extends to the downstream value chain of electronic products such as electronic components, semiconductor/display fabrication units, ATMP units, specialised sub-assemblies and capital goods for manufacture of aforesaid goods. The scheme will have a budget of 32.8 billion over five years.

3. The Modified Electronics Manufacturing Clusters (EMC 2.0) scheme would support setting up of both Electronics Manufacturing Clusters (EMCs) and Common Facility Centres (CFCs) across the country. The scheme intends to develop a robust electronics manufacturing ecosystem in the country and fortifying the linkage between domestic and international markets. Support will be given to strengthen the supply chain, consolidate suppliers, decrease time-to-market and lower logistics cost. The scheme has an outlay of ₹37.6 billion over a period of eight years. This scheme provides for an incentive of 50% of project cost, with up to ₹700 million for every 100 acres of land. The overall incentive per project will be capped at ₹3.5 billion. The common facility centres will receive a 75% incentive up to ₹750 million per project.

### INDUSTRY OUTLOOK

Due to the climatic conditions, the Electronic Appliances sale remains a seasonal affair in India. Appliances like air conditioners, fans, air-coolers and refrigerators, etc. have a higher proportion of sales in period of March to July. However, due to severe lockdown due to Covid-19 this year, sales have been disrupted. Also, it has also led to severe disruptions in supply chain. Weaker end-user demand has led to channel inventory accumulation in certain segments. However, at the same time some products like washing machines, dish washer and vacuum cleaners etc. are witnessing a very strong demand.



The long-term industry outlook remains strong. The Appliances and Electronic manufacturing Industry in India has very bright prospects and with all the initiatives by government, the growth rates will see further acceleration. Also, as global electronic majors looking at alternate manufacturing locations to China, India with its large market remains an attractive destination for manufacturing. However, the dependence on China for components would remain a constraint, as it varies from 25% to 70% across different categories. The alternative sourcing over period of time could be developed from other major countries like South Korea, Vietnam, Taiwan, Malaysia and Japan.

Despite temporary headwinds, consumption fundamentals remain steady driven by increasing power availability, improving demographic profile, and change in lifestyle. Shrinking presence of the unorganised sector also acts as a stimulus for the organised players. Companies with an excellent cash flow management, firm balance sheet, strong brand recall and expanding product basket and distribution are expected to perform well.

### COMPANY OVERVIEW

PG Electroplast Limited (herein referred as “the Company” / “PGEL”), is a leading integrated player for Plastic Moulding and Electronic Manufacturing Services (EMS) for consumer durable and automotive plastic companies in India. Headquartered in Greater Noida, the Company is a part of PG Group and established in 2003.

The Company has been an EMS provider for Original Equipment Manufacturers (OEMs) and Plastic Injection Moulding Parts Manufacturer of consumer electronic products in India. The Company has been



manufacturing plastic parts for comprehensive range of consumer electronic products such as air conditioners (ACs), Colour TV, DVD players, Air Coolers, Refrigerators, Automotive Plastic, Sanitary Ware, Washing Machines etc. PGEL has further integrated forward towards Original Design Manufacturer (ODM) of washing machines, air coolers etc. in India.

PGEL has five manufacturing facilities, three in Noida (Uttar Pradesh), one in Ahmednagar (Maharashtra) and one in Roorkee (Uttarakhand). The Company has one of the biggest capacities in the Plastic Injection moulding and has capabilities across the value chain in the EMS. Some of its clients include leading brands in the electronic products market.

The Company has a strong and diversified presence in following business segments:

a) **Plastic Moulding:** PGEL is one of the largest manufacturers of plastic moulded parts for Indian consumer electronics and automotive parts industry. The Company currently owns more than 130 horizontal and vertical type plastic injection moulding machines that range from 90T to 1,850T. PGEL offers a wide range of component moulding capabilities including Injection, Vertical, Blow moulding and Thermoset moulding in different sizes thereby providing extensive product customisation for industries.

b) **PCB Assemblies:** The Company offers its customers best in class interconnect solutions, for variety of printed circuit board (PCB) assemblies on turnkey basis. The Company manufactures PCB assemblies for Flat TVs, Smart TVs, Set Top Boxes and Multi Media Speakers and serves leading Indian and International brands.

c) **Final Product Assembly:** PGEL is an end to end solution provider for final products like Set Top boxes, Washing Machines, Air Conditioners, Air-Coolers and LED TVs etc. The Company's offerings under this category are aided with top class features like extended durability, effective performance, aesthetic looks, low power consumption, and cost effectiveness.

d) **PU Paint Shop:** The Company has state-of-the-art PU paint shop based in Greater Noida. The facility is equipped with automated painting line, which assists in all kind of painting assignments.

e) **Tool Manufacturing:** In order to build excellence in designing stage and facilitate requirement of complex 3-D profiles, PGEL has set up latest CAD (Computer

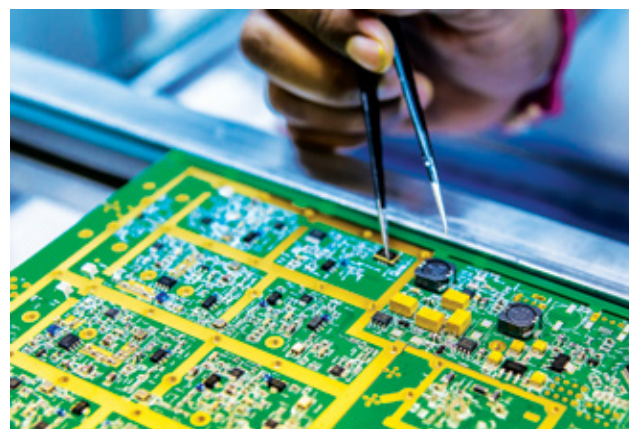
Aided Design) & CAM (Computer Aided Manufacturing) facilities to assist highly experienced tool designers. The Company develops small to medium size moulds for applications in Automotive Applications, White Goods, Home & Kitchen Appliances, Lighting and Electrical Equipment industries.

f) **Original Design Manufacturing (ODM):** With an aim to become a one stop solution provider, the Company has elevated itself from assembly only to design led manufacturing. The Company desires to be a complete Original Design Manufacturer. Its newly launched ODM washing machine business has panned out well and Company received very encouraging response to its semi-automatic platforms in last fiscal. The Company is planning to develop more product segments in future.

### BUSINESS STRENGTHS

**Leadership Position:** The Company has established itself as a pioneer and leading player in plastic moulding and electronic manufacturing services. The Company has developed leadership position in the industry over the years, in plastic moulding manufacturing of Washing Machines, Air conditioners, Refrigerators, Ceiling Fans and Sanitary ware products.

**One Stop Solutions Provider:** The Company which started its business operations as a color television and audio products manufacturer has grown with time in terms of product portfolio, customer base, and technological expertise in designing and manufacturing of consumer durables and automotive parts. Being an end-to-end solutions provider, the Company is able to satisfy its customers, encourage customer loyalty and therefore get repeat sales. With proven capabilities and large scale manufacturing capacities, the Company today is a one-stop solution partner and a preferred vendor of choice to its OEM clients.





**Strong Relationship with diverse Client Base:** The Company has long-standing relationships with well-known customers across product verticals. This helps the Company to expand market share, develop new products and enter new markets. The customers include major reputed brands like LG Electronics, Carrier, Jaguar, Kohler, Usha, Whirlpool, SMR, Bright Auto, Grupo-Antolin etc.

**Uniquely Positioned:** The Company's manufacturing systems, in-house R&D and Engineering team with proven expertise ensures global quality levels and best in class products for the OEM clients. Further, effective backward integration has led to increase in scale of operations as well as cost efficiencies thereby improving productivity. The Company's focus on comprehensive value proposition for its customers has commanded an edge over its competitors.

### BUSINESS STRATEGIES

- **Plan to swif towards the ODM solution:** Favourable Government policies viz. Make in India initiative, Self-reliant India and rising costs in China are the key factors for rise in local manufacturing. While the tier-I players with their financial strength rely on their product design and development, tier-II players are more focused towards brand positioning instead of in-house product capabilities. This has given strong impetus and growth prospects to ODM companies provide designs and support in product development. With its newly commissioned Room AC IDU facilities, ODM semi-automatic washing machine, offering own design and tool room capabilities, PGEL is well placed to capture ODM opportunities in fully automatic washing machines, Air coolers, and Room Air Conditioners (RACs).

- **Expanding existing capacities:** The Company is pursuing the organic growth strategy by ramping up its existing capacity and capabilities in each of the product verticals with higher value addition to achieve higher economies of scale and improve profitability in future. This will be aided by strong balance sheet of the Company along with existing market opportunities. During the year under review, the Company has expanded and upgraded its design shop and tool room for making complex moulds.

- **New Client Acquisition:** In last few years, PGEL has expanded its business operations and added new customers like Intex Technologies, Whirlpool, Orient Electric, Jabil Technologies, Jaquar, Voltas, Vego, Haier, Minda Group etc. During FY 2020, The Company has added large Tier-I client in AC IDU

business and is in process of acquiring few more marquee brands in AC and washing machine segment

### OPERATIONAL HIGHLIGHTS FOR THE FINANCIAL YEAR 2020

- PGEL has achieved a big milestone during the year under review by foraying into Room AC IDU (Indoor Unit). The Company has successfully commissioned new heat exchanger and assembly line setup for AC IDU business.
- ODM washing machine business has panned out very well in FY 2020 and the Company received very encouraging response to its semi-automatic platforms. In FY 2021, the Company is planning to invest in new fully automatic platform.
- During the year under review, PGEL has further ramped up its Design shop and Tool room capacity, which places the Company at a significant competitive advantage.
- Overall, FY 2020 was a satisfactory year despite an unfortunate fire incident in washing machine division at Greater Noida. The Company remains determined to achieve higher scaling of operations and stabilising the new business initiatives.
- Significant opportunities are emerging in existing and new clients due to competencies developed by the Company in last few years.



### FINANCIAL REVIEW

- PGEL recorded revenue of ₹6,418.9 million in FY 2020 including other income as compared to ₹5,115.4 million in FY2019, a growth of 25.5%. The Company has recorded strong revenue growth in the year despite losing sales of ~15 days in March 2020 due to Covid-19.

- Earnings before depreciation, Tax and Amortisation (EBIDTA) for the FY 2020 stood at ₹423.83 million as compared to ₹338.6 million in FY 2019, a growth of 25.2%. The EBITDA margin remained almost stable at 6.6% in FY 2020.

- Depreciation increased by 22.1% to ₹163.1 million in FY 2020 as compared to ₹133.6 million in FY 2019.

- Interest expense increased by 42.7% to ₹147.5 million in FY 2020 from ₹103.4 million in FY 2019. This is mainly attributed to increase in borrowings during the year.

- PBT before exceptional item stood at ₹113.2 million in FY 2020 as compared to ₹101.6 million in FY 2019, representing a growth of 11.4% YoY.

- During the year under review, the Company reported exceptional losses of ₹20.1 million in FY 2020. It comprises of exceptional fire related costs net of

Insurance claims of ₹9.8 million and foreign exchange fluctuation losses of ₹10.3 million.

- Consequently, PBT after exceptional item decreased to ₹93.1 million in FY 2020 as compared to ₹101.6 million in FY 2019.

- The Company has adopted section 115BAA of the Income Tax Act, 1961 and hence reversed all MAT credit due amounting to ₹46.8 million. Also deferred tax liability for the year FY 2020 amounting to ₹20.1 million has also been reversed. Subsequently, the total tax expense in FY 2020 stood at ₹66.9 million as compared to ₹2.13 million recorded in FY 2019.

- Net Profit for FY 2020 stood at ₹26.2 million as compared to ₹99.4 million in FY 2019, a de-growth of 73.7%.

- The diluted Earnings per Share (EPS) for FY 2020 stood at ₹1.3 as compared to ₹5.3 in FY 2019.

#### Details of Significant Change in Key Financial Ratios

Ratios	FY2019	FY2020	Change
Debtors Turnover (x)	9.44	5.47	-3.97
Inventory Turnover (x)	10.03	6.65	-3.38
Interest Coverage Ratio (x)	1.98	1.77	-0.21
Current Ratio (x)	0.94	0.94	0.00
Debt Equity Ratio (x)*	0.70	0.98	0.28
Operating Profit Margin (%)	6.24%	6.03%	-0.21
Net Profit Margin (%)	1.55%	0.51%	-1.04
Return on Networth-RoNW (x)	6.63%	1.51%	-5.12

\*Include Long term borrowings, short term borrowings and current maturities of long term borrowings (if any)

- Debt equity ratio deteriorated to 0.98x in FY 2020 as compared to 0.70x in FY 2019 mainly due to surge in borrowings. Total debt of the Company increased to ₹1,732.7 million in FY 2020 as compared to ₹1,182.6 million in FY 2019.

- The exceptional fire related costs post Insurance and forex fluctuation has impacted the profit before tax and moving to new taxation scheme under section 115BAA of IT Act, impacted the reported net profit due to reversal of deferred tax assets in earlier regime. Consequently net profit as a percentage of net sales deteriorated significantly to 0.51% in FY 2020.

- Return on Networth (RoNW) decreased to 1.51% in FY 2020 as compared to 6.63% recorded in FY 2019. This is largely attributed to decrease in net profit during the year. Also, the increase in equity share capital to ₹195.3 million in FY 2020 as compared to ₹186.5 million in FY 2019, led to lower RoNW. During the year under review, Promoters have converted the zero-coupon loan of ₹50 million into Equity, thus further strengthening the balance sheet.

### COVID 19 IMPACT

Due to Covid 19 pandemic and the consequent lock down as announced by the Government of India, the operations of the Company were temporarily suspended at manufacturing units, offices and warehouses. Demand was impacted due to sudden stalling of economic activity as well as reduced movement of people. With relaxations granted by the concerned authorities, the Company has restarted operations from mid May 2020 and is focused on regularising operations in a progressive manner. The Company has undertaken necessary design changes at manufacturing facilities to ensure sanitization and social distancing.

### HUMAN CAPITAL

Human resources remain the most valuable asset of the Company. The Company's Human Resources are commensurate with the size, nature and operations of the Company. PGEL follows a policy of building strong team of talented professionals, motivate people for higher performance and build a competitive working environment for continuous growth for the Company. The Company continues to build on its capabilities in getting the right talent to support different products and is taking effective steps to retain the talent. It has built an open, transparent and progressive culture to nurture this asset.

The Company believes its employees are an integral part of the organisation and hence kept a sharp focus on their personal and professional development and at the same time aligning their goals with that of the Company to create a win-win situation. In pursuance of the Company's commitment to develop and retain the best available talent, PGEL organises various training

programmes for upgrading skill and knowledge of its employees in different operational areas. In the endeavour to promote on the job knowledge and training, the Company has entered into an agreement with Maruti Centre for Excellence (MACE) for Industrial, behavioural and safety related Trainings

### ENVIRONMENT, HEALTH AND SAFETY (EHS)

Environment, Health and Safety (EHS) forms a vital part of the business and PGEL is strictly adhered to EHS standards and policies at all the processes. Protecting the environment, providing the right working ambience and safeguarding health and safety of employees, contract workers and visitors are top priority of the Company. To attain sustainable growth, the Company is undertaking various initiatives; few of them are listed below:



- CO2 Flooded system installed at high risk Electric Panel and chemical area
- Daily/Weekly/Monthly/Quarterly Safety audits
- Disaster Management Organization
- Fire Control Room with Auto Zone wise Fire Control Panel
- Work Permit Issue system for Heavy duty machines operator
- Accident Monitoring Management
- Management review system for EHS activities

The main goal behind all the initiatives is to promote safe, healthy and green work environment by adopting efficient technologies.





## INTERNAL CONTROL SYSTEM

The Company has an effective and reliable internal control system. In line with the business operations, PGEL has well-planned internal control framework which covers various aspects of governance, compliance, audit, control and reporting. It ensured adherence to local statutory requirements for orderly and efficient conduct of business, safeguarding of assets, the detection and prevention of frauds and errors, adequacy and completeness of accounting records and timely preparation of reliable financial information. The efficacy of the internal checks and control systems is validated by and internal auditors and re-examined by the management.

Audit Committee monitors and provides an effective supervision of the financial reporting process of the Company with a view to ensure accurate and timely disclosures with the highest level of transparency, integrity and quality. It also confirms adequacy and effectiveness of internal control systems and suggests for the improvements required.

## RISK AND MITIGATION

**Client concentration Risk:** The Company is dependent on a limited number of clients for a majority share of the revenue. This poses a risk to the Company as it may lose any of its key customers or any disruption in the customer's business may affect the company as well.

**Mitigation Measures:** PGEL has successfully maintained a strong relationship with its key customers. The Company is strategically acquiring new clients and expanding its client base to decrease the risk of client concentration.

**Technology Risk:** The electronic business of the Company may get affected with rapid change in technology. Any change in end user's preferences, behaviour or usage pattern could adversely impact the growth prospects of the Company.

**Mitigation Measures:** The Company has always moved ahead in line with the varying market dynamics and rapidly changing technologies. Moreover, PGEL has expanded its product portfolio along with a change in technology in the market. For example, the company is planning to launch fully automatic washing machines in ODM category in line with the change in technology.

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

**Mitigation Measures:** The Company's marketing team always stay connected with clients to understand their requirements and business activities. The Company keeps itself up-to-date with clients' business plans and accordingly realigns its capex and opex plans.

**Operational Risk:** Operational efficiency forms the key factor for the profitability and sustainable growth for the Company and it also determines the Company's competitiveness against other players in the region.

**Mitigation Measures:** The Company has put together an apt combination of people, processes and technology to optimize the business performance that leads to higher sustainable growth. The management team supervises the internal processes and ensures optimisation in energy conservation, technology absorption and capital efficiencies. The Company's internal control systems are well designed to abide by any size and nature of business complexity.

**Peer Risk:** PGEL operates in a highly competitive market. The Company might receive high competition from its peers.

**Mitigation Measures:** The Company is strategically developing in the operational front in terms of expanding capacities, shifting towards ODM business model, completing backward integration, acquiring new customers and strengthening relationship with the existing ones across all the segments. Through all these factors, PGEL has been able to strengthen its market share and differentiate itself from peers.

## CAUTIONARY STATEMENT

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



# **STATUTORY REPORTS**



## DIRECTORS' REPORT

### DEAR SHAREHOLDERS,

The Board of Directors have pleasure in presenting the Annual Report of the Company along with Audited Financial Statements, for the financial year ended 31<sup>st</sup> March, 2020.

#### 1. FINANCIAL RESULTS:

(Rupees in Lakh)

Particulars	FY 2019-20	FY 2018-19
Revenue from Operations	63,941.71	50,853.30
Other Income	246.85	318.89
Total Income	64,188.56	51,154.19
Total Expenses	63,257.61	50,138.59
Profit before Tax	930.95	1,015.60
Total Tax Expenses	669.48	21.35
Profit for the year	261.47	994.25
Other Comprehensive Income	(41.09)	25.60
Total Comprehensive Income	220.38	1,019.85
EPS (Basis & Diluted) of Rs. 10/- each (with OCI)	1.17	6.20
EPS (Basis & Diluted) of Rs. 10/- each (without OCI)	1.39	6.04

#### 2. PERFORMANCE OVERVIEW:

During the year under review, your company recorded revenue of ₹64,188.56 lakh in FY 2019-20 including other income as compared to ₹51,154.19 lakh in FY 2018-19, a growth of 25.5%. The Company has recorded strong revenue growth in the year despite losing sales of 15 days in March 2020 due to COVID-19. Depreciation increased by 22.1% to ₹1631.03 lakh in FY 2019-20 as compared to ₹1,336.35 lakh in FY 2018-19. Interest expense increased by 42.7% to ₹1,475.45 lakh in FY 2019-20 from ₹1,033.68 lakh in FY 2018-19. This is mainly attributed to increase in borrowings during the year. Profit before Tax before exceptional items stood at ₹1,131.88 lakh in FY 2019-20 as compared to ₹1,016.47 lakh in FY 2018-19, representing a growth of 11.4% YoY. The detailed operational performance of your Company is provided in the Management Discussion and Analysis Report forming part of this report.

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

During the period under review, the Company has allotted 8,74,584 Equity shares to the person belonging to Promoter and Promoter Group viz. Mrs. Sudesh Gupta, Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas

Gupta on preferential basis. Following are the summary of allotment of shares:

Date of Members approval through Postal Ballot	09/02/2020												
Date of issue and allotment	14/02/2020												
Method of allotment	Allotment of equity shares to the person belonging to Promoter & Promoter Group on preferential basis for which consideration money was adjusted against outstanding unsecured loan given by the promoter & Promoter Group.												
Issue price, basis of computation of issue price	Issue price of Rs. 57.17/- The price of the Equity Shares was determined in accordance with the Regulation 164 of (ICDR) Regulations, 2018.												
Particulars of person to whom shares have been issued	The equity shares has been allotted to the person belonging to Promoter and Promoter Group of the Company viz. Mr. Anurag Gupta, Mr. Vishal Gupta, Mr. Vikas Gupta and Mrs. Sudesh Gupta												
Shareholding of promoters and promoter prior to allotment	66.52%												
No. of share allotted	8,74,584 Equity Shares of Rs. 10/- each												
Shareholding of promoter and promoter group post allotment	68.02%												
Post Issue Public Shareholding	31.98%												
Consideration details	Aggregate loan amount of Rs. 500 lakh given by the promoter directors were converted into 8,74,584 Equity Shares at face value of Rs. 10/- each at an issue price of Rs. 57.17/- each which were allotted as following: <table border="1"> <thead> <tr> <th>Allottees</th><th>Equity shares allotted</th></tr> </thead> <tbody> <tr> <td>Mrs. Sudesh Gupta</td><td>2,18,646</td></tr> <tr> <td>Mr. Anurag Gupta</td><td>2,18,646</td></tr> <tr> <td>Mr. Vishal Gupta</td><td>2,18,646</td></tr> <tr> <td>Mr. Vikas Gupta</td><td>2,18,646</td></tr> <tr> <td></td><td><b>8,74,584</b></td></tr> </tbody> </table>	Allottees	Equity shares allotted	Mrs. Sudesh Gupta	2,18,646	Mr. Anurag Gupta	2,18,646	Mr. Vishal Gupta	2,18,646	Mr. Vikas Gupta	2,18,646		<b>8,74,584</b>
Allottees	Equity shares allotted												
Mrs. Sudesh Gupta	2,18,646												
Mr. Anurag Gupta	2,18,646												
Mr. Vishal Gupta	2,18,646												
Mr. Vikas Gupta	2,18,646												
	<b>8,74,584</b>												
Date of listing approval of NSE & BSE	NSE approval on 16/03/2020 and BSE on 27/03/2020												

#### 4. TRANSFER TO RESERVE:

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

#### 5. DIVIDEND:

The Board of Directors of your company has not to recommend any Dividend for the year under review.

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

##### ***Business and its operations:***

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

##### ***Key business developments:***

Your Company has achieved the highest revenue mark which crossed ₹6 billion in FY 2020. It has achieved a big milestone during the year under review by foraying into Room AC IDU (Indoor Unit). It has successfully commissioned new heat exchanger and assembly line setup for AC IDU business. ODM washing machine business has panned out very well in FY 2020 and the Company received very encouraging response to its semi-automatic platforms. Your company has further ramped up its Design shop and Tool room capacity, which places the Company at a significant competitive advantage. Overall, FY 2019-20 was a satisfactory year despite an unfortunate fire incident in washing machine division at Greater Noida. The Company remains determined to achieve higher scaling of operations and stabilising the new business initiatives. Significant opportunities are emerging in existing and new clients due to competencies developed by the Company in last few years.

##### ***Capital expenditure Activities:***

During the year, company has incurred Rs. 5,271.57

lakh on capital expenditures which includes new addition to the fleet of injection moulding machines, Pick & place machine, new ODM model based moulds of Washing machines. Also Company has invested in construction of new building/floors which has increased the covered area.

#### 7. CREDIT RATING:

During the year, the Credit Rating Agency 'Brickwork Ratings India Pvt. Ltd.' has assigned to the Company, a long term rating "BWR BBB+" on 03/07/2019. Previously, 'Brickwork Ratings India Pvt. Ltd.' had assigned to the Company, a long term rating "BWR BBB" on 01/10/2018.

#### 8. INVESTOR EDUCATION AND PROTECTION FUND:

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

#### 9. MANAGEMENT:

##### **Board of Directors:**

- During the year, the Board has appointed Mr. Pramod Chimmanlal Gupta (DIN: 07066493) aged 47 years as an additional Director in capacity of Non-Executive Independent Director on 15/05/2019. His appointment was regularised at the 17th Annual General Meeting held on 09/08/2019 as Independent Director for a period of five consecutive years w.e.f. 09/08/2019.
- Mr. Ayodhya Prasad Anand (DIN:06808974) (aged above 75 years) ceased to be an Independent Director of the Company from close of business hours of 10/08/2019 due to completion of his term of five consecutive years as Independent Director.
- Mr. Promod Gupta, Chairman & Managing Director of the Company demised on 29/11/2019.
- Mr. Anurag Gupta, Whole-Time Director was appointed as Chairman of the Board of Directors of the Company and at all the general meetings of the members of the company w.e.f. 23/12/2019.
- Mr. Bhawa Nand Choudhary was appointed as Additional Director (in capacity of Executive Director-Managing Director) of the Company w.e.f. 23/12/2019. Regularisation of his appointment as Managing Director has been recommended by the Board in ensuing Annual General Meeting.

Mr. Bhawa Nand Choudhary was Chief Operating Officer of the company and has been associated with the company from many years holding various positions. He is an Engineer by profession and has completed his graduation (B.Tech - Mechanical) from the University of Ranchi in 1976 and Post-Graduation (M.Tech-Production Management) from the University of Ranchi in 1984. He has over 40 years of experience in the field of Project Management, Manufacturing Operations, Techno Commercial Negotiations, Production, Business Development and Quality Assurance. He has expertise in managing entire operations with key focus on bottom line profitability along with the ability for developing the streamlining systems.

Disclosures under Section II of Part II of Schedule V of the Companies Act, 2013:

- (i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors including detail of fixed component is mentioned in Corporate Governance Report as Annexure I.
  - (ii) Service contracts, notice period, severance fees: N.A.
  - (iii) Stock option details: N.A.
- Further, during the reporting period, Mr. Sharad Jain and Mr. Devendra Jha were reappointed as Independent Directors of the Company for a period of five consecutive years w.e.f. 11/08/2019 and Mrs. Rita Mohanty was reappointed as Independent Director of the Company for a period of five consecutive years w.e.f. 26/09/2019.

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

None of the Directors have incurred any disqualification on account of non-compliance with any of the provisions of the Act. During the year 2019-20, non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees for the purpose of attending meetings of the Company.

The Company has received declarations from each of the Independent Directors confirming that they meet the criteria of independence as

prescribed under Section 149(6) of the Companies Act, 2013 as well as under Regulation 16 of SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 and there has been no change in the circumstances which may affect their status as independent director during the year. The independent directors have also confirmed that they have complied with the Company's code of conduct.

#### ➤ **Key Managerial Person:**

During the year under review, Mr. Mahabir Prasad Gupta resigned as Chief Financial Officer of the Company w.e.f. close of Business hours on 14/11/2019. Thereafter, Mr. Praveen Datt Agarwal was appointed as Chief Financial Officer of the Company w.e.f. 15/11/2019. He was associated with the Company till 31/05/2020. Thereafter, Mr. Mahabir Prasad Gupta was appointed as Chief Financial Officer of the Company w.e.f. 23/06/2020.

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

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

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

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

The Nomination & Remuneration Committee has carried out a formal annual evaluation of performance of the Board itself, its Committees and individual Directors pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The evaluation of individual Directors including chairman was done by the Directors other than the one being evaluated by Board & Nomination Remuneration Committee.

The Nomination & Remuneration Committee evaluated the performance of each and every director of the company and each member of the committee and expressed satisfaction over their performance.



Further, the Independent Directors also, at their separate meeting reviewed the performance of chairman of the Board, non-independent directors and the Board as a whole and assessed the quality, quantity and timeliness of flow of information between the company management and the Board. They expressed satisfaction over the said subject matter.

The details of program for familiarization of Independent Directors of your Company are available at web-link [https://www.pg-el.in/PDF/Familiarisation\\_Program\\_ID.pdf](https://www.pg-el.in/PDF/Familiarisation_Program_ID.pdf).

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

Corporate Governance Report and Management Discussion & Analysis Report as stipulated under SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 which forms integral part of this report, are presented as 'Annexure I' & on Page No. 24, respectively. Compliance certificate on corporate Governance, issued by M/s Puja Mishra & Co., Practicing Company Secretary also form a part of the said Corporate Governance Report.

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

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

## **14. REMUNERATION OF DIRECTORS AND EMPLOYEES:**

The disclosure pertaining to remuneration and other details of directors and employees as required under section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 and the amendment thereof have been provided in the 'Annexure III' forming part of this report.

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

## **15. DIRECTORS RESPONSIBILITY STATEMENT:**

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

- a) in the preparation of the annual accounts for the Financial Year 2019-20, the applicable accounting standards had been followed along with proper explanation relating to material departures;

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

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

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

Your Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. The Company has in place adequate controls, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information. The internal controls cover operations, financial reporting, compliance with applicable laws and regulations, safeguarding assets from unauthorized use and ensure compliance of corporate policies. Internal controls are reviewed



periodically by the internal auditors and are subject to management reviews with significant audit observations and follow up actions reported to the Audit Committee. The Audit Committee actively reviews the adequacy and effectiveness of internal control systems and suggests improvements for strengthening them in accordance with the changes in the business dynamics, if required.

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

The Report of Statutory Auditor's - M/s Chitresh Gupta & Associates, on Financial Statements, for the year ended on 31<sup>st</sup> March 2020, does not contain any qualification, reservation or adverse remarks. No fraud has been reported by the Auditor.

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

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s Puja Mishra & Co., Practicing Company Secretary for conducting secretarial audit of Company for the financial year 2019-20. Their report is annexed with Board Report as 'Annexure IV'. The Secretarial auditor's report does not contain any qualification, reservation or adverse remarks. The auditors have also given a certificate of Non-disqualification of directors as on 31<sup>st</sup> March, 2020 annexed with Board Report as 'Annexure V'.

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

#### 19. COST AUDITORS:

The Board of Directors have re-appointed M/s Amit Singhal & Associates, Cost Accountants, having Firm Registration Number: 101073, as Cost Auditors to audit the cost records of the financial year 2020-21 and recommended ratification of their remuneration by the shareholders at the ensuing annual general meeting.

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

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

#### 21. DEPOSITS:

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

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

During the financial year 2019-20, the Company has not given any loan or guarantee, has not made any investment & provided any securities under section 186 of the Companies Act, 2013.

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

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

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

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

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

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

During the preceding financial year 2019-20, the Company was not required to spend on CSR activities. Details of composition of CSR Committee and computation of average net profit are set out in 'Annexure VII' to this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

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

#### 25. VIGIL MECHANISM:

The Company has established a Vigil Mechanism / Whistle Blower Policy for dealing with instances of fraud

& mismanagements. All Employees of the Company and various stakeholders of the company can make Protected Disclosures in writing or through mail in relation to matters concerning the Company/unethical behavior/ actual or suspected fraud/ violation of codes & policies of the Company.

Your Company hereby confirm that no directors/ employee have been denied access to the chairman of the Audit Committee. There were no complaints received through the said mechanism during the financial year 2019-20.

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

## 26. EXTRACT OF ANNUAL RETURN:

The Extract of Annual Return in prescribed form MGT-9 is enclosed as 'Annexure VII'. Annual Return is also available on web link [http://www.pgel.in/PDF/Annual\\_Return\\_2019-20.pdf](http://www.pgel.in/PDF/Annual_Return_2019-20.pdf).

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

### (A) Conservation of Energy:

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

- The Company has installed variable frequency drivers in all electric motors which have helped sustain a lower power factor.
- Using inverter technology to control the speed of the compressor's motor in the AC plant better temperature regulation has been achieved and has hence reduced energy consumption.
- Shop floors which run manufacturing process have been transitioned to LED highbay lights which have further reduced the energy costs by about 60%.
- The Company purchased several Injection Moulding Machines that use Servo-Hybrid Technologies which use 60% less power than older Injection Moulding Machines.
- A turbo ventilation system has been installed on all roofs which has reduced the use of

exhaust fans.

- The Company is also maintaining a power factor of about close to 1.
- All street lights & main machine flow highbay lights have been substituted for greener LED alternatives.
- The Company continuously evaluate new technologies and techniques to make infrastructure more energy efficient.

### (B) Technology absorption:

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

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

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

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

(Rs in Lakhs)

Particulars	2019-20	2018-19
Foreign Exchange Earnings	-	-
Foreign Exchange Outgo	6485.76	2724.16

## 28. SIGNIFICANT & MATERIAL REGULATORY ORDERS:

An adjudication order dated 02/08/2017 has been passed by Adjudicating officer (AO) of SEBI in the matter of alleged irregularities in Initial Public Offer of the Company in the period August, 2011 to September, 2011 for issue of 57,45,000 equity shares of face value Rs. 10/- each through 100% book building process.

In this matter a show cause Notice dated 11/09/2013 was issued under rule 4 of SEBI (Procedure for holding inquiry and imposing penalties by Adjudicating Officer) Rules 1995 read with section 15(2) of SEBI Act 1992. SEBI initiated adjudication proceedings under the Act to inquire into and adjudge the alleged violations of certain provisions/Section/regulation of the SEBI Act, 1992; SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulation, 2003 (PFUTP Regulations); SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (ICDR Regulations) by the Company and its directors namely, Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta.

Vide order dated 02/08/2017, adjudicating officer of SEBI has imposed monetary penalties of Rupees One Crore on the Company and Rupees One Crore on each of four directors (mentioned in above paragraph) for the violation of ICDR Regulations. *AO has also imposed penalty on 26 entities for violation of the provisions of Section 11C(2) and (3) of the SEBI Act, 1992, they are not related to PG Electroplast Limited.* As regards, the violation of the provisions of PFUTP Regulations by the Company and its directors, AO found that the Hon'ble SAT (Order dated 30/08/2016) has not found any merit in the said allegations. The Company filed appeal before Hon'ble SAT against said adjudication order.

Now, vide order dated 02/08/2019, Hon'ble SAT ruled that this is a fit case where no penalty could be imposed and the question of imposing the maximum penalty in the given facts and circumstance does not arise. Accordingly, Hon'ble SAT has allowed the appeal and ordered to set aside penalty imposed on the Company and its directors namely- Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta.

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

There is no material change and commitment occurred between 31<sup>st</sup> March, 2020 and date of this report, which may affect financial position of the Company except

impact related to COVID-19 mentioned in Management Discussion & Analysis Report on Page No. 32.

## 30. COMPLIANCE OF APPLICABLE SECRETARIAL STANDARD:

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

## 31. DISCLOSURES PERTAINING TO THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

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

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

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

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

## ACKNOWLEDGMENT

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

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

**(Mr. Anurag Gupta)**  
Chairman  
DIN: 00184361  
B-15, Kalindi Colony,  
Delhi-110065

**(Mr. Vikas Gupta)**  
Director  
DIN: 00182241  
B-15, Kalindi Colony,  
Delhi-110065

Date: 13/08/2020  
Place: Greater Noida



## REPORT ON CORPORATE GOVERNANCES

**For the year 2019-20**

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

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

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

Judgment or decisions of the boards are regulated by Corporate Governance principle to ensure that there is sufficient disclosure about the decision-making processes and performance of the boards to enable the stakeholders to make proper judgments, particularly

with respect to how the board members fulfill their duty of loyalty and duty of care in providing guidance and oversight to the management.

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

Your Company confirms compliance to the Corporate Governance requirements as specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred to as 'Listing Regulations'], the details of which for the Financial Year ended 31<sup>st</sup> March, 2020 is as set out hereunder:

### 2) BOARD OF DIRECTORS:

#### a) Composition and category of directors

Composition as on 31<sup>st</sup> March, 2020:

Name	Designation	Category
Mr. Bhawa Nand Choudhary	Additional Director (Managing Director)	Executive
Mr. Anurag Gupta	Whole time Director	Promoter, Executive
Mr. Vishal Gupta	Whole time Director	Promoter, Executive
Mr. Vikas Gupta	Whole time Director	Promoter, Executive
Mr. Devendra Jha	Director	Independent Non-Executive
Mr. Sharad Jain	Director	Independent Non-Executive
Mr. Pramod Chimmanlal Gupta	Director	Independent Non-Executive
Mrs. Rita Mohanty	Director	Independent Non-Executive

#### Notes for Point 2 (a)(b)(c)(d) & (f):

During the year, the Board has appointed Mr. Pramod Chimmanlal Gupta (DIN: 07066493) aged 47 years as an additional Director in capacity of Non-Executive Independent Director on 15/05/2019. His appointment was regularised at the 17<sup>th</sup> Annual General Meeting held on 09/08/2019 as Independent Director for a period of five consecutive years w.e.f. 09/08/2019.

Mr. Ayodhya Prasad Anand (DIN:06808974) (aged above 75 years) ceased to be an Independent Director of the Company from close of business hours of 10/08/2019 due to completion of his term of five consecutive years as Independent Director.

Mr. Promod Gupta, Chairman & Managing Director of the Company demised on 29/11/2019.

Mr. Anurag Gupta, Whole-Time Director was appointed as Chairman of the Board of Directors of the Company and at all the general meetings of the members of the company w.e.f. 23/12/2019.

Mr. Bhawa Nand Choudhary was appointed as Additional Director (in capacity of Executive Director-Managing Director) of the Company w.e.f. 23/12/2019. Regularisation of his appointment as Managing Director has been recommended by the Board in ensuing Annual General Meeting.

Further, during the reporting period, Mr. Sharad Jain and Mr. Devendra Jha were reappointed as Independent Directors of the Company for a period of five consecutive years w.e.f. 11/08/2019 and Mrs. Rita Mohanty was reappointed as Independent Director of the Company for a period of five consecutive years w.e.f. 26/09/2019.



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

Name of the Directors	BM held on 15/05/2019	BM held on 10/08/2019	BM held on 14/11/2019	BM held on 23/12/2019	BM held on 14/02/2020	AGM held on 09/08/2019
Mr. Bhawa Nand Choudhary	NA	NA	NA	√	√	NA
Mr. Anurag Gupta	√	√	√	√	√	√
Mr. Vishal Gupta	√	√	√	√	√	√
Mr. Vikas Gupta	√	√	√	√	√	√
Mr. Devendra Jha	√	√	√	√	√	√
Mr. Sharad Jain	√	√	√	√	√	√
Mrs. Rita Mohanty	√	√	√	√	√	√
Mr. Pramod Chimmanlal Gupta	NA	√	√	√	√	√
Mr. Ayodhya Prasad Anand	√	√	NA	NA	NA	√
Mr. Promod Gupta	√	√	√	NA	NA	√

**c) Number of Board Meetings (BM) held and attended by each director during the financial year 2019-20:**

Name of the Directors	Number of BM held and entitled to attend	Number of BM attended
Mr. Bhawa Nand Choudhary	2	2
Mr. Anurag Gupta	5	5
Mr. Vishal Gupta	5	5
Mr. Vikas Gupta	5	5
Mr. Devendra Jha	5	5
Mr. Sharad Jain	5	5
Mrs. Rita Mohanty	5	5
Mr. Pramod Chimmanlal Gupta	4	4
Mr. Ayodhya Prasad Anand	2	2
Mr. Promod Gupta	3	3

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

Name of the Directors	Number of other board of directors in which a director is a:		Number of other committees in which a director is a		Names of the listed entities where the person is a director and the category of directorship
	Member	Chairperson	Member	Chairperson	
Mr. Bhawa Nand Choudhary	0	0	0	0	Nil
Mr. Anurag Gupta	4	3	0	0	Nil
Mr. Vishal Gupta	4	1	0	0	Nil
Mr. Vikas Gupta	5	1	0	0	Nil
Mr. Devendra Jha	1	0	0	0	Nil
Mr. Sharad Jain	0	0	0	0	Nil
Mrs. Rita Mohanty	0	0	0	0	Nil
Mr. Pramod Chimmanlal Gupta	0	0	0	0	Nil

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

Mr. Anurag Gupta, Mr. Vikas Gupta and Mr. Vishal Gupta are related to each other as family members, no relationship exists among other directors. Late Mr. Promod Gupta was a relative of Mr. Anurag Gupta, Mr. Vikas Gupta and Mr. Vishal Gupta.

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

Name of Directors	Number of shares	Number of convertible securities
Mr. Devendra Jha	Nil	Nil
Mr. Sharad Jain	Nil	Nil
Mrs. Rita Mohanty	Nil	Nil
Mr. Pramod Chimmanlal Gupta	Nil	Nil

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

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

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

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

Name of the Directors	Area of Expertise						Behavioural	Forward and Conceptual Thinking
	Strategy and Planning	Governance	Technical skills					
			Accounts and Finance	Sales and Marketing	Industry Experience			
Mr. Bhawa Nand Choudhary	√	√	√	√	√	√	√	√
Mr. Anurag Gupta	√	√			√	√	√	√
Mr. Vishal Gupta	√	√	√	√	√	√	√	√
Mr. Vikas Gupta	√	√	√	√	√	√	√	√
Mr. Sharad Jain	√	√	√		√	√	√	√
Mr. Devendra Jha	√	√	√		√	√	√	√
Mrs. Rita Mohanty	√	√			√	√	√	√
Mr. Pramod Chimmanlal Gupta	√	√	√		√	√	√	√

In the table above, the specific areas of focus or expertise of individual Board members have been highlighted. However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding qualification or skill.

**i) Confirmation:**

In the opinion of the board, the independent directors fulfill the conditions specified in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and are independent of the management.

Further, the Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as specified under Section 149(6) of the Companies Act, 2013 and they are qualified to act as Independent Directors under

regulation 16(1)(b) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**3) AUDIT COMMITTEE:**

**Brief term of reference:** Term of reference of Audit Committee includes powers to investigate any activity within its terms of reference, to obtain outside legal or other professional advice etc. The role of the Audit Committee includes Oversight of the company's financial reporting process and the disclosure of its financial information; Recommendation for appointment, remuneration and terms of appointment of auditors of the company; Examining/Reviewing with the management the annual financial statements and auditor's report thereon before submission to the board for approval; Reviewing with the management the quarterly financial



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

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses;

- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee; and

f. Statement of deviations:

- Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
- Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

**Composition of Audit Committee, details of Meeting & attendance of Directors:**

During the year 2019-20, five (5) meetings of the Audit Committee took place on following date:

- (1) 15/05/2019 (2) 10/08/2019 (3) 14/11/2019  
(4) 23/12/2019 and (5) 14/02/2020.

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

Name of Members	Status in Committee	Category	No. of Meeting Attended
Mr. Sharad Jain	Chairman	Non-Executive Independent Director	5
Mr. Devendra Jha	Member	Non-Executive Independent Director	5
Mr. Vishal Gupta	Member	Executive Director	5
Mr. Pramod Chimmanlal Gupta*	Member	Non-Executive Independent Director	3
Mr. Ayodhya Prasad Anand#	Member	Non-Executive Independent Director	2

\*Mr. Pramod Chimmanlal Gupta was appointed as the member of Audit Committee w.e.f. 11/08/2019.

#Mr. Ayodhya Prasad Anand ceased to be a member of Audit Committee from the close of business hours on 10/08/2019.

The Company Secretary acts as the Secretary to the Committee.

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on 09/08/2019.

During the financial year 2019-20, there are no instances in which Board has rejected any recommendations made by Audit Committee.

#### 4) NOMINATION AND REMUNERATION COMMITTEE:

**The terms of reference of the Remuneration Committee** include formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board

a policy, relating to the remuneration of the directors, key managerial personnel and other employees; Formulation of criteria for evaluation of Independent Directors and the Board; Devising a policy on Board diversity & Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal; whether to extend or continue the term of appointment of the independent director on the basis of the report of performance evaluation of independent directors and recommend to the board, all remuneration, in whatever form, payable to senior management.

**The composition of the Committee** meets the requirements of Section 178 of the Companies Act,



2013 and Regulation 19 of the Listing Regulations. As on 31<sup>st</sup> March, 2020, Committee comprises of three Non-Executive Independent Directors. The Company Secretary acts as a secretary to the Committee.

The composition of the Nomination & Remuneration Committee during the year and attendance of each member at the Committee Meetings are as given below:

Name of Director	Category	Status in Committee	No. Of Meeting Attended
Mr. Devendra Jha	Independent Director	Chairman	4
Mrs. Rita Mohanty	Independent Director	Member	4
Mr. Promod Chimmanlal Gupta*	Independent Director	Member	3
Mr. Ayodhya Prasad Anand <sup>#</sup>	Independent Director	Member	1

\*Mr. Pramod Chimmanlal Gupta was appointed as the member of Audit Committee w.e.f. 11/08/2019.

<sup>#</sup>Mr. Ayodhya Prasad Anand ceased to be a member of the Nomination & Remuneration Committee w.e.f. the close of business hour of 10/08/2019.

#### Performance evaluation criteria for Independent Directors:

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

Whether they-

- act objectively and constructively while exercising their duties;
- exercise their responsibilities in a bona fide manner in the interest of the company;
- devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- do not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- refrain from any action that would lead to loss of his independence;
- inform the Board immediately when they lose their independence;
- assist the company in implementing the best corporate governance practices;
- strive to attend all meetings of the Board of Directors and the Committees;
- participate constructively and actively in the

committees of the Board in which they are chairpersons or members;

- strive to attend the general meetings of the company;
- keep themselves well informed about the company and the external environment in which it operates;
- do not unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest;
- abide by Company's Memorandum and Articles of Association, company's policies and procedures including code of conduct, insider trading guidelines etc.

#### 5. REMUNERATION TO DIRECTORS

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

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

Detail of remuneration/sitting fees paid to Directors for the Financial Year ended 31<sup>st</sup> March, 2020 has been provided in following tables:



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

(Rs./lakhs)

Name of the Directors	Salary and Perquisites	Name of other component of remuneration	Bonus/ Commission/ Stock Option/ Performance Linked Incentive	Total
Mr. Bhawa Nand Choudhary*	8.31	-	Nil	8.31
Mr. Anurag Gupta	91.37	-	Nil	91.37
Mr. Vishal Gupta	109.48	-	Nil	109.48
Mr. Vikas Gupta	109.48	-	Nil	109.48
Mr. Promod Gupta <sup>#</sup>	62.13	-	Nil	62.13
<b>Total</b>	<b>380.77</b>	<b>-</b>	<b>Nil</b>	<b>380.77</b>

**Note:**

\*Appointment of Mr. Bhawa Nand Choudhary as an Additional Director in the capacity of Managing Director of the Company w.e.f. 23/12/2019.

<sup>#</sup>Mr. Promod Gupta, Managing Director of the Company demised on 29/11/2019.

**b. Remuneration to Non-Executive Directors**

(Rs./lakhs)

Name of the Directors	Mr. Sharad Jain	Mr. Devendra Jha	Mrs. Rita Mohanty	Mr. Pramod Chimmanlal Gupta*	Mr. Ayodhya Prasad Anand <sup>#</sup>	Total Sitting Fees
Sitting Fees	2.00	2.00	1.60	1.50	0.70	7.80
Other	0	0	0	0	0	0

Non-Executives Directors are paid only setting fees.

\*Appointment of Mr. Pramod Chimmanlal Gupta as an Additional Non-Executive Director (Independent Director) of the Company w.e.f. 15/05/2019. His appointment was regularized at the 17<sup>th</sup> Annual General Meeting of the company held on 09/08/2019.

<sup>#</sup>Mr. Ayodhya Prasad Anand ceased to be an Independent Director of the Company w.e.f. the close of business hour of 10/08/2019.

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

**6. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

Companies' Stakeholders Relationship comprises of three members.

- Mr. Sharad Jain (Chairman, Non-Executive Independent Director),
- Mr. Vishal Gupta, and
- Mr. Anurag Gupta\*

\*Due to demise of Mr. Promod Gupta on 29/11/2019, Mr. Anurag Gupta was appointed as a member of the

stakeholders Relationship Committee w.e.f. 23/12/2019.

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

Pending at the Beginning of the Year	Total Received & Redressed	Pending at the End of the Year
0	1	0

Name and Designation of Compliance Officer:  
Mr. Sanchay Dubey

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

Dedicated e-mail ID to redress investor grievances:  
**investors@pgel.in**

## 6A. OTHER COMMITTEES OF BOARD:

The Board of the Company has two more Committees; CSR Committee and Executive Committee, details of which are as follows:

Name of the Committee	Term of reference (Brief)	Composition
CSR Committee	<p>A. Formulation and recommendation to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject specified in Schedule VII of the Companies Act, 2013,</p> <p>B. To recommend the amount of expenditure to be incurred on the activities referred in above mentioned Para A,</p> <p>C. Monitoring CSR Policy of the company from time to time, and</p> <p>D. Any other matter as the CSR Committee may deem appropriate after approval of Board of Directors or as may be directed by the Board of Directors from time to time.</p>	<p>1. Mrs. Rita Mohanty, Non-Executive Independent Director (Chairperson)</p> <p>2. Mr. Vishal Gupta, Executive Director (Member) and</p> <p>3. Mr. Anurag Gupta, Executive Director (Member)*</p>
Executive Committee	Board has delegated certain powers to Executive Committee, as per provisions of the Companies Act, 2013 to exercise such power of Board, as and when required, between periods of two Board Meetings. All matters transacted in the meeting of Executive Committee during the year were ratified by the Board of Directors in their first meeting held after meeting of executive Committee.	<p>1. Anurag Gupta, Executive Director (Chairperson),</p> <p>2. Vishal Gupta, Executive Director (Member),</p> <p>3. Vikas Gupta, Executive Director (Member) and</p> <p>4. Bhawa Nand Choudhary<sup>#</sup>, Additional Director (Member)</p>

\*Due to demise of Mr. Promod Gupta on 29/11/2019, Mr. Anurag Gupta was appointed as a member of the Corporate Social Responsibility Committee w.e.f. 23/12/2019.

<sup>#</sup>Due to demise of Mr. Promod Gupta on 29/11/2019, Bhawa Nand Choudhary was appointed as a member of the Executive Committee w.e.f. 23/12/2019.

## 7. GENERAL BODY MEETINGS

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

Annual General Meeting	Date and Time	Location	Special Resolution
17 <sup>th</sup> Annual General Meeting	09/08/2019 at 11:00 A.M.	Auditorium, Asia Pacific Institute of Management, No. 3 & 4 Institutional Area, Jasola, Opp. Sarita Vihar, New Delhi - 110025	Three
16 <sup>th</sup> Annual General Meeting	29/09/2018 at 10.30 A.M.	Auditorium, Asia Pacific Institute of Management, No. 3 & 4 Institutional Area, Jasola, Opp. Sarita Vihar, New Delhi – 110025	Nil
15 <sup>th</sup> Annual General Meeting	26/09/2017 at 11:30 A.M.	Auditorium, Ghalib Institute, Aiwan-E-Ghalib Marg, New Delhi-110002	Nil

During the financial year 2019-20, the company convened EGM through Postal Ballot to accord approval of shareholders of the company for following special resolutions:

- 1) Issue of equity shares to the Promoters & Promoter Group on preferential basis upon conversion of outstanding unsecured loan.

Date of Postal Ballot Notice: 23/12/2019

Date of shareholders' approval: 09/02/2020

Date of declaration of postal ballot results (including e-voting): 10/02/2020

*All special resolutions were passed by requisite majority.*

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

##### 17<sup>th</sup> Annual General Meeting: THREE

1. Re-appointment of Mr. Sharad Jain as an Independent Director of the Company.
2. Re-appointment of Mr. Devendra Jha as an Independent Director of the Company.
3. Re-appointment of Mrs. Rita Mohanty as an Independent Director of the Company.

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

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

#### 8. MEANS OF COMMUNICATION

- (i) Quarterly results:

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

- (ii) Newspapers wherein results normally published:

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

- (iii) Website, where results are displayed:

Results & official news release are displayed on the Company's website **www.pgell.in** shortly after its submission to Stock Exchanges.

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

The Company upload all official news releases and the presentations made by the Company to analysts and institutional investors, on website of Stock Exchange as well as on its website **www.pgell.in**.

#### 9. GENERAL SHAREHOLDERS INFORMATION:

- a) **AGM: Date, time & Venue:** 29/09/2020 at 11.00 A.M. at through video conferencing or any other audio visual means.
- b) **Financial Year:** April 01, 2019 to March 31, 2020.
- c) **Dividend payment date:** Dividend has not been declared by the Board during the year.
- d) **Name & Address of Stock Exchange:** Equity shares are listed on BSE & NSE.

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001	National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051
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Board of Directors does hereby confirm that the Listing fees for the financial year 2019-20 & 2020-21 have been paid.

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

Scrip Code in BSE	533581
Scrip Symbol in NSE	PGEL

- f) **Market Price Data:** Monthly High & Low of Stock Prices (in Rs./share) of the Company in BSE & NSE during each month in financial year Ended 31<sup>st</sup> March, 2020 are as under:



Month	NSE		BSE	
	High Price	Low Price	High Price	Low Price
Apr-19	84.00	67.30	83.45	67.05
May-19	76.65	59.20	76.90	57.25
Jun-19	70.00	43.55	70.00	43.20
Jul-19	58.40	43.00	58.15	40.90
Aug-19	52.50	40.50	52.50	40.65
Sep-19	59.00	40.95	57.55	43.00
Oct-19	53.10	33.85	53.10	33.90
Nov-19	44.50	35.50	44.40	36.00
Dec-19	64.00	32.85	62.25	33.55
Jan-20	85.00	52.50	84.40	52.40
Feb-20	80.90	59.15	79.05	59.70
Mar-20	70.65	24.70	68.90	26.20

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

(in Rs./share)

Month	S&P BSE Small Cap Closing	PGEL Share Closing	% change in closing value of S&P BSE Small Cap Index w.r.t. previous month	% change in closing value of PGEL share w.r.t. previous month
Apr-19	14,624.56	67.80	-2.68	-16.40
May-19	14,867.04	70.00	1.66	3.24
Jun-19	14,239.33	51.30	-4.22	-26.71
Jul-19	12,692.18	44.50	-10.87	-13.26
Aug-19	12,534.70	46.05	-1.24	3.48
Sep-19	13,170.76	49.85	5.07	8.25
Oct-19	13,558.05	41.55	2.94	-16.65
Nov-19	13,560.57	36.50	0.02	-12.15
Dec-19	13,699.37	57.00	1.02	56.16
Jan-20	14,667.96	71.30	7.07	25.09
Feb-20	13,709.01	70.90	-6.54	-0.56
Mar-20	9,608.92	28.30	-29.91	-60.08

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

KFIN TECHNOLOGIES PRIVATE LIMITED

Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad - 500 032;

Tel:-040 - 6716 1562; Email:- einward.ris@kfintech.com

**i) Share Transfer System:**

Transfers of equity shares in electronic form are affected through the depositories with no involvement of the Company. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities and files a copy of the said certificate with the Stock Exchanges.



j) **Distribution of shareholding as on 31<sup>st</sup> March 2020:**

S. No.	Category	No. of Shareholders	% to holders	No of Shares held	% Shares
1	1 - 5000	5,073	83.59	5,59,121	3.00
2	5001 - 10000	423	6.97	3,40,408	1.83
3	10001 - 20000	251	4.13	3,71,276	1.99
4	20001 - 30000	71	1.17	1,87,393	1.00
5	30001 - 40000	41	0.68	1,47,705	0.79
6	40001 - 50000	46	0.76	2,18,742	1.17
7	50001 - 100000	77	1.27	6,02,634	3.23
8	100001 & ABOVE	87	1.43	1,62,27,053	86.99
	<b>Total</b>	<b>6,069</b>	<b>100.00</b>	<b>1,86,54,332</b>	<b>100.00</b>

8,74,584 equity shares were allotted on 14/02/2020 to the promoter and promoter group pursuant to conversion of outstanding unsecured loan given by them to the company. These shares were listed on NSE and BSE on 16/03/2020 and 27/03/2020, respectively. 6,55,938 equity shares were credited to the respective allottees account(s) in the NSDL system on 08/04/2020 and 2,18,646 equity shares in CDSL system on 07/04/2020. Trading approval of NSE and BSE received w.e.f. 15/04/2020.

k) **Dematerialization of shares and liquidity:** The Company has arrangements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for Demat facility.

CONTROL REPORT AS ON 31/03/2020				
S. No.	Description	No. of Holders	Shares	% To Equity
1	PHYSICAL	1	1	0.00
2	NSDL	2,897	1,07,43,341	55.01
3	CDSL	3,171	79,10,990	40.51
4	Shares not credited to NSDL & CDSL*	4	8,74,584	4.48
	<b>Total</b>	<b>6,069</b>	<b>1,95,28,916</b>	<b>100.00</b>

\*8,74,584 equity shares were allotted on 14/02/2020 to the promoter and promoter group pursuant to conversion of outstanding unsecured loan given by them to the company. These shares were listed on NSE and BSE on 16/03/2020 and 27/03/2020, respectively. 6,55,938 equity shares were credited to the respective allottees account(s) in the NSDL system on 08/04/2020 and 2,18,646 equity shares in CDSL system on 07/04/2020. Trading approval of NSE and BSE received w.e.f. 15/04/2020.

l) **Outstanding GDR/ADR/Warrants or any Convertible Instruments, conversion dates and likely impact on equity:** Company has not

issued any GDR/ADR/Warrants or any Convertible Instruments till date.

m) **Commodity price risk or foreign exchange risk and hedging activities:** The Company has not taken any hedging contracts for commodity price risks during the period. Foreign exchange risks for the Company arise from the payment obligations arising from import of raw material/capital goods etc.

n) **Plant Locations: Company has 5 (Five) Manufacturing Plants:**

P-4/2 to P-4/6, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida, District Gautam Budh Nagar, Uttar Pradesh, Pin – 201306	*Khasra No. 268 & 275, 15th Milestone, Roorkee - Dehradun National Highway-73, Vill: Raipur, Pargana: Bhagwanpur, Tehsil -Roorkee, Distt. Haridwar, Uttarakhand, Pin – 247667
E-14, E-15 & F-20, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida, District Gautam Budh Nagar, Uttar Pradesh, Pin – 201 306	Plot No. A-20/2 Supa Parner MIDC Industrial Area, City - Supa, Taluka- Parner, District: Ahmednagar Maharastra, Pin-414 301
I-15, 26 & 27, Site C, UPSIDC Industrial Area, Surajpur, Greater Noida, District Gautam Budh Nagar, Uttar Pradesh, Pin – 201306	

\*Roorkee plant is non-operational.

o) **Address for correspondence:**

P-4/2 to P-4/6, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida, Dist. Gautam Budh Nagar, (U.P.), India, Pin – 201306

Tel No: +91-120-2569323; Fax No: +91-120-2569131

## 11. Other Disclosures:

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

(ii) **Details of non-compliance by the company & penalties, and strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets:**

SEBI has passed an order on 11/03/2014 in the matter of IPO of the company and has restricted the Company and its promoter directors from raising funds from/dealing in securities market and directed to take urgent and efficient measure to recover all money recoverable on account of investments in ICDs, contract for purchase of land etc. The Company had filed an appeal with honorable Securities Appellate Tribunal (SAT) against this order. SAT has pronounced order on 30/08/2016.

Further Adjudicating officer of SEBI vide order on 02/08/2017 imposed monetary penalties of Rupees One Crore on the Company and Rupees One Crore on each of four directors (mentioned in above paragraph) for the violation of ICDR Regulations. AO has also imposed penalty on 26 entities for violation of the provisions of Section 11C(2) and (3) of the SEBI Act, 1992, they are not related to PG Electroplast Limited. As regards the violation of the provisions of PFUTP Regulations by the Company and its directors, AO find that the Hon'ble SAT (Order dated 30/08/2016) has not found any merit in the said allegations. The Company filed appeal before Hon'ble SAT against said adjudication order.

Now, vide order dated 02/08/2019, Hon'ble SAT ruled that this is a fit case where no penalty could be imposed and the question of imposing the maximum penalty in the given facts and circumstance does not arise. Accordingly Hon'ble

SAT has allowed the appeal and ordered to set aside penalty imposed on the Company and its directors namely- Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta.

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

This Policy intends to cover serious concerns that could have grave impact on the operations and performance of the business of the Company and malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees. This policy has been posted on the website of the Company at <https://www.pg-el.in/PDF/VigilMechanismWhistleBlowerPolicy.pdf>.

We, Directors of the Company, affirm that no personnel have been denied access to the Audit Committee.

- iv. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause: The Company has complied with mandatory requirements.
- v. Web link where policy for determining 'material' subsidiaries is disclosed: <https://www.pg-el.in/PDF/Policyonmaterialsubsidiary.pdf>.
- vi. Web link where policy on dealing with related party transactions is disclosed: <https://www.pg-el.in/PDF/RelatedPartyTransactionsPolicy.pdf>.
- vii. Commodity price risk/hedging: N.A.



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

During the year, the company has allotted 8,74,584 equity shares on preferential basis to Promoter & Promoter Group viz. Mrs. Sudesh Gupta, Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas

Gupta pursuant to conversion of outstanding unsecured loan of Rs. 4,99,99,968/- given by them to the Company. The Company had taken above said loan to meet its various financial requirements like repayment of loan to banks, capital expenditure, working capital requirements, etc.

(In Rs.)

Sl. No.	Name of the Allottees	Amount of Loan Outstanding before Allotment	Amount adjusted with respect to allotment	No. of shares allotted
1	Mrs. Sudesh Gupta	1,27,28,852	1,24,99,992	2,18,646
2	Mr. Anurag Gupta	1,83,73,375	1,24,99,992	2,18,646
3	Mr. Vishal Gupta	1,66,72,669	1,24,99,992	2,18,646
4	Mr. Vikas Gupta	1,66,44,169	1,24,99,992	2,18,646
	<b>Total</b>	<b>6,44,19,065</b>	<b>4,99,99,968</b>	<b>8,74,584</b>

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

Particulars	Amount in Rs/Lakh.
Audit fee	4.50
Tax audit	1.00
Limited review fee	9.50
<b>Total</b>	<b>15.00</b>

**x. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

- Number of complaints pending at the beginning of the year: NIL
- Number of complaints filed during the year: NIL
- Number of complaints disposed off during the year: NIL
- Number of cases pending at the end of the year: NIL

**12. Non-compliance of any requirement of corporate governance report:**

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

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

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

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

The Company is in compliance with all the mandatory requirements of Corporate Governance as specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

**15. Disclosure with respect to demat suspense account/unclaimed suspense account:**

None of the shareholder's shares are lying in the suspense account and hence no disclosure is required under Schedule V of Part F of Listing Regulations, 2015.

**For PG Electroplast Limited**

**(Mr. Anurag Gupta)**  
Chairman  
DIN:00184361  
B-15, Kalindi Colony,  
Delhi-110065

**(Mr. Vikas Gupta)**  
Whole Time Director  
DIN: 00182241  
B-15, Kalindi Colony,  
Delhi-110065

Date: 13/08/2020  
Place: Greater Noida



## DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT

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

I confirm that the Company has in respect of the financial year ended 31<sup>st</sup> March, 2020 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**

**(Mr. Anurag Gupta)**  
Chairman  
DIN:00184361  
B-15, Kalindi Colony,  
Delhi-110065

Date: 13/08/2020  
Place: Greater Noida

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## CERTIFICATE ON CORPORATE GOVERNANCE

**To**  
**The Members,**  
**PG Electroplast Limited**

We have examined the compliance of the conditions of Corporate Governance by PG Electroplast Limited ('the Company') for the year ended on March 31, 2020, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2020.

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

### Restriction on use

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

For Puja Mishra & Co.

**Puja Mishra**  
ACS/FGS No.: A42927  
C P No.: 17148

Place: Delhi  
Date: 13/08/2020  
UDIN: A042927B000645177

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

We, Bhawa Nand Choudhary (Managing Director), Vishal Gupta (Whole Time Director-Finance) & Mahabir Prasad Gupta (Sr. GM-Accounts & Finance) certify that:

- A. We have reviewed financial statements and the cash flow statement for the year 2019-20 and that to the best of their knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that We have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and We have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which We are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee:
1. significant changes in internal control over financial reporting during the year;
  2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

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

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

For **PG Electroplast Limited**  
**Sr. GM – Accounts & Finance**

Date: 22/06/2020

Place: Greater Noida

## EXTRACT OF NOMINATION & REMUNERATION POLICY

**General Appointment Criteria for Directors/KMP/SMP:**

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

- assessing the appointee against a range of criteria which includes but not be limited to qualifications
- skills, regional and industry experience, background and other qualities required to operate successfully in the position, with due regard for the benefits from diversifying the Board;
- the extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing directors and enhance the efficiencies of the Company;
- the skills and experience that the appointee brings to the role of KMP/Senior Official and how an appointee will enhance the skill sets and experience of the Board as a whole;
- the nature of existing positions held by the appointee including directorships or other relationships and the impact they may have on the appointee's ability to exercise independent judgement;
- Personal specifications:
  - Experience of management in a diverse organization;
  - Excellent interpersonal, communication and representational skills;- Demonstrable leadership skills;
  - Commitment to high standards of ethics, personal integrity and probity;
  - Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace;
  - Having continuous professional development to refresh knowledge and skills.

**Additional Criteria for Appointment of Independent Directors:** The Committee shall consider qualifications for Independent Directors as mentioned in herein earlier under

the head 'Definitions' and also their appointment shall be governed as per the provisions of clause 49 of the Listing Agreement (as amended from time to time ) and Companies Act, 2013.

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

**Criteria for Evaluation of Directors and the Board:**

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

1. Executive Directors: The Executive Directors shall be evaluated on the basis of targets / Criteria given to executive Directors by the board from time to time
2. Non-Executive Director: The Non-Executive Directors shall be evaluated on the basis of the following criteria i.e. whether they:
  - (a) act objectively and constructively while exercising their duties;
  - (b) exercise their responsibilities in a bona fide manner in the interest of the company;
  - (c) devote sufficient time and attention to their professional obligations for informed and balanced decision making;
  - (d) do not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
  - (e) refrain from any action that would lead to loss of his independence;
  - (f) inform the Board immediately when they lose their independence;
  - (g) assist the company in implementing the best corporate governance practices;
  - (h) strive to attend all meetings of the Board of Directors and the Committees;
  - (i) participate constructively and actively in the



committees of the Board in which they are chairpersons or members;

- (j) strive to attend the general meetings of the company;
- (k) keep themselves well informed about the company and the external environment in which it operates;
- (l) do not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (m) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest;
- (n) abide by Company's Memorandum and Articles of Association, company's policies and procedures including code of conduct, insider trading guidelines etc.

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

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

The Nominations & Remuneration Committee will recommend the remuneration for Directors, KMPs and Senior Officials of the Company taking into account factors it deems relevant, including but not limited to market, business performance and practices in comparable companies, having due regard to financial and commercial health of the

Company as well as prevailing laws and government/other guidelines. The Committee shall consult the Chairman of the Board as it deems appropriate. Remuneration of the Chairman to be recommended by the Committee to the Board of the Company.

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

- 1. Director / Managing Director:** Remuneration / compensation/ commission, etc. to be paid to Director/ Managing Director, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.
- 2. Non-executive Independent Directors:** The Non-Executive Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The Independent Directors shall not be entitled to any stock option.
- 3. KMPs/Senior Management Personnel, etc:** The Remuneration to be paid to KMPs/ Senior Management Personnel shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.
- 4. Directors' and Officers' Insurance:** Where any insurance is taken by the Company on behalf of its Directors, KMPs/ Senior Management Personnel etc. for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

**Annexure-III**
**DISCLOSURE RELATED REMUNERATION REQUIRED UNDER RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONAL) RULES, 2014**

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

Name	Ratio	1. The median remuneration of employees of the Company was Rs. 2,09,865.92/- per annum. 2. For this purpose, Sitting Fees paid to the Directors & remuneration to Executive Directors has not been considered as remuneration.
Mr. Bhawa Nand Choudhary*	3.96	
Mr. Anurag Gupta	43.54	
Mr. Vishal Gupta	52.17	
Mr. Vikas Gupta	52.17	
Mr. Promod Gupta#	29.60	

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

Name	Designation	%increase in remuneration
Mr. Anurag Gupta	Whole Time Director	17.50
Mr. Vishal Gupta	Whole Time Director	40.79
Mr. Vikas Gupta	Whole Time Director	40.79
Mr. Bhawa Nand Choudhary*	Managing Director	N.A.
Mr. Promod Gupta#	Managing Director	19.84
Mr. Mahabir Prasad Gupta**	Chief Financial Officer	5.68
Mr. Praveen Datt Agarwal##	Chief Financial Officer	N.A.
Mr. Sanchay Dubey	Company Secretary	48.46

\*Appointment of Mr. Bhawa Nand Choudhary as an Additional Director in the capacity of Managing Director of the Company w.e.f. 23/12/2019.

#Mr. Promod Gupta ceased to be the Managing Director of the Company due to his Demise on 29/11/2019. Percentage increase in remuneration has been calculated using monthly average salary method.

\*\*Resignation of Mr. Mahabir Prasad Gupta from the position of Chief Financial Officer of the Company w.e.f. close of business hours of 14/11/2019. Percentage increase in remuneration has been calculated using monthly average salary method.

##Appointment of Mr. Praveen Datt Agarwal as Chief Financial Officer of the company w.e.f. 15/11/2019.

- (iii) The percentage increase in the median remuneration of employees in the financial year: 15.84%
- (iv) The number of permanent employees on the rolls of company as on 31<sup>st</sup> March, 2020: 921
- (v) There are no exceptional circumstances for increase in the managerial remuneration.
- (vi) Affirmation: It is hereby confirmed that remuneration paid is as per the remuneration policy of the Company.
- (vii) There was no employee in the Company, who was in receipt of remuneration for the year 2019-20 in excess of or equal to Rupees One Crore and Two Lakh or Rupees Eight Lakh and Fifty Thousand in any month. Further, there was no employee who was getting remuneration in excess of or equal to Rupees Sixty Lakh in that year or Rupees Five Lakh in any month during the F.Y. 2019-20.



## Annexure-IV

**FORM NO. MR-3  
SECRETARIAL AUDIT REPORT****For the Financial Year Ended On 31st March 2020***[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

**To,  
The Members,  
PG Electroplast Limited**

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, and subject to our separate letter attached as **Annexure – I**; We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by PG Electroplast Limited for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder and the applicable provisions of the Companies Act, 1956;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder to the extent of Regulation 55A;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') including:-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.

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

- 1. Water (Prevention and Control of Pollution) Act, 1961
- 2. Air (Prevention and Control of Pollution) Act, 1974
- 3. The Environment (Protection) Act, 1986
- 4. Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
- 5. E-Waste (Management) Rules, 2016

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with the Stock Exchange- BSE Limited & National Stock Exchange of India Limited.

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

In respect of applicable laws other than SCRA and SEBI Act, rules and regulations made thereunder, We report that during the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above and following compliance was made:

- The Company has a PU Paint shop facility within its factory of UNIT-1, hence Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 is applicable. As per information and documents provided by the Management, The Authorization required under the rule has been obtained.

**We further report that:**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There has been change in the composition of the Board of Directors during the financial year ended on 31<sup>st</sup> March, 2020 as follows:

DIN	Name	Designation	Date of Appointment	Date of Cessation, If any	Remarks
00181800	Promod Gupta	Managing Director	17-03-2003	29-11-2019	Cessation due to death.
00184361	Anurag Gupta	Whole Time Director	17-03-2003	NA	NA
00184809	Vishal Gupta	Whole Time Director	01-05-2010	NA	NA
00182241	Vikas Gupta	Whole Time Director	01-05-2010	NA	NA
06423452	Sharad Jain	Independent Director	09-11-2012	NA	NA
06423452	Devendra Jha	Independent Director	02-05-2012	NA	NA
06808974	Ayodhya Prasad Anand	Independent Director	08-02-2014	10-08-2019	Retired as tenure expired
07081546	Rita Mohanty	Independent Director	31-01-2015	NA	NA
05166209	Bhawa Nand Choudhary	Additional Director (Managing Director)	23-12-2019	NA	NA
07066493	Pramod Chimmanlal Gupta	Independent Director	15-05-2019	NA	NA

- Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

We further report that during the audit period, following specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines etc. having a major bearing on the company's affairs.

- The Company has converted loan amounting to Rs.4,99,99,968/- into 874584 Equity shares @ Rs. 57.17 per share and has allotted the same shares to its promoter and promoter group:-Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta and Mrs. Sudesh Gupta on preferential basis on 14<sup>th</sup> February, 2020.

**For Puja Mishra & Co.**

Place: Delhi  
Date: 13/08/2020  
UDIN: A042927B000584655

**Puja Mishra**  
ACS/FGS No.: A42927  
C P No. : 17148

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

**'Annexure I'**

**To**  
**The Members**  
**PG Electroplast limited**

Our report of even date is to be read along with this letter which states as follows:

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of compliance by the company of applicable General Laws including Labour laws, financial laws like direct and indirect laws and maintenance of financial records and books of accounts, since the same have been subject to review by Statutory Financial Audit and other designated professionals. Further, as confirmed by the Management of the Company, no other specific Act is applicable to Company including the Environmental Laws other than mentioned in the Report.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. We have relied on the certificate obtained by the company from the Management Committee/Function heads and based on the report received, there has been due compliance of all laws, orders, regulations and other legal requirements of the central, state and other government and legal authorities concerning the business and affairs of the company.

**For Puja Mishra & Co.**

Place: Delhi  
Date: 13/08/2020  
UDIN: A042927B000584655

**Puja Mishra**  
ACS/FGS No.: A42927  
C P No. : 17148

**SECRETARIAL COMPLIANCE REPORT OF PG ELECTROPLAST LIMITED  
FOR THE YEAR ENDED MARCH 31, 2020**

**We, Puja Mishra & Co., Company Secretaries,** have examined:

- a) all the documents and records made available to us and explanation provided by **M/s PG Electroplast Limited ("the listed entity")**,
- b) the filings/ submissions made by the listed entity to the stock exchanges,
- c) website of the listed entity,
- d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended March 31, 2020 ("**Review Period**") in respect of compliance with the provisions of:
  - 1) the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**") and the Regulations, circulars, guidelines issued thereunder; and
  - 2) the Securities Contracts (Regulation) Act, 1956 ("**SCRA**"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("**SEBI**");

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

- A. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- B. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- C. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- D. Securities and Exchange Board of India (Buyback of Securities) Regulations 2018 (The Company has not made any buy back of shares or other specified securities during review period);
- E. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- F. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (The Company has not issued any debt security);
- G. Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013 (The Company has not issued any Preference Shares);
- H. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- I. Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003;
- J. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

**and circulars/ guidelines issued thereunder; and based on the above examination, we hereby report that, during the Review Period:**

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

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1	<p>Para C (10)(i) of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by the Company.</p> <p>The following disclosures shall be made in the section on the corporate governance of the annual report - Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.</p>	<p>Concerned certificate was not there in the section on the corporate governance of the annual report for FY 2018-2019.</p>	<p>The Company has published this certificate vide announcement under regulation 30 of the Listing Regulation on March 21, 2020 at website of NSE and BSE.</p> <p>Further none of directors had been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority during that reporting period.</p>

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

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
1	Adjudicating Officer (AO) of Securities & Exchange Board of India	Non-disclosure of certain material information in the offer documents in prospectus dated Sep. 14, 2011 and Diversion of IPO proceeds and other funds.	Adjudicating Officer of SEBI vide order dated August 02, 2017 imposed monetary penalty of Rs. One Crore on the company and Rs. 1 Crore on each of its four Promoter directors- Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta.	Vide an order dated August 02 2019, Hon'ble SAT has allowed the appeal against the said order and set aside the penalty imposed on the Company and its directors in line of its previous order dated August 30, 2016.  As far as charge of non-disclosure is concerned, Tribunal found that it cannot be said that there was complete nondisclosure of material information in the prospectus.  Tribunal further found that Insofar as the second charge of diversion of IPO proceeds is concerned the Tribunal in its earlier order held that the charge of violating PFUTP Regulations was not established by any cogent reasoning or convincing evidence.

- (d) The reporting of actions by the listed entity to comply with the observations made in previous reports does not arise during the Review Period. All the observations mention the compliance done within previous reporting period i.e. Year ended March 31, 2019 and nothing was pending to be complied during the Year ended March 31, 2020.

**For Puja Mishra & Co.**

Place: Delhi  
Date: 30/06/2020  
UDIN: A042927B000406785

**Puja Mishra**  
ACS/FGS No.: A42927  
C P No. : 17148



**CERTIFICATE OF NON-DISQUALIFICATION**  
(For the financial year ended on March 31, 2020)

**To,**  
**The Members,**  
**PG Electroplast Limited**

We have examined the compliance of provisions of the Regulation 34(3) read with clause 10(i) of the Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by examining the relevant registers, records, forms, returns and disclosures received from the Directors of PG Electroplast Limited having CIN: L32109DL2003PLC119416 and having registered office at DTJ209, DLF Tower-B, Jasola, New Delhi, India-110025 (hereinafter referred to as 'the Company'), produced before me by the Company.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended on March 31, 2020, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name	Director Identification Number (DIN)
1	Anurag Gupta	00184361
2	Vishal Gupta	00184809
3	Vikas Gupta	00182241
4	Sharad Jain	06423452
5	Devendra Jha	03076528
6	Rita Mohanty	07081546
7	Pramod Chimmanlal Gupta	07066493
8	Bhawa Nand Choudhary	05166209

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these, based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Puja Mishra & Co.**

Place: Delhi  
Date: 13/08/2020  
UDIN: A042927B000584666

**Puja Mishra**  
ACS/FGS No.: A42927  
C P No. : 17148

## Annexure-VI

**FORM NO. AOC-2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

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

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

There were no contracts or arrangements or transactions entered into the year ended 31<sup>st</sup> March, 2020 which were not at arm's length basis.

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

Nature of Contract	Party Name	Approval of Board	Approval in General Meeting	Approved limit of transaction, if any	Transaction in brief	Advance paid	Transaction Value in Rs./Lakh (Annual)
Leasing property of any kind	Mr. Vishal Gupta	Transaction is part of ongoing lease deed 06/11/2009 for 30 years (Rent paid for Roorkee Factory).				--	0.15
	Mrs. Sudesh Gupta	Renewed vide Board approval on 10/08/2019	N.A.	Monthly rent Rs. 1.35 lakh plus applicable taxes & maintenance charges	Rent paid for Registered office at Jasola.	Rs. 4.50 Lakh	16.20
	M/s PG Electronics	Transaction is part of ongoing lease deed 06/11/2009 for 30 years (Rent paid for Roorkee Factory).				--	0.60
Related party appointment to office or place of profit	Mrs. Sudesh Gupta	15-05-2019	09-08-2019	Upto Rs. 4.00 lakh per month	They are relatives of Directors & are holding office in the Company as an employee.	--	30.32
	Mrs. Neelu Gupta	15-05-2019	09-08-2019	Upto Rs. 4.00 lakh per month		--	30.32
	Mrs. Sarika Gupta	15-05-2019	09-08-2019	Upto Rs. 4.00 lakh per month		--	30.32
	Mrs. Nitasha Gupta	15-05-2019	09-08-2019	Upto Rs. 4.00 lakh per month		--	30.32
	Mr. Pranav Gupta	13-02-2017	N.A.	Upto 2.50 lakh per month	They are relatives of Directors & are holding office in the company as an employee.	--	18.39
	Mrs. Kanika Gupta	14-11-2019	N.A.	Upto 2.50 lakh per month		--	3.41
	Mr. Aditya Gupta	14-11-2019	N.A.	Upto 2.50 lakh per month		--	2.24
	Mrs. Anju Choudhary	23-12-2019	N.A.	Upto 2.50 lakh per month		--	2.54

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

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

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

The CSR is an approach that contributes to sustainable development by delivering economic, social and environmental benefits for all stakeholders. It extends beyond philanthropic activities and reaches out to the integration of social and business goals. The Company endeavours to take care of Environment, Education, Health and Safety of its employees and neighbourhood.

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

The CSR policy of the company is available on its website at link <http://www.pgel.in/PDF/CSRPOLICY.pdf>.

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

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

*'Due to demise of Mr. Promod Gupta (member of the Committee) on 29/11/2019, Mr. Anurag Gupta was appointed as member of CSR Committee w.e.f. 23/12/2019.*

**3. Average Net Profit of the company for last three financial years: N.A**

As on 31<sup>st</sup> March 2016, aggregate amount of unadjusted excess of expenditure over income i.e. loss of previous years was Rs. 3,942.18 lakh. During the FY 2016-17, FY 2017-18, and FY 2018-19, the company posted profit before tax of Rs. 372.47 lakh, Rs. 748.50 lakh and Rs. 1,015.60 lakh, respectively. However, net profit of the Company under section 198 was negative for FY 2016-17, FY 2017-18, and FY 2018-19 due to adjustment of excess of expenditure over income i.e. loss of previous years and other adjustments as prescribed under section 198 of the Companies Act, 2013. After such adjustments till 31<sup>st</sup> March 2019, Rs. 1,196.35 lakh of excess of expenditure over income i.e. loss of previous years is still left to be adjusted from the profit before tax of future years.

**4. Prescribed CSR Expenditure: N.A.****5. Details of CSR spent during the financial year.**

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

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

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

**For PG Electroplast Limited**

**Vishal Gupta**

Director

Place: Greater Noida

Date: 13/08/2020

**For PG Electroplast Limited**

**Rita Mohanty**

Chairperson, CSR Committee



## Annexure-VIII

**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the Financial Year ended on 31/03/2020**

**I. REGISTRATION AND OTHER DETAILS:**

(i)	CIN	L32109DL2003PLC119416
(ii)	Registration Date	17 <sup>th</sup> March 2003
(iii)	Name of the Company	PG Electroplast Limited
(iv)	Category/Sub-Category of the Company	Company limited by Shares/Indian Non-Government Company
(v)	Address of the Registered Office & Contact details	DTJ209, 2 <sup>nd</sup> Floor, DLF Tower B, Jasola, New Delhi-110025; Email: investors@pgel.in
(vi)	Whether a listed Company	Yes (Listed at BSE & NSE)
(vii)	Name, Address and contact details of Registrar and Transfer Agent, if any:	KFin Technologies Private Limited, Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana India - 500 032 Email: einward.ris@kfintech.com

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

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

Sl. No.	Name and description of main products/service	NIC code-2008 of product/service	% of total turnover of the Company
1	Plastic Parts of Refrigerator	27501	27.17%
2	Plastic Parts of Air Conditioners	28192	21.94%
3	Plastic Parts of Washing Machines	27501	11.54%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:** No such Company exists as on 31/03/2020.**IV. SHAREHOLDING PATTERN:****(i) Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01/04/2019)				No. of Shares held at the end of the year (as on 31/03/2020)				% change during the year
	De-mat	Physical	Total	% of total Shares	De-mat	Physical	Total	% of total Shares	
<b>A. Promoter</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	12409332	0	12409332	66.52	13318916	0	13318916	68.20	1.68
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other..	-	-	-	-	-	-	-	-	-
<b>Sub Total (A)(1)</b>	<b>12409332</b>	<b>0</b>	<b>12409332</b>	<b>66.52</b>	<b>13318916</b>	<b>0</b>	<b>13318916</b>	<b>68.20</b>	<b>1.68</b>
<b>(2) Foreign</b>									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01/04/2019)				No. of Shares held at the end of the year (as on 31/03/2020)				% change during the year
	De-mat	Physical	Total	% of total Shares	De-mat	Physical	Total	% of total Shares	
e) Any Other.	-	-	-	-	-	-	-	-	-
<b>Sub Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>N.A.</b>
<b>Total Shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>12409332</b>	<b>0</b>	<b>12409332</b>	<b>66.52</b>	<b>13318916</b>	<b>0</b>	<b>13318916</b>	<b>68.20</b>	<b>1.68</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	85009	0	85009	0.46	172	0	172	0.00	-0.46
c) Central Govt(s)	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Other (Specify)	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investors	1260000	0	1260000	6.75	90000	0	90000	0.46	-6.29
<b>Sub Total (B)(1)</b>	<b>1345009</b>	<b>0</b>	<b>1345009</b>	<b>7.21</b>	<b>90172</b>	<b>0</b>	<b>90172</b>	<b>0.46</b>	<b>-6.75</b>
<b>2. Non Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	1828742	0	1828742	9.80	1452965	0	1452965	7.44	-2.36
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual Shareholders holding nominal share capital upto Rs. 1 lakh	1980608	51	1980659	10.62	3096622	1	3096623	15.86	5.24
ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh	502848	0	502848	2.70	1190402	0	1190402	6.10	3.40
<b>c) Others (Specify)</b>									
Clearing Member	110230	0	110230	0.59	31586	0	31586	0.16	-0.43
NBFC	664	0	664	0.00	0	0	0	0.00	0.00
Non Resident Indians	476848	0	476848	2.56	348252	0	348252	1.78	-0.78
<b>Sub-total(B)(2)</b>	<b>4899940</b>	<b>51</b>	<b>4899991</b>	<b>26.27</b>	<b>6119827</b>	<b>1</b>	<b>6119828</b>	<b>31.34</b>	<b>5.07</b>
<b>Total Public Shareholding (B)= (B)(1) + (B)(2)</b>	<b>6244949</b>	<b>51</b>	<b>6245000</b>	<b>33.48</b>	<b>6209999</b>	<b>1</b>	<b>6210000</b>	<b>31.80</b>	<b>-1.68</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>18654281</b>	<b>51</b>	<b>18654332</b>	<b>100</b>	<b>19528915</b>	<b>1</b>	<b>19528916</b>	<b>100</b>	<b>4.69</b>





## (ii) SHAREHOLDING OF PROMOTERS

S.N.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of year			% Change in shareholding during the year
		No of Shares	% of total Shareholding	% of shares pledged, encumbered to total shares	No of Shares	% of total Shareholding	% of shares pledged, encumbered to total shares	
1.	Mr. Promod Gupta	45,16,167	24.21	N.A.	-	-	N.A.	-24.21
2.	Mr. Anurag Gupta	22,07,555	11.83	N.A.	24,26,201	12.42	N.A.	0.59
3.	Mr. Vikas Gupta	25,94,055	13.91	N.A.	28,12,701	14.40	N.A.	0.49
4.	Mr. Vishal Gupta	25,98,345	13.93	N.A.	28,16,991	14.42	N.A.	0.49
5.	Mrs. Neelu Gupta	4,15,000	2.22	N.A.	4,25,000	2.18	N.A.	-0.04
6.	Mrs. Sudesh Gupta	25,500	0.14	N.A.	47,60,313	24.38	N.A.	24.24
7.	Mrs. Nitasha Gupta	28,500	0.15	N.A.	38,500	0.20	N.A.	0.05
8.	Mrs. Sarika Gupta	24,210	0.13	N.A.	39,210	0.20	N.A.	0.07
<b>Total</b>		<b>1,24,09,332</b>	<b>66.52</b>		<b>1,33,18,916</b>	<b>68.20</b>		<b>1.68</b>

Mr. Promod Gupta demised on 29/11/2019. His shareholding was transmitted to his Nominee & Spouse- Mrs. Sudesh Gupta.

## (iii) Change in Promoters' Shareholding:

Sl. No.	Name	Shareholding		Date	Change in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares as on 1/04/2019 & 31/03/2020	% of Total Share of the Company				No. of Shares	% of Total Share of the Company
1.	Mr. Promod Gupta	45,16,167	24.21					
				28/12/2019	-40,16,166	*Transmission	-5,00,001	2.56
				25/02/2020	-5,00,001		0	0
		<b>0</b>	<b>0</b>				<b>0</b>	<b>0</b>
2.	Mr. Anurag Gupta	22,07,555	11.83					
				14/02/2020	2,18,646	*Allotment	24,26,201	12.42
		<b>24,26,201</b>	<b>12.42</b>				<b>24,26,201</b>	<b>12.42</b>
4.	Mr. Vishal Gupta	25,98,345	13.93					
				14/02/2020	2,18,646	*Allotment	28,16,991	14.42
		<b>28,16,991</b>	<b>14.42</b>				<b>28,16,991</b>	<b>14.42</b>
3.	Mr. Vikas Gupta	25,94,055	13.91					
				14/02/2020	2,18,646	*Allotment	28,12,701	14.40
		<b>28,12,701</b>	<b>14.40</b>				<b>28,12,701</b>	<b>14.40</b>
5.	Mrs. Sudesh Gupta	25,500	0.14					
				28/12/2019	40,16,166	*Transmission	40,41,666	21.66
				14/02/2020	2,18,646	*Allotment	42,60,312	21.81
				25/02/2020	5,00,001	**Transmission	47,60,313	24.38
		<b>47,60,313</b>	<b>24.38</b>				<b>47,60,313</b>	<b>24.38</b>
6.	Mrs. Neelu Gupta	4,15,000	2.13					
				13/03/2020	10,000	Purchase from open market	4,25,000	2.18
		<b>4,25,000</b>	<b>2.18</b>				<b>4,25,000</b>	<b>2.18</b>
7.	Mrs. Sarika Gupta	24,210	0.13					
				11/03/2020	15,000	Purchase from open market	39,210	0.20
		<b>39,210</b>	<b>0.20</b>				<b>39,210</b>	<b>0.20</b>
8.	Mrs. Nitasha Gupta	28,500	0.15					
				13/03/2020	10,000	Purchase from open market	38,500	0.20
		<b>38,500</b>	<b>0.20</b>				<b>38,500</b>	<b>0.20</b>

\*Allotment of equity shares on preferential basis to promoter & promoter group pursuant to conversion of outstanding unsecured loan.

\*Pursuant to Demise of Mr. Promod Gupta his shareholding (except Locked-in shares) were transmitted to his Nominee & Spouse i.e. Mrs. Sudesh Gupta.

\*\*The Locked-in shares held in name of Mr. Promod Gupta were transmitted through corporate action to his Nominee & Spouse i.e. Mrs. Sudesh Gupta.

**(iv) Shareholding Pattern of top ten Shareholders as on 31/03/2020:**

Sl. No.	For each of top 10 shareholders (other than Directors, promoters and holders of GDRs and ADRs)	Shareholding		Date	Change in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares as on 1/04/2019 & 31/03/2020	% of Total Share of the Company				No. of Shares	% of Total Share of the Company
1	PREETI AGGARWAL *Shares held on BENPOS date 27/12/2019. **From BENPOS date 31/12/2019 this person became one of the top 10 shareholders based on no. of shares held.			27/12/2019	*3,925		3,925	0.02
				31/12/2019	2,50,000	Market purchase	2,18,925	1.17
				10/01/2020	81,075	Market purchase	3,00,000	1.61
		3,00,000	1.61				3,00,000	1.61
2	SUNITA SARWANKUMAR SARAF	2,63,500	1.61					
				07/02/2020	-8,935	Market sale	2,54,565	1.36
				14/02/2020	6,033	Market Purchase	2,60,598	1.40
				21/02/2020	2,542	Market Purchase	2,63,140	1.41
				28/02/2020	61	Market Purchase	2,63,201	1.41
				06/03/2020	299	Market Purchase	2,63,500	1.41
		2,63,500	1.41				2,63,500	1.41
3	ELDORADO BIOTECH PVT. LTD *From BENPOS date 28/02/2020 this person became one of the top 10 shareholders based on no. of shares held.			28/02/2020	*2,29,218	Market Purchase	2,29,218	1.23
		2,29,218	1.23				2,29,218	1.23
4	CHARU RATHI *From BENPOS date 27/09/2019 this person became one of the top 10 shareholders based on no. of shares held. **From BENPOS date 25/10/2019 this person again became one of the top 10 shareholders based on no. of shares held.			27/09/2019	*1,40,598	-	1,40,598	0.75
				25/10/2019	**80,298	-	80,298	0.43
				01/11/2019	68,526	Market Purchase	1,48,824	0.80
				08/11/2019	5,000	Market Purchase	1,53,824	0.82
				20/12/2019	7,000	Market Purchase	1,60,824	0.86
				27/12/2019	2,000	Market Purchase	1,62,824	0.87
				31/12/2019	43,770	Market Purchase	2,06,594	1.11
				17/01/2020	3,006	Market Purchase	2,09,600	1.12
				24/01/2020	2,994	Market Purchase	2,12,594	1.14
				21/02/2020	-200	Market sale	2,12,394	1.14
				28/02/2020	-3,100	Market sale	2,09,294	1.12
				06/03/2020	4,316	Market Purchase	2,13,610	1.15
				13/03/2020	3,234	Market Purchase	2,16,844	1.16
				27/03/2020	-4,690	Market sale	2,12,154	1.14
		2,12,154	1.14				2,12,154	1.14
5	SARVANKUMAR DEVIDUTT SARAF *Shares held on BENPOS date 14/02/2020. **From BENPOS date 27/09/2019 this person became one of the top 10 shareholders based on no. of shares held.			14/02/2020	*31,400		31,400	0.17
				21/02/2020	**1,50,000	Market Purchase	1,81,400	0.97
		1,81,400	0.97				1,81,400	0.97



Sl. No.	For each of top 10 shareholders (other than Directors, promoters and holders of GDRs and ADRs)	Shareholding		Date	Change in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares as on 1/04/2019 & 31/03/2020	% of Total Share of the Company				No. of Shares	% of Total Share of the Company
6	MOTILAL OSWAL FINANCIAL SERVICES LIMITED- MARGIN TRADING *Shares held on BENPOS date 14/02/2020, 28/02/2020 & 06/03/2020. **From BENPOS date 14/02/2020 & 13/03/2020 this person became one of the top 10 shareholders based on no. of shares held.			07/02/2020	*24,945		24,945	0.13
				14/02/2020	**1,15,650		1,40,595	0.75
				28/02/2020	*7,796		7,796	0.04
				06/03/2020	*62,414		70,210	0.38
				13/03/2020	**38,809		1,09,017	0.58
				20/03/2020	-400		1,08,617	0.58
				27/03/2020	42,897		1,51,514	0.81
				31/03/2020	13,964		1,65,478	0.89
		1,65,478	0.89				1,65,478	0.89
7	SATPAL KHATTAR	1,65,000	1.01				1,65,000	1.01
				NA	No Change	-	-	-
		1,65,000	0.88				1,65,000	0.88
8	NEELAM SAMIRKUMAR SHAH	1,29,348	0.79				1,29,348	0.79
				28/06/2019	-4,000		1,25,348	0.67
				05/07/2019	-2,000		1,23,348	0.66
		1,23,348	0.66				1,23,348	0.66
9	MANAN AJAYBHAI SHAH *Shares held on BENPOS date 02/08/2019. **From BENPOS date 11/10/2019 & 14/02/2020 this person became one of the top 10 shareholders based on no. of shares held.			02/08/2019	*1,10,000		1,10,000	0.59
				11/10/2019	**1,10,000		1,10,000	0.59
				14/02/2020	**1,10,000		1,10,000	0.59
		1,10,000	0.59				1,10,000	0.59
10	HIRAK LEASING & INVESTMENTS PVT. LTD. *Shares held on BENPOS date 13/03/2020. **From BENPOS date 27/03/2020 this person became one of the top 10 shareholders based on no. of shares held.			13/03/2020	*1,04,400		1,04,400	0.56
				27/03/2020	**1,04,400		1,04,400	0.56
		1,04,400	0.56				1,04,400	0.56

*Note: The changes in the shareholding in the above shareholders were due to buying/ selling of shares through Stock Exchange by the shareholders. Hence, date wise increase/decrease prior to the date when they were not belonging to top 10 shareholders is not indicated here.*

*8,74,584 equity shares were allotted on 14/02/2020 to the promoter & promoter group pursuant to conversion of outstanding unsecured loan given by them to the company. These shares were listed on NSE and BSE on 16/03/2020 and 27/03/2020, respectively. Trading approval of NSE and BSE received w.e.f. 15/04/2020.*

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

Sl. No.	Name of Directors and KMP	Shareholding		Date	Change in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares as on 1/04/2019 & 31/03/2020	% of Total Share of the Company				No. of Shares	% of Total Share of the Company
1.	Mr. Promod Gupta	45,16,167	24.21					
				28/12/2019	-40,16,166	#Transmission	5,00,001	2.56
				25/02/2020	-5,00,001		0	0
		<b>0</b>	<b>0</b>				<b>0</b>	<b>0</b>
2.	Mr. Anurag Gupta	22,07,555	11.83					
				14/02/2020	2,18,646	*Allotment	24,26,201	12.42
		<b>24,26,201</b>	<b>12.42</b>				<b>24,26,201</b>	<b>12.42</b>
3.	Mr. Vishal Gupta	25,98,345	13.93					
				14/02/2020	2,18,646	*Allotment	28,16,991	14.42
		<b>28,16,991</b>	<b>14.42</b>				<b>28,16,991</b>	<b>14.42</b>
4.	Mr. Vikas Gupta	25,94,055	13.91					
				14/02/2020	2,18,646	*Allotment	28,12,701	14.40
		<b>28,12,701</b>	<b>14.40</b>				<b>28,12,701</b>	<b>14.40</b>
5.	Mr. Sharad Jain	0	0.00	NA	No Change	-	0	0.00
6.	Mr. Devendra Jha	0	0.00	NA	No Change	-	0	0.00
7.	Mr. Pramod Chimmanlal Gupta	0	0.00	NA	No Change	-	0	0.00
8.	Mrs. Rita Mohanty	0	0.00	NA	No Change	-	0	0.00
Key Managerial Personnel other than Directors								
1.	**Mr. Mahabir Prasad Gupta	0	0.00	NA	No Change	-	0	0.00
2.	**Mr. Praveen Datt Agarwal	0	0.00	NA	No Change	-	0	0.00
3.	Mr. Sanchay Dubey	0	0.00	NA	No Change	-	0	0.00

#Pursuant to Demise of Mr. Promod Gupta his shareholding (except Locked-in shares) were transmitted to his Nominee & Spouse i.e. Mrs. Sudesh Gupta.

\*Allotment of equity shares on preferential basis to promoter & promoter group pursuant to conversion of outstanding unsecured loan.

\*\*Mr. Mahabir Prasad Gupta resigned from the office of Chief Financial Officer of the Company w.e.f. close of business hours on 14/11/2019 & \*\*Mr. Praveen Datt Agarwal was appointed as Chief Financial Officer of the Company w.e.f. 15/11/2019.

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

(Rs. in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
(i) Principal Amount	7,942.43	4,623.76	-	12,566.18
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	50.71	-	-	50.71
Total [(i)+(ii)+(iii)]	7,993.14	4,623.76	-	12,616.89
<b>Change in Indebtedness during the financial year</b>				
Addition	5,730.89	31,158.16	-	36,889.05
Reduction	1,377.87	29,254.71	-	30,632.58
Net Change	4,353.02	1,903.45	-	6,256.47
<b>Indebtedness at the end of the financial year</b>				
(i) Principal Amount	12,295.44	6,527.21	-	18,822.65
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	72.72	-	-	72.72
<b>Total [(i)+(ii)+(iii)]</b>	<b>12,368.16</b>	<b>6,527.21</b>	<b>-</b>	<b>18,895.37</b>

**VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (Rs. in Lakhs):****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Rs. in Lakhs)

S.N	Particulars of Remuneration	Name of MD/WTD/Manager					Total Amount
		*Mr. Bhawa Nand Choudhary	Mr. Anurag Gupta	Mr. Vishal Gupta	Mr. Vikas Gupta	*Mr. Promod Gupta	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) & 17(3) of the Income-tax Act, 1961	8.31	91.37	109.48	109.48	62.13	380.77
	(b) Value of perquisites under section 17(2) Income-tax Act, 1961	0	0	0	0	0	0
2	Stock option	0	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0	0
4	Commission	0	0	0	0	0	0
5	Other, please specify	0	0	0	0	0	0
	<b>Total</b>	<b>8.31</b>	<b>91.37</b>	<b>109.48</b>	<b>109.48</b>	<b>62.13</b>	<b>380.77</b>
	Ceiling as per the Act	120.00*	180.00#	180.00#	180.00#	180.00#	

\*As per schedule V of the Companies Act 2013.

#Pursuant to shareholders approval dated 17/03/2019 under schedule V of the Companies Act 2013 by way of special resolution through EGM (Postal Ballot) and as per, the ceiling limit of remuneration was approved as Rs. 180 lakh per annum.



**B. REMUNERATION TO OTHER DIRECTORS:**

(Rs. in Lakhs)

S.N	Particulars of Remuneration	Name of Directors					Total
		Mr. Sharad Jain	Mr. Devendra Jha	Mr. Pramod Chimmanlal Gupta	Mr. Ayodhya Prasad Anand	Dr. Rita Mohanty	
1.	Independent Directors						
	• Fee for attending Board/committee meetings	2.00	2.00	1.50	0.70	1.60	7.80
	• Commission	0	0	0	0	0	0
	• Others	0	0	0	0	0	0
	Total (1)	2.00	2.00	1.50	0.70	1.60	7.80
2.	Other Non-Executive Directors	All Non-Executive Directors are Independent Directors & their remuneration is given in point 1 above.					
	Total B (1+2)	2.00	2.00	1.50	0.70	1.60	7.80
<b>Total Managerial Remuneration</b>							<b>388.57</b>
Overall Ceiling as per the Act		The Company has been paying remuneration as per provision of Schedule V of the Companies act, 2013, where yearly remuneration exceeding Rs. 120 lakh is permissible to any managerial personnel pursuant to approval of shareholders.					

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:**

(Rs. in Lakhs)

S.N.	Particulars of Remuneration	* Mr.Mahabir Prasad Gupta	# Mr.Praveen Datt Agarwal	Mr. Sanchay Dubey	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1), (3) of the Income-tax Act, 1961 & other	9.36	13.80	4.35	27.51
	(b) Value of perquisites under section 17(2) Income-tax Act, 1961	0		0	0
2	Stock option	0		0	0
3	Sweat Equity	0		0	0
4	Commission	0		0	0
5	Other, please specify	0		0	0
	<b>Total</b>	<b>9.36</b>	<b>13.80</b>	<b>4.35</b>	<b>27.51</b>

\*Mr. Mahabir Prasad Gupta resigned from the office of Chief Financial Officer of the Company w.e.f. close of business hours on 14/11/2019.

#Mr. Praveen Datt Agarwal was appointed as Chief Financial Officer of the Company w.e.f. 15/11/2019.

**VIII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES DURING F.Y. 2019-20:**

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

# **FINANCIAL STATEMENTS**



# INDEPENDENT AUDITOR'S REPORT

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

## Opinion

We have audited the financial statements of **PG Electroplast Limited** ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of profit and loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, changes in equity and its cash flows for the year ended on that date.

## Basis for Opinion

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

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

For each matter below, our description of how our audit addressed the matter is provided in that context.

Key audit matters	How our audit addressed the key audit matter
<b>Impact of COVID-19 on the Company's financial statements [Note 2p(iv) in the financial statement]</b>  Coronavirus disease 2019 ('COVID-19'), was declared a global pandemic by World Health Organization.  In line with the directions on lockdown issued by the Government, the Company temporarily suspended the operations of its manufacturing units from 25 March 2020 till 31 March 2020; and subsequently upto further dates as instructed by the Government.  COVID-19 has resulted in restriction in movement of goods during the period from 25 March 2020 till 31 March 2020 impacting normal business operations for the Company including revenues, receivables, purchase including services and inventories at the year-end and hence considered key audit matter.	We have performed the following procedures to assess and evaluate the impact on financial statements because of business decisions, government actions or economic environment developments:  <ul style="list-style-type: none"> <li>Enquired with the Company the impact of COVID-19 on the operations of the company, its customers &amp; vendors.</li> <li>Enquired with the Company on the manner of financial support (if any) provided to the customers, vendors and service providers; and their recognition in the financial statements.</li> <li>We assessed the disclosures on COVID-19 made in the financial statements.</li> </ul>

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially

inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

### **Responsibilities of Management and those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Companies Act, 2013. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a

statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013, we give in the "**Annexure-A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Companies Act, 2013, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified

under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors as on 31st March, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure-B**".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 39 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

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

Dated: 23<sup>rd</sup> June 2020  
Place: Greater Noida, U.P.  
UDIN: 20098247AAAATT7718



## Annexure A to Independent Auditor's Report

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

1. a. The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. According to the information and explanations given to us, all fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

In respect of immovable properties been taken on lease and disclosed as property, plant and equipment in the financial statements, the lease agreements are in the name of the Company.

2. As explained to us, the inventories except goods in transit have been physically verified by the management at reasonable intervals during the year or at year end at all locations of the company. The discrepancies noticed on verification between the physical stocks and book records, which in our opinion were not material, have been properly dealt with in the books of account.
3. According to information and explanations given to us and on the basis of our examination of the books of account, the company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the paragraph 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the order is not applicable to the Company.
4. In our opinion and according to information and explanations given to us, the company has not given any loans, made investments, give guarantees or security during the year which is covered under provisions of section 185 and 186 of the Act. Accordingly, the paragraph 3(iv) of the order is not applicable to the Company.

5. According to information and explanations provided by the management, we are of the opinion that the Company has not accepted any deposits from public covered under section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there-under. Accordingly, the paragraph 3(v) of the order is not applicable to the Company.
6. We have broadly reviewed the cost records maintained by the Company in respect of products where pursuant to section 148(1) of the Companies Act, 2013, the maintenance of cost records has been prescribed and are of the opinion that prima-facie the prescribed cost records have been maintained. However, we are not required to carry out and have not carried out a detailed examination of the records with a view to determine whether they are accurate and complete.
7. (a) According to the information and explanations given to us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, TDS, Sales-Tax, Service Tax, Goods and Services Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect provident fund, employee's state insurance, income-tax, sales-tax, service tax, goods and services tax, duty of customs, duty of excise, value added tax, cess were in arrear as at 31<sup>st</sup> March 2020 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, the following dues of duty of excise, duty of custom have not been deposited by the company on account of dispute:

Name of the Statute	Nature of Dues	Amount (Rs in lakhs)	Year to which amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	765.73	2008-09 to 2011-12	Supreme Court

8. Based on our audit procedures and on the information and explanations given to us, the Company did not have any outstanding debentures or loans or borrowings from Government during the year. Further, Company has not defaulted in repayment of loans or borrowings to financial institution or to banks as on balance sheet date.

9. On the basis of information and explanations given to us, term loan were applied for the purpose for which the loans were obtained. No moneys have been raised during the year by way of initial public offer or further public offer.
10. During the course of our examination of the books and records of the Company carried out in accordance with generally accepted auditing practice in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have been informed of such case by the management.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the provisions of section 197 read with Schedule V of the Companies Act, 2013.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not issued fully or partly convertible debentures during the year. However, during the year the Company has made preferential allotment/ private placement of shares during the year and requirements of section 42 of the Companies Act, 2013 have been complied with (to the extent applicable). The Company had allotted 8,74,584 Equity Shares of Face value of Rs.10/- per share, at an issue price of Rs.57.17/- per share (including share premium of Rs.47.17/- per share) to the Promoter Directors on preferential basis pursuant to conversion of outstanding unsecured loan of Rs. 500 lakh given by them to the Company in earlier years; i.e. share consideration money of Rs. 500 lakh had been adjusted from outstanding unsecured loan given by promoter Directors.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

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

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

Dated: 23<sup>rd</sup> June 2020  
Place: Greater Noida, U.P.  
UDIN: 20098247AAAATT7718

## Annexure B to Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of **PG Electroplast Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over

financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020,

based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Chitresh Gupta & Associates**

Chartered Accountants

Firm Registration Number: 017079N

**CA Chitresh Gupta**

Partner

M. No. 098247

Dated: 23<sup>rd</sup> June 2020

Place: Greater Noida, U.P.

UDIN: 20098247AAAATT7718

## BALANCE SHEET AS AT 31st MARCH, 2020

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

Particulars	Note No.	31st March, 2020	31st March, 2019
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3	25,321.40	19,205.90
Capital Work-in-Progress	3	548.79	3,353.81
Intangible Assets	4	56.88	60.02
Financial Assets			
i. Trade Receivables	5	-	-
ii. Loans	6	-	-
iii. Other Financial Assets	7	240.54	234.25
Deferred Tax Assets (Net)	8	-	526.89
Other Non-Current Assets	9	778.29	146.88
<b>Total Non-Current Assets</b>		<b>26,945.90</b>	<b>23,527.75</b>
<b>Current Assets</b>			
Inventories	10	8,457.97	6,825.33
Financial Assets			
i. Trade Receivables	5	10,118.62	8,470.68
ii. Cash and Cash Equivalents	11 (a)	1,128.94	371.42
iii. Bank Balances Other than Cash and Cash Equivalents	11 (b)	667.34	265.87
iv. Loans	6	18.02	18.37
v. Other Financial Assets	7	546.38	196.61
Other Current Assets	9	1,825.65	1,416.06
Income Tax Assets (Net)	20	303.89	197.97
<b>Total Current Assets</b>		<b>23,066.81</b>	<b>17,762.31</b>
<b>TOTAL ASSETS</b>		<b>50,012.71</b>	<b>41,290.06</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	12	1,952.89	1,865.43
Other Equity	13	15,669.64	15,036.73
<b>Total Equity</b>		<b>17,622.53</b>	<b>16,902.16</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
i. Borrowings	14	6,936.29	5,013.30
ii. Other Financial Liabilities	18	124.64	16.06
Deferred Tax Liabilities (Net)	8	142.58	-
Provisions	15	574.63	382.17
<b>Total Non-Current Liabilities</b>		<b>7,778.14</b>	<b>5,411.53</b>
<b>Current Liabilities</b>			
Financial Liabilities			
i. Borrowings	16	10,391.32	6,812.92
ii. Trade Payables	17		
- Total outstanding dues of micro and small enterprises		761.46	288.44
- Total outstanding dues of creditors other than micro and small enterprises		9,869.98	8,861.61
iii. Other Financial Liabilities	18	2,894.53	2,240.43
Other Current Liabilities	19	634.15	623.96



Particulars	Note No.	31st March, 2020	31st March, 2019
Provisions	15	60.60	92.15
Income Tax Liabilities (Net)	20	-	56.86
<b>Total Current Liabilities</b>		<b>24,612.04</b>	<b>18,976.37</b>
<b>Total Liabilities</b>		<b>32,390.18</b>	<b>24,387.90</b>
<b>TOTAL EQUITIES AND LIABILITIES</b>		<b>50,012.71</b>	<b>41,290.06</b>

The accompanying notes 1 to 41 form an integral part of the financial statements.

As Per Our Report of Even Date Attached

**For Chitresh Gupta & Associates**

Chartered Accountants

Firm Registration No. 017079N

**CA Chitresh Gupta (Partner)**

M. No. 098247

UDIN:20098247AAAATT7718

Place: Greater Noida, U.P.

Dated: 23rd June 2020

**For and on behalf of Board of Directors**

**PG Electroplast Ltd**

**(Anurag Gupta)**

Chairman-Executive Director

DIN-00184361

**(Sanchay Dubey)**

Company Secretary

**(Vishal Gupta)**

Executive Director

DIN-00184809

**(M P Gupta)**

Chief Financial Officer

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

**STATEMENT OF PROFIT & LOSS****FOR THE YEAR ENDED 31st MARCH, 2020**

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

Particulars	Note No.	31st March, 2020	31st March, 2019
<b>Revenue from Operations</b>	21	63,941.71	50,835.30
Other Income	22	246.85	318.89
<b>Total Income</b>		<b>64,188.56</b>	<b>51,154.19</b>
<b>Expenses:</b>			
Cost of Materials Consumed	23	47,606.05	37,118.55
Cost of Traded Goods	23.1	3,469.23	3,202.94
Changes in inventories of finished goods and work-in-progress	24	(702.94)	(406.75)
Employee benefits expenses	25	5,394.54	4,009.25
Finance costs	26	1,475.45	1,033.68
Depreciation and amortisation expenses	27	1,631.03	1,336.35
Other expenses	28	4,183.32	3,843.70
<b>Total Expenses</b>		<b>63,056.68</b>	<b>50,137.72</b>
<b>Profit before exceptional items &amp; tax</b>		<b>1,131.88</b>	<b>1,016.47</b>
<b>Exceptional Items</b>	28	200.93	0.87
<b>Profit/(Loss) before tax</b>		<b>930.95</b>	<b>1,015.60</b>
<b>Tax expenses:</b>			
Current tax	29	-	300.52
Deferred tax	29	669.48	(279.17)
Prior Period Tax	29	-	48.09
Deferred Tax for prior period	29	-	(48.09)
<b>Total tax expenses</b>		<b>669.48</b>	<b>21.35</b>
<b>Profit for the year</b>		<b>261.47</b>	<b>994.25</b>
<b>Other comprehensive income:</b>			
A (i) Items that will not be reclassified to profit or loss:			
Remeasurements of the defined benefit plans		(41.09)	25.60
(ii) Income tax relating to items that will not be reclassified to profit & loss		-	(5.52)
(iii) Deferred tax on above A(ii)		-	5.52
B (i) Items that may be reclassified to profit or loss		-	-
(ii) Income tax relating to items that may be reclassified to profit & loss		-	-
<b>Other comprehensive income/Loss for the year</b>		<b>(41.09)</b>	<b>25.60</b>
<b>Total comprehensive income for the year</b>		<b>220.38</b>	<b>1,019.85</b>
<b>Earnings per equity share of Rupee 10.00 each (with OCI)</b>	30		
Basic earnings per share		1.17	6.20
Diluted earnings per share		1.17	6.20
<b>Earnings per equity share of Rupee 10.00 each (without OCI)</b>	30		
Basic earnings per share		1.39	6.04
Diluted earnings per share		1.39	6.04

The accompanying notes 1 to 41 form an integral part of the financial statements.

As Per Our Report of Even Date Attached

**For Chitresh Gupta & Associates**

Chartered Accountants

Firm Registration No. 017079N

**For and on behalf of Board of Directors****PG Electroplast Ltd****CA Chitresh Gupta (Partner)**

M. No. 098247

UDIN:20098247AAAAATT7718

**(Anurag Gupta)**

Chairman-Executive Director

DIN-00184361

**(Vishal Gupta)**

Executive Director

DIN-00184809

Place: Greater Noida, U.P.

Dated: 23rd June 2020

**(Sanchay Dubey)**

Company Secretary

**(M P Gupta)**

Chief Financial Officer

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31st MARCH, 2020

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

Particulars		For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit before tax	930.93	1,015.60
	<b>Adjustment for:</b>		
	Depreciation/amortization (Includes depreciation of Right to Use)	1,631.03	1,336.35
	Employees expenses non operating	(41.09)	25.60
	Loss on sale of fixed assets & Assets written off	-	26.08
	Profit on sale of fixed assets	(5.23)	(2.32)
	Provision for Doubtful recoveries	160.68	187.00
	Misc balances written off	53.74	34.73
	Provision for doubtful debts	39.60	65.82
	Provision for doubtful advance to suppliers & capital advance	56.78	129.36
	Loss on fixed assets due to Fire	71.37	-
	Loss on Inventory due to Fire	26.46	-
	Liabilities written back	(29.65)	(89.80)
	Interest expense on leased liabilities	15.92	-
	Interest expense	1,459.53	1,033.68
	Interest income	(81.56)	(35.41)
	Operating profit before working capital changes	<b>4,288.51</b>	<b>3,726.69</b>
	<b>Movements in working capital :</b>		
	Increase/(decrease) in trade Payables	1,481.39	2,744.48
	Increase/(decrease) in Long - term provisions, financial liabilities	342.12	67.33
	Increase/(decrease) in Short - term provisions	(31.56)	5.46
	Increase/(decrease) in Other Current Liabilities	736.52	(27.39)
	Decrease/(increase) in trade receivables	(1,661.73)	(3,500.44)
	Decrease/(increase) in inventories	(1,632.64)	(894.26)
	Decrease/(increase) in Long - term loans and advances	129.41	(52.92)
	Decrease/(increase) in Short - term loans and advances	(741.37)	78.79
	Cash generated from/(used in) operations	2,910.65	2,147.74
	Direct taxes (paid) /refund	(223.30)	(247.25)
	<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>2,687.35</b>	<b>1,900.49</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Property Plant and equipment, including intangible assets, CWIP	(5,801.99)	(3,618.65)
	Proceeds from sale of Property plant and equipment	9.08	17.42
	Bank Deposit having maturity more than 3 months	(582.85)	(16.98)
	Interest received	75.17	22.27
	<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(6,300.59)</b>	<b>(3,595.94)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from Long-term borrowings	4,253.87	1,614.46
	Repayment of long-term borrowings	(2,001.99)	(1,929.30)
	Short-term borrowings (Net)	3,578.41	3,252.84
	Interest paid	(1,459.53)	(1,026.05)
	<b>Net cash flow from/(used in) in financing activities (C)</b>	<b>4,370.76</b>	<b>1,911.95</b>
	Net increase/(decrease) in cash and cash equivalents (A + B + C)	757.52	216.49
	Cash and cash equivalents at the beginning of the period	371.42	154.93
	<b>Cash and cash equivalents at the end of the period</b>	<b>1,128.94</b>	<b>371.42</b>

Particulars		For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Components of cash and cash equivalents</b>			
	Cash on hand	18.08	5.67
	With banks:		
	-on current account	1,110.86	365.75
<b>Total cash and cash equivalents</b>		<b>1,128.94</b>	<b>371.42</b>

The accompanying notes 1 to 41 form an integral part of the financial statements.

As Per Our Report of Even Date Attached

**For Chitresh Gupta & Associates**

Chartered Accountants

Firm Registration No. 017079N

**CA Chitresh Gupta (Partner)**

M. No. 098247

UDIN:20098247AAAATT7718

Place: Greater Noida, U.P.

Dated: 23rd June 2020

**For and on behalf of Board of Directors**

**PG Electroplast Ltd**

**(Anurag Gupta)**

Chairman-Executive Director

DIN-00184361

**(Sanchay Dubey)**

Company Secretary

**(Vishal Gupta)**

Executive Director

DIN-00184809

**(M P Gupta)**

Chief Financial Officer

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31st MARCH, 2020

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

### A EQUITY SHARE CAPITAL

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

As at March 31, 2018	1,641.43
changes during the year	224.00
As at March 31, 2019	1,865.43
changes during the year	87.46
As at March 31, 2020	1,952.89

### B OTHER EQUITY

Particulars	Reserves and surplus			Other Comprehensive Income	Total other equity
	Capital reserve	Securities premium	Retained earnings		
Balance as at March 31, 2018	-	10,910.32	509.92	20.64	11,440.88
Profit/(loss) for the year	-	-	994.25	-	994.25
Other comprehensive income, net of income tax	-	-	-	25.60	25.60
Movement during the year	-	2,576.00	-	-	2,576.00
<b>Balance as at March 31, 2019</b>	<b>-</b>	<b>13,486.32</b>	<b>1,504.17</b>	<b>46.24</b>	<b>15,036.73</b>
Profit/(loss) for the year	-	-	261.47	-	261.47
Other comprehensive income, net of income tax	-	-	-	(41.09)	(41.09)
Movement during the year	-	412.54	-	-	412.54
<b>Balance as at March 31, 2020</b>	<b>-</b>	<b>13,898.86</b>	<b>1,765.64</b>	<b>5.15</b>	<b>15,669.65</b>

The accompanying notes 1 to 41 form an integral part of the financial statements.

As Per Our Report of Even Date Attached

**For Chitresh Gupta & Associates**

Chartered Accountants

Firm Registration No. 017079N

**For and on behalf of Board of Directors**

**PG Electroplast Ltd**

**CA Chitresh Gupta (Partner)**

M. No. 098247

UDIN:20098247AAAATT7718

**(Anurag Gupta)**

Chairman-Executive Director

DIN-00184361

**(Vishal Gupta)**

Executive Director

DIN-00184809

Place: Greater Noida, U.P.

Dated: 23rd June 2020

**(Sanchay Dubey)**

Company Secretary

**(M P Gupta)**

Chief Financial Officer



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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020****1 CORPORATE INFORMATION**

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

**2. SIGNIFICANT ACCOUNTING POLICIES**

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

**(a) Basis of preparation and presentation****(i) Compliance with Ind AS**

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

**(ii) Historical cost convention**

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

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

Fair value is the price that would be

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

**(b) Revenue recognition**

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers". Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties, in writing, to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognized upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration the Company has received or expects to receive in exchange for these products or services ("transaction price"). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

**(c) Government grants**

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

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

within other income or net of related costs.

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

**(d) Leases**
**(i) As a lessee**

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. At the date of commencement of the year, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment

losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**(ii) As a lessor**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

**(ii) Transition**

The company has adopted IND AS - 116 "Leases", effective 1st April 2019 using the "Modified Retrospective Approach". Upon transition, cumulative adjustment for present value of the remaining lease payments of lease contracts existing as on the date of initial application has been recognised as a lease liability with an equivalent asset for the right to use. The comparative information of the previous year is not restated, as permitted by the standard. The adoption of the standard did not have any material impact on the financial statement.

**(e) Foreign currency translation****(i) Functional and presentation currency**

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

**(ii) Transactions and balances**

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

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

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

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The

recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non- financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

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

**(g) Borrowing Costs**

Borrowing Costs costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

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

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

**(h) Income tax**

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

**(i) Current tax**

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

the reporting period.

**(ii) Deferred tax**

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

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

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

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

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

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive

income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**(i) Earnings Per Share (EPS)**

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

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

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

Each part of item of property, plant and equipment, if significant in relation to the total cost of the item, is depreciated separately. Further, parts of plant and equipment that are technically advised to be replaced at prescribed intervals/period of operation are depreciated separately based on their specific useful life provided these are of significant amounts commensurate with the size of the Company and

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

scale of its operations. The carrying amount of any equipment accounted for as separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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

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

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

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

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

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

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

**(k) Intangible assets**

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

Estimated useful lives of the intangible assets are as follows:

Assets Estimated	Useful Life
Computer Software	6 Years
Product Development	10 Years

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

**Research and development costs**

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

- \* the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- \* its intention to complete and its ability and intention to use or sell the asset;
- \* how the asset will generate probable future economic benefits;
- \* the availability of adequate technical, financial and other resources to complete the development and to use or sell the asset; and
- \* the ability to measure reliably the expenditure attributable to asset during its development.

The amount initially recognised for intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

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

**(l) Inventories**

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

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

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

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

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

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

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

**(n) Employee benefits**
**(i) Short-term obligations**

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

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

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

**Earned leaves**

The liabilities for earned leaves are not expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting



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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

period. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit & loss. The obligations are presented as provisions in the balance sheet.

**(iii) Post-employment obligations**

The Company operates the following post employment schemes:

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

**Defined benefit plans**

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

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

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and

loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

**Defined contribution plans**

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

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

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

\* **Employee State Insurance**

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

\* **Leave Encashment**

The Company has recognised liability for short term compensated absences on full cost basis with reference to unavailed earned leaves at the year end. To the extent, the compensated absences qualify as a long term benefit, the Company has provided for the long term liability at year end as per the actuarial valuation using the Projected Unit Credit Method.

Actuarial gains and losses arising from adjustments and changes in actuarial assumptions are charged or credited to

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

the Statement of profit and loss in the year in which such gains or losses arise.

**(o) Financial Instruments**

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

**\* Initial Recognition**

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

**\* Subsequent Measurement**

**a. Non- Derivative Financial Instruments**

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

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

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

A financial asset is subsequently measured at fair value through other comprehensive income which is held with objective to achieve both collecting contractual cash flows and selling financial assets and the

contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

**\* Impairment of financial assets**

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

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

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

The application of simplified approach does not require the Company to

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

track changes in credit risk. Rather, it recognises impairment loss allowance based on life-time ECLs at each reporting date, right from its initial recognition.

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

\* **Financial liabilities**

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

\* **Cash and cash equivalents**

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

\* **Derecognition**

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

contract is discharged or cancelled or expires.

\* **Offsetting of financial instruments**

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

\* **Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

### (p) **CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS**

#### (i) **Property, plant and equipment**

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

#### (ii) **Intangibles**

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

#### (iii) **Other estimates**

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

initiatives. In all cases inventory is carried at the lower of historical cost and net realizable value.

#### (iv) **Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID 19)**

Based on the immediate assessment of the impact of Covid-19 on the operation of the company and ongoing discussion with customers, vendors and service providers, the company is positive of serving customer orders and obtaining regular supply of raw materials and logistics services after resumption of the operation. In assessing recoverability of trade receivables, the company has considered subsequent recoveries, past trends, credit risks profile of the customers based on the information available up to the date of issuance of these results. In assessing recoverability of the inventories, the company has considered the latest selling prices, customer orders on hand and margins. Based on the above assessment, the company is of the view that carrying amount of the trade receivables and inventories are expected to be realisable. The impact of Covid-19 may be different from that estimated as at the date of approval of these financial results and the company will continue to closely monitor the developments.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

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

Particulars	Property, Plant and Equipments								Capital Work in Progress
	Leasehold Land	Buildings, Lease hold Improvement	Plant and Equipments	Electric installation	Furniture and Fixtures	Vehicles	Office equipment	Total	
<b>Year ended 31st March 2019</b>									
Gross carrying amount									
Opening gross carrying amount	591.98	5,146.01	13,160.11	417.19	208.01	386.09	128.58	20,037.97	2,293.76
Additions	-	3.36	2,373.28	128.60	88.59	99.36	19.83	2,713.02	3,610.87
Disposals	-	-	(29.27)	-	(6.28)	(18.76)	(5.36)	(59.67)	(2,550.82)
<b>Closing gross carrying amount</b>	<b>591.98</b>	<b>5,149.37</b>	<b>15,504.12</b>	<b>545.79</b>	<b>290.32</b>	<b>466.69</b>	<b>143.05</b>	<b>22,691.32</b>	<b>3,353.81</b>
<b>Accumulated depreciation</b>									
Opening accumulated depreciation	13.81	367.35	1,484.52	113.02	36.30	123.60	47.83	2,186.43	-
Depreciation charge during the year	8.28	193.86	935.23	65.31	25.36	59.07	30.36	1,317.48	-
Disposals	-	-	(4.19)	-	(1.68)	(11.60)	(1.02)	(18.48)	-
<b>Closing accumulated depreciation</b>	<b>22.09</b>	<b>561.21</b>	<b>2,415.56</b>	<b>178.33</b>	<b>59.98</b>	<b>171.07</b>	<b>77.18</b>	<b>3,485.43</b>	<b>-</b>
<b>Net carrying amount</b>	<b>569.89</b>	<b>4,588.16</b>	<b>13,088.56</b>	<b>367.46</b>	<b>230.34</b>	<b>295.62</b>	<b>65.87</b>	<b>19,205.90</b>	<b>3,353.81</b>
<b>Year ended 31st March 2020</b>									
Gross carrying amount									
Opening gross carrying amount	591.98	5,149.37	15,504.12	545.79	290.32	466.69	143.05	22,691.32	3,353.81
Additions	-	4,108.17	3,515.62	92.93	149.87	169.81	22.04	8,058.44	4,263.43
Disposals	-	(179.80)	(115.08)	(23.65)	(22.61)	(15.67)	(5.92)	(362.73)	(7,068.45)
<b>Closing gross carrying amount</b>	<b>591.98</b>	<b>9,077.74</b>	<b>18,904.66</b>	<b>615.07</b>	<b>417.58</b>	<b>620.83</b>	<b>159.17</b>	<b>30,387.03</b>	<b>548.79</b>
<b>Accumulated depreciation</b>									
Opening accumulated depreciation	22.09	561.21	2,415.56	178.33	59.98	171.07	77.18	3,485.43	-
Depreciation charge during the year	8.31	347.85	1,044.59	69.54	37.95	74.01	27.49	1,609.73	-
Disposals	-	(0.79)	(5.11)	(1.81)	(2.65)	(14.89)	(4.28)	(29.53)	-
<b>Closing accumulated depreciation</b>	<b>30.40</b>	<b>908.27</b>	<b>3,455.04</b>	<b>246.06</b>	<b>95.28</b>	<b>230.19</b>	<b>100.39</b>	<b>5,065.63</b>	<b>-</b>
<b>Net carrying amount</b>	<b>561.58</b>	<b>8,169.47</b>	<b>15,449.63</b>	<b>369.01</b>	<b>322.30</b>	<b>390.64</b>	<b>58.78</b>	<b>25,321.40</b>	<b>548.79</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**
**Notes:**
**(i) Leasehold Land**

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

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

These leases of lands have been classified as finance lease in terms of criteria specified in Ind AS 116 leases, including the facts that the market value of the land ( as on the date of transaction) had been paid to the lessor at the inception of the lease and the company has transfer rights in respect of such lands.

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

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

**(iii) Contractual commitments**

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

(iv) A fire broke out on 15th June 2019 in Washing Machine Division of the Company situated at P-4/6, UPSIDC Industrial Area, Surajpur, Greater Noida, Uttar Pradesh resulting in loss/damages of property, plant & equipments (Gross Block - Rs.343.62 lakhs, Written Down Value - Rs.329.22 lakhs). Losses of Rs 71.37 lakhs on property, plant & equipments have been recognized net of insurance claim settled.

(v) Following is carrying value of right-to-use assets (included in buildings) recognised on date of transition and the movements thereof during the year ended March 31, 2020

Particulars	Amount in Rs. Lakhs
Right-to-use assets on the date of transition (01.04.2019)	285.87
Depreciation on Right-to-use assets during the year	73.93
<b>Balance as at March 31, 2020</b>	<b>211.94</b>

**4. INTANGIBLE ASSETS**

Particulars	Computer Software	Product Development	Total
<b>Year ended 31st Mar 2019</b>			
<b>Gross carrying amount</b>			
Opening gross carrying amount	49.14	58.55	107.69
Additions	7.77	-	7.77
Disposals	-	(3.36)	(3.36)
<b>Closing gross carrying amount</b>	<b>56.91</b>	<b>55.19</b>	<b>112.10</b>
<b>Accumulated amortisation</b>			
Opening accumulated amortisation	13.13	20.07	33.20
Amortisation charge for the year	8.85	10.03	18.88
<b>Closing accumulated amortisation</b>	<b>21.98</b>	<b>30.10</b>	<b>52.08</b>
<b>Closing net carrying amount</b>	<b>34.93</b>	<b>25.09</b>	<b>60.02</b>



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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

Particulars	Computer Software	Product Development	Total
<b>Year ended 31st March 2020</b>			
<b>Gross carrying amount</b>			
Opening gross carrying amount	56.91	55.19	112.10
Additions	18.16	-	18.16
Disposals	-	-	-
<b>Closing gross carrying amount</b>	<b>75.07</b>	<b>55.19</b>	<b>130.26</b>
<b>Accumulated amortisation</b>			
Opening accumulated amortisation	21.98	30.10	52.08
Amortisation charge for the year	11.23	10.07	21.29
<b>Closing accumulated amortisation</b>	<b>33.71</b>	<b>40.17</b>	<b>73.37</b>
<b>Closing net carrying amount</b>	<b>40.86</b>	<b>15.02</b>	<b>56.88</b>

## 5. TRADE RECEIVABLES

Current	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
<b>Trade receivables (at amortised cost)</b>		
Unsecured, considered good	10,118.62	8,470.68
Doubtful	231.64	205.83
Less: Allowance for bad and doubtful debts	(231.64)	(205.83)
<b>Total trade receivables</b>	<b>10,118.62</b>	<b>8,470.68</b>

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
<b>Reconciliation of loss allowance on trade receivables:</b>		
Balance at beginning of the year	205.83	140.01
Additional provisions recognised	39.60	65.82
Written off as bad debts during the year	(13.79)	-
<b>Balance at the end of the year</b>	<b>231.64</b>	<b>205.83</b>

## 6. LOANS

Current	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
<b>Loan to employees ( at amortised cost )</b>		
- Unsecured, Considered Good	18.02	18.37
	<b>18.02</b>	<b>18.37</b>

## 7. OTHER FINANCIAL ASSETS

Non-Current	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
<b>At amortised cost</b>		
<b>Unsecured, considered good</b>		
Security deposits	214.88	195.47
Fixed Deposits With Bank (remaining maturity more than 12 months from reporting date)	5.35	38.78
Earmarked balances with banks (remaining maturity more than 12 months from reporting date)	20.31	-
<b>Total other financial assets at amortised cost</b>	<b>240.54</b>	<b>234.25</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

Current	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
<b>At amortised cost</b>		
<b>Unsecured, considered good</b>		
Security deposits	13.60	5.00
Fixed Deposits With Bank (remaining maturity within 12 months from reporting date)	190.37	9.00
Interest accrued on bank deposits	23.07	9.20
Interest accrued on Investment (ICD)	-	160.68
Interest accrued - Others	2.82	10.30
Others	316.52	2.43
<b>Unsecured, considered doubtful</b>	-	-
Interest accrued on Investment (ICD)	-	307.00
less : Allowance for bad & doubtful debts ( ICD)	-	(307.00)
<b>Total other financial assets at amortised cost</b>	<b>546.38</b>	<b>196.61</b>

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
<b>Reconciliation of allowance for bad &amp; doubtful debt (ICD)</b>		
<b>Balance at beginning of the year</b>	307.00	120.00
Additional provisions recognised	160.68	187.00
Written off as bad debts during the year	(467.68 )	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>307.00</b>

**8. DEFERRED TAX BALANCES**

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
Net Deferred Tax Assets/(Liabilities)	(142.58)	526.89
<b>Total</b>	<b>(142.58)</b>	<b>526.89</b>

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

Particulars	For the year ended 31st March 2020			
	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
<b>Tax effect of items constituting deferred tax assets/ (liabilities)</b>				
- Liabilities and provisions tax deductible only upon payment/actual crystallisation	35.84	159.72	-	195.55
- Carry forward losses and unabsorbed depreciation	2,309.07	(732.21)	-	1,576.86
- MAT Credit Carried Forward	468.24	(468.24)	-	-
-Impairment provisions of financial/other assets made in books, but tax deductible only on actual write-off	252.47	(127.11)	-	125.36
-Difference in carrying values of property, plant & equipment and intangible assets	(2,538.73)	498.38	-	(2,040.35)
<b>Net deferred tax assets/(liabilities)</b>	<b>526.89</b>	<b>(669.47)</b>	<b>-</b>	<b>(142.58)</b>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

## (ii) Movement in deferred tax balances

Particulars	For the year ended 31st Mar 2019			
	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
<b>Tax effect of items constituting deferred tax assets/ (liabilities)</b>				
- Liabilities and provisions tax deductible only upon payment/actual crystallisation	44.36	(8.52)	-	35.84
- Carry forward losses and unabsorbed depreciation	2,156.29	152.78	-	2,309.07
- MAT Credit Carried Forward	114.12	348.61	5.52	468.24
- Impairment provisions of financial/other assets made in books, but tax deductible only on actual write-off	118.92	133.55	-	252.47
- Difference in carrying values of property, plant & equipment and intangible assets	(2,239.57)	(299.15)	-	(2,538.73)
<b>Net deferred tax assets/(liabilities)</b>	<b>194.12</b>	<b>327.25</b>	<b>5.52</b>	<b>526.89</b>

## 9. OTHER ASSETS

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
<b>Non-Current</b>		
<b>Unsecured, considered good</b>		
Capital advances	698.47	101.49
Prepaid expenses	79.81	45.39
<b>Unsecured, considered doubtful</b>	-	-
Capital Advances	13.77	13.52
Less: Provision for doubtful advance to suppliers and Capital Advances	(13.77)	(13.52)
<b>Total</b>	<b>778.29</b>	<b>146.88</b>
<b>Current</b>		
<b>Unsecured, considered good</b>		
Advances to suppliers	979.15	851.24
Advances for expenses	51.89	20.20
Balances with Government Authorities	615.93	438.41
Prepaid expenses	176.96	105.54
Imprest to employees	1.73	0.67
<b>Unsecured, considered doubtful</b>		
Advance to suppliers	252.68	196.15
Less: Provision for doubtful advance to suppliers and Capital Advances	(252.68)	(196.15)
	<b>1,825.65</b>	<b>1,416.06</b>
<b>TOTAL OTHER ASSETS</b>	<b>2,603.94</b>	<b>1,562.94</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**
**10. INVENTORIES**

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
Raw materials & components [includes stock in transit of Rs.1,09,60,002/- as on 31-Mar-2020 & Rs.1,65,98,796/- as at 31st March 2019]	5,516.20	4,459.26
Work-in-progress	1,976.06	1,627.41
Finished goods	925.62	689.96
Stores and spares	40.09	48.70
<b>Total inventories</b>	<b>8,457.97</b>	<b>6,825.33</b>

- (i) The mode of valuation of inventories has been stated in note 2(i).
- (ii) In view of the order-to-dispatch cycle being normally around twelve months, most of the inventories held are expected to be utilized/sold during the next twelve months. However, there may be some exceptions on account of unanticipated cases where the dispatch is held up due to reasons attributable to the customers, slow movement in spares and advance manufacture in anticipation of orders, but these are not expected to be of material amounts.
- (iii) Refer Note no.14 & 16 for information on hypothecation created on entire stock including raw material, work in progress, finished goods, stock in transit and other stores & spare parts of unit-1, 2 & 3 by State bank of India and Unit 4 & 5 by HDFC Bank respectively.

**11. CASH AND BANK BALANCES**
**(a) Cash and cash equivalents**

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
<b>At amortised cost</b>		
Balances with banks		
-In current accounts	1,110.86	365.75
Cash on hand	18.08	5.67
<b>Total cash and cash equivalents</b>	<b>1,128.94</b>	<b>371.42</b>

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

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
<b>At amortised cost</b>		
Earmarked balances with banks (remaining maturity within 12 months from reporting date)	667.34	265.87
<b>Total bank balances other than cash and cash equivalents</b>	<b>667.34</b>	<b>265.87</b>

**12. SHARE CAPITAL**

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
<b>Authorised</b>		
2,50,00,000 (March 31, 2019: 2,50,00,000) equity shares [Par value of ₹10 per share]	2,500.00	2,500.00
	<b>2,500.00</b>	<b>2,500.00</b>
<b>Issued, Subscribed And Fully Paid Up:</b>		
1,95,28,916 (March 31, 2019: 1,86,54,332) equity shares [Par value of ₹10 per share]	1,952.89	1,865.43
	<b>1,952.89</b>	<b>1,865.43</b>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

## Movements in equity share capital

Particulars	Number of shares	Amount in ₹
<b>As at 31 March 2018</b>	<b>16,414,332</b>	<b>1,641.43</b>
Movement during the year *	2,240,000	224.00
<b>As at 31 March 2019</b>	<b>18,654,332</b>	<b>1,865.43</b>
Movement during the year **	874,584	87.46
<b>As at 31st March 2020</b>	<b>19,528,916</b>	<b>1,952.89</b>

## (i) Terms and rights attached to equity shares

The company has only one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the company, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

\* During the year 2018-19, the company had allotted 2240000 equity shares on preferential basis to Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta pursuant to conversion of outstanding loan of Rs.2800 lakhs given by them to Company.

\*\* During the year 2019-20, the company had allotted 874584 equity shares on preferential basis to Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta and Mrs Sudesh Gupta (Nominee of late Mr. Promod Gupta) to pursuant to conversion of outstanding loan of Rs.500 lakhs given by them to Company.

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

Name of the shareholders	31st March 2020		31st March 2019	
	Number of shares	% Holding	Number of shares	% Holding
Late Mr. Promod Gupta *	-	-	4,516,167	24.21%
Mr. Anurag Gupta	2,426,201	12.42%	2,207,555	11.83%
Mr. Vishal Gupta	2,816,991	14.42%	2,598,345	13.93%
Mr. Vikas Gupta	2,812,701	14.40%	2,594,055	13.91%
Mrs. Sudesh Gupta*	4,760,313	24.38%	-	-

\* 4516167 Equity shares held in the name of Late Mr. Promod Gupta has been transmitted in the name his nominee- Mrs. Sudesh Gupta (Spouse of Late Mr. Promod Gupta) during the year ended as on 31st March 2020.

## 13. OTHER EQUITY

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
Securities premium	13,898.86	13,486.32
Retained earnings	1,765.64	1,504.18
Other comprehensive income	5.15	46.24
	<b>15,669.65</b>	<b>15,036.73</b>

## (i) Securities premium

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
Opening balance	13,486.32	10,910.32
Movement during the year*	412.54	2,576.00
Closing balance	13,898.86	13,486.32

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

Securities premium is used to record the premium on issue of shares. The securities premium is utilised in accordance with the provisions of the Company Act 2013.

\* During the year Company had allotted 8,74,584 equity shares (PY-22,40,000 equity shares) on preferential basis @Rs.57.17/- (PY-Rs. 125/-) per equity shares including share premium of Rs. 47.17/- (PY-Rs. 115/-) per equity share to Mr. Anurag Gupta, Mr. Vishal Gupta, Mr. Vikas Gupta and Mrs. Sudesh Gupta (Nominee of late Mr. Promod Gupta) (PY - Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta) pursuant to conversion of outstanding loan of Rs 500 lakhs (PY-Rs. 2800 lakhs) given by them to Company.

**(ii) Retained earnings**

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
Opening balance	1,504.18	509.92
Net profit for the year	261.46	994.26
<b>Closing balance</b>	<b>1,765.64</b>	<b>1,504.18</b>

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

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

**(iii) Other comprehensive income**

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
Opening balance	46.24	20.64
Other comprehensive income for the year	(41.09)	25.60
<b>Closing Balance</b>	<b>5.15</b>	<b>46.24</b>

**14. NON-CURRENT BORROWINGS**

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
<b>Secured- at amortised cost</b>		
<b>Term loans</b>		
<b>- From banks</b>		
- Term Loan from SBI*	399.00	639.00
- Term Loan from SBI**	1,489.99	1,730.00
- Term Loan from SBI***	912.09	-
- Term Loan from HDFC Bank	3,737.59	2,813.07
- Vehicle Loan from various Banks	152.72	94.86
<b>- From Others</b>		
- Term Loan from Aditya Birla Finance Ltd.	80.12	123.48
- Term Loan from Tata Capital Financial Services Limited	368.70	-
- Interest Free Loan from Uttar Pradesh Financial Corporation Ltd	189.13	-
- Deferred Interest Free Loan from Uttar Pradesh Financial Corporation Ltd	157.49	-
- Vehicle loan from Cholamandalm Investment & Finance Ltd	-	3.28
- Vehicle loan from Tata Motors Finance Ltd	-	1.46
- Vehicle loan from Sundaram Finance Limited	25.41	20.67



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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
<b>Unsecured- at amortised cost</b>		
Unsecured loans from directors	141.90	689.19
Deferred Payment against P&M	777.18	64.45
	8,431.33	6,179.46
Less: Amount disclosed under the head "Other financial liabilities current" (refer note 18)	1,495.04	1,166.16
<b>Total non-current borrowings</b>	<b>6,936.29</b>	<b>5,013.30</b>

## Amount disclosed under the head "Other financial liabilities current"

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
<b>- From banks</b>		
- Term Loan from SBI*	120.00	240.00
- Term Loan from SBI**	120.00	240.00
- Term Loan from SBI***	76.62	-
- Term Loan from HDFC Bank	399.31	513.83
- Vehicle Loan from various Banks	59.94	50.21
<b>- From Others</b>		
- Term Loan from Aditya Birla Finance Ltd.	23.76	43.36
- Term Loan from Tata Capital Financial Services Limited	38.47	-
- Vehicle loan from Cholamandalm Investment & Finance Ltd	-	3.28
- Vehicle loan from Tata Motors Finance Ltd	-	1.46
- Vehicle loan from Sundaram Finance Limited	14.06	9.57
<b>Unsecured- at amortised cost</b>		
Unsecured loans from directors	20.00	-
Deferred Payment against P&M	622.87	64.45
	<b>1,495.04</b>	<b>1,166.16</b>

## 14.1 Term Loan from State Bank of India

- a.(i) \*Term loan from State Bank of India are secured by way of hypothecation of Plant and Machinery, Prefabricated building and other utilities acquired out of banks finance & Personal guarantee of promoter directors i.e Late Mr. Promod Gupta (demised on 29th Nov. 2019), Mr.Anurag Gupta, Mr.Vishal Gupta and Mr.Vikas Gupta;
- a.(ii) \*\*Term loan from State Bank of India are secured by way of hypothecation of Plant and Machinery, factory land situated at P-4/6 and F-20, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of the Company & Personal guarantee of promoter directors i.e Late Mr. Promod Gupta (demised on 29th Nov 2019), Mr.Anurag Gupta, Mr.Vishal Gupta and Mr.Vikas Gupta;
- a.(iii) \*\*\*Term loan from State Bank of India are secured by way of hypothecation of Plant and Machinery, factory land & building situated at Khasra no 268 & 275, Raipur, Bhagwanpur, Roorkee, P-4/2 to 4/6 and E-14 & E-15, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of the Company & Personal guarantee of promoter directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta;
- b. Collateral Security:- Factory Land and Building situated at Plot no- P-4/2 - 4/5, Plot No E-14 & E-15, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of Company and Building situated at Khasra No 268 & 275, Village Raipur, Roorkee, Haridwar, Uttarakhand, and factory land which is in the name of M/s PG Electronics and Mr. Vishal Gupta;

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

- c. Corporate Guarantee of PG Electronics ( Partnership Firm)
- d. \*Outstanding Term loan as on 31 March 2020 is Rs.399 lakhs ( as on 31 March 2019 is Rs.639 lakhs) as on reporting date is repayable on monthly instalments of Rs 20 lakhs from Sept 2020 till April 2022 & Rs. 19 Lakhs in the month of May 2022 after 6 months moratorium granted by the bank which was given due to Covid-19 Pandemic Relief by RBI. Repayment also includes Rs 20 lakhs of one installment of March 2020 which was returned by bank in next year. Monthly Interest is being deferred till Aug 2020 as per RBI guidelines which will be repaid w.e.f.Sept 2020 till Feb 2021and normal interest will be charged w.e.f. Sep 2020 separately at the end of the month alongwith deferred interest till Feb 2021;
- e. \*\*Outstanding Term loan as on 31 March 2020 is Rs.1,489.99 lakhs (as on 31 March 2019 is Rs.1,729.99 lakhs) as on reporting date is repayable on monthly instalments of Rs.20 lakhs from Sept 2020 to Sept 2021,monthly instalment of Rs.30 lakhs from Oct 2021 to Sept 2022, monthly instalment of Rs. 35 lakhs from Oct 2022 to sept 2023 ,monthly instalment of Rs.40 lakhs from Oct 2023 till Aug 2024 and Rs. 29.99 lakhs in sept 2024 after 6 months moratorium granted by the bank which was given due to Covid-19 Pandemic Relief by RBI.Repayment also includes Rs 20 lakhs of one installment of March 2020 which was returned by bank in next year. Monthly Interest is being deferred till Aug 2020 as per RBI guidelines which will be repaid w.e.f. Sept 2020 till Feb 2021 and normal interest will be charged w.e.f. Sep 2020 separately at the end of the month alongwith deferred interest till Feb 2021.
- f. \*\*\* Sanctioned Term loan of Rs 1,500 lakhs which was availed Rs.912.09 lakhs till 31<sup>st</sup> March 2020 (as on 31 March 2019 is nil ) & as on reporting date is repayable on monthly instalments of Rs.10.95 lakhs from Sept 2020 to july 2027,balance Rs 3,65 lakhs in Aug 2027. Monthly Interest is being deferred till Aug 2020 as per RBI guidelines which will be repaid w.e.f.Sept 2020 till Feb 2021and normal interest will be charged w.e.f. Sep 2020 separately at the end of the month alongwith deferred interest till Feb 2021.

**14.2 Term Loan from HDFC Bank Limited**

- a. Term loans of Rs. 1000 Lakhs from HDFC Bank Limited is secured by way of exclusive charge over land, Building, at I-26 & I-27, Site-C, UPSIDC Industrial Area, Surajpur Greater Noida, U.P. (Unit 5). Term loan are also secured by way of exclusive charge on plant and machinery situated at Unit 5 of Greater Noida and specific plant & machinery generated out of the term loan, situated at Unit 4 of Ahemednagar, Maharashtra. Personal Guarantee are also given by promoter directors i.e. Late Mr. Promod Gupta (demised on 29<sup>th</sup> Nov 2019) , Mr.Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta;
- a.i) Outstanding term loan as on 31 March 2020 is Rs. 348.84 Lakhs (as on 31 March 2019 is Rs 569.17 lakhs repayable in monthly instalments of Rs 18.36 from Sept 2020 till April 2022 after 6 months moratorium granted by the bank which was given due to Covid-19 Panedemic Relief by RBI. Repayment also includes Rs 18.36 lakhs of one installment of March 2020 which was returned by bank in next year ;
- a.ii) Monthly Interest is being deferred till Aug 2020 as per RBI guidelines which will be repaid w.e.f.Sept 2020 till Feb 2021and normal interest will be charged w.e.f. Sep 2020 separately at the end of the month alongwith deferred interest till Feb 2021.
- b. Term loans of Rs. 1500 lakhs from HDFC Bank Limited is secured by way of exclusive charge over land, Building, at A-20/2. MIDC Supa, District- Ahmendnagar Maharastra (Unit 4). Term loan are also secured by way of exclusive charge on specific plant & machinery generated out of the term loan, situated at Unit 4 of Ahemednagar, Maharashtra. Personal Guarantee are also given by promoter directors i.e. Late Mr. Promod Gupta (demised on 29<sup>th</sup> Nov 2019),Mr.Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta;
- b.i) Outstanding term loan as on 31 March 2020 is Rs 1,220.89 lakhs (as on 31 March 2019 is Rs.1,434.55 lakhs) repayable in monthly instalments Rs.20.35 Lakhs from Sept-20 to Dec-24 and Rs.30.52 lakhs from Jan-25 to June 25. Repayment also includes Rs 20.35 lakhs of one installment of March 2020 which was returned by

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

bank in next year ;

- b.ii) Monthly Interest is being deferred till Aug 2020 as per RBI guidelines which will be repaid w.e.f.Sept 2020 till Feb 2021 and normal interest will be charged w.e.f. Sep 2020 separately at the end of the month alongwith deferred interest till Feb 2021.
- c. Term loans of Rs. 900 lakhs from HDFC Bank Limited against property taken over from Religare Finvest Limited is secured by way of exclusive charge over land, Building, at A-20/2. MIDC Supa, District- Ahmendnagar Maharastra (Unit 4). Term loan are also secured by way of exclusive charge on specific plant & machinery generated out of the term loan, situated at Unit 4 of Ahemednagar, Maharashtra. Personal Guarantee are also given by promoter directors i.e. Late Mr. Promod Gupta (demised on 29th Nov 2019) , Mr.Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta;
- c.i) Outstanding term loan as on 31 March 2020 is Rs. 729.50 lakhs (as on 31 March 2019 is Rs.809.35 lakhs) repayable in monthly instalments from Sept 2020 till Nov.2027.Repayment also includes Rs 7.04 lakhs of one installment of March 2020 which was returned by bank in next year ;
- c.ii) Monthly Interest is being deferred till Aug 2020 as per RBI guidelines which will be repaid w.e.f.Sept 2020 till Feb 2021 and normal interest will be charged w.e.f.Sep 2020 separately at the end of the month alongwith deferred interest till Feb 2021.
- d. Term loans of Rs.1,500 Lakhs from HDFC Bank Limited is secured by way of exclusive charge over land, Building, at A-20/2, MIDC Supa, District- Ahmendnagar Maharastra (Unit 4) & at I-26 & I-27 at Site-C, UPSIDC, Surajpur Industrial Area, UP( Unit-5) .Term loan are also secured by way of exclusive charge on specific plant & machinery generated out of the term loan, situated at Unit 4 of Ahemednagar, Maharashtra & Unit-5 at Greater Noida UP. Personal Guarantee are also given by promoter directors i.e. Late Mr. Promod Gupta (demised on 29th Nov 2019), Mr.Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta;
- d.i) Outstanding term loan as on 31 March 2020 is Rs 1,438.36 lakhs (as on 31 March 2019 is nil ) repayable in monthly instalments Rs.20.55 lakhs from Sept-20 to July-26. Repayment also includes Rs 20.55 lakhs of one installment of March 2020 which was returned by bank in next year ;
- d.ii) Monthly Interest is being deferred till Aug 2020 as per RBI guidelines which will be repaid w.e.f. Sept 2020 till Feb 2021 and normal interest will be charged w.e.f. Sep 2020 separately at the end of the month alongwith deferred interest till Feb 2021.

**14.3 Loan against Property (LAP) from Aditya Birla Finance Limited (ABFL)**

LAP from ABFL for purchase of Plant & machinery is secured by;

- a. Primary Security: Machineries purchased from the term loan;
- b. Collateral Security : Exclusive charge on the Unit No.11, lobe-2, second floor currently known as 2211,second floor,Tower-a,The corenthum,plot no.A-41,Sector-62,Noida owned by TV Palace ( Partnership firm) in which directors are partners;
- c. Guaranteed by promoter directors i.e late Mr. Promod Gupta (demised on 29th Nov 2019), Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta .
- d. Outstanding term loan as on 31 March 2020 is Rs 80.12 lakhs (as on 31 March 2019 is Rs 123.48 lakhs ) repayable in monthly installments from Sept 20 to April 2022 along with interest.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

### 14.4 Interest free term Loan (IFTL) from Uttar Pradesh Financial Corporation (UPFC)

Loan from UPFC for general purpose is secured by;

- a. Primary Security: Bank Guarantee of 100% value of loan was issued by State bank of india, Noida in favour of lender for entire period of 7 years plus 6 months delay period interest @ 15% p.a., In case of non payment on due date ;
- b. Guaranteed by promoter directors i.e Late Mr. Promod Gupta (demised on 29th Nov 2019), Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta .
- c. Outstanding term loan as on 31 March 2020 is Rs 346.62 lakhs (as on 31 March 2019 is Nil ) repayable after 7 years from disbursement date which will be due on 25.04.2026 without any interest

### 14.5 Term Loan from Tata Capital Financial Services Limited (TCFSL)

Term loan from TCFSL for purchase of Plant & machinery is secured by;

- a. Primary Security: Machineries purchased from the term loan & One month EMI of Rs 8.56 lakhs deposited with TCFSL are interest free & will be adjstuted in last EMI due in Feb 2025;
- b. Guaranteed by promoter directors i.e Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta .
- c. Outstanding term loan as on 31 March 2020 is Rs 364.79 lakhs (as on 31 March 2019 is nil ) repayable in monthly installments from Sept 2020 till Feb 2025 along with interest.

**14.6** Unsecured loans from directors of Rs.141.90 lakhs (previous year Rs.689.19 lakhs) was given by directors on long term basis and are interest free.

### 14.7 Deferred payment against plant & machinery represents

- a. Outstanding amount of Rs.332.01 lakhs ( Previous year -Rs 41.77 lakhs) is repayable in 9 interest free monthly installments for indegenious plant & machineries purchased from Haitian Huayuan Machinery India Pvt Ltd.
- b. Outstanding amount of Rs.330.08 lakhs equivalent to USD 4.33 lakhs ( Previous year Rs 22.68 lakhs ) is repayable in 7 quarterly installments of USD-0.68 lakhs for 1st quarter,USD- 0.62 lakhs for 2nd,3rd,4th,5th & 6th quarters & USD- 0.57 lakhs for 7th quarter in respect of imported plant & machineries purchased on credit without interest.
- C. Outstanding amount of Rs.115.08 lakhs equivalent to USD 1.51 lakhs ( Previous year - nil ) is repayable in 23 monthly installments each of USD 0.07 lakhs in respect of imported plant & machineries purchased on credit without interest.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

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

Name of the Bank/Others	Tuesday, March 31, 2020		Repayment Terms	Sunday, March 31, 2019		Nature of Security
	ROI- PA	Loan Outstanding		Loan Outstanding	Repayment Terms	
1. HDFC Bank Ltd.	8.30 % to 10.51%	10.08	In EMIs ranging from 1 to 22 months -4 Nos loan accounts	42.86	In EMIs of 13 months	Secured by hypothecation of vehicle acquired under the respective vehicle loan
2. ICICI Bank Ltd.	9.11 % to 9.80%	42.47	In EMIs ranging from 21 to 26 months- 3 Nos loan accounts	52.00	In EMIs of 33 months	
3. Axis bank	8.95 % to 9.05%	86.12	In EMIs ranging from 32 to 38 months- 4 nos loan accounts	-	-	
4. Yes bank	9.24%	14.06	In EMIs of 32 months	-	-	
5. Cholamandalam Investment & Finance Ltd.	-	-	-	3.28	In EMIs ranging from 5 to 6 months	
6. Tata Motors Finance Limited	-	-	-	1.46	In EMIs of 1 months	
7. Sundram Finance Limited	9.25 % to 11.00 %	25.41	In EMIs ranging from 6 to 24 months- 4 nos loan accounts	20.67	In EMIs ranging from 5 to 34 months	
<b>Total- Vehicle Loans</b>		<b>178.13</b>		<b>120.27</b>		

## 15. PROVISIONS

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
<b>Non-Current</b>		
<b>Provision for employee benefits</b>		
Gratuity (refer note 32)	313.49	225.11
Compensated absences (refer note 32)	261.14	157.06
<b>Total</b>	<b>574.63</b>	<b>382.17</b>
<b>Current</b>		
<b>Provision for employee benefits</b>		
Gratuity (refer note 32)	33.61	54.00
Compensated absences (refer note 32)	26.99	38.15
<b>Total</b>	<b>60.60</b>	<b>92.15</b>

## 16. CURRENT BORROWINGS

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
<b>Secured- at amortised cost</b>		
Repayable on demand		
- Cash Credit Limit from State Bank of India	2,918.59	2,198.92
- Demand loan COVID-19 from State Bank of India	250.00	-
- Cash Credit Limit from HDFC	484.46	714.41
- WCDL from HDFC Bank	950.00	-
- Overdraft from State Bank of India	180.15	29.48
	<b>4,783.19</b>	<b>2,942.81</b>
<b>Unsecured- at amortised cost</b>		
Bill discounting from banks		

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
- From HDFC Bank	5,608.13	3,870.11
	<b>5,608.13</b>	<b>3,870.11</b>
<b>Total current borrowings</b>	<b>10,391.32</b>	<b>6,812.92</b>

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

- I. CC Limits & Demand loan Covid-19 from State Bank of India are secured by way of hypothecation of entire current assets including raw material, work-in-progress, finished goods, Book debts, advance payments, stock in transit, other current assets, cash margins of Unit 1, 2 & 3 of the Company;
- II. Collateral Security : Factory Land and Building situated at Plot no- P-4/2 - 4/6 and Plot No E-14 & E-15, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of Company and Building situated at Khasra No 268 & 275, Village Raipur, Roorkee, Haridwar, Uttarakhand, factory land which is in the name of M/s PG Electronics and Mr. Vishal Gupta;
- III. Personal and Corporate Guarantee: Secured by Personal Guarantee of promoter directors i.e. Late Mr. Promod Gupta (demised on 29th Nov 2019) , Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta and Corporate Guarantee of M/s PG Electronics.
- IV. Factory land and building of Plot no F-20, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida, District Gautam Budh Nagar is the prime security.
- V. All fixed assets except land & building and specified machinery charged under term loans of Unit-1, 2 & 3.

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

- I. CC Limits & WCDL from HDFC Bank Limited are secured by way of hypothecation of entire current assets present and future of Unit 4 & 5 of the Company; WCDL( sub-Limit of CC limits) was given for 90 days only.
- II. Collateral Security : Factory Land and Building situated at I-26 & 27, Site C, UPSIDC Industrial Area, Surajpur, Greater Noida, U.P (Unit-5) and A-20/2. MIDC Supa, District- Ahmednagar Maharastra (Unit-4) of Company;
- III. Personal and third party Guarantee: Secured by Personal Guarantee of promoter directors i.e. Mr. Promod Gupta (demised on 29th Nov 2019), Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta.

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

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

**D. Bill discounting Limits from HDFC Bank**

Bill discounting from HDFC Bank are guaranteed by promoter directors i.e Late Mr. Promod Gupta (demised on 29th Nov 2019), Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta & Cash margin of Rs 200 lakhs was deposited with bank in the form of FDR.



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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

## 17. TRADE PAYABLES

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
Trade payables (at amortised cost)	7,983.65	7,536.23
<b>Acceptances:</b>		
Letter of Credit from State Bank of India	1,147.98	1,490.92
Foreign letter of credit from State Bank of India	1,499.81	122.90
<b>Total</b>	<b>10,631.44</b>	<b>9,150.05</b>
Trade payables (at amortised cost)		
- Total outstanding dues of micro and small enterprises (refer note 40)	761.46	288.44
- Total outstanding dues of creditors other than micro and small enterprises	9,869.98	8,861.61
<b>Total trade payables</b>	<b>10,631.44</b>	<b>9,150.05</b>

## 18. OTHER FINANCIAL LIABILITIES

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
<b>Non-Current</b>		
<b>At amortised cost</b>		
Lease Liabilities	107.33	-
Security deposits	17.31	16.06
<b>Total other financial liabilities</b>	<b>124.64</b>	<b>16.06</b>
<b>Current</b>		
<b>At amortised cost</b>		
**Current maturities of long-term borrowings (refer note 14)	1,495.04	1,166.16
Interest accrued and due on borrowings	72.72	50.71
Capital creditors	162.82	96.26
Expenses creditors	814.89	730.30
Employee benefits & other dues payable	234.06	195.18
Security deposits	-	-
Lease Liabilities	114.42	-
Advance for security Deposit	0.57	1.83
<b>Total other financial liabilities</b>	<b>2,894.53</b>	<b>2,240.43</b>

## 19. OTHER CURRENT LIABILITIES

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
Advance from customers	125.05	109.84
Expenses Payable	101.76	88.42
Statutory remittances	-	-
- TDS payable	41.39	30.02
- TCS payable	0.09	0.11
- ESI Payable	4.14	4.37
- PF payable	31.23	25.20
- Ex Gratia Payable	46.95	37.16
- Bonus payable	141.77	134.49
- GST payable	130.36	182.69
- Professional tax payable	0.43	0.42
Others	10.98	11.25
<b>Total other current liabilities</b>	<b>634.15</b>	<b>623.96</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**
**20. INCOME TAX BALANCES**

Current	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
<b>Income Tax Assets (Net)</b>		
Income Tax Refund due for earlier years	82.63	246.05
Provision for income tax	-	-
provision on other comprehensive income (OCI)	-	-
TDS/Advance Tax	221.26	-
Provision for income tax for earlier years	-	(48.09)
<b>Income tax Assets (Net)</b>	<b>303.89</b>	<b>197.97</b>
<b>Income Tax Liabilities (Net)</b>		
Provision for income tax	-	300.52
provision on other comprehensive income (OCI)	-	5.52
TDS/Advance Tax	-	(249.18)
<b>Total Income tax Liabilities (Net)</b>	<b>-</b>	<b>56.86</b>

**21. REVENUE FROM OPERATIONS**

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
<b>Sale of products</b>		
Finished goods	60,126.23	47,110.14
Traded goods	3,576.52	3,444.02
<b>Sale of services</b>		
Job Work Charges	98.19	96.94
Repair of Moulds	39.93	40.71
<b>Other operating revenue:</b>		
Sale of scrap	100.84	143.49
	<b>63,941.71</b>	<b>50,835.30</b>

**Note.** The Company collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations.

**22. OTHER INCOME**

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
<b>22.1 Interest income</b>		
Interest income from bank deposits	38.02	20.39
Interest income from financial liabilities at amortised cost	1.25	3.60
Interest income from others	43.54	11.42
	<b>82.81</b>	<b>35.41</b>
<b>22.2 Other non-operating income (net of expenses directly attributable to such income)</b>		
Rental income	76.35	175.92
PSI Incentive 2007 from MIDC	48.94	5.20
Miscellaneous income	0.03	6.73
	<b>125.32</b>	<b>187.85</b>
<b>22.3 Other gains</b>		
Profit on sale of fixed assets	5.23	2.32
Credit balances written back	29.65	89.80
Others	3.84	3.51
	<b>38.72</b>	<b>95.63</b>
	<b>246.85</b>	<b>318.89</b>

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020****23. COST OF MATERIAL CONSUMED**

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
Stock at the beginning of the year	4,293.27	3,713.01
Add: Purchases	52,617.03	40,983.16
Less: Discount received from suppliers	(141.29)	(81.41)
Less: Cost of goods traded	(3,469.23)	(3,202.94)
Less: Stock loss due to Fire	(287.13)	-
Less: Stock at the end of the year	(5,406.60)	(4,293.27)
	<b>47,606.05</b>	<b>37,118.55</b>

**23.1 COST OF GOODS TRADED**

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
Cost of Goods traded	3,469.23	3,202.94
	<b>3,469.23</b>	<b>3,202.94</b>

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

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
<b>Inventories at the beginning of the year:</b>		
Work-in progress	1,627.41	1,353.14
Finished goods	689.96	557.48
<b>Total inventories at the beginning of the year</b>	<b>2,317.37</b>	<b>1,910.62</b>
<b>Inventories at the end of the year:</b>		
Work-in progress	1,976.06	1,627.41
Finished goods	925.63	689.96
<b>Total inventories at the end of the year</b>	<b>2,901.69</b>	<b>2,317.37</b>
<b>Add/(Less): Stock Losses due to Fire</b>	<b>(118.62)</b>	<b>-</b>
Total changes in inventories of finished goods and work-in-progress	<b>(702.94)</b>	<b>(406.75)</b>

**25. EMPLOYEE BENEFIT EXPENSES**

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
Salaries and wages	4,738.65	3,543.09
Contribution to provident and other funds (refer note 32)	209.73	186.88
Leave encashment (refer note no. 32)	126.41	58.91
Gratuity expense (refer note no.32)	105.68	79.11
Other employee benefits	214.08	141.26
	<b>5,394.54</b>	<b>4,009.25</b>

**26. FINANCE COST**

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
Interest costs:		
Interest on borrowings		
- Interest to Bank	727.68	512.95
- Interest to Other	17.22	16.75
- Interest On Car Loan	18.60	9.25
- Other interest expense	53.55	18.82
Other borrowing costs	658.40	475.91
	<b>1,475.45</b>	<b>1,033.68</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**
**27. DEPRECIATION AND AMORTIZATION EXPENSES**

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
Depreciation of property, plant and equipment (refer note 3)	1,609.73	1,317.48
Amortisation of intangible assets (refer note 4)	21.30	18.87
	<b>1,631.03</b>	<b>1,336.35</b>

**28. OTHER EXPENSES**

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
Stores, spares and tools consumed	246.13	245.46
Power and fuel	1,655.05	1,435.20
Sub-contracting expenses	292.53	194.61
Freight and forwarding charges	683.54	606.25
Rent	30.57	72.85
Rates and taxes	32.08	30.27
Insurance	76.65	37.80
Repairs and maintenance:	-	-
Machinery	178.26	207.36
Building	42.30	33.87
Others	40.39	56.75
Travelling and conveyance	77.36	65.30
Vehicle running & maintenance	54.54	50.96
Communication costs	17.47	21.25
Printing and stationery	21.56	15.99
Security expenses	122.95	105.45
Legal and professional fees	138.29	70.25
Provision for doubtful debts & advances (Net)	257.06	382.17
Written off of Bad Debts	481.47	-
Reversal of provision for doubtful debts & advances	(481.47)	-
Payment to auditor (Refer details below Note-28.1)	15.00	14.00
Payment to cost auditor	3.00	3.00
Directors sitting fees	7.80	7.40
Loss on sale of property, plant and equipment	0.14	5.86
Property, Plant & Equipments written off	-	20.21
CSR Expenses (refer note 28.2)	-	30.51
Late delivery charges paid to customers	17.43	10.12
Misc. Balance Written off	53.74	34.73
Miscellaneous expenses	119.48	86.09
	<b>4,183.32</b>	<b>3,843.70</b>
<b>Exceptional Items</b>		
Foreign Exchange rate fluctuation losses (Net)	103.24	0.87
Losses due to Fire-Inventory (Net)*	26.32	-
Losses due to Fire-Fixed Assets (Net)*	71.37	-
	<b>200.93</b>	<b>0.87</b>

\* A fire broke out on 15th June 2019 in Washing Machine Division of the Company situated at P-4/6, UPSIDC Industrial Area, Surajpur, Greater Noida, Uttar Pradesh resulting in loss / damages of inventory and property, plant & equipments. Losses of inventory of Rs. 26.32 lakhs have been recognized net off insurance claim to be received and losses of Rs. 71.37 lakhs of property, plant & equipments have been recognized net of insurance claim settled.

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020****28.1 Detail of payment to auditors**

Particulars	31st March , 2020 Amount in ₹	31st March, 2019 Amount in ₹
Audit fee	4.50	3.50
Tax audit fee	1.00	1.00
Limited review fee	9.50	9.50
	<b>15.00</b>	<b>14.00</b>

**28.2 Corporate Social Responsibility (CSR)**

The Company has incurred CSR expenses mainly towards promoting education, healthcare which are specified in Schedule VII of the Companies Act, 2013. However, the provisions of CSR is not applicable to the company.

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
<b>Details of CSR expenses</b>		
a) Gross amount required to be spent during the year	-	-
b) Amount spent during the year	-	30.51
In Cash		
i) Construction/acquisition of any asset -	-	-
ii) On purposes other than (i) above	-	30.51
Yet to be paid in cash		
i) Construction/acquisition of any asset -	-	-
ii) On purposes other than (i) above	-	-

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

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
<b>Current tax:</b>		
In respect of the current year	-	300.52
In respect of the prior years	-	48.09
<b>Total current tax expense</b>	-	<b>348.61</b>
<b>Deferred tax:</b>		
In respect of current year origination and reversal of temporary differences	669.48	300.52
In respect of prior years	-	48.09
Deferred tax liabilities recognized in profit & loss	-	(327.26)
<b>Total deferred tax expense recognized in profit &amp; loss</b>	<b>669.48</b>	<b>21.35</b>

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

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
Profit before tax from continuing operations	930.95	1,015.60
	<b>930.95</b>	<b>1,015.60</b>
Income tax expense calculated @ 25.168% U/S 115BAA (Previously 21.55% Mat tax rate)	-	306.03
	-	<b>306.03</b>
<b>Effective Tax Rate</b>	<b>0.00%</b>	<b>30.13%</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

The Company has opted for reduced tax rate as per section 115BAA of the Income Tax Act, 1961 (introduced by the Taxation Laws (Amendment) Ordinance, 2019). Accordingly, the Company has recognised Provision for Income Tax for the year and re-measured its Deferred tax liability basis the rate prescribed in the said section and unutilised MAT credit entitlement has been written off.

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

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
<b>Deferred tax related to items recognised in other comprehensive income during the year:</b>		
Remeasurement of defined benefit obligations	-	5.52
Total income tax expense recognised in other comprehensive income	-	5.52
<b>Bifurcation of the income tax recognised in other comprehensive income into:</b>		
Items that will not be reclassified to profit & loss	-	5.52
Items that may be reclassified to profit & loss	-	-
Total income tax expense recognised in other comprehensive income	-	5.52

**30 EARNINGS PER SHARE**

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
<b>Profit for the year attributable to owners of the Company (with OCI)</b>	220.38	1,019.85
Weighted average number of equity shares for the purposes of basic EPS/diluted EPS	187.67	164.57
Basic earnings per share (face value of ₹10 per share)	1.17	6.20
Diluted earnings per share (face value of ₹10 per share)	1.17	6.20

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
<b>Profit for the year attributable to owners of the Company (without OCI)</b>	261.47	994.25
Weighted average number of equity shares for the purposes of basic EPS/diluted EPS	187.67	164.57
Basic earnings per share (face value of Rs. 10 per share)	1.39	6.04
Diluted earnings per share (face value of Rs. 10 per share)	1.39	6.04

**31 SEGMENT INFORMATION**

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

The Company is domiciled in India and all its non-current assets are located in/relates to India except capital advances of Rs.85.95 Lakhs as at 31 March 2020 (31 March 2019 is Rs.3.55 Lakhs)

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



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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020****Revenue by geographical area**

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
India	63,888.61	50,664.12
Rest of World	53.10	171.18
	<b>63,941.71</b>	<b>50,835.30</b>

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

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
<b>Sale of products</b>		
Finished goods	60,126.23	47,110.14
Traded goods	3,576.52	3,444.02
<b>Sale of services :</b>		
Job Work Charges	98.19	96.94
Repair Of Moulds	39.93	40.71
Sale of scrap	100.84	143.49
	<b>63,941.71</b>	<b>50,835.30</b>

There are three customers who has contributed 10% or more each to the Company's revenue for the year ended 31 March 2020 amounting to Rs.36,002.56 Lakhs and there were two customers who has contributed 10% or more each to the Company's revenue for the year ended 31 March 2019 amounting to Rs.25,699.29 Lakhs.

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

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

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

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

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

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
Company's contribution to Provident Fund	168.65	143.24
Administrative charges on above fund	7.33	6.21
Company's contribution to Employee State Insurance Scheme	33.75	37.43
	<b>209.73</b>	<b>186.88</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**
**(ii) Defined benefit plans**

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

**(b) Risk exposure**
**i) Risk to the beneficiary**

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

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

**ii) Risk Parameter**

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

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

**iii) Risk of illiquid Assets**

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

**iv) Risk of Benefit Change**

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

**v) Asset liability mismatching risk**

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

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

Particulars	LEAVE ENCASHMENT	
	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
Discounting rate	6.80%	7.77%
Future salary growth rate	10.00%	10.00%
Life expectancy/ Mortality rate*	100% of IALM 2012-14	100% of IALM 2006-08
withdrawal rate	5.00%	5.00%
Method used	Projected unit credit Actuarial method	Projected unit credit Actuarial method

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

Particulars	GRATUITY	
	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
Discounting rate	6.80%	7.77%
Future salary growth rate	10.00%	10.00%
Life expectancy/ Mortality rate*	100% of IALM 2012-14	100% of IALM 2006-08
withdrawal rate	5.00%	5.00%
Method used	Projected unit credit Actuarial method	Projected unit credit Actuarial method

\* Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics (i.e. IALM 2012-14 ultimate/PY-IALM 2006-08 ultimate). These assumptions translate into an average life expectancy in years at retirement age.

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

Particulars	LEAVE ENCASHMENT	
	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
Current service cost	67.09	50.13
Net interest expense	15.17	11.56
Remeasurement-Actuarial loss/(gain)	44.15	(2.78)
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>126.41</b>	<b>58.91</b>

Remeasurement on the net defined benefit liability:

Particulars	LEAVE ENCASHMENT	
	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
Return on plan assets (excluding amount included in net interest expense)	-	-
Actuarial (gain)/ loss arising form changes in financial assumptions	-	-
Actuarial (gain) / loss arising form changes in demographic assumptions	-	-
Actuarial (gain) / loss arising form experience adjustments	-	-
	-	-
Components of defined benefit costs recognised in other comprehensive income	-	-
<b>Total</b>	<b>126.41</b>	<b>58.91</b>

Particulars	GRATUITY	
	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
Current service cost	83.99	61.48
Net interest expense	21.69	17.64
Remeasurement-Actuarial loss/(gain)	-	-
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>105.68</b>	<b>79.12</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

Remeasurement on the net defined benefit liability:

Particulars	LEAVE ENCASHMENT	
	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
Return on plan assets (excluding amount included in net interest expense)	2.18	2.46
Actuarial (gain)/ loss arising from changes in financial assumptions	46.50	(8.05)
Actuarial (gain) / loss arising from changes in demographic assumptions	-	-
Actuarial (gain) / loss arising from experience adjustments	(7.60)	(20.01)
Components of defined benefit costs recognised in other comprehensive income	41.09	(25.60)
<b>Total</b>	<b>146.77</b>	<b>53.52</b>

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

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

Particulars	LEAVE ENCASHMENT	
	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
Present value of defined benefit obligation as at the end of the year	288.13	195.21
Fair value of plan assets	-	-
Funded status	(288.13)	(195.21)
Net asset/(liability) arising from defined benefit obligation recognised in the balance sheet	-	-
	(288.13)	(195.21)

Particulars	GRATUITY	
	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
Present value of defined benefit obligation as at the end of the year	473.17	349.87
Fair value of plan assets	126.08	70.76
Funded status	(347.10)	(279.11)
Net asset/(liability) arising from defined benefit obligation recognised in the balance sheet	-	-
	(347.10)	(279.11)

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

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

Particulars	LEAVE ENCASHMENT	
	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
Present value of defined benefit obligation at the beginning of the year	195.21	153.31
Expenses recognised in profit and loss account:		
Current Service Cost	67.09	50.13
Interest Expense (Income)	15.17	11.56
Remeasurement-Actuarial loss/gain	44.15	(2.78)
Remeasurement gains / (losses) recognised in other comprehensive income:		
Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	-	-
ii. Financial Assumptions	-	-
iii. Experience Adjustments	-	-
Benefit paid	(33.49)	(17.01)
Present value of defined benefit obligation at the end of the year	<b>288.13</b>	<b>195.21</b>

Particulars	GRATUITY	
	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
Present value of defined benefit obligation at the beginning of the year	349.87	302.02
Expenses recognised in profit and loss account:		
Current Service Cost	83.99	61.48
Interest Expense (Income)	27.18	22.77
Remeasurement-Actuarial loss/gain		
Remeasurement gains / (losses) recognised in other comprehensive income:		
Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	-	-
ii. Financial Assumptions	46.50	(8.05)
iii. Experience Adjustments	(7.60)	(20.00)
Benefit paid	(26.78)	(8.35)
Present value of defined benefit obligation at the end of the year	<b>473.17</b>	<b>349.87</b>

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

Particulars	LEAVE ENCASHMENT	
	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
Fair value of plan assets at the beginning of the year	-	-
Expenses recognised in profit and loss account:		
Expected return on plan assets	-	-
Remeasurement gains / (losses) recognised in other comprehensive income:		
Actual Return on plan assets in excess of the expected return	-	-
Contributions by employer	33.49	17.01
Benefit payments	(33.49)	(17.01)
Fair value of plan assets at the end of the year	-	-

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

Particulars	GRATUITY	
	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
Fair value of plan assets at the beginning of the year	70.76	68.08
Expenses recognised in profit and loss account	-	-
Expected return on plan assets	3.32	2.68
Remeasurement gains / (losses) recognised in other comprehensive income:		
Actual Return on plan assets in excess of the expected return	6.78	8.35
Contributions by employer	72.00	-
Benefit payments	(6.78)	(8.35)
Benefits paid from the plan assets	(20.00)	-
Fair value of plan assets at the end of the year	126.08	70.76
The major category of plan assets for gratuity as a percentage of fair value of total plan assets are as follows:		
Particulars	2019-20	2018-19
Fund managed by the insurer.	100%	100%

**(h) Sensitivity analysis**

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

Particulars	Change in Assumptions	Effect on Gratuity Obligation	Change in Assumptions	Effect on leave Encashment
<b>For the year ended March 31, 2019</b>				
Increase Discount Rate	0.50%	(16.41)	0.50%	(8.85)
Decrease Discount Rate	(0.50%)	17.92	(0.50%)	9.62
Increase Salary Growth Rate	1.00%	31.69	1.00%	19.07
Decrease Salary Growth Rate	(1.00%)	(27.27)	(1.00%)	(16.52)
Increase withdrawal rate	2.00%	(9.50)	2.00%	4.75
Decrease withdrawal rate	(2.00%)	12.86	(2.00%)	6.20
<b>For the year ended March 31, 2020</b>				
Increase Discount Rate	0.50%	(24.98)	0.50%	(14.10)
Decrease Discount Rate	(0.50%)	27.39	(0.50%)	15.34
Increase Salary Growth Rate	1.00%	48.95	1.00%	30.05
Decrease Salary Growth Rate	(1.00%)	(41.90)	(1.00%)	(26.03)
Increase withdrawal rate	2.00%	(22.13)	2.00%	(10.69)
Decrease withdrawal rate	(2.00%)	29.95	(2.00%)	14.08

**33. CAPITAL MANAGEMENT**

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

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
Non-current borrowings (note 14)	6,936.29	5,013.31
Current borrowings (note 16)	10,391.32	6,812.92
Current maturities of long term borrowings (note 14)	1,495.04	1,166.16
<b>Total debts (A)</b>	<b>18,822.65</b>	<b>12,992.39</b>
Less: Cash and cash equivalent (note 11(a))	(1,128.94)	(371.42)
<b>Net Debt (A)</b>	<b>17,693.72</b>	<b>12,620.97</b>
<b>*Total equity (note 12 &amp; note 13) (B)</b>	<b>17,622.53</b>	<b>16,902.16</b>
Gearing ratio (A/B)	100.40%	74.67%



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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

\* During the year 2019-20, the company had allotted 8,74,584 equity shares on preferential basis to Mr. Anurag Gupta, Mr. Vishal Gupta, Mr. Vikas Gupta and Mrs. Sudesh Gupta (Nominee of late Mr. Promod Gupta) pursuant to conversion of outstanding loan of Rs.500 lakhs given by them to Company.

\* During the year 2018-19, the company had allotted 22,40,000 equity shares on preferential basis to Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta pursuant to conversion of outstanding loan of Rs.2,800 lakhs given by them to Company.

Further, no changes were made in the objectives, policies or process for managing capital during the years ended 31 March 2020 and 31 March 2019. The Company is not subject to any externally imposed capital requirements.

**34. FINANCIAL RISK MANAGEMENT**

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

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

**(i) Credit risk**

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

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

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

The trade receivables position is provided here below:

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
Total receivables (note 5)	10,118.62	8,470.68
Receivables individually in excess of 10% of the total receivables	4,298.68	3,108.78
Percentage of above receivables to the total receivables of the Company	42.48%	36.70%

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**
**(ii) Liquidity risk**

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

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
Total current assets	23,066.81	17,762.31
Total current liabilities	24,612.04	18,976.37
Current ratio	0.94	0.94

Maturities analysis of financial liabilities:

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

Particulars	on demand	< 1 year	1-3 year	3-5 year	More than 5 years	Total Amount
<b>As at 31st March 2020</b>						
Borrowings	10,391.32	-	3,118.70	2,399.00	1,418.59	17,327.61
Trade payable	-	10,631.44	-	-	-	10,631.44
Other financial liabilities	-	2,894.53	124.64	-	-	3,019.17
	<b>10,391.32</b>	<b>13,525.97</b>	<b>3,243.34</b>	<b>2,399.00</b>	<b>1,418.59</b>	<b>30,978.22</b>

Particulars	on demand	< 1 year	1-3 year	3-5 year	More than 5 years	Total Amount
<b>As at 31 March 2019</b>						
Borrowings	6,812.92	-	2,163.64	1,624.90	1,224.76	11,826.22
Trade payable	-	9,150.05	-	-	-	9,150.05
Other financial liabilities	-	2,240.43	16.06	-	-	2,256.49
	<b>6,812.92</b>	<b>11,390.48</b>	<b>2,179.70</b>	<b>1,624.90</b>	<b>1,224.76</b>	<b>23,232.76</b>

**(iii) Market risk**

The Company is exposed to following key market risks:

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

**(a) Interest rate risk**

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020****(b) Commodity price Risk**

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

**(c) Other Market risk**

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

**35 RELATED PARTY TRANSACTIONS**

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

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

Name of related party and nature of transactions	Relationship	For the Year ended 31-Mar-2020	For the Year ended 31-Mar-2019
<b>Rent Paid</b>			
Mr. Vishal Gupta (Executive Director)	Key Management Personnel	0.15	0.15
Mrs. Sudesh Gupta	Relative of Key Management Personnel	16.20	16.20
PG Electronics	Other related party	0.60	0.60
<b>Reimbursement of Expenses</b>			
Mr. Mahabir Prasad Gupta (Chief Financial Officer) till 14.11.2019	Key Management Personnel	0.93	1.50
Mr. Praveen Datt Agarwal (Chief Financial Officer) w.e.f. 15.11.2019	Key Management Personnel	3.15	-
Mr. Bhawa Nand Choudhary - Managing Director w.e.f. 23.12.2019	Key Management Personnel	0.33	-
Mr. Anurag Gupta (Executive Director)	Key Management Personnel	6.00	-
Mr. Vishal Gupta (Executive Director)	Key Management Personnel	6.00	-
Mr. Vikas Gupta (Executive Director)	Key Management Personnel	6.00	-
Mr. Pranav Gupta	Relative of Key Management Personnel	1.40	-
Mr. Aditya Gupta	Relative of Key Management Personnel	0.40	-
Mrs. Kanika Gupta	Relative of Key Management Personnel	1.08	-
<b>Loan Taken</b>			
Mr. Promod Gupta (Managing Director) till 29.11.2019	Key Management Personnel	-	345.83
Mr. Vishal Gupta (Executive Director)	Key Management Personnel	-	37.50
Mr. Vikas Gupta (Executive Director)	Key Management Personnel	-	31.25

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

Name of related party and nature of transactions	Relationship	For the Year ended 31-Mar-2020	For the Year ended 31-Mar-2019
Mr. Anurag Gupta (Executive Director)	Key Management Personnel	-	235.00
<b>Loan Repayment</b>			
Mr. Promod Gupta (Chairman & Managing Director) till 29.11.2019	Key Management Personnel	45.00	409.50
Mr. Vishal Gupta (Executive Director)	Key Management Personnel	-	78.00
Mr. Vikas Gupta (Executive Director)	Key Management Personnel	-	71.00
Mr. Anurag Gupta (Executive Director)	Key Management Personnel	-	46.00
Mrs. Sudesh Gupta	Relative of Key Management Personnel	2.29	-
<b>Loan converted into equity share capital</b>			
Mr. Promod Gupta (Chairman & Managing Director) till 29.11.2019	Key Management Personnel	-	625.00
Mr. Vishal Gupta (Executive Director)	Key Management Personnel	125.00	654.17
Mr. Vikas Gupta (Executive Director)	Key Management Personnel	125.00	654.17
Mr. Anurag Gupta (Executive Director)	Key Management Personnel	125.00	866.67
Mrs. Sudesh Gupta	Relative of Key Management Personnel	125.00	-
<b>Remuneration</b>			
Mr. Promod Gupta (Chairman & Managing Director) till 29.11.2019	Key Management Personnel	62.13	77.76
Mr. Vishal Gupta (Executive Director)	Key Management Personnel	109.48	77.76
Mr. Vikas Gupta (Executive Director)	Key Management Personnel	109.48	77.76
Mr. Anurag Gupta (Executive Director)	Key Management Personnel	91.37	77.76
Mr. Mahabir Prasad Gupta (Chief Financial Officer) till 14.11.2019	Key Management Personnel	9.36	13.53
Mr. Rahul Kumar (Company Secretary) till 16.04.2018	Key Management Personnel	-	0.67
Mr. Sanchay Dubey (Company Secretary) w.e.f. 17.04.2018	Key Management Personnel	4.35	2.93
Mr. Praveen Datt Agarwal (Chief Financial Officer) w.e.f. 15.11.2019	Key Management Personnel	13.80	-
Mr. Bhawa Nand Choudhary- Managing Director w.e.f. 23.12.2019	Key Management Personnel	8.31	-

Name of related party and nature of transactions	Relationship	Year ended 31-Mar-2020	Year ended 31-Mar-2019
<b>Director Sitting Fee</b>			
Mr. Ayodhya Prasad Anand (Independent Non-Executive Director) till 10.08.2019	Key Management Personnel	0.70	1.90
Mr. Devendra Jha (Independent Non-Executive Director)	Key Management Personnel	2.00	1.90
Mr. Sharad Jain (Independent Non-Executive Director)	Key Management Personnel	2.00	2.20
Mrs. Rita Mohanty (Independent Non-Executive Director)	Key Management Personnel	1.60	1.40

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

Name of related party and nature of transactions	Relationship	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Mr. Pramod Chimmanlal Gupta (Independent Non-Executive Director) w.e.f. 15.05.2019	Key Management Personnel	1.50	-
<b>Salary to Relatives</b>			
Mrs. Sarika Gupta	Relative of Key Management Personnel	30.32	29.40
Mrs. Nitasha Gupta	Relative of Key Management Personnel	30.32	29.40
Mrs. Neelu Gupta	Relative of Key Management Personnel	30.32	29.40
Mrs. Sudesh Gupta	Relative of Key Management Personnel	30.32	29.40
Mr. Pranav Gupta	Relative of Key Management Personnel	18.39	10.86
Mr. Aditya Gupta	Relative of Key Management Personnel	2.24	-
Mrs. Kanika Gupta	Relative of Key Management Personnel	3.41	-
Mrs. Anju Choudhary	Relative of Key Management Personnel	2.54	-
<b>Leave Encashment paid during the year</b>			
Mrs. Sudesh Gupta- Nominee of late Mr. Promod Gupta	Relative of Key Management Personnel	19.78	-
<b>Provision for Leave Encashment</b>			
Mr. Promod Gupta (Managing Director) till 29.11.2019	Key Management Personnel	-	2.83
Mr. Vishal Gupta (Executive Director)	Key Management Personnel	13.42	2.96
Mr. Vikas Gupta (Executive Director)	Key Management Personnel	13.67	2.86
Mr. Anurag Gupta (Executive Director)	Key Management Personnel	5.86	2.79
Mr. Mahabir Prasad Gupta (Chief Financial Officer) till 13.11.2019	Key Management Personnel	0.37	0.52
Mr. Sanchay Dubey (Company Secretary) w.e.f. 17.04.2018	Key Management Personnel	(0.01)	0.08
Mr. Bhawa Nand Choudhary (Managing Director) w.e.f. 23.12.2019	Key Management Personnel	0.33	-
Mr. Praveen Datt Agarwal (Chief Financial Officer) w.e.f. 15.11.2019	Key Management Personnel	0.36	-
Mrs. Sarika Gupta	Relative of Key Management Personnel	1.98	1.24
Mrs. Nitasha Gupta	Relative of Key Management Personnel	1.94	1.18
Mrs. Neelu Gupta	Relative of Key Management Personnel	1.34	1.10
Mrs. Sudesh Gupta	Relative of Key Management Personnel	1.18	1.15
Mr. Pranav Gupta	Relative of Key Management Personnel	3.99	0.72

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

Name of related party and nature of transactions	Relationship	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Mr. Aditya Gupta	Relative of Key Management Personnel	0.16	-
Mrs. Kanika Gupta	Relative of Key Management Personnel	0.23	-
Mrs. Anju Choudhary	Relative of Key Management Personnel	0.36	-
<b>Gratuity paid during the year</b>			
Mrs. Sudesh Gupta- Nominee of late Mr. Promod Gupta	Relative of Key Management Personnel	20.00	-
<b>Provision for Gratuity</b>			
Mr. Promod Gupta (Managing Director) till 29.11.2019	Key Management Personnel	-	(0.03)
Mr. Vishal Gupta (Executive Director)	Key Management Personnel	1.04	0.13
Mr. Vikas Gupta (Executive Director)	Key Management Personnel	1.04	0.13
Mr. Anurag Gupta (Executive Director)	Key Management Personnel	1.14	0.26
Mr. Mahabir Prasad Gupta (Chief Financial Officer) till 13.11.2019	Key Management Personnel	0.27	0.32
Mr. Sanchay Dubey (Company Secretary) w.e.f. 17.04.2018	Key Management Personnel	0.47	0.25
Mr. Bhawa Nand Choudhary (Managing Director) w.e.f. 23.12.2019	Key Management Personnel	0.27	-
Mrs. Sarika Gupta	Relative of Key Management Personnel	1.16	0.28
Mrs. Nitasha Gupta	Relative of Key Management Personnel	1.21	0.33
Mrs. Neelu Gupta	Relative of Key Management Personnel	1.45	0.66
Mrs. Sudesh Gupta	Relative of Key Management Personnel	0.97	0.84
Mr. Pranav Gupta	Relative of Key Management Personnel	1.94	0.48
Mrs Anju Choudhary	Relative of Key Management Personnel	0.38	-



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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

Outstanding balances	Relationship	Year ended 31-Mar-2020	Year ended 31-Mar-2019
<b>Loan Payable</b>			
Mr. Promod Gupta (Managing Director) till 29.11.2019*	Key Management Personnel	-	172.29
Mr. Vishal Gupta (Executive Director)	Key Management Personnel	41.73	166.73
Mr. Vikas Gupta (Executive Director)	Key Management Personnel	41.44	166.44
Mr. Anurag Gupta (Executive Director)	Key Management Personnel	58.73	183.73

\* The balance loan outstanding of Rs. 127.29 lakhs has been transferred in the name of Ms. Sudesh Gupta (nominee of Mr. Promod Gupta) on demise of Mr. Promod Gupta on 29.11.2019.

**Rent Security Recoverable**

Outstanding balances	Relationship	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Mrs. Sudesh Gupta	Relative of Key Management Personnel	4.50	4.50

**Payables**

Outstanding balances	Relationship	Year ended 31-Mar-2020	Year ended 31-Mar-2019
PG International	Other related party	6.65	6.65
J. B. Electronics	Other related party	9.62	19.94
PG Electronics	Other related party	0.15	-
Mr. Vishal Gupta	Key Managerial Personnel	0.04	-

**(iii) Remuneration of key managerial personnel:**

Name of related party and nature of transactions	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Short term Employee benefits	442.26	340.22
Post employment benefits	4.24	1.07
<b>Total</b>	<b>446.50</b>	<b>341.29</b>

(iv) Remuneration and outstanding balances of KMP does not include long term employee benefits by way of gratuity and compensated absences, which are currently not payable and are provided on the basis of actuarial valuation by the Company.

**(v) Terms & conditions:**

The outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided to or received for any related party receivable or payables. The Company has not recorded any impairment of receivables relating to amounts owed by related parties for the year ended 31 March 2020 and 31 March 2019 other than that stated above.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**
**36 FAIR VALUE MEASUREMENTS**
**36.1 Financial instruments by category**

Particulars	31st March, 2020 Amount in ₹		31st March, 2019 Amount in ₹	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets at amortised cost</b>				
Fixed deposits with banks (Non Current)	5.35	5.35	38.78	38.78
Cash and bank balances	1,796.28	1,796.28	637.29	637.29
Trade and other receivables	10,118.62	10,118.62	8,470.68	8,470.68
Loans (current)	18.02	18.02	18.37	18.37
Other financial assets (Non Current)	235.19	235.19	195.47	195.47
Other financial assets (Current)	546.38	546.38	196.61	196.61
<b>Financial liabilities at amortised cost</b>				
Borrowings (Non Current )	6,936.29	6,936.29	5,013.30	5,013.30
Borrowings (Current )	10,391.32	10,391.32	6,812.92	6,812.92
Other financial liabilities (Non current )	124.64	124.64	16.06	16.06
Other financial liabilities (Current )	2,894.53	2,894.53	2,240.43	2,240.43

There is no financial instrument which is designated as FVTPL

**36.2 Fair value hierarchy**

The Company uses the following hierarchy for fair value measurement of the company's financial assets and liabilities:

Level 1: Quoted prices/NAV (unadjusted) in active markets for identical assets and liabilities at the measurement date.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table provides the fair value measurement hierarchy of Company's asset and liabilities:-

Particulars	Level	3/31/2020	3/31/2019
		Carrying Value	Carrying Value
<b>Financial Assets at amortised cost</b>			
Other Financial Assets (Non-Current)	Level-3	235.19	195.47
Loans (Current)	Level-3	18.02	18.37
<b>Financial Liabilities at amortised cost</b>			
Borrowings (Non Current)	Level-3	6,936.29	5,013.30
Borrowings (Current)	Level-3	10,391.32	6,812.92
Other Financial Liabilities (Non Current)	Level-3	124.64	16.06

During the year ended 31.03.2020 and 31.03.2019 there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements

**Fair valuation techniques**

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

measurement date. The following methods and assumptions were used to estimate the fair values:

- 1) Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.
- 2) Borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values.

**37. LEASES****Lease arrangements**

As Lessee:- On April 01, 2019, the company has adopted IND AS 116, Leases, applied to all lease contracts outstanding as at March 2019, using modified retrospective method without re-stating comparative information (please refer to Note 2(d)).

Payment recognized as expenses	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
Lease Payments (Lease for 12 months or less) (refer note 28)	30.57	72.85
Depreciation on Right-to-use Asset	73.93	-
Interest on Lease Liabilities	15.92	-
	<b>120.42</b>	<b>72.85</b>

Non-cancellable lease commitments	31st March, 2019 Amount in ₹
Not later than one year	35.65
Later than one year and not later than five years	27.03
Later than five years	11.76
	<b>74.44</b>

**Non-cancellable lease commitments**

Particulars	31st March, 2020 (Amount in ₹)	
	Minimum Lease Payment	PV of Minimum Lease payment
Not later than one year	110.03	95.36
Later than one year and not later than five years	129.96	121.30
Later than five years	11.01	5.08
	<b>251.00</b>	<b>221.75</b>
Less: Amount Representing Interest	29.25	-
<b>Present value of minimum lease payment payables</b>	<b>221.75</b>	<b>221.75</b>

**38. COMMITMENTS**

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
Estimated amount of contracts remaining to be executed on Capital account and not provided for (Net of advances)	1,094.42	282.20

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**
**39. CONTINGENT LIABILITIES**

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
<b>Contingent liability ( to the extent not provided for)</b>		
Claims against the company not acknowledged as debts ( excluding interest & penalty )		
a) Central Excise (FY 2008-09 to 2011-12) {see note (i) below}	765.73	765.73
b) Anti Dumping Duty [see note (ii) below]	-	738.54
c) SEBI in the matter of IPO-Penalty Order Passed for which appeal is pending at SAT (Penalty only) [see note (iii) below]	-	100.00
<b>Total</b>	<b>765.73</b>	<b>1,604.27</b>

- i) Excise department has issued show cause notice dated 22nd Dec., 2011 for Rs 765.73 Lakhs in respect of CTV sold to ELCOT, Tamil Nadu ( a Govt. of Tamil Nadu undertaking) during the period Feb 09 to Oct 2011 for free distribution by the state Govt. to poor section of the people by paying excise duty on the basis of value determined under section 4A instead of determining the value under section 4 of the Central Excise Act, 1944. The department has the contention that sale is institutional sale & valuation based on MRP under Section 4A is not applicable to the sale to ELCOT. The appeal made by the Company was allowed by the CESTAT, New Delhi vide order dated 12th March, 2014. However, the excise department has filed the appeal with Supreme Court, which has been admitted by the Supreme Court on 5th Jan., 2015 by condoning the delay in filing the appeal. This matter was last time listed on 02/01/2017. Case is pending before Supreme Court for final decision.
- ii) The Directorate of Revenue Intelligence ( Delhi Zonal Unit), New Delhi of Custom Department had conducted a search on 8.03.2011 and issued show cause notice (SCN) no. 29/2015 dated 29.05.2015 (received on 2.06.2015) mentioning why Anti-Dumping Duty of Rs 738.54 Lakhs excluding interest & penalty should not be levied in respect of import of Colour Picture Tubes (CPT) from M/s Chungwa Picture Tubes, Malaysia during the period of May 2010 to Dec 2010. The Company has deposited Rs. 145 Lakhs during the year 2010-11 & 2011-12 under protest. The Delhi High court has quashed the show cause notices in similar cases named as Mangli Impex Ltd. & others. Accordingly the Company has filed the writ Petition before Delhi High Court to quash the show cause notice. Delhi High Court has directed the matter to Principal Commissioner, Custom, Dadri to adjudicate the matter in the light of judgment given in Mangli Impex Ltd. The Delhi High court order has been stayed by Supreme Court. Accordingly, the Principal Commissioner Customs has passed an order dated 28.02.2017 confirming the demand of Rs. 738.54 Lakhs along with interest and penalty. The company has filed an appeal before CESTAT Allahabad Bench on 01.06.2017. The CESTAT vide its order dated 18/06/2019 has allowed the appeal in favour of the Company and set aside the order passed by Principal Commissioner of customs, Noida.
- iii) In matter of IPO of the Company in 2011, Adjudicating officer of SEBI has passed an order on 02.08.2017, vide which they have imposed monetary penalty of Rs.100 Lakhs on the Company & Rupees One Crore on each of four promoter Directors. The Company had filed an appeal before SAT. During the FY 2019-20, SAT has allowed the appeal in favour of the company and its promoter directors and ordered to set aside the penalty imposed on them.

**40. DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006**

Based on the intimation received by the Company from its suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the relevant information is provided here below:

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
The principle amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year; as at the end of the year		
(i) Principal Amount	757.98	288.44
(ii) Interest due on above	3.48	-

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020**

Particulars	31st March, 2020 Amount in ₹	31st March, 2019 Amount in ₹
The amount of interest paid by the buyer in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the suppliers beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the year on delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006,	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due above are actually paid to the Small enterprise, for the purpose of disallowances of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006,	3.48	-

**41. STANDARDS ISSUED BUT NOT YET EFFECTIVE**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2020.

As Per Our Report of Even Date Attached

**For Chitresh Gupta & Associates**

Chartered Accountants

Firm Registration No. 017079N

**CA Chitresh Gupta (Partner)**

M. No. 098247

UDIN:20098247AAAATT7718

Place: Greater Noida, U.P.

Dated: 23rd June 2020

**For and on behalf of Board of Directors**

**PG Electroplast Ltd**

**(Anurag Gupta)**

Chairman-Executive Director

DIN-00184361

**(Sanchay Dubey)**

Company Secretary

**(Vishal Gupta)**

Executive Director

DIN-00184809

**(M P Gupta)**

Chief Financial Officer



## PG Electroplast Limited

CIN: L32109DL2003PLC119416

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

**Corporate Office:** P-4/2 to 4/6, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida

Dist. Gautam Budh Nagar, U.P. - 201306

Tel No: +91-120-2569323 | Fax No: +91-120-2569131

Email: [investors@pgel.in](mailto:investors@pgel.in) | Website: [www.pgel.in](http://www.pgel.in)

## NOTICE OF THE 18<sup>TH</sup> ANNUAL GENERAL MEETING

NOTICE is hereby given that the 18<sup>th</sup> ANNUAL GENERAL MEETING of the members of PG ELECTROPLAST LIMITED (the "Company") will be held on Tuesday, 29<sup>th</sup> day of September, 2020 at 11:00 AM through video conferencing to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended on 31<sup>st</sup> March, 2020, the report of the Board of Directors and Auditors thereon.
2. To re-appoint Mr. Anurag Gupta (DIN:00184361) as a Director, who retires by rotation and, being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

3. **TO APPROVE/RATIFY REMUNERATION OF THE COST AUDITOR FOR THE FINANCIAL YEAR ENDING ON 31<sup>ST</sup> MARCH, 2021** and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and other applicable provisions, if any, the Shareholders hereby ratify the approved remuneration of Rs. 3,00,000/- (Rupees Three Lakh Only) plus applicable taxes and reimbursement of out of pocket expenses to be paid to M/s Amit Singhal & Associates, (Firm Registration No. 101073), Cost Accountants, to conduct audit of the cost accounting records of the Company, for the financial year ending on 31<sup>st</sup> March, 2021 as approved by the Board of Directors on recommendation of the Audit Committee of the Company".

4. **TO APPOINT MR. BHAWA NAND CHOUDHARY (DIN:05166209), AS THE MANAGING DIRECTOR OF THE COMPANY** and in this regard to consider and, if thought fit, to pass with or without modification the following resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the applicable Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of the Articles of Association of the Company, Mr. Bhawa Nand Choudhary (DIN:05166209), who was appointed as an Additional Director (Managing Director) by the Board of Directors of the Company at their meeting held on 23<sup>rd</sup> December, 2019 based on the recommendation of the Nomination and Remuneration Committee and who holds office up to the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160(1) of the Companies Act, 2013 from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

**"RESOLVED FURTHER THAT** pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors and pursuant to provisions of section 196, 197 and 203 of the Companies Act 2013 read with Schedule-V thereof and the rules made thereunder and subject to provisions of SEBI (Listing Obligations & Disclosure Requirement) Regulation, 2015 and other applicable provisions, if any, (including any statutory modification(s) or re-enactment thereof, for the time being in force) the consent of the members be hereby accorded for appointment of Mr. Bhawa Nand Choudhary (DIN:05166209) as the Managing Director of the Company for a period of three years with effect from 23<sup>rd</sup> December, 2019 on the terms and conditions specified in the Explanatory Statement of this resolution".



**“RESOLVED FURTHER THAT** subject/pursuant to sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and applicable provisions of SEBI (Listing Obligations & Disclosure Requirement) Regulation, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company shall pay to Mr. Bhawa Nand Choudhary, remuneration by way of salary and perquisites and allowances, by whatever name called, during the tenure of his office, as set out in the Statement annexed to the Notice; and Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include Nomination and Remuneration Committee of the Board) shall have authority and liberty to alter and vary the amount, terms and conditions of the said remuneration as it may deem fit and as may be acceptable to Mr. Bhawa Nand Choudhary, subject to the ceiling of aggregate remuneration of Rupees Sixty Two Lakh Forty Thousand per annum or Rupees Five Lakh Twenty Thousand per month and subject to conditions mentioned in the explanatory statements”.

**“RESOLVED FURTHER THAT** subject to Section 197 and Section II of Part II of Schedule V of the Companies Act 2013 and other applicable provisions, if any, and necessary statutory approvals, if any, the above said remuneration or remuneration altered by the Board of Directors as per authority conferred by this resolution, may be paid as minimum remuneration to Mr. Bhawa Nand Choudhary, as Managing Director even in the event of absence or inadequacy of profits in any financial year during his tenure”.

**“RESOLVED FURTHER THAT** the Board of Directors of the company be and is hereby authorized to do all such acts, deeds, matters and things as in absolute discretion it may consider necessary, expedient or desirable in order to give effect to the above resolution”.

5. **TO APPROVE BORROWING LIMITS OF THE COMPANY** and in this regards to consider and, if thought fit, to pass with or without modification the following resolution as a **SPECIAL RESOLUTION**:

**“RESOLVED THAT** in supersession of the special resolution passed in the Annual General Meeting held on August 11, 2014 and pursuant to section 180(1) (c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, consent of the members of the Company be hereby accorded to the Board of Directors to borrow, for the purpose of the business of the Company, such sum(s) of money (in foreign or Indian currency), from time to time with or without security on such term and condition as mutually agreed between the Company and the lender, in excess of the aggregate of the paid up share capital, free reserves and securities premium of the Company”.

**“RESOLVED FURTHER THAT** the total amount of borrowing and outstanding borrowing at any point of time, apart from temporary loans obtained/ to be obtained from Company Bankers in ordinary course of business, shall not exceed Rs. 500 Crore (Rupees Five Hundred Crore only) at any point of time”.

6. **TO AUTHORIZE THE BOARD OF DIRECTORS TO CREATE/MODIFY CHARGE** and in this regards to consider and, if thought fit, to pass with or without modification the following resolution as a **SPECIAL RESOLUTION**:

**“RESOLVED THAT** in supersession of the special resolution passed at the Annual General meeting held on August 11, 2014 and pursuant to the provisions of section 180(1)(a) and all other applicable provisions if any of the Companies Act, 2013 or any other law for the time being in force, the consent of the members of the Company be hereby accorded to the Board of Directors of the Company for mortgage/ charge/hypothecate, all or any of the immovable and movable properties of the Company, both present and future, and the whole or substantially the whole of the undertaking or the undertakings of the Company on such terms and conditions, as may be agreed to between the Board and Lender(s) to secure the loans/ borrowings obtained or as may be obtained, which may exceed the aggregate of paid-up share capital, free reserves and securities premium in the ordinary course of business but shall not exceed Rs. 500 Crores (Rupees Five Hundred Crore only) at any point of time”.

Date: 13/08/2020  
Place: Greater Noida

By Order of Board of Directors of PG Electroplast Limited  
(Sanchay Dubey)  
Company Secretary  
Membership No. A51305

## NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('Act'), in respect of the Special Business mentioned under Item Nos. 3 to 6 above, is annexed hereto. The Board of Directors have considered and decided to include the Item Nos. 3 to 6 given above as Special Business in the forthcoming 18<sup>th</sup> Annual General Meeting ('AGM').
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as 'MCA Circulars') permitted the holding of the AGM through VC, without the physical presence of the Members at a common venue. In compliance with the provisions of Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR') and MCA Circulars, the AGM of the Company is being held through VC. KFin Technologies Private Limited ('KFin'), the Registrar and Transfer Agents of the Company ('RTA'), will be providing facility for voting through remote e-voting, for participation in the AGM through VC facility and e-voting during the AGM. The procedure for participating in the meeting through VC is explained at Note No. 20 below and is also available on the website of the Company at [www.pgell.in](http://www.pgell.in).
3. Pursuant to the MCA Circulars, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence Proxy Form and Attendance Slip are not annexed to this Notice. However, the Corporate Members are entitled to appoint authorised representatives to attend the AGM through VC and participate thereat and cast their votes through e-voting.
4. Corporate Members are requested to send to the Company a certified copy of the relevant Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting. The said Resolution/Authorisation shall be sent to the Scrutinizer by email through its registered email address to [cspujamishra@gmail.com](mailto:cspujamishra@gmail.com) with a copy marked to [mohsin.mohd@kfintech.com](mailto:mohsin.mohd@kfintech.com).
5. In accordance with the MCA Circulars and Circular dated May 12, 2020 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the Financial Statements (including Report of Board of Directors, Auditors' Report or other documents required to be attached therewith) such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).
6. The Notice of AGM along with Annual Report for the Financial Year 2019-20, is available on the website of the Company at [www.pgell.in](http://www.pgell.in), on the website of Stock Exchanges - [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com) and on the website of KFin Technologies at [www.kfintech.com](http://www.kfintech.com).
7. Details of the Directors seeking re-appointment under Item Nos. 2 of the Notice as stipulated under the SEBI (Listing & Disclosure Requirement) Regulation, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ('SS-2') are included in the Notice.
8. Members are requested to send all communication relating to shares to the Company's Registrar & Transfer Agent - KFin Technologies Private Limited, Unit: PG Electroplast Limited, Selenium, Tower-B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500032 Members holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DPs).
9. Nomination facility for shares is available for Members. The prescribed format, in this regard, can be obtained from KFin Technologies.
10. Pursuant to Section 101 and Section 136 of the Act read with Rules made thereunder, and MCA Circulars, copies of the Annual Report, Notice of the AGM and instructions for e-voting are being sent by electronic mode only to all the Members whose email addresses are registered with the Company/ Depository Participant(s) for communication purposes. Members holding shares in physical form can send their email address for registration to [https://ris.kfintech.com/email\\_registration/](https://ris.kfintech.com/email_registration/) quoting the Folio Number and Name of the Company. The Notice of the AGM and the Annual Report will also be available on the Company's website [www.pgell.in](http://www.pgell.in) for Members to download. Members who have not registered their email address so far are requested to register their email address for receiving all communication including Annual Report, Notices, etc., from the Company electronically.
11. SEBI has mandated the submission of the Permanent Account Number (PAN), proof of identity, address

and bank details by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the said documents to their Depository Participant(s). Members holding shares in physical form shall submit the documents to KFin Technologies.

12. SEBI has amended the Regulation 40 of the SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015 pursuant to which after 31<sup>st</sup> March, 2019, transfer of securities cannot be processed unless the securities are held in the dematerialised form with a depository except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to dematerialise their holdings at the earliest as henceforth it will not be possible to transfer shares held in physical mode.
13. Since the AGM will be held through VC, the Route Map is not annexed in this Notice.
14. The Register of Members and Share Transfer Books shall remain closed from 23/09/2020 to 29/09/2020 (both days inclusive) for the purpose of Annual General Meeting.
15. The Board of Directors of the Company has not recommended any dividend.
16. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Act will be available during the meeting for inspection through the VC facility of KFin Technologies, to the Members attending the AGM.
17. During the period when facility for remote e-voting is provided, the members of the Company, holding shares either in physical form or dematerialized form, as on **Tuesday, 22/09/2020 i.e. the 'cut-off' date for e-voting**, may opt for remote e-voting.
18. Members desiring any additional information with regard to Accounts/Annual Report or have any question or query are requested to write to the Company Secretary on the Company's investor email-id [investor@pgel.in](mailto:investor@pgel.in) during the period starting from 24/09/2020, (10.00 a.m.) upto 25/09/2020 (5.00 p.m.), so as to enable the Management to keep the information ready. Please note that, Members questions will be answered only if they continue to hold the shares as of Tuesday, 22/09/2020, i.e. the

'cut-off' date for e-voting.

19. Procedure for registering the email address and obtaining the Annual Report, Annual General Meeting notice and e-voting instructions by the shareholders whose email addresses are not registered with the Depositories (in case of shareholders holding shares in Demat form) or with RTA (in case of shareholders holding shares in physical form) :
  - i. Those Members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:
    - a. Members holding shares in demat form can get their e-mail ID registered by contacting their respective Depository Participant.
    - b. Members holding shares in physical form may register their email address and mobile number with KFin Technologies by sending email to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) along with signed scanned copy of the request letter providing the email address, mobile number, self-attested PAN copy and copy of share certificate for receiving the Annual report, Notice of the AGM and the e-voting instructions or register their e-mail address with KFin Technologies by clicking on [https://ris.kfintech.com/email\\_registration/](https://ris.kfintech.com/email_registration/).
  - ii. Further, those members who have not registered their email addresses and mobile nos. and in consequence could not be served the Annual Report and Notice of AGM, may temporarily get themselves registered with KFin Technologies, by clicking the link: [https://ris.kfintech.com/email\\_registration/](https://ris.kfintech.com/email_registration/) for sending the same. Members are requested to support our commitment to environmental protection by choosing to receive the Company's communication through email going forward.
  - iii. With a view to help us serve better, Members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company/RTA to consolidate their holdings in one folio.
  - iv. Members who have registered their e-mail address, mobile nos., postal address and bank account details are requested to validate/update their registered details by contacting

the Depository Participant in case of shares held in electronic form or by contacting KFin Technologies, in case the shares are held in physical form.

## 20. Instructions for e-voting and joining the AGM are as follows:

### A. Voting through electronic means

- a) In compliance with the provisions of Section 108 and other applicable provisions of the Act, if any, the Companies (Management and Administration) Rules, 2014 as amended, SS-2 and Regulation 44 of the SEBI (Listing Obligation Disclosure Requirement) Regulation, 2015, the Members are provided with the facility to cast their vote electronically on all resolutions set forth in this Notice from a place other than the venue of the Meeting ('remote e-voting') through the e-voting platform provided by KFin Technologies or to vote at the AGM. Person who is not a member as on the cut-off date should treat this Notice for information purposes only.
- b) The Members, whose names appear in the Register of Members/list of Beneficial Owners as on the cut-off date are entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the dispatch of the Annual Report may approach KFin Technologies for issuance of the User ID and Password for exercising their right to vote by electronic means.
- c) The facility for voting through electronic voting system will be made available at the AGM and Members attending the Meeting who have not already cast their vote by remote e-voting shall be eligible to vote at the Meeting.
- d) Members who have cast their vote by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.
- e) The details of the process and manner for remote e-voting are given below:
  - i. Initial password is provided in the body of the email.
  - ii. Launch internet browser and type the URL: <https://evoting.karvy.com> in the address bar.
- iii. Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with KFin Technologies for e-voting, you can use your existing User ID and password for casting your votes.
- iv. After entering the details appropriately, click on LOGIN.
- v. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi. You need to login again with the new credentials.
- vii. On successful login, the system will prompt you to select the Event i.e. PG Electroplast Limited.
- viii. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.
- ix. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During

the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.

- x. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutinizer through email at [cspujamishra@gmail.com](mailto:cspujamishra@gmail.com) and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'PG ELECTROPLAST\_EVENT NO.).'
- xi. **The remote e-voting facility shall be available to the members to cast their vote from Friday, 25/09/2020 (10.00 a.m.) till Monday, 28/09/2020 (5.00 p.m.).** Voting beyond the said date shall not be allowed and the remote e-voting facility shall be blocked. Once the vote on resolution is cast by the member, he shall not be allowed to change it subsequently or cast vote again.
- xii. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual available at the 'download' section of <https://evoting.karvy.com> or call KFin Technologies on 18003454001 (toll free).

## B. Voting at the AGM

- i. Only those Members, who will be present in the AGM through video conferencing facility and have not cast their vote through remote e-voting and are otherwise not barred from doing so are eligible to vote through e-voting in the AGM.
- ii. Members attending the AGM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- iii. Upon declaration by the Chairman about the commencement of e-voting at AGM,

members shall click on the thumb sign on the left hand bottom corner of the video screen for voting at the AGM.

## C. Instructions for Members for Attending the AGM

- i. The Members can join the AGM in the VC mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned herein. The facility of participation at the AGM through VC will be made available for 1,000 members on first come first served basis. This will not include large Members (Members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- ii. Members will be able to attend the AGM through VC by using their remote e-voting login credentials. The link for AGM will be available in Members login where the EVENT and the name of the Company can be selected. Also, members can login using their remote e-voting login credentials at <https://emeetings.kfintech.com>. Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned under heading A above.
- iii. Members are encouraged to join the meeting through Laptops with Google Chrome for better experience.
- iv. Further, members will be required to allow camera, if any, and hence use internet with a good speed to avoid any disturbance during the meeting.
- v. While all efforts would be made to make the VC meeting smooth, participants connecting through mobile devices, tablets, laptops etc. may at times experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.



**vi. Speaker Registration before AGM :**

- a) Members, who would like to express their views or ask questions during the AGM will have to register themselves as a speaker by visiting the URL <https://emeetings.kfintech.com> and clicking on the tab 'Speaker Registration' during the period starting from 24/09/2020, (10.00 a.m.) upto 25/09/2020 (5.00 p.m.).
- b) Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the AGM.
- c) The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. Please note that only questions of the Members holding the shares as on cut-off date will be considered.

vii. A video guide assisting the members attending AGM either as a speaker or participant is available for quick reference at

URL <https://emeetings.kfintech.com>.

viii. Members who need technical assistance before or during the AGM can contact KFin Technologies at [emeetings@kfintech.com](mailto:emeetings@kfintech.com) or Helpline: 1800 345 4001.

**D. General Instructions:**

- i. The Company has appointed Ms. Puja Mishra of M/s. Puja Mishra & Co., Practising Company Secretary, New Delhi as the Scrutinizer to scrutinize the entire e-voting process, in a fair and transparent manner.
- ii. Subject to the receipt of requisite number of votes, the resolutions shall be deemed as passed on the date of the Meeting.
- iii. The results declared along with the Scrutiniser's Report shall be placed on the Company's website [www.pgel.in](http://www.pgel.in) and on KFin Technologies website [www.evoting.karvy.com](http://www.evoting.karvy.com) and shall also be communicated to BSE Limited and the National Stock Exchange of India Limited.

**ANNEXURE TO NOTICE: EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:**

**Item No. 3:**

The Board of Directors of the Company has appointed M/s Amit Singhal & Associates, Cost Accountants (Firm Registration No: 101073), as Cost Auditors of the Company to audit cost records for the financial year ending on 31<sup>st</sup> March, 2021. Remuneration payable to M/s Amit Singhal & Associates, Cost Auditors of the Company for the financial year ended 31<sup>st</sup> March, 2021 was recommended by the Audit Committee to the Board of Directors and subsequently, was considered and approved by the Board of Directors at its meeting held on 13<sup>th</sup> August, 2020.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company. Accordingly consent of the members is sought for passing an ordinary resolution for approval of remuneration payable to Cost Auditors as set out at Item No. 3 of the notice.

None of the Directors and Key Managerial Personnel of the

Company and their relatives is interested or concerned in the said respective resolution for their appointment.

**Item No. 4:**

Subject to the approval of Members of the Company, the "Board of Directors" & "Nomination & Remuneration Committee" of the Company at its meeting held on 23<sup>rd</sup> December, 2019, has approved appointment and remuneration to Mr. Bhawa Nand Choudhary, (Date of Birth: 09/01/1953) as Managing Director of the Company for a period of three (3) years with effect from 23<sup>rd</sup> December, 2019. The appointment was based on recommendations of the Nomination and Remuneration Committee. He was appointed as an Additional Director (Managing Director) to hold the office up to the date of ensuing Annual General Meeting of the Company.

Mr. Bhawa Nand Choudhary, aged 67, is the Additional Director (Managing Director) of the Company and has been associated with the company for several years, having served as a Chief Operating Officer and held various key posts during his tenure. He is an engineer by qualification, having received his Bachelor of Technology (Mechanical) degree in 1976 and the Master of Technology degree (Production Management) in 1984, both from the University



of Ranchi, graduating with a gold medal in his discipline. He has an extensive experience spanning 40 years in the varied fields of Project Management, Manufacturing Operations, Techno-Commercial Negotiations, Production, Business Development, and Quality Assurance. He has demonstrated his capabilities as a strategist with expertise in managing entire operations with a key focus on the bottom-line profitability along with the development and streamlining of systems. He has exhibited competence in management and operations, determinedly ensuring a high Return on Investments. His core skill set includes analytical and critical thinking and creative problem solving techniques and capabilities, and he has a proven track record of forging rewarding business partnerships with channel partners and associates.

He is responsible for the management of the overall operations of our Company. He has excellent skills of communication and wisdom to the organization through which the company achieves good relations with its existing customers and he will ensure functions that can deliver new and improved products and services to customers in an efficient and cost-effective manner.

During the year, Mr. Choudhary attended all the Board Meetings held post his appointment as Additional Director (Managing Director). Details regarding the attendance and remuneration are provided in the Corporate Governance Report forming part of the Board's Report.

He is a member of Executive Committee of the Board of Directors. He is not a director in any other company. He does not hold any shares of the Company.

There is no inter-se relationship between Mr. Bhawa Nand Choudhary, other members of the Board and Key Managerial Personnel of the Company.

**The terms of above said appointment and remuneration are following:**

**Term:** 3 (three) years, from 23<sup>rd</sup> December, 2019 to 22<sup>nd</sup> December, 2022

**Salary, Allowances and Perquisites ("Remuneration"):**

a) Salary, Perquisites and Allowances per annum:

Salary	Basic Salary: Rs.1,60,785/- per month with increments as may be decided by the Board of Directors from time to time subject to ceiling up to Rs. 3,21,570/- per month.
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Perquisites and Allowances*, Bonus	Value of all kind of perquisite and allowances shall be Rs. 91,763/- per month with increments as may be decided by the Board of Directors from time to time subject to ceiling up to Rs. 1,83,526/- per month.
Provision of Annual increment	There shall be provision of annual increment with authority of the Board to fix/alter/enhance his salary from time to time within ceiling approved by shareholders by special resolution.
Due date of increment	As per company policy and approval of the Board.

\*Perquisites and allowances, as aforesaid, shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and / or allowances for utilisation of gas, electricity, water, furnishing and repairs, medical assistance, attendant allowance and leave travel concession for self and family including dependents and shall also include any other perquisites and allowances by whatever name called. The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment(s) thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

- The Company's contribution to provident fund, superannuation or annuity fund, gratuity payable and encashment of leave, as per the rules of the Company, shall be in addition to the remuneration under (a) above.
- Increment in salary, perquisites and allowances and remuneration by way of incentive/ bonus / performance linked incentive, payable to Mr. Bhawa Nand Choudhary, as per company policy and as may be determined by the Board and shall be within the remuneration under (a) above.
- It is clarified that employees stock options granted / to be granted to Mr. Bhawa Nand Choudhary, from time to time, shall not be considered as a part of perquisites under (a) above and that the perquisite value of stock options exercised shall be in addition to the remuneration under (a) above.
- Reimbursement of Expenses: Expenses incurred for travelling, board and lodging and attendant(s) during business trips and provision of car(s) for use on Company's business and communication expenses at residence shall be reimbursed at actuals and not considered as perquisites.

- f) Minimum Remuneration: Notwithstanding anything to the contrary herein contained where in any financial year during the currency of the tenure of the Whole time Director, the Company has no profits or its profits are inadequate, the Company will pay to Managing Director remuneration by way of salary, benefits, perquisites & allowances and Commission/performance Bonus as specified above within the limit prescribed in schedule V of the Companies Act 2013.

#### Other Terms and Conditions:

- (i) Subject to the supervision and control of the Board of Directors, Managing Director shall perform such duties and exercise such powers, authorities and discretions as the Board shall from time to time delegate to his on such terms and conditions and subject to such restrictions as the Board may from time to time impose. For day to day functioning, Managing Director shall work under the overall supervision and direction of the Board of Directors. Managing Director shall act in accordance with the Articles of Association of the Company, Companies Act, 2013 and SEBI Listing Regulations and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- (ii) The Managing Director shall adhere to the Company's Code of Conduct and other code and policies.
- (iii) The appointment can be terminated by either of the parties by giving to the other requisite notice in writing or by payment of a sum equivalent to remuneration for the notice period or part as may be mutually agreed.
- (iv) The Managing Director shall not be paid any sitting fees for attending meetings of the Board or any Committee/s thereof.

The above may also be treated as memorandum of the terms and conditions of the appointment of Mr. Bhawa Nand Choudhary as Managing Director as required under Section 190 of the Companies Act, 2013.

Mr. Bhawa Nand Choudhary was appointed as an Additional Director (Managing Director) to hold the office up to the date of ensuing Annual General Meeting of the Company. In view of the provisions of Sections 196, 197, 203 of the Companies Act 2013, the Board based on the recommendation of Nomination & Remuneration Committee and considering benefits of his expertise, has recommended the resolution set out in Item No. 4 for approval of shareholders by way of ordinary resolution.

None of the Directors and their relatives except Mr. Bhawa

nand Choudhary are concerned or interested in the Resolution set out at Item Nos. 4 of the notice.

#### STATEMENT AS PER SECTION II OF PART II OF SCHEDULE V OF THE COMPANIES CAT, 2013:

##### General Information:

- 1) Nature of Industry: The Company operates in consumer durables. The Company is an electronic manufacturing services (EMS) provider for original equipment manufacturers (OEMs) of consumer electronic products in India.

The Company is engaged in the manufacturing of consumer durables which comprise mainly of-

- Molding division: Parts of Air-Conditioners, Air Coolers, Washing Machines, Refrigerators, ceiling fan parts, Automobile parts, Sanitary ware products, etc.;
- Electronics Division: Printed circuit board assemblies for LED TVs, Set Top boxes, energy meters, etc.;
- Complete products: Assembly and manufacturing of Set Top boxes, Washing Machines, Air Conditioners, Air-Coolers and LED TVs etc.
- PU Paint Shop: Automated painting line to attend to all kinds of painting related needs;
- Thermoset - (UF) Toilet Seats manufacturing facility: Scratch resistant toilet seats having high aesthetic value, and
- Tooling Division: Design & development of moulds for various products.

- 2) Commencement of business: The Company started its operation on 05<sup>th</sup> October, 2003.
- 3) Financial Performance: During the year under review, your company recorded revenue of ₹64,188.56 lakh in FY 2019-20 including other income as compared to ₹51,154.19 lakh in FY 2018-19, a growth of 25.5%. The Company has recorded strong revenue growth in the year despite losing sales of 15 days in March 2020 due to COVID-19. Depreciation increased by 22.1% to ₹1631.03 lakh in FY 2019-20 as compared to ₹1,336.35 lakh in FY 2018-19. Interest expense increased by 42.7% to ₹1,475.45 lakh in FY 2019-20 from ₹1,033.68 lakh in FY 2018-19. This is mainly attributed to increase in borrowings during the year. Profit before Tax before exceptional items stood at ₹1,131.88 lakh in FY 2019-20

as compared to ₹1,016.47 lakh in FY 2018-19, representing a growth of 11.4% YoY.

4) Foreign Investment/Collaborations: NIL

**Information about appointee:**

- 1) Back Ground details, job profile, suitability, recognitions: Refer to explanatory statement.
- 2) Last Drawn Remuneration: Rs. 2,52,548/- per month (Gross Salary) in capacity of Chief Operating officer.
- 3) Proposed remuneration: As mentioned in the Explanatory Statement.
- 4) Comparative remuneration profile: There are no set standards of remuneration of MD in this industry. However, the proposed remuneration commensurate with duties & responsibilities assigned to him and near to remunerations being offered in other companies to managerial persons.
- 5) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel: He does not have any pecuniary relationship directly or indirectly with the company except drawing remuneration and does not have any relationship with the managerial personnel.

**Other Information:**

Reason for inadequate profit & step taken/proposed to be taken for improvement: The Company has incurred ₹5,271.57 lakh Lakhs on capital expenditure which includes new addition to the fleet of injection moulding machines, Pick & place machine, new ODM model based moulds of Washing machines. The Company increased covered area of existing factories by constructing new buildings/floors. The Company achieved the highest revenue mark which crossed ₹60,000 lakh in FY 2020. However, the cut throat competition in the market affected the profit margin of the Company. ODM washing machine business has panned out very well in FY 2020 and the Company received very encouraging response to its semi-automatic platforms. The Company ramped up Design shop and Tool room capacity, which places the Company at a significant competitive advantage. The Company commissioned assembly of AC IDU (Indoor Unit) along with heat exchanger coil for AC IDU. Clients' engagements are expanding for products

categories like AC's, Washing Machines and Refrigerator.

Expected increase in productivity and profits in measurable terms: The business operations of the company were impacted due to Covid-19. The profit margin is expected to increase in coming years.

**Item No. 5 to 6:**

Pursuant to section 180(1)(c) of the Companies Act, 2013, the Board of Directors of a company cannot, except with the consent of the company by way of special resolution in general meeting, borrow for business purpose of the Company (apart from temporary loans from the company's banker, in the ordinary course of business), such sum(s) of money (in foreign or Indian currency), from time to time with or without which may exceed the aggregate of the paid-up capital, free reserves and securities premium of the company.

Further, as per section 180(1)(a) of the Companies Act, 2013 the Board of Directors of the Company cannot, except with the consent of the company by way of special resolution in general meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings.

Taking into consideration the requirements of additional funds to meet the cost of the company's capital expenditure programs including setting-up new units, technology upgradation, working capital requirements, etc. and therefore consequent need to create charge of any movable or immovable properties or tangible or intangible properties of the Company; the consent of the members is therefore, sought in accordance with the provisions of Section 180(1) (c) and 180(1)(a) of the Companies Act, 2013 to enable the Board of Directors to borrow and create charge for an amount upto Rs. 500 Crores. The existing limit is Rs. 300 Crores.

The Board has recommended the resolution set out in Item No. 5 & 6 for approval of shareholders by way of special resolution.

None of the Directors and their relatives are concerned or interested in the Resolution set out at Item Nos. 5 & 6 of the notice.

Date: 13/08/2020  
Place: Greater Noida

**By Order of Board of Directors of PG Electroplast Limited**  
**(Sanchay Dubey)**  
Company Secretary  
Membership No. A51305

**Details of Director seeking re-appointment at the Annual General Meeting**

Particulars	Mr. Anurag Gupta
Date of Birth	27/05/1969
Education Qualification	Bachelor of Electronics in Computer Engineering & Science
Date of Appointment on the Board	17/03/2003
Category of Director	Whole time, Executive
Area of Expertise/ Work Experience	He has an experience of around 28 years in the field of Electronic Manufacturing Services. He is responsible for development and implementation of technical policies, quality assurance, technological advancement, plant & machinery monitoring and Research & Development.
Names of other Directorships in Public Limited Company	Kushang Technologies Limited
Membership/Chairmanship of Committees of other public Companies	N.A.
Number of shares held in the Company	24,26,201 Equity Shares

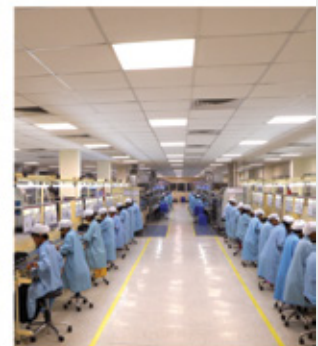
For other details such as number of meetings of the board attended during the year, remuneration drawn and relationship with other directors and key managerial personnel in respect of above director, please refer to the corporate governance report which is a part of the Annual Report.

**Detail of appointment of Mr. Bhawa Nand Choudhary as Managing Director of the Company is mentioned in Item No. 4 of Explanatory statement.**

## NOTES

## NOTES







## **PG ELECTROPLAST LIMITED**

(CIN: L32109DL2003PLC119416)

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