



ANNUAL REPORT
PG Electroplast Limited
11th Annual Report 2012-13

PG ELECTROPLAST LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

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

COMPANY SECRETARY

Mr. Kuntal Kar

REGISTERED OFFICE

B-11, Mahendru Enclave,
Delhi -110 033
Tel-Fax: 91-11-27241326
email: investors@pgel.in

CORPORATE OFFICE

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

REGISTRAR AND SHARE TRANSFER AGENT

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

AUDITORS

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

BANKERS

Standard Chartered Bank
State Bank of India
HDFC Bank

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NOTICE FOR THE ANNUAL GENERAL MEETING

NOTICE is hereby given that ELEVENTH ANNUAL GENERAL MEETING of the members of PG ELECTROPLAST LIMITED (the "Company") will be held on Monday, 30th day of September, 2013 at 10.30 A.M at Guru Kirpa Farms, Palla - Bakhtawarpur Road, G.T. Karnal Road, Village Alipur, Delhi-110 036 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2013 and the Statement of Profit & Loss Accounts for the year ended on that date together with the Auditor's Report and Directors' Report thereon.
2. To re-appoint Mr. Promod Gupta as Director, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To re-appoint Mr. Vikas Gupta as Director, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To re-appoint M/s Chitresh Gupta & Associates, Chartered Accountants, Delhi, as Statutory Auditors of the Company and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

5. APPOINTMENT OF MR. SHARAD JAIN AS DIRECTOR:

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

"RESOLVED THAT Mr. Sharad Jain, who is appointed as an additional Director of the company w.e.f. 09.11.2012, by the Board of Directors under Section 260 of the Companies Act, 1956 and who holds office up to the date of this Annual General Meeting and for the appointment of whom the company has received a notice under Section 257 of the Companies Act, 1956 from him proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

6. RE-APPOINTMENT AND REMUNERATION OF MR. PROMOD GUPTA AS MANAGING DIRECTOR OF THE COMPANY:

To consider and, if thought fit, to pass with or without modification the following resolution as **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of sections 269, 198, 309, 310 and 311 and other applicable provisions, if any and rules and regulations made there under read with Schedule XIII of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), the Company hereby approves re-appointment of Mr. Promod Gupta as Managing Director of the Company, who has attained age of 71 years, for a period of 3 years w.e.f. 15th July, 2013 on the terms and conditions as recommended by the remuneration committee and set out in explanatory statement annexed to the Notice convening this meeting with liberty to Board of Directors to vary/alter at any time the remuneration, terms and conditions of the said appointment in such manner as may be approved by the Board of Directors of the company and is acceptable to Mr. Promod Gupta, without further reference to the company in the general meeting so as not to exceed the limits or ceilings specified in Schedule XIII to the Companies Act, 1956."

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take all such steps as may be necessary, expedient and desirable to give effect to this resolution.”

7. RE-APPOINTMENT AND REMUNERATION OF MR. ANURAG GUPTA AS WHOLE-TIME DIRECTOR OF THE COMPANY:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of sections 269, 198, 309, 310 and 311 and other applicable provisions, if any and rules and regulations made there under read with Schedule XIII of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), the Company hereby approves re-appointment of Mr. Anurag Gupta as Whole-Time-Director of the Company for a period of 3 years w.e.f. 15th July, 2013 on the terms and conditions as recommended by the remuneration committee and set out in explanatory statement annexed to the Notice convening this meeting with liberty to Board of Directors to vary/alter at any time the remuneration, terms and conditions of the said appointment in such manner as may be approved by the Board of Directors of the company and is acceptable to Mr. Anurag Gupta, without further reference to the company in the general meeting so as not to exceed the limits or ceilings specified in Schedule XIII to the Companies Act, 1956.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all such steps as may be necessary, expedient and desirable to give effect to this resolution.”

8. RE-APPOINTMENT AND REMUNERATION OF MR. VISHAL GUPTA AS WHOLE-TIME DIRECTOR OF THE COMPANY:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of sections 269, 198, 309, 310 and 311 and other applicable provisions, if any and rules and regulations made there under read with Schedule XIII of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), the Company hereby approves re-appointment of Mr. Vishal Gupta as Whole-Time-Director of the Company for a period of 3 years w.e.f. 15th July, 2013, on the terms and conditions as recommended by the remuneration committee and set out in explanatory statement annexed to the Notice convening this meeting with liberty to Board of Directors to vary/alter at any time the remuneration, terms and conditions of the said appointment in such manner as may be approved by the Board of Directors of the company and is acceptable to Mr. Vishal Gupta, without further reference to the company in the general meeting so as not to exceed the limits or ceilings specified in Schedule XIII to the Companies Act, 1956.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all such steps as may be necessary, expedient and desirable to give effect to this resolution.”

9. RE-APPOINTMENT AND REMUNERATION OF MR. VIKAS GUPTA AS WHOLE-TIME DIRECTOR OF THE COMPANY:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of sections 269, 198, 309, 310 and 311 and other applicable provisions, if any and rules and regulations made there under read with Schedule XIII of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), the Company hereby approves re-appointment of Mr. Vikas Gupta as Whole-Time-Director of the Company for a period of 3 years w.e.f. 15th July, 2013, on the terms and conditions as recommended by the remuneration committee and set out in explanatory statement annexed to the Notice convening this

meeting with liberty to Board of Directors to vary/alter at any time the remuneration, terms and conditions of the said appointment in such manner as may be approved by the Board of Directors of the company and is acceptable to Mr. Vikas Gupta, without further reference to the company in the general meeting so as not to exceed the limits or ceilings specified in Schedule XIII to the Companies Act, 1956.”

“**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to take all such steps as may be necessary, expedient and desirable to give effect to this resolution.”

10. ALTERATION OF ARTICLES OF ASSOCIATION:

To consider and, if thought fit, to pass with or without modifications, the following as a SPECIAL RESOLUTION:

“**RESOLVED THAT** pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, existing Article 190 of the Articles of Association of the Company be and is hereby substituted as under:

Article 190: Affixing of Common Seal

(a) The common seal shall be affixed to any instrument only by authority of a resolution by Board or Committee.

(b) Subject to Rule 6 of the Companies (Issue of Share Certificate) Rule, 1960 every share certificate shall be issued under the seal of the company, which shall be affixed in the presence of

(i) Two directors or persons acting on behalf of the directors under a duly registered power-of-attorney; and

(ii) The secretary or some other person appointed by the Board for the purpose.

The two directors or their attorneys and the secretary or other person shall sign the share certificate provided that at least one of the aforesaid two directors shall be a person other than a managing or whole-time director.

(c) For every other instrument, common seal of the company shall be affixed by the persons as authorized by the resolution of the Board or Committee thereof authorized in that behalf, and in the presence of (i) at least one director and of the secretary; or (ii) any two directors or persons acting on behalf of the directors under a duly registered Power of Attorney.”

11. APPROVAL FOR ENTERING INTO CONTRACTS WITH RELATED PARTIES:

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

“**RESOLVED THAT** pursuant to approvals by Regional Director (NR), Ministry of Corporate Affairs, under Section 297(1) of the Companies Act, 1956, consent of members be and is hereby given to the Company to enter into contracts

- with M/s Clearvision Industries, M/s J.B. Electronics, M/s PG International for purchase & sale of goods and services availed and provided for all kind of electronic, electrical & automobile plastic components and related goods; and
- with M/s Promod Gupta, for availing of job work services from contractee party for the raw materials provided by the company and in turn receive the finished products;

as per the terms and conditions set out in the agreement entered into with the contractee party (ies) and as approved by the Regional Director(NR).

“RESOLVED FURTHER THAT

- a) the said contracts are competitive, at arm's length, without conflict of interest and is not less advantageous to it as compared to similar contracts with other parties and there is no default in repayment of any of its debts (including public deposits) or debenture or interest payable thereon and has filed its up to date balance sheet and annual return with the Registrar of companies;
- b) the said contracts are falling within the provisions of Section 297 of the Companies Act, 1956 and provisions of Section 198, 269, 309, 314 and 295 are not applicable in the contract; and
- c) the Company and its Directors have complied with the provisions of Section 173, 287, 299, 300 and 301 and other applicable provisions of the Companies Act, 1956 with regards to the said contracts.

By Order of the Board of Directors of
PG ELECTROPLAST LIMITED
Sd/
(Kuntal Kar)
Company Secretary

Place: Greater Noida

Date: 12.08.2013

NOTES:

1. The relevant Explanatory Statements, pursuant to Section 173(2) of the Companies Act, 1956, in respect of business under Item Nos. 5, 6, 7, 8, 9, 10 and 11 above, are annexed hereto. In terms of the requirements of Clause 49 of the Listing Agreement, brief profiles of directors seeking appointment/re-appointment, form part of the Notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF SELFSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting are requested to send a certified copy of their Board Resolution authorizing their representative to attend and vote at the said Annual General Meeting.
4. The Register of Members and Share Transfer Books shall remain closed from Monday 23rd September, 2013 to Monday, 30th September, 2013 (both days inclusive) for the purpose of Annual General Meeting.
5. The Board of Directors of the Company has not recommended any dividend.
6. Members/proxies are requested to produce the Attendance Slip duly signed as per the specimen signature recorded with the Company/Depository Participant for admission to the meeting hall.
7. Members, who hold shares in de-materialized form, are requested to bring their DP I.D. and Client I.D. No(s) for easier identification of attendance at the meeting.
8. The Ministry of Corporate Affairs, Government of India has introduced a 'Green initiative in the Corporate Governance' by allowing paperless compliances by the companies for service of documents to their members through electronic mode, which will be in compliance with Section 53 of the Companies Act, 1956.

In view of the above, the Company has already dispatched two written communications to its members on August 26, 2012 and July 26, 2013 requesting them to register their designated email ID.

However, Members who are desirous of obtaining physical copy of the Notices, Annual Reports and other documents may mail/forward their written request to the Company for the same.

9. Shareholders desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the meeting.
10. Pursuant to Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form No.2B in duplicate (which will be made available on request) to Karvy.
11. For effecting changes in address/bank details/NECS (National Electronic Clearing Services) / ECS (Electronic Clearing Services) mandate, members are requested to notify:
 - (i) Karvy, if shares are held in physical form; and
 - (ii) their respective Depository Participant (DP), if shares are held in electronic form
12. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

By Order of the Board of Directors of
PG ELECTROPLAST LIMITED
Sd/-
(Kuntal Kar)
Company Secretary

ANNEXURE TO NOTICE: I

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

Item No. 5:

Mr. Sharad Jain has been appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 09/11/2012. Pursuant to the provisions of Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company, the term of office of the said Additional Director expires at the ensuing Annual General Meeting of the Company, but is eligible for re-appointment.

The Company has received the notice in writing, pursuant to Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Sharad Jain for the office of Director of the Company.

He is 52 year aged, Chartered Accountant by profession and is a practicing professional. He has a bouquet of 23 years of work experience in the areas of financial and strategic planning, project financing, fund and banking management, taxation, accounting and budgeting, auditing etc. and consulting with manufacturing, real estate and trading companies. He has a strong relationship with banks and financial institutions due to his capabilities in consulting activities in term loans, project finance and working capital requirements of large business houses. He does not hold directorship in any company other than PG Electroplast Limited. Further he does not hold any share in the Company.

None of the Directors other than Mr. Sharad Jain is interested in the Resolution at Item No. 5.

Item Nos. 6, 7, 8 and 9:

The Board of Directors has recommended the names of Mr. Promod Gupta as Managing Director and Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta as Whole-Time Directors of the Company for a period of 3 years effective from 15th July, 2013 on the terms and conditions specified hereunder.

Terms and Conditions:

1. Mr. Promod Gupta has been re-appointed as Managing Director and Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta have been appointed as Whole-Time Directors of the Company for a period of 3 (three) years with effect from 15th July, 2013 till 14th July, 2016.

2. The Managing Director and Whole-Time Director/(s) shall devote their whole time and attention to the business of the Company and carry out such duties as may be entrusted to them by the Board from time to time and exercise such powers as may be assigned to them, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and/or subsidiaries, including performing duties as assigned by the Board from time to time by serving on the Boards of such associated companies and/or subsidiaries or any other executive body or any committee of such a company.

3. The Managing Director and Whole-Time Director/(s) undertake to employ the best of their skills and abilities to make his utmost endeavour to promote the interests and welfare of the Company.

4. Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta declared to the Company that they do not suffer from any of the disqualifications detailed in Sections 267, 274(1) and Schedule XIII of the Companies Act, 1956 and their re-appointments are based on the representations made by them in the said declarations.

5. Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta shall, so long as they continue to be Managing Director/Whole-Time Director/(s) of the Company be paid the following remuneration individually:

REMUNERATION:

BASIC SALARY: Rs. 1,45,000/- per month

PERQUISITES: Perquisites as detailed below are allowed in addition to basic salary.

Part – A

- a) **House Rent Allowance:** Rs. 72,500/- per month
- b) **Transportation Allowance:** Rs. 6,000/-per month
- c) **Uniform Allowance:** Rs. 5,000/- per month
- d) **Medical Expenses Reimbursement:** Reimbursement of medical expenses shall be restricted to Rs. 15,000/- per annum.
- e) **Children Education Allowance:** Rs. 2,000/- per month

Part- B

Provident Fund Employer's Contribution: 12% of earned basic pay towards provident fund.
Reimbursement of telephone expenses for official use as per the rules of company.
Reimbursement of conveyance expenses incurred for official work as per the rules of company.

Part-C

Other Benefits

A) Such other benefits, amenities, facilities and perquisites as per the rules of the company as may be permitted by the Board of Directors, to the Managing Director and Whole-time Director/(s).

B) Managing Director and Whole-time Director/(s) of the Company shall not be paid any sitting fees for attending the meetings of the Board or any Committee/(s) thereof.

Part – D

Minimum Remuneration

Notwithstanding anything to the contrary herein contained where in any financial year during the currency of the tenure of the Managing Director and Whole-time Director/(s), the Company has no profits or its profits are inadequate, the Company will pay to the Managing Director and Whole-time Director/(s) remuneration by way of salary, benefits, perquisites & allowances as specified above.

Part – E

Commission: Such amount for each accounting year as may be decided by the Board subject to the overall limit(s) as provided in the Companies Act, 1956.

Part – F

Termination of Agreement

Before the expiry of 3 years term, this agreement may be terminated by either of the parties only in case of any exigencies and that also only through a written notice of 1 month.

In the event of termination of appointment of Managing Director and Whole-time Director/(s) by the Company he shall be entitled to receive compensation in accordance with the provisions of Section 318 of the Companies Act, 1956.

Part – G

Arbitration

Both the parties hereto shall endeavor to resolve all disputes, amicably and in good faith through mutual dialogue. However all disputes which fail to be resolved in that manner, shall be subject to arbitration, by a sole arbitrator, to be appointed, by chairman of the company, to be conducted as per The Arbitration and Conciliation Act, 1996 at Delhi only. All disputes arising out of this contract/(s) shall be settled exclusively within the courts of Delhi jurisdiction.

6. The terms and conditions of the appointment of the Managing Director may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, irrespective of the limits stipulated under Schedule XIII or any other provisions of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof), or any amendments made hereinafter in this regard in such manner as may be agreed to between the Board and the Managing Director, subject to such approvals as may be required.

STATEMENT CONTAINING INFORMATION AS PER SCHEDULE XIII TO THE COMPAINES ACT 1956:

A. GENERAL INFORMATION

1. Name of the industry: Manufacturing Industry

2. Date or expected date of commencement of commercial production:

The date of commercial production of the company started on 05.10.2003.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable

4. Financial performance based on given indicators:

As per reported Audited Financial Results for the last two years

S. No.	Particulars	As on 31.03.2013 (Rs. in lakh)	As on 31.03.2012 (Rs. in lakh)
1	Turnover & Other Income	30,921.44	22,595.74
2	Profit/(Loss) Before Tax	(879.54)	(857.45)
3	Profit/(Loss) After Tax	(499.72)	(861.84)
4	Net Worth	14,250.20	14,742.59

5. Export Performance and net Foreign Exchange collaborations:

NIL

6. Foreign investment and Collaborators, if any : NIL

B. INFORMATION ABOUT THE APPOINTEES: Please refer to Annexure B of the Notice.

Information regarding job profile and pecuniary relations are given hereunder:

APPOINTEE NO.1 - MR. PROMOD GUPTA

1. Job Profile:

Mr. Promod Gupta heads the Company with his excellent skills of communication, liaisoning 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. His expertise are in the area of production helps improve the operational systems, processes and policies in support of organizational mission. He is a visionary and the company makes use of his knowledge for long term organizational planning and formation of strategies to achieve organizational objectives.

2. Comparative remuneration profile:

Taking into consideration the size of the company, profile of the Mr. Promod Gupta, responsibilities shouldered by him and industry benchmarks the remuneration proposed is reasonable and commensurate with the remuneration package being offered in other companies to managerial persons.

3. Pecuniary relation if any

Mr. Promod Gupta is a Promoter Director of the company. His sons are Mr. Vikas Gupta, Mr. Anurag Gupta and Mr. Vishal Gupta, who are the Directors of the Company. He is proposed to be re-appointed as Managing Director of the company on monthly payment of remuneration. Besides this he has no other pecuniary relation with the company.

APPONTEE NO.2 - MR. ANURAG GUPTA

1. Job Profile:

Mr. Anurag Gupta will establish operations and maintenance routines (preventive, general, and emergency) to service all equipment, develop and supervise completion of all maintenance schedules. Monitor the condition of components and recommend replacement and/or upgrade as required to Research and Development & Quality Assurance Departments. Will develop and execute a long term technology plan, recommend equipment acquisitions and participate in negotiation of equipment purchases and technical service contracts. He will be responsible for development and implementation of all technical policy and procedures and all associated production and post-production services and activities, consistent with guidelines.

2. Comparative remuneration profile:

Taking into consideration the size of the company and profile of Mr. Anurag Gupta, responsibilities shouldered by him and industry benchmarks the remuneration proposed is reasonable and commensurate with the remuneration package being offered in other companies to managerial persons.

3. Pecuniary relation if any

Mr. Anurag Gupta is a Promoter Director of the company. He is the eldest son of Mr. Promod Gupta and brother of Mr. Vishal Gupta and Mr. Vikas Gupta, Directors of the Company. He is proposed to be re-appointed as Whole-Time Director of the company on monthly payment of remuneration. Besides this, he has no other pecuniary relation with the company.

APPONTEE NO.3 - MR. VISHAL GUPTA

1. Job Profile:

Mr. Vishal Gupta will direct annual budgeting and planning process of the organization, Oversee monthly and quarterly assessments and forecasts of organization's financial performance, monitoring cash flows, provide financial and human resources advice and guidance to senior members of team to ensure compliance of

accounts, finance, internal control process, human resource, payroll, personnel & administration and all other corporate law related matters.

2. Comparative remuneration profile:

Taking into consideration the size of the company, profile of Mr. Vishal Gupta, responsibilities shouldered by him and industry benchmarks the remuneration proposed is reasonable and commensurate with the remuneration package being offered in other companies to managerial persons.

3. Pecuniary relation if any

Mr. Vishal Gupta is a director in the company. He is son of Mr. Promod Gupta and brother of Mr. Anurag Gupta and Mr. Vikas Gupta, Directors of the Company. He is proposed to be re-appointed as Whole-Time Director of the company on monthly payment of remuneration. Besides this he has no other pecuniary relation with the company.

APPONTEE NO.4 - MR. VIKAS GUPTA

1. Job Profile:

Mr. Vikas Gupta will ensure functions that the company continues to get good order book position and niche clients remain our client strength. He shall also explore viable new business models and dimensions where the company can create and develop business opportunities. Managing and increasing the operational efficiencies with right product mix to generate more cash flows and increased operating margins to achieve organizational growth and objectives.

2. Comparative remuneration profile:

Taking into consideration the size of the company and profile of Mr. Vikas Gupta, responsibilities shouldered by him and industry benchmarks the remuneration proposed is reasonable and commensurate with the remuneration package being offered in other companies to managerial persons.

3. Pecuniary relation if any

Mr. Vikas Gupta is the director of the company. He is son of Mr. Promod Gupta and brother of Mr. Anurag Gupta and Mr. Vishal Gupta, Directors of the Company. He is proposed to be re-appointed as Whole-Time Director of the company on monthly payment of remuneration. Besides this, he has no other pecuniary relation with the company.

C. OTHER INFORMATION

Finance cost, undersized performance of newly established manufacturing units and increase in depreciation are some of major reasons of loss, but the Company has been trying to increase its gross value of business by expending its customer base and by increasing product mix.

D. DISCLOSURES

Disclosures required under this part have already been included in Corporate Governance Report annexed to Director's Report. Accordingly, the Directors recommend the resolution for your approval.

The resolutions set out under item nos. 6, 7, 8 & 9 of the notice are intended to obtain the approval of the members for the re-appointment of and remuneration to Mr. Promod Gupta, who has attained age of 70 years as Managing Director, Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta as Whole-Time Directors under Sections 269, 198, 309, 310 and 311 read with Part-B of Section II of Schedule XIII to the Companies Act, 1956, for a period of 3 years w.e.f. 15th July, 2013 to 14th July, 2016.

Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta, Directors of the Company are concerned and interested in this resolution.

This notice and Explanatory Statement be treated as an abstract under section 302 of the Companies Act, 1956.

None of the Directors, except Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta, who are related to each other, are in any way, concerned or interested in the passing of this resolution.

The resolutions mentioned in Item Nos. 6, 7, 8 and 9 of the Notice are recommended for your approval as Special Resolutions.

Item No. 10:

The need of amendment in the Articles of Association is for the convenience of performance of the Article 190 of the Articles of Association of the Company in regards to affixing of common seal on various documents and share certificates of the company. Due to urgency of affixation of common seal on the documents and in order to continue the smooth functioning of the company's activities, it is proposed to amend the Articles.

Pursuant to the provisions of Section 31 of the Companies Act, 1956, amendment to the Articles of Association of the Company requires approval of the shareholders by way of Special Resolution.

The resolution mentioned in Item No. 10 of the Notice is recommended for your approval as a Special Resolution.

None of the Directors are in any way, concerned or interested in the passing of this resolution.

Item No. 11:

The Company had applied u/s 297 of the Companies Act, 1956 for approvals of Regional Director (North) for entering into contract with related parties namely, M/s Clearvision Industries, M/s J.B Electronics, M/s P.G International and M/s Promod Gupta. The approvals were granted by Regional Director (NR) for said contracts vide letters dated 29th April 2013 and 2nd May, 2013 subject to post-facto approval of shareholders in general meeting.

Earlier to these approvals Regional Director (NR) had accorded its approval for entering into contract, for a period from 22.10.2010 to 31.03.2013, with said related parties vide letters dated 30/11/2010. The Company has not made any violation of section 297 of the Companies Act, 1956 during that period.

The said partnership firms and the sole proprietorship concern are owned by Mr. Promod Gupta or/and his three sons namely Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta. These firms and proprietorship concern have their own manufacturing setups by which company get its components and finished products produced for the convenience of meeting timeline by the company's high end customers and under complete supervision and surveillance of quality products being produced by these firms and proprietorship concern. Copies of said agreements and approvals received from Regional Director are available for inspection of members at the registered office of the Company during office hours.

The resolution mentioned in Item No. 11 of the Notice is recommended for your approval as an Ordinary Resolution.

None of the Directors, except Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta, who are related to each other, are in any way, concerned or interested in the passing of this resolution.

By Order of the Board of Directors of
PG ELECTROPLAST LIMITED

Sd/-

(Kuntal Kar)

Company Secretary

Place: Greater Noida

Date: 12.08.2013

ANNEXURE TO NOTICE: II

Brief Information about the Directors seeking re-appointment as Managing Director/Whole Time Director*

	Mr. Promod Gupta	Mr. Anurag Gupta
Date of Birth	23/03/1943	27/05/1969
Date of appointment on Board	17/03/2003	17/03/2003
Education Qualification	Bachelor of Engineering and Post Graduate Diploma in Marketing and Sales Management.	B.E. in Computer Engineering and Science.
Area of expertise	He has a very vast experience of more than three decades in the field of electronic manufacturing services, injection moulding and printed circuit boards.	He has 20 years of rich experience in the field of technical supports to new project and R & D of electronic components.
Directorships in other Public Company	N.A.	Kushang Technologies Limited
Membership/ Chairmanship of Committees of other public companies	N.A.	N.A.
Past remuneration	Rs. 2,30,500/- per month	Rs. 2,30,500/- per month
Recognition or awards	Non Specific	Non Specific
Remuneration proposed	As specified in explanatory statement to Notice	As specified in explanatory statement to Notice

	Mr. Vishal Gupta	Mr. Vikas Gupta
Date of Birth	25/09/1972	25/09/1972
Date of appointment on Board	01/05/2010	01/05/2010
Education Qualifications	MBA	MBA
Area of expertise	18 years of rich experience in the field of financial planning, accounting, budgeting and human resource management.	18 years of rich experience in the field of financial planning, accounting, budgeting and marketing.
Name of other Directorships in other Public Company	N.A.	Bigesto Technologies Limited
Membership/ Chairmanship of Committees of other public companies	N.A.	N.A.
Past remuneration	Rs. 2,30,500/- per month	Rs. 2,30,500/- per month
Recognition or awards	Non Specific	Non Specific
Remuneration proposed	As specified in explanatory statement to Notice	As specified in explanatory statement to Notice

*information about Mr. Sharad Jain, who is proposed to be appointed as Director (Independent and Non-Executive) has been given in Explanatory statement.

DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors hereby presents the Eleventh Annual Report together with the audited financial statements for the financial year ended 31st March, 2013.

FINANCIAL RESULTS

The Financial performance for the year ended 31st March, 2013 is summarized below:

(Rs. in Lacs)

Particulars	Standalone Financials		Consolidated Financials	
	2012-13	2011-12	2012-13	2011-12
Revenue from Operations (Net of Excise Duty)	30,264.05	22,182.43	30,264.05	22,182.43
Add: Other Income	657.39	413.31	657.69	413.31
Less: Expenditure	29,765.51	21,938.68	29,765.84	21,938.97
Earnings before Interest, Tax, depreciation and amortization (EBITDA)	1,155.93	657.06	1,155.90	656.77
Less: Depreciation & Amortization Exp.				
Finance Cost	923.12	450.83	923.12	450.82
	1,112.35	1,063.68	1,112.35	1,063.69
Profit/(Loss) before tax	(879.54)	(857.45)	(879.57)	(857.74)
Less: Tax Expenses				
- Income Tax for earlier yrs	-	4.39	-	4.40
- Deferred Tax	(379.82)	-	(379.83)	-
Profit/(Loss) Post Tax	(499.72)	(861.84)	(499.74)	(862.14)

BUSINESS OPERATIONS

On standalone basis, gross revenue from all sources has increased from Rs. 225.96 for year ended 31.03.12 to Rs. 309.21 Crores and EBITDA has increased from Rs. 6.57 crores for year ended 31.03.12 to Rs. 11.56 Crores which were mainly due to increase in product mix and customer base. However increase in depreciation from Rs. 4.51 Crores for previous reporting period to Rs. 9.23 Crore was main cause of net loss Rs. 5.00 Crores for the year ended 31/03/2012.

SUBSIDIARY COMPANY & CONSOLIDATED FINANCIAL STATEMENT

The Board of Directors of the Company has given their consent for not attaching the balance sheet of the subsidiaries and accordingly, the balance sheet, statement of profit and loss and other documents of the subsidiary companies are not being attached with the balance sheet of the Company. However, some key information of the subsidiary companies as required to be provided in terms of the said circular, is disclosed under "Section 212 Report" forming part of this Annual Report.

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

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

DEPLOYMENT OF IPO PROCEEDS:

Given below are the details of utilization of IPO proceeds as on 31st March, 2013:

	Rs. In Crores
Amount raised in FY 2011-12 through Public Issue	120.64
Less: Amount utilized till 31.03.2013	
Utilised for General Corporate Purpose	13.15
Expansion of Phase II of Unit at Greater Noida & Ahmednagar	57.24
IPO Expenses	9.93
Repayment of term loan	1.00
Utilized for Working Capital	8.30
Unutilized Amount at the end of the year	31.02
Investments in Inter Corporate Deposits	26.16
Balance in Escrow Account with Standard Chartered Bank	4.86

There are no material deviations in utilization of IPO proceeds towards Objects of the Issue except increase in expenses in relation to expansion of manufacturing facility of Rs. 6.10 Crores, which was basically on account of change in equipment requirement as per prevailing market and IPO expenses of Rs. 0.93 Crore. These deviations were in line with the disclosures in the Red Herring Prospectus and the Prospectus and the same have also been unanimously ratified by the members in their annual general meeting held on 12.09.2012 as Item No.9 of the Notice circulated to members.

CAPITAL EXPENDITURE

During the year under review the Company has completed Phase-II of the project in March 2013. Accordingly capital work-in-progress amount of Rs. 20.91 Crores has been capitalized to fixed assets which had increased the depreciation during the year. The actual benefits of capacity utilization of increased fixed cost will be reflected in the future years.

DIVIDEND

As the Company has incurred loss in financial year 2012-13, the Board of Directors has not recommended any dividend for the period under review.

RESERVES

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

PUBLIC DEPOSITS

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- 1) That in the preparation of the annual accounts for the financial year ended 31st March, 2013 the applicable accounting standards had been followed along-with proper explanation relating to material departures;
- 2) That the Directors had selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under the review;
- 3) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the Companies Act, 1956 for the safeguarding of the assets of the Company and for preventing and detecting fraud and other irregularities;

4) That the Directors had prepared the accounts for the financial year ended 31st March, 2013 on a going concern basis.

DIRECTORS

During the period under review Mr. Bhawa Nand Choudhary, Independent Director of the Company, resigned from directorship of the Company w.e.f. 17.11.2012. Directors place on record their deep appreciation and wish to thank him for his immense and fruitful contribution during his tenure as Director on the Board.

Further Mr. Sharad Jain has been appointed as an Additional Independent Director of the Company w.e.f. 09.11.2012. His term of office expires at the ensuing Annual General Meeting and being eligible, offers himself for appointment as Director.

Mr. Promod Gupta and Mr. Vikas Gupta who retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Board recommends their appointment for approval in Annual General Meeting.

AUDITORS

M/s. Chitresh Gupta & Associates, Chartered Accountants, Delhi being Statutory Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Your Directors recommend their re-appointment, as set out in the accompanying notice of the Annual General Meeting. A certificate from them confirming compliance of section 224(1B) of the Companies Act, 1956 has also been received by the Company.

STATUTORY DISCLOSURES:

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

A) Conservation of Energy

(a) Energy conservation measures taken:

The Company has made every endeavor to make the company energy efficient and has taken initiatives in simple ways to conserve it. As such, the Company continues to take conscious efforts to minimize energy consumption. As a part of this continuous effort, following steps were taken by the Company towards conservation of energy during the year under review:

- Company is replacing all the T-8 and other conventional lighting with latest state of art energy efficient T-5 and LED lamps and most of them are controlled intelligently with presence and non presence of persons which has resulted in very good power saving initiatives.
- Company has brought in recent energy efficient injection moulding machines which are based on inverter technology and hence consume almost 70% less power as compared to conventional moulding machines which results in huge power saving.
- Company has installed variable frequency drive (VFD) in various motors and pumps including cooling tower at low RMP and we have achieved 30%-35% saving of energy.

(b) Additional investments and proposals:

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

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

(Amount in Rs.)

Electricity	FY 2012-13	FY 2011-12
(a) Purchased		
Units (M. KWH)	8,292,013	6,477,161
Total Amount	54,453,641	36,317,226
Average Rate/ Unit (Rs./KWH)	6.57	5.61
(b) Own Generation		
Through Diesel Generator		
Units (M. KWH)	905,286	710,505
Total Amount	15,705,267	15,957,093
Average Rate/ Unit (Rs./ KWH)	17.35	22.46

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

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

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

C) Foreign Exchange Earnings and Outgo

Foreign Exchange Earnings :NIL

Foreign Exchange Outgo : Rs. 95.22 lakhs (Rs. 93.38 lakhs on account of purchase of Raw Materials, Consumables, Plant & Machinery, etc and Rs. 1.84 lakhs on account of Foreign Travel)

CORPORATE GOVERNANCE:

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

GREEN INITIATIVES IN CORPORATE GOVERNANCE:

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

ACKNOWLEDGEMENT

Your Directors take this opportunity to express their sincere appreciation for the excellent support and co-operation extended by the shareholders, employees, bankers, suppliers, customers and other government and private agencies for their continuous cooperation and faith they have shown in the Company.

For and on behalf of Board of Directors

PG Electroplast Limited

Sd/-

(Promod Gupta)

Chairman & Managing Director

Place: Greater Noida

Date: 12.08.2013

CORPORATE GOVERNANCE REPORT

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

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's corporate governance philosophy is to continuously strive to attain higher levels of accountability, transparency, responsibility and fairness in all aspects of its operations. Our business culture and practices are founded upon a common set of values that govern our relationships with customers, employees, stakeholders, suppliers and the communities in which we operate. Your Company also endeavors to enhance long-term shareholder value.

2. BOARD OF DIRECTORS

Composition and category of Directors

The Company has an equal ratio of Executive and Non-Executive Independent Directors. During the fiscal, there were 8 members in the Board, out of which 4 were Non-Executive and Independent Directors. During the year 2 Independent Directors resigned from the Board, Mr. C.B. Mishra w.e.f. 25.04.2012 and Mr. B.N. Choudhary w.e.f. 17.11.2012. Mr. Devendra Jha, Mr. Ram Dayal Modi and Mr. Kailash Pati Sharma were inducted in the Board as Independent & Non-Executive Directors w.e.f. 02.05.2012. Mr. Sharad Jain was appointed as an Independent Director w.e.f. 09.11.2012.

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

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

Following Table sets forth detailed information on the composition of and attendance in the Board Meeting during the financial year ended 31st March 2013

Name of the Director	Category	Whether attended last AGM	Particulars of Board Meeting		No. of Directorships and Committee the Directors Memberships / Chairmanships in other Public Companies		
			No. of Board Meetings Held	No. of Board Meetings Attended	Other Directorship	Committee Membership	Committee Chairmanship
Mr. Promod Gupta	Executive Director & Promoter	Yes	9	9	-	-	-
Mr. Anurag Gupta	Executive Director & Promoter	Yes	9	9	1	-	-
Mr. Vishal Gupta	Executive Director & Promoter	Yes	9	9	-	-	-
Mr. Vikas Gupta	Executive Director & Promoter	Yes	9	7	1	-	-

Mr. Sharad Jain ^	Non-Executive, Independent	NA	3	2	-	-	-
Mr. Chandra Bhushan Mishra @	Non-Executive, Independent	NA	1	1	-	-	-
Mr. Bhawa Nand Choudhary #	Non-Executive, Independent	Yes	7	4	-	-	-
Mr. Devendra Jha *	Non-Executive, Independent	Yes	8	7	-	-	-
Mr. Ram Dayal Modi *	Non-Executive, Independent	Yes	8	7	2	2	1
Mr. Kailash Pati Sharma *	Non-Executive, Independent	Yes	8	3	-	-	-

He has resigned from the Board w.e.f. 17.11.2012

^ He was appointed on the Board w.e.f. 09.11.2012

@ He has resigned from the Board w.e.f. 25.04.2012

* They were appointed on the Board w.e.f. 02.05.2012

Number of Board Meetings

In the year under review, the Board of Directors met 9 times and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows:

21st April, 2012

4th July, 2012

9th November, 2012

2nd May, 2012

14th August, 2012

7th January, 2013

14th May, 2012

12th September, 2012

14th February, 2013

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

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

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

3. AUDIT COMMITTEE

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

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

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

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

Date of Audit Committee Meeting	Chairman of the Committee
14.05.2012	Mr. Ram Dayal Modi
04.07.2012	Mr. Ram Dayal Modi
14.08.2012	Mr. Ram Dayal Modi
09.11.2012	Mr. Ram Dayal Modi
14.02.2013	Mr. Ram Dayal Modi

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

Name of Members	Category	No. of Meeting Held	No. of Meeting Attended
Mr. Ram Dayal Modi	Independent Director	5	5
Mr. Devendra Jha	Independent Director	5	5
Mr. Sharad Jain#	Independent Director	1	-
Mr. Vishal Gupta	Executive Director	5	5
Mr. Bhawa Nand Choudhary*	Independent Director	4	2

*ceased to be member w.e.f. 17.11.2012

#appointed as member w.e.f. 07.01.2013

Current Status: The Committee was re-constituted on 07.01.2013, now it has four members: Mr. Ram Dayal Modi (Chairman), Mr. Sharad Jain, Mr. Devendra Jha and Mr. Vishal Gupta.

4. REMUNERATION COMMITTEE

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

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

Composition, Name of Members and Chairman:

Name of Director	Nature of Directorship	Status in Committee
Mr. Bhawa Nand Choudhary *	Independent Director	Chairman
Mr. Ram Dayal Modi	Independent Director	Member
Mr. Devendra Jha	Independent Director	Member
Mr. Kailash Pati Sharma #	Independent Director	Chairman

*resigned w.e.f. 17.11.2012

appointed as member and Chairman of the Committee w.e.f 07.01.2013

Current Status: The Committee was re-constituted on 07.01.2013, now it has three members: Mr. Kailash Pati Sharma (Chairman), Mr. Ram Dayal Modi and Mr. Devendra Jha and all of them are Independent Directors.

During the last financial year, no meeting of remuneration Committee took place.

Remuneration Policy:

The Company while deciding the Remuneration Package of Senior management member takes into consideration Managerial Talent, Job Profile, Past Remuneration, Comparative Remuneration of Industry etc.

Non-Executive Directors are not paid any remuneration but paid sitting fees for attending Board and Committee Meetings. The Company pays sitting fees of ₹ 10,000 per person for attending the Meetings of Board and ₹5,000 per person for attending Committee Meetings.

The Company pays remuneration to Managing Directors and Whole Time Directors by way of salary, perquisite, allowance, commission and other benefits as may be decided by Board, Salary is paid within the range approved by Shareholders in General meeting.

Remuneration Paid to Directors

Following table provides detail of remuneration paid to Directors for the Financial Year ended 31.03.2013:

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

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

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

2. Remuneration to Non-Executive Directors:

Name of the Directors	Mr. Bhawa Nand Choudhary	Mr. Chandra Bhushan Mishra	Mr. Kailash Pati Sharma	Mr. Devendra Jha	Mr. Ram Dayal Modi	Mr. Sharad Jain	Total Sitting Fees (in ₹)
Sitting Fees (in ₹)	50,000	15,000	35,000	95,000	95,000	20,000	3,10,000

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

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

Our Shareholders/Investors Grievance-cum-Share Transfer Committee comprises of 3 members. Till 07.01.2013, it was headed by Mr. Kailash Pati Sharma (Independent Director). The Committee was re-constituted on 07.01.2013 with three members, Mr. Sharad Jain (Independent Director and Chairman), Mr. Promod Gupta and Mr. Vishal Gupta.

Mr. Kuntal Kar (Company Secretary) acts as Secretary of the Committee as well as the Compliance Officer pursuant to Clause 47 (c) of the listing agreement for FY 2012-13.

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

From 01.04.2012 to 31.03.2013 status of Investors' Complaints is as follows:

Description	Pending at the Beginning of the Year	Total Received & Redressed	Pending at the End of the Year
SEBI/SCORES	0	0	0
Ministry of Company Affairs	0	0	0
Registrar & Transfer Agent	0	3	0
Direct to Company	0	3	0
Stock Exchanges, CDSL & NSDL	0	0	0
Total	0	6	0

During the period of 01.04.2012 to 31.03.2013, Four (4) meetings of the Committee were held on 21.04.2012, 14.08.2012, 09.11.2012 and 14.02.2013. The Committee in its meeting dated 30th May 2013 expressed satisfaction with Company's performance in dealing with Investors/Shareholders Grievance during the year 2012-13.

Demat/Remat of Shares:

During the period 01.04.2012 to 31.03.2013, 50 (Fifty) Equity Shares were rematerialized on request of a Shareholder.

6. OTHER COMMITTEES OF BOARD:

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

7. GENERAL BODY MEETINGS

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

Financial Year	Date and Time	Venue	Special Resolution Passed
31.03.2012 (10 th AGM)	12.09.2012 at 10:00 A.M.	Guru Kirpa Farms, Palla - Bakhtawarpur Road, G.T. Karnal Road, Village - Alipur, Delhi -110 036	NIL
31.03.2011 (9 th AGM)	14.06.2011 at 10.30 A.M.	Hotel Lalit, Barakhambha Avenue, Connaught Place, New Delhi – 110 001	NIL
31.03.2010 (8 th AGM)	25.08.2010 at 11.00 A.M.	14/39, Shakti Nagar, Delhi-110 007	Four (4) Special Resolutions were passed in the AGM. 1. Appointment and remuneration to Sh. Anurag Gupta as Whole Time Director of the Company 2. Appointment and remuneration to Sh. Vishal Gupta as whole time director of the Company 3. Appointment and remuneration to Sh. Vikas Gupta as Whole Time Director of the Company 4. Public Issue under Section 81(1A) of Companies Act

(ii) Special Resolution passed through Postal Ballot: No special resolution was passed through Postal Ballot during the Financial Year 2012-13. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

8. DISCLOSURES

i. Subsidiary Companies: There is only one wholly owned subsidiary company namely, Diamond Mattress Pvt. Ltd for the period under review. None of the Company's Indian Subsidiary falls under the definition of "material non-listed Indian subsidiary".

ii. Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large: None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of members is drawn to the disclosure of transactions with the related parties set out in Note No. 8 of Other Notes on Accounts, forming part of the Annual Report.

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

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

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

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

The process of investigation initiated by SEBI has been concluded vide order WTM/PS/16/IVD/ID-5/OCT/2012 dated 31.10.2012.

SEBI has further issued Show Cause Notice vide IVD/ID5/SG/MKJ/1427/2013 dated 16th January, 2013. The company and its promoter directors have submitted an exhaustive reply with SEBI dated 8th April, 2013.

SEBI allowed first personal hearing to the company and its promoter directors which was held on 11.07.2013 and written submissions have been submitted by them vide letters dated 19.07.2013.

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

The Company has Remuneration Committee and IPO Committee.

9. MEANS OF COMMUNICATION

- (i) Quarterly/Half-yearly and Annual results: Quarterly/Half yearly/Annual Results of the Company are normally published in 'Financial Express' and 'Jansatta' and are displayed on the Company's website www.pgel.in shortly after its submission to Stock Exchanges. As a part of green initiative, this year the annual report is being sent by email to Shareholders whose email id are registered with the depositories/Registrar/Share transfer agents of the Company. The Annual Report shall also be available at our company's website as mentioned above. The shareholders/members may also request for the physical copy of the Annual Report of FY 2012-13 by emailing us at investors@pgel.in or send us a request letter at our Registered Office or Corporate Office.
- (ii) News Releases, Presentations to Institutional Investors/Analysts: The annual/quarterly results of the Company, shareholding pattern, the official news releases, notifications to the stock exchanges and the presentations made by the Company to analysts and institutional investors, if any, are regularly posted on its website www.pgel.in. The Company is in compliance of Clause 54 of the Listing Agreement.

10. GENERAL SHAREHOLDER INFORMATION:

- i. AGM : Date, Time and Venue:- Monday, 30.09.2013 at 10.30 A.M. at Guru Kirpa Farms, Palla - Bakhtawarpur Road, G.T. Karnal Road, Village Alipur, Delhi – 110 036
- ii. Financial Year : 01.04.2013 to 31.03.2014

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

1st Quarter ended on 30th June, 2013: 12th August 2013

2nd Quarter ended on 30th September, 2013: within 45 days from the close of quarter

3rd Quarter ended on 31st December, 2013: within 45 days from the close of quarter

4th Quarter ended on 31st March, 2014: within 45 days from the close of quarter*

*As provided in Clause 41 of the Listing Agreement, Board may also consider publishing Audited Results for the year ended 2013-14 in lieu of 4th quarter Unaudited Financial Results by 30th May, 2014 or such other period as may be stipulated time to time.

iii. Book Closure Date: Monday, 23rd September 2013 to Monday, 30th September 2013 (both days inclusive)

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

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

Annual Listing Fees for the year 2013-14 has been paid by the Company to BSE and NSE and Annual Custody/ Issuer Fees for the year 2013-14 have been paid by the Company to NSDL and CDSL.

v. Market Price Data: High, Low during each month in last financial year. Data is available from 01.04.2012 to 31.03.2013.

Month	NSE (In Rs.)		BSE (In Rs.)	
	Month's High	Month's Low	Month's High	Month's Low
April 2012	206.00	185.50	206.00	188.00
May 2012	199.70	172.85	196.00	175.15
June 2012	178.25	158.00	180.35	161.05
July 2012	171.45	141.85	164.00	135.55
August 2012	159.75	139.10	159.20	140.05
September 2012	225.25	149.25	224.80	147.30
October 2012	255.20	220.35	255.60	220.00
November 2012	280.70	253.55	280.05	249.75
December 2012	359.70	274.90	361.30	274.90
January 2013	389.35	333.05	389.90	332.90
February 2013	371.05	196.65	367.60	196.75
March 2013	190.50	82.20	192.95	83.10

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

vii. Registrar and Transfer Agents: **KARVY COMPUTERSHARE PRIVATE LIMITED**
PLOT NO. 17 - 24, VITTALRAO NAGAR,
MADHAPUR, HYDERABAD 500081
Tel- 040-23420815-24
Fax:- 040-23420814
Email:- einward.ris@karvy.com

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

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

ix. Distribution of Shareholding:

SHARE HOLDING PATTERN AS ON 31.03.2013				
S. No	Description	No. of Holders	Shares	% Equity
1	Clearing Members	12	60,199	0.37
2	HUF	21	36,808	0.22
3	Bodies Corporate	219	51,69,974	31.50
4	Non Resident Indians	9	300	0.00
5	Promoter Director	4	96,76,122	58.95
6	Promoter Group	4	9,93,210	6.05
7	Resident Individuals	1,212	4,77,719	2.91
	Total	1,481	1,64,14,332	100.00

DISTRIBUTION SCHEDULE AS ON 31.03.2013					
S. No.	Category	No. of Holders	% of Holding	Amount	% of Amount
1	1 – 5,000	1,335	90.14	6,35,680	0.39
2	5,001 – 10,000	33	2.23	2,51,030	0.15
3	10,001 – 20,000	6	0.41	98,700	0.06
4	20,001 – 30,000	5	0.34	1,29,180	0.08
5	30,001 – 40,000	5	0.34	1,78,720	0.11
6	40,001 – 50,000	4	0.27	1,90,240	0.12
7	50,001 – 1,00,000	11	0.74	7,80,940	0.48
8	1,00,001 & Above	82	5.54	16,18,78,830	98.62
	Total:	1,481	100.00	16,41,43,320	100.00

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

(As on 31.03.2013)

S. No.	Mode of Holding	No. of Shares	% of Total Issued Capital
1	NSDL	1,39,79,911	85.17
2	CDSL	24,34,370	14.83
3	Physical	51	0.00
	Total	1,64,14,332	100

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

xii. Plant Locations:

Company has 4 (Four) Manufacturing Facilities:

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

xiii. Address for correspondence:

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

Declaration Regarding Compliance by Board Members and Senior Management Personnel with the Code of Conduct

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

I confirm that the Company has in respect of the financial year ended 31st March, 2013, received from the senior management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

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

For PG Electroplast Limited

Sd/-

(Promod Gupta)

Managing Director

Place: Greater Noida

Date: 12.08.2013

COMPLIANCE CERTIFICATE

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

To the Members of
PG Electroplast Limited

We have examined the compliance of conditions of corporate governance by PG Electroplast Limited, for the year ended on 31st March, 2013 as stipulated in Clause 49 of the listing agreement (s) of the said company with stock exchange(s) in India.

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

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

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

Place: New Delhii

Date: 12.08.2013

For Ashu Gupta & Co.
Practising Company Secretary

Sd/-

Ashu Gupta

Proprietor

C.P. No. 6646

Management Discussion and Analysis

Business Outlook

Growth of Consumer electronics sector is poised for growth as disposable income grows. Also increasing electrification of rural areas would augment demand. During This sector attached significant investment even during recession. Rural market is expected to grow at compound annual growth rate of 25% from US\$2.1 billion in FY10 to US\$6.4 billion in FY15.

The consumer durables sector in India is one that will be passing through some very interesting times. On the one hand there is substantial scope for expansion as the favourable demographics of India are a positive for the sector.

On the other hand there are factors like increasingly expensive raw material as well as competition that will have a detrimental effect on the sector.

But there are issues that the sector will have to face and the rising interest rate regimen is one of the first. Consumer durables are slightly interest rate sensitive. So, the current high interest rate scenario means that some sluggishness in demand can be expected.

But, rising incomes have been pushing up the demand for consumer durables in India and, therefore, it will not be surprising, if demand growth sustains, though at a slightly reduced rate.

Another factor that is going to affect the sector is competition. There is intense competition among players leading to higher ad spends and lesser pricing power, thereby lowering margins. While market leaders in the various categories are emerging, the other companies are finding that it is a tough going.

And the raw material scenario for the sector too is going to be problematic for the sector. Raw materials, as inputs vary as much as there is variety in consumer durables. Some of the main inputs are natural rubber used in tyres, and metals & polymers, which constitute the body and/or the electrical/electronic components.

But with the recent focus of the Government to reduce Current Account Deficit (CAD), Government of India has introduced many steps including liberalized Special Economic Zone (SEZ) policy, capital subsidy for electronic hardware manufacturing and possibility of increasing import duties on electronic components to promote domestic manufacturing of electronic goods in India.

PGEL Outlook

Loss of the CTV business in India on account of non availability of color picture tube is expected to affect the turnover of your Company. To compensate the same, the Company has enhanced the product base and customer mix base. The Company has entered into developing and supply of brown goods such as mixture juicer and grinder for reputed OEM's. The company is aggressively trying to increase its share of business in automobile industry. Your company is also focusing on further strengthening its mould designing and mould making capabilities; this will help company in adding new customers and improve its margins. Your company is also focusing in reducing its operational costs including manpower and finance cost. There has been set backs in last two years, but the management of the company is quite confident of turning around by the end of this year and resume its growth.

Business Risks, challenges & Threat

The Company is mainly manufacturing moulding parts for white goods namely air conditioners, washing machine, Refrigerators etc, where import threat is almost nil because of heavy freight cost and minimal effect of foreign exchange fluctuations. Competition threat in respect of white goods is also low because of inherent strength in respect of volume, quality and timely delivery to major OEMs. Overall demand of white goods such as air conditioners, washing machine, Refrigerators is on increasing trend on account of rural electrification, better power supply in rural areas and global warming. The company has started developing tools for the customers, which will be then used for supplying moulded parts. This will improve the value addition in medium to long term.

Segment-wise Performance

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

Internal Control Systems & their Adequacy

Our management periodically undertakes independent reviews of risks, controls, operations and procedures, identifying control and process gaps and recommending business solutions for risk mitigation. The management assess, evaluate, strengthen and implements good value system from the standpoint of ethical business. The Audit Committee of the Board is headed by a Non-executive Independent Director and ensures independence of the function and transparency of the process. The Audit Committee met five (5) times during the Financial Year 2012-13.

Highlights of Consolidated Results

Revenue:

- **Revenue from Operations:**

During the year under review, the Company achieved revenue from operations (net) of ₹ 302.64 Crores. It was ₹ 221.82 Crores for the year ended 31st March, 2012. The increase in revenue was mainly on account of addition of

products such as washing machine, chasis for TV, bathroom fittings and increase in sale of CFL, parts of Air Condition, parts of washing machine and parts of parts of automobiles.

• **Other Income:**

Other Income for the year ended 31st March, 2013 was ₹ 6.58 Crores as against ₹ 4.13 Crores for the year ended 31st March, 2012. The increase was mainly on account of interest received on Inter Corporate Deposits and commission income.

Expenditure:

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

Cost of raw material and components consumed for the year ended 31st March, 2013 was ₹ 255.07 Crores as against ₹ 185.05 Crores for the year ended 31st March, 2012. The increase was proportionate with the increase in revenue.

• **Employee Benefits expenses:**

Employee Benefits expenses were to the tune ₹ 15.87 Crores during the year, as against ₹ 11.61 Crores during previous year. The increase is on account of hiring of contractual labour on account of higher production and hike in wage rate.

• **Other Expenses excluding expenses incurred for product development:**

During the year under review, other expenses were ₹ 18.63 Crores. It was ₹ 15.26 Crores for the year ended 31st March, 2012. The increased was mainly on account of power and fuel, which increased proportionately with revenue.

Earning before interest, tax and depreciation and amortisation (EBITDA):

This has been increased from ₹ 6.57 crores for the year ended 31st March, 2012 to ₹ 11.56 crores, mainly on accounts of increase in turnover.

Depreciation and Amortisation expenses:

During the year under review, Depreciation and Amortisation expenses amounted to ₹ 9.23 Crores as against ₹ 4.51 Crore for the year ended 31st March, 2012. The increase was on account of depreciation on addition of capex done during the year.

Finance Cost:

Interest and Finance Charges were to the tune of ₹ 11.12 Crores as against ₹ 10.64 Crores for the year ended 31st March, 2012. There are insignificant increase on account of increase in interest cost of CC and bill discounting due to increase in turnover.

Net Profit/(Loss) after tax:

Net Loss of the Company for the current year was ₹ 5.00 Crores as against loss of ₹ 8.62 Crores for the previous year ended 31st March, 2012. Net loss lowered mainly due to deferred tax provisions.

Long term Borrowings (including current maturities):

Particulars	₹ in Crores)	
	FY 2012-13	FY 2011-12
Secured Loans	22.56	38.29
Unsecured Loans	17.38	6.45
Total	39.94	44.74

Repayment of secured loans of Bank has been paid by borrowing unsecured loan form directors & ICD's to the extent of ₹ 10.93 Crores and balance by increase of short term borrowings of ₹ 4.80 Crores which will be paid from the fund lying in escrow account (₹ 4.94 Crores) with SCB.

Human Resources

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

Cautionary Statement

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

INDEPENDENT AUDITOR'S REPORT

To
The Members of
PG Electroplast Limited

Report on the Financial Statements

We have audited the accompanying financial statements of PG Electroplast Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of Statement of Profit and Loss Account, of the profit/ loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements-

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:
- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

CA. Chitresh Gupta
Partner
Membership no.: 098247
Date : 30th May 2013
Place : Delhi

Annexure to Independent Auditors Report

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

i) In respect of its fixed assets:

(a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) According to the information and explanations given to us, all fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.

(c) According to the information and explanations given to us, the Company has not disposed off a substantial part of its fixed assets during the year and hence, going concern status of the company is not affected.

ii) In respect of its inventories:

(a) As explained to us, the inventories have been physically verified by the management at reasonable intervals during the year or at the year-end at all locations of the company. In our opinion the frequency of verification is reasonable.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to information and explanations given to us, the Company has maintained proper records of its inventories. Discrepancies noticed on physical verification of inventories were not material and have been properly dealt with in the books of account.

iii) In respect of the loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:

(a) The Company has not given loans to any parties covered under section 301 of the Companies Act, 1956.

(b) The Company has taken unsecured loans from four directors, firms & other parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs 12,23,60,000 /- and the year-end balance was Rs 16,63,04,000/-.

(c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of loans taken by the company are not, prima facie, prejudicial to the interest of the Company.

(d) The loan of Rs 13,94,04,000 /- has been given by directors on long term basis and repayable after one year and balance loan of Rs 2,69,00,000 /- is repayable on demand and there is no repayment schedule. Loan is taken interest free.

e) In respect of the said loans taken and interest thereon, there are no overdue amounts.

iv) According to the information and explanations given to us, there are adequate internal

control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the internal control systems.

v) In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:

(a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts / arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs 5, 00,000 in respect of each party during the year have been made at prices which appear reasonable as per information available with the Company.

vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of clause (vi) of paragraph 4 of the Order are not applicable to the company.

vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

viii) We have broadly reviewed the books of account maintained by the Company in respect of products where pursuant to the Rules made by the Central Government the maintenance of cost records has been prescribed under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima-facie the prescribed accounts and records have been maintained. However, we are not required to carry out and have not carried out a detailed examination of the records with a view to determine whether they are accurate and complete.

ix) In respect of Statutory dues:

(a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty & cess were in arrears, as at 31st March, 2013 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the details of statutory dues of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty & cess which have not been deposited on account of dispute are given below:

S.No.	Name of the Statute	Nature of Dues	Amount (Rs)	Year to which relates	Forum where dispute is pending
1	Central Excise Act, 1944	Excise Duty	16,626	2006-07	Assistant Commissioner Central Excise
2	Income Tax	Income Tax	36,55,425	2006-07 to 2010-11	Assistant Commissioner of Income Tax
3	Income Tax	Income Tax	4,14,696	2009-10	Assistant Commissioner of Income Tax

- x) The Company does not have accumulated losses as at 31st March 2013 . However, the company has incurred cash losses only during the year 2011-2012 i.e. the year preceding the current financial year but has not incurred any cash loss during current financial year (2012-2013)
- xi) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution or bank or debenture holders during the year.
- xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, provisions of clause (xiii) of Paragraph 4 of the Order are not applicable to the Company.
- xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of Paragraph 4 of the Order are not applicable to the Company.
- xv) According to the information and explanations given to us, the Company has given guarantee for credit facility taken by Bigesto Technologies Limited of Rs 10, 50,00,000 /- from banks. The terms and conditions of which are not prejudicial to the interest of the company.
- xvi) To the best of our knowledge and belief and according to the information and explanations given to us, the term loans availed by the Company were applied for the purposes for which the loans were obtained.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, in our opinion, there are no funds raised on short-term basis which have been used for long term investment.
- xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix) The Company has not issued any debentures during the year. Therefore, the provisions of clause (xix) of Paragraph 4 of the Order are not applicable to the Company.
- xx) According to the information and explanations given to us, the Company has raised a sum of Rs 1,20,64,50,000 /- by way of public issue during the previous year. Out of the said amount Rs 89,62,72,599 /- has been utilized and the balance of Rs 31,01,77,401 /- is unutilized [refer note no. 28(10) of the notes on accounts].
- xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

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

CA. Chitresh Gupta
Partner
Membership no.: 098247
Date : 30th May 2013
Place : Delhi

PG ELECTROPLAST LTD
Balance sheet as at 31st March 2013

		Amount (Rs.)	Amount (Rs.)
	Notes	As at 31st March, 2013	As at 31st March, 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	164,143,320	164,143,320
Reserves and surplus	4	1,260,876,776	1,310,115,554
		<u>1,425,020,096</u>	<u>1,474,258,874</u>
Non-current liabilities			
Long-term borrowings	5	280,110,159	288,792,976
Deferred tax liabilities (Net)	6	0	29,982,560
Long-term provisions	7	9,431,591	8,498,030
		<u>289,541,750</u>	<u>327,273,566</u>
Current liabilities			
Short-term borrowings	8	520,065,883	486,950,567
Trade payables	9	454,661,066	353,106,291
Other current liabilities	10	188,577,437	232,712,028
Short-term provisions	7	1,695,000	644,181
		<u>1,164,999,386</u>	<u>1,073,413,067</u>
Total		<u><u>2,879,561,232</u></u>	<u><u>2,874,945,507</u></u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11	1,431,037,369	1,205,524,686
Intangible assets	11	9,139,224	10,304,800
Capital work-in-progress	11	6,763,038	209,082,223
Non-current investments	12	78,046	3,000,000
Long-term loans and advances	13	137,893,512	279,608,579
Deferred tax assets (Net)	6	8,000,000	0
Trade receivables	14.2	0	40,695,855
Other non-current assets	14.1	50,415,317	1,416,463
		<u>1,643,326,506</u>	<u>1,749,632,606</u>
Current assets			
Current investments	15	261,600,000	295,000,000
Inventories	16	278,551,600	238,811,727
Trade receivables	14.2	353,568,373	177,296,627
Cash and bank balances	17	44,945,841	117,790,659
Short-term loans and advances	13	253,755,837	268,463,053
Other current assets	14.1	43,813,075	27,950,835
		<u>1,236,234,726</u>	<u>1,125,312,901</u>
Total		<u><u>2,879,561,232</u></u>	<u><u>2,874,945,507</u></u>

Significant Accounting Policies 2
Contingent Liability and Commitments 27
Other Notes on Accounts 28
The accompanying notes are an integral part of the Financial Statements.

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

For and on behalf of the board of directors

CA. Chitresh Gupta
Partner
Membership no.: 098247
Place: Greater Noida
Date: 30th May 2013

Promod Gupta
(Managing Director)

Vishal Gupta
[Executive Director]

Kuntal Kar
[Company Secretary]

PG ELECTROPLAST LTD

Statement of Profit and loss for the Year ended 31st March 2013

	Notes	Amount (Rs.) 31st March, 2013	Amount (Rs.) 31st March, 2012
INCOME			
Revenue from operations (gross)	18	3,199,381,469	2,316,177,581
Less: Excise duty		172,976,451	97,934,781
Revenue from operations (net)		3,026,405,018	2,218,242,800
Other income	19	65,738,734	41,331,061
Total revenue (I)		3,092,143,752	2,259,573,861
EXPENDITURE			
Cost of raw material and components consumed	20	2,550,661,808	1,850,520,023
Purchase of traded goods	20.3	101,752,938	85,532,968
Changes in inventories of finished goods, work in -progress	21	-23,300,610	-12,067,176
Employee benefits expense	22	158,744,915	116,129,246
Other expenses	23	186,289,562	152,605,831
Prior period expenses & exceptional items	24A, B	2,402,266	1,147,405
Total (II)		2,976,550,879	2,193,868,297
Earnings before interest, tax, depreciation and amortization (EBITDA) (I)-(II)		115,592,873	65,705,564
Depreciation and amortization expense	25	92,312,366	45,082,363
Finance costs	26	111,234,651	106,368,268
Profit/(loss) before tax		-87,954,144	-85,745,067
Tax expenses:			
Income tax for earlier years		0	439,016
Deferred tax		-37,982,560	0
Total tax expense		-37,982,560	439,016
Profit/(loss) for the year		-49,971,584	-86,184,083

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

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

Basic and Diluted earning per share (3.04) (6.33)

Significant Accounting Policies 2

Contingent Liability and Commitments 27

Other Notes on Accounts 28

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

As per our report of even date

For Chitresh Gupta & Associates

Firm registration number: 017079N

Chartered Accountants

For and on behalf of the board of directors

CA. Chitresh Gupta

Partner

Membership no.: 098247

Place: Greater Noida

Date: 30th May 2013

Promod Gupta

[Managing Director]

Vishal Gupta

[Executive Director]

Kuntal Kar

[Company Secretary]

PG ELECTROPLAST LTD

Cash Flow Statement for the year ended 31st March 2013

	Amount (Rs.)	
	31-Mar-13	31-Mar-12
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	-87,954,144	-85,745,067
Adjustment for:		
Depreciation/amortization	94,321,252	45,082,363
Preliminary expenses written off	21,900	21,900
Loss/(profit) on sale of fixed assets	227,860	425,737
Provision for diminution in value of investment	2,921,954	
Loss on sale of investments	0	595,518
Interest expense	111,234,651	106,368,268
Interest income	-45,292,293	-31,752,059
Operating profit before working capital changes	75,481,180	34,996,659
Movements in working capital:		
Increase/(decrease) in Current Liabilities & Provision	100,254,203	9,789,472
Decrease/(increase) in trade receivables	-135,575,890	151,459,602
Decrease/(increase) in inventories	-39,739,874	-72,217,235
Decrease / (increase) in loans and advances	172,132,378	-335,477,766
Cash generated from / (used in) operations	172,551,997	-211,449,268
Direct taxes paid (net of refunds)	-15,700,094	-21,106,571
Net cash flow from/ (used in) operating activities (A)	156,851,902	-232,555,839
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including intangible assets, CWIP	-133,381,783	-679,865,126
Proceeds from sale of fixed assets	16,804,746	180,000
Proceeds from repayment of ICD & sale of investments	33,400,000	2,904,482
Investment in ICD		-295,000,000
Interest received	29,398,153	5,456,273
Net cash flow from/(used in) investing activities (B)	-53,778,883	-966,324,371
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issuance of share capital & Share premium (Net of IPO exp.)	732,806	1,113,186,630
Proceeds from Long-term borrowings	125,319,054	213,381,630
Repayment of long-term borrowings	-173,215,674	-121,034,934
Short-term borrowings (Net)	33,115,316	160,640,261
Interest paid	-112,870,487	-107,822,305
Net cash flow from/(used in) financing activities (C)	-126,918,985	1,258,351,283
Net Increase/(decrease) in cash and cash equivalents (A + B + C)	-23,845,966	59,471,073
Cash and cash equivalents at the beginning of the year	117,790,659	59,736,050
Cash and cash equivalents at the end of the year	44,945,841	117,790,659
Components of cash and cash equivalents		
Cash on hand	881,500	2,327,743
Cheques/ drafts on hand	0	60,000,000
With banks:		
-on current account	2,894,024	4,329,207
-on deposit account	41,170,317	51,133,709
Total cash and cash equivalents (refer note no. 17)	44,945,841	117,790,659

NOTES

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

- Balance in Escrow account opened as per directives of SEBI		15,177,401
- Margin money deposits	38,108,315	35,956,308

2 Figures in negative/brackets shows Cash outflow

As per our report of even date

For Chitresh Gupta & Associates
Firm registration number: 017079N
Chartered Accountants

For and on behalf of the board of directors

CA. Chitresh Gupta
Partner
Membership no.: 098247
Place: Greater Noida
Date: 30th May 2013

Promod Gupta
[Managing Director]
Kuntal Kar
[Company Secretary]
Vishal Gupta
[Executive Director]

PG ELECTROPLAST LTD

Note to the financial statements for the year ended 31 March 2013

- 1 **Background**
PG Electroplast Limited is an Electronic Manufacturing Services (EMS) provider for original Equipment Manufacturers (OEMs) of consumer electronic products in India. The Company manufacture and / or assemble a comprehensive range of consumer electronic components and finished products such as colour television (CTV) sets & components, air conditioners (ACs) sub-assemblies, DVD players, water purifiers and compact Fluorescent Lamps (CFL), Washing Machine for third parties. As backward integration, the company also do plastic injection moulding and manufacture Printed Circuit Boards (PCB) assemblies for CTVs, DVD players and CFL.
- 2 **Statement of Significant Accounting Policies**
- i) **Basis of Preparation**
The financial statements have been prepared under the historical cost convention on accrual basis in accordance with generally accepted accounting principles (GAAP) and the Accounting Standards notified by the Central Government of India under Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.
- ii) **Use of Estimates**
The preparation of financial statements in conformity with GAAP requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenue and expenses, assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.
- iii) **Revenue Recognition**
- (a) **Sale of goods:** Sales are recognised when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognised net of trade discounts, rebates and sales tax/ value added tax. The excise duty recovered is presented as a reduction from gross turnover. Sales returns are recognised on receipt of finished goods in the factory.
- (b) **Sale of Services:** In contracts involving the rendering of services, revenue is measured using the proportionate completion method and are recognised net of service tax.
- (c) Interest income is recognized on accrual basis.
- (d) Dividends income is recognised when the right to receive dividend is established.
- iv) **Fixed Assets and Depreciation**
- Tangible Assets**
- (a) Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying fixed assets upto the date the assets are ready for use. Where the acquisition of fixed assets are financed through long term foreign currency loans (having a term of 12 months or more at the time of their origination) the exchange differences on such loans are added to or subtracted from the cost of such fixed assets. In respect of new projects, all cost including borrowing cost incurred upto the date of commencement of commercial production or when related asset is put to use are capitalised.
- (b) Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

- (c) Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets are recognised in the Statement of Profit and Loss.
- v) **Depreciation**
- (a) "The depreciation on assets acquired/sold/discarded/demolished during the year is provided from/upto themonth the asset is commissioned/sold or discarded."
- (b) Depreciation is charged on straight line method (SLM) at the rates prescribed in Schedule XIV of the Companies Act, 1956.
- (c) Lease hold land is amortized over lease period.
- vi) **Intangible Assets**
- (a) Intangible assets are recognised as per the criteria specified in the Accounting Standard (AS) 26 "Intangible Assets" and are amortised on straight line basis as follows:

	Period of Amortisation
Computer Software	6 year
Product Development	10 year

vii) **Inventories**

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

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

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

viii) **Investments**

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

ix) **Borrowing Costs**

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

x) **Employee Benefits**

(a) **Short Term Employee Benefits**

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

(b) Long Term Employee Benefits

Defined Contribution Plan

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

The Company operates the following defined contribution plan.

- Provident Fund Plan & Employee Pension Scheme.

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

- Employee State Insurance

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

(c) Defined benefit plan

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

- Gratuity

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

- Earned Leaves

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

xi) **Foreign Currency Transactions**

Initial Recognition

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

Subsequent Recognition

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

Exchange Differences

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

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

xii) **Government Grants**

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

- xiii) **Current and deferred tax**
- (a) Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current Tax on income is determined on the basis of taxable income computed in accordance with the applicable provisions of the Income Tax Act, 1961.
- (b) Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised except in case of unabsorbed depreciation or carry forward of losses under Income Tax Act, 1961, deferred tax asset is recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the company reassesses unrecognised deferred tax assets, if any.
- xiv) **Lease Accounting**
Operating lease payments are recognized as an expense in the Profit and Loss account on accrual basis.
- xv) **Miscellaneous Expenditure**
Preliminary expenditure is amortized over a period of 10 years.
- xvi) **Impairment of Assets**
Impairment of individual assets / cash generating unit (a group of assets that generates identified independent cash flows) is identified using external and internal sources of information and impairment loss if any, is determined and recognised in accordance with the Accounting Standard (AS) 28 "Impairment of Assets".
- xvii) **Segment Reporting**
The company operates in a single segment of Electronics goods and components and therefore the disclosure requirements as per Accounting Standard 17 "Segment Reporting" is not applicable to the company.
- xviii) **Provisions, Contingent liabilities and Contingent Assets**
Provisions: Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.
Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.
Contingent Assets : Contingent assets are neither recognised nor disclosed.

PG ELECTROPLAST LTD

Notes to Financial Statements for the year ended 31st March, 2013

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

3 SHARE CAPITAL	Amount (Rs.)	
	As at 31st March, 2013	As at 31st March, 2012
Authorized shares		
2,50,00,000 (31 March 2012: 2,50,00,000) equity shares of Rs.10/- each	250,000,000	250,000,000
Issued, Subscribed and Paid-up shares		
1,64,14,332 (31 March 2012: 1,64,14,332) equity shares of Rs.10/- each	164,143,320	164,143,320
Total	164,143,320	164,143,320

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

Equity shares:	As at 31st March, 2013		As at 31st March, 2012	
	No of shares	Amount (Rs.)	No of shares	Amount (Rs.)
At the beginning of the year	16,414,332	164,143,320	10,669,332	106,693,320
Issued during the year - IPO	0	0	5,745,000	57,450,000
Outstanding at the end of the year	16,414,332	164,143,320	16,414,332	164,143,320

3.2 Terms/rights attached to equity shares

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

3.3 Shares allotted as fully paid up by way of bonus shares (during five years immediately preceding March 31, 2013):

	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
Equity shares allotted as fully paid up bonus shares by capitalization of Security premium	-	-	-	7112888	-

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

	As at 31st March, 2013		As at 31st March, 2012	
	No of shares	% holding	No of shares	% holding
Equity shares of Rs.10 each fully paid				
Mr. Promod Gupta	4,016,166	24.47%	4,016,166	24.47%
Mr. Anurag Gupta	1,514,222	9.22%	1,514,222	9.22%
Mr. Vishal Gupta	2,075,012	12.64%	2,075,012	12.64%
Mr. Vikas Gupta	2,070,722	12.62%	2,070,722	12.62%

4 Reserves and surplus

	Amount (Rs.)	
	As at 31st March, 2013	As at 31st March, 2012
Security Premium Account		
Balance as per the last financial statements	1,090,298,900	41,370,680
Add: Premium on Issue of IPO	0	1,149,000,000
Less: Amounts utilized toward IPO expenses #	-732,806	100,071,780
Closing Balance	1,091,031,706	1,090,298,900

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

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

	2013	2012
Balance as per last financial statements	219,816,653	306,000,736
Profit/(loss) for the year	-49,971,584	-86,184,083
Net surplus in the statement of profit and loss	169,845,069	219,816,653
Total reserves and surplus	1,260,876,776	1,310,115,554

5 Long-term borrowings

	Non-current portion		Current maturities	
	As at	As at	As at	As at
	31st March, 2013	31st March, 2012	31st March, 2013	31st March, 2012
Secured				
Term Loan:				
From banks:-				
- State Bank of India	0	19,990,000	19,990,000	18,201,323
- Standard Chartered Bank	102,914,334	166,379,781	55,472,250	56,016,053
- Vehicle loans from ICICI Bank, HDFC Bank, Axis Bank	3,588,155	2,062,409	3,076,962	3,422,556
Buyers Credit from banks for capital goods:-				
- State Bank of India	0	0	0	9,809,700
- Standard Chartered Bank	0	36,684,406	40,075,338	69,223,568
From others:-				
- Vehicle loans from Tata Capital Limited	0	488,289	488,289	599,216
Unsecured				
Unsecured loans from directors	139,404,000	59,300,000	0	0
Unsecured loans from other	34,000,000			
Deferred Payment Against Leasehold land	203,670	3,888,090	234,819	1,279,044
Total	280,110,159	288,792,976	119,337,658	158,551,460
The above amount includes :				
Secured borrowings	106,502,489	225,604,886	119,102,838	157,272,416
Unsecured borrowings	173,607,670	63,188,090	234,819	1,279,044
	280,110,159	288,792,976	119,337,658	158,551,460
Amount disclosed under the head "other current liabilities" (refer note no.10)	0	0	119,337,658	158,551,460
Net amount	280,110,159	288,792,976	0	0

Term Loan from State Bank of India

- 5.1 a. Term loans from State Bank of India are secured by way of first hypothecation and mortgage charge over entire fixed assets & moveable assets present and future including Equitable Mortgage of property situated at plot no- P-4/2, 4/3, 4/4, 4/5 site-B, Surajpur, Greater Noida of factory Land & Building of the Company & Personal guarantee of directors i.e. Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vikas Gupta and Mr. Vishal Gupta and;
- b. Collateral Security:- Second charge on entire current assets of Unit I & II of the company and;
- c. Mortgage of leasehold rights for 29 years (valid upto May 2036) of factory land measuring 11370 sq.mtr of PG Electronics (Partnership firm) & of land measuring 3390 sq.mtr. of Sh. Vishal Gupta at village- Raipur, Pargana Bhagwanpur, Roorkee and;
- d. Corporate Guarantee of M/s Kushang Technologies Limited & Guarantee of PG Electronics (Partnership Firm).
- e. Outstanding term loan of Rs 19.99 million (previous year Rs 38.19 million) as on reporting date is repayable in 12 (previous year : 24) monthly instalments upto March 2014 alongwith interest at the rate of "base rate" + 4.10% p.a.

Term Loan from Standard Chartered Bank

- 5.2 a. Term loans from Standard Chartered Bank are secured by way of exclusive charge over land, Building, Plant & Machinery, stocks, receivable at E-14 & E-15, Site-B, UPSIDC, Surajpur Industrial Area, Greater Noida, U.P. & at A-20/2, MIDC Supa, District- Ahmandnagar Maharashtra & Personal Guarantee of directors i.e. Mr. Anrang Gupta, Mr. Vikas Gupta and Mr. Vishal Gupta and;
- b. Exclusive Charge on property no. D-37, Hoslery Complex, Phase -II, Noida, U.P. owned by Hansali Import (P) Ltd & Unit-II, Tower A, Lobe-2, 2nd floor, Unit-I Tower A Lobe-1, 6th floor & Unit-II Tower A Lobe-1, 6th floor situated at plot no. A-41, Institutional Area, Sector 62, Noida, U.P. Owned by T.V. Palace (Partnership Firm).
- c. Corporate Guarantee of M/s Kushang Technologies Limited & Guarantee of PG Electronics (Partnership Firm).
- d. Outstanding term loan of Rs 158.38 million (previous year Rs 222.396 million) as on reporting date is repayable in 49 equal monthly installments commencing from the end of 12th month from disbursement alongwith interest @ 13.10% p.a. for Rs 16.15 million, 13.10% p.a. for Rs 37.04 million, 13% p.a. for Rs 62.45 million, 12.90% p.a. for Rs 26.25 million, 13.15% p.a. for Rs 8.16 million and 14.25% p.a. for Rs 8.33 million.

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

- 5.4 Buyer's Credit for capital goods from State Bank of India was repayable in single installment after six month from the date of buyer's credit along with interest at the rate of LIBOR plus bank margin and had been repaid during the reporting year.

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

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

- 5.5 Unsecured loans from directors of Rs 139.404 million (previous year Rs 59.30 million) was given by directors on long term basis and are interest free.

- 5.6 Unsecured loans from others of Rs 34.0 million (previous year Rs NIL) was given on long term basis and carries a interest rate of 13%.
- 5.7 Deferred payment against leasehold land Includes Rs 0.43 million to UPSIDC against Plot no-P-4/6 Site- B Surjapur and is payable in 10 equal half yearly installments of Rs.0.101 million each, starting from July 2010 along with interest @ 14% p.a.
- Deferred payment include Rs NIL. (previous year Rs 4.18 million) payable to New Okhla Industrial Development Authority against Plot no A-147, Sector-136. Noida. The Company has sold the leasehold land during the year.

5.8 Vehicle loans

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

Bank Name	Amount outstanding as on 31st March 2012 Rs. (Million)	Amount outstanding as on 31st March 2013 Rs. (Million)	Repayment terms- Total number of EMI & amount of EMI per month	Vehicles no hypothecated as security for loan	Type of Vehicle
From ICICI Bank	0.47	0.12	36 EMI of Rs. 0.03 Million	Reg. No. DL1CM2241	Car
	0.19	0.05	36 EMI of Rs. 0.01 Million	Reg. No. UP17E3313	Car
	0.19	0.05	36 EMI of Rs. 0.01 Million	Reg. No. UK0850063	Car
From HDFC Bank Ltd.	1.28	0	36 EMI of Rs. 0.11 Million	Reg. No. DL1CM1809	Car
	0.00	0.42	36 EMI of Rs. 0.016 Million	Reg. No. DL3CBC 7822	Car
	0.00	0.42	36 EMI of Rs. 0.016 Million	Reg. No. DL3CBC 7921	Car
From AXIS Bank Ltd.	0.18	0	36 EMI of Rs. 0.03 Million	Reg. No. DL1CM513	Car
	0.07	0	36 EMI of Rs. 0.01 Million	Reg. No. DL3CBF 7608	Car
	0.29	0.18	36 EMI of Rs. 0.01 Million	Reg. No. DL3CB7291	Car
	0.29	0.18	36 EMI of Rs. 0.01 Million	Reg. No. DL3CB7292	Car
	0.29	0.18	36 EMI of Rs. 0.01 Million	Reg. No. DL3CB7293	Car
	0.29	0.18	36 EMI of Rs. 0.01 Million	Reg. No. DL3CB7294	Car
	0.29	0.18	36 EMI of Rs. 0.01 Million	Reg. No. DL3CB7295	Car
From HDFC Bank Ltd.	0.43	0.24	36 EMI of Rs. 0.02 Million	Reg. No. UP16AT2211	Commercial Vehicle
	0.43	0.24	36 EMI of Rs. 0.02 Million	Reg. No. UP16AT2212	Commercial Vehicle
	0	0.47	36 EMI of Rs. 0.02 Million	Reg. No. UP16BT1125	Commercial Vehicle
	0	0.47	36 EMI of Rs. 0.02 Million	Reg. No. UP16BT1126	Commercial Vehicle
	0	0.62	36 EMI of Rs. 0.029 Million	Reg. No. UP16BT3702	Commercial Vehicle
	0	0.62	36 EMI of Rs. 0.029 Million	Reg. No. UP16BT3703	Commercial Vehicle
	0.58	0.35	36 EMI of Rs. 0.02 Million	Reg. No. MH16AE7217	Commercial Vehicle
	0.21	0.13	36 EMI of Rs. 0.01 Million	Reg. No. MH16AJ4906	Commercial Vehicle
	0	0.79	48 EMI of Rs. 0.02 Million	Reg. No. MH16AY0923	Commercial Vehicle
	0	0.79	48 EMI of Rs. 0.02 Million	Reg. No. MH16AY0924	Commercial Vehicle
Vehicles Loan from others					
From TATA Capital Ltd.	0.45	0.20	36 EMI of Rs. 0.02 Million	Reg. No. DL1CM2916	Car
	0.64	0.29	36 EMI of Rs. 0.03 Million	Reg. No. DL8CL8973	Car
Total	6.57	7.16			

6 Deferred tax (net)

	As at 31st March, 2013	Amount (Rs.) As at 31st March, 2012
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	91,320,384	52,540,820
Gross deferred tax liability	91,320,384	52,540,820
Deferred tax assets		
Disallowance under section 43B of the Income Tax Act, 1961	2,579,844	2,134,315
Carried forward loss and unabsorbed depreciation	96,740,540	20,423,945
Gross deferred tax assets	99,320,384	22,558,260
Deferred Tax (net)	8,000,000	29,982,560

7 Provisions	Amount (Rs.)			
	Non-current		Current	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
Provision for employee benefits				
Provision for gratuity [refer note no. 28(3)]	3,842,721	4,375,865	564,630	0
Provision for leave benefits [refer note no. 28(3)]	5,588,870	4,122,165	1,130,370	644,181
Total	9,431,591	8,498,030	1,695,000	644,181

8 Short-term borrowings	Amount (Rs.)			
	Secured		Unsecured	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
Secured				
Working capital loans are repayable on demand from banks:-				
- Cash Credit Limit from State Bank of India			342,630,355	340,851,478
- Overdraft from Standard Chartered Bank			57,519,485	46,757,988
- Buyers Credit for raw materials from State Bank of India			0	8,709,980
Total Secured			400,149,840	396,319,446
Unsecured				
Bill discounting from banks:-				
- HDFC Bank			59,920,758	38,325,374
- Standard Chartered Bank			19,781,242	23,771,747
LC discounting from State Bank of India			13,314,043	
Unsecured loans from directors			26,900,000	28,534,000
Total Unsecured			119,916,043	90,631,121
Total			520,065,883	486,950,567

8.1 Cash Credit Limit from State Bank of India

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

8.2 Overdraft from Standard Chartered Bank (SCB).

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

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

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

8.5 LC discounting from State bank of India represents ILC issued by Central Bank of India for supply of air coolers to M/s Videocon Industries Limited and discounted by the company.

9 Trade Payables	Amount (Rs.)	
	As at 31st March, 2013	As at 31st March, 2012
	Trade payables [refer note no. 28(11)]	287,660,071
Acceptances:		
Letter of Credit from State Bank of India	167,000,995	146,912,668
Total	454,661,066	353,106,291
10 Other Current liabilities		
Current maturities of long-term borrowings [Refer note no. 5]	119,337,658	158,551,460
Interest accrued but not due on borrowings	627,752	505,573
Interest accrued and due on borrowings	985,131	2,743,146
Advance from customers	3,200,330	573,518
Expenses payable	4,844,671	4,167,185
Audit fee payable	353,932	270,000
Capital goods Creditors	10,117,826	22,762,960
Expenses Creditors	25,669,314	16,085,180
Security from service provider	125,000	125,000
Wages & salary payable	6,492,027	5,469,905
Statutory dues:-		
- Excise duty payable on finished goods	3,728,455	1,083,117
- Service tax payable	718,357	51,608
- TDS payable	1,302,900	1,305,628
- ESI Payable	117,011	105,332
- PF payable	766,715	829,410
- Bonus payable	1,293,927	1,351,910
- CST, Wct & Vat payable	8,636,276	16,648,901
- Professional tax payable	19,975	19,375
- Wealth Tax Payable	240,181	62,820
Total	188,577,437	232,712,028

Sl. NO.	Description	Gross Block						Depreciation			Net Block	
		As at 01-04-2012	Additions	Sale/ Disposals	Other adjustments		As at 01-04-2012	For the year	Disposals/Adjustment	As at 31-03-2013	As at 31-03-2013	As at 31-03-2012
					Exchange differences	Borrowing costs						
a)	Tangible assets											
1	Land - Leasehold	47,547,128	3,929,234	12,124,203	0	0	39,352,159	0	2,451,758	0	36,900,401	47,547,128
2	Buildings	446,459,764	3,789,087	3,956,875	0	0	446,291,976	0	14,794,518	35,609,031	410,682,945	423,645,281
3	Plant and machinery	754,875,165	300,017,443	247,999	5,199,835	0	1,059,844,844	0	69,987,344	150,785,197	909,059,647	674,075,159
4	Electric installation	32,191,544	14,172,091	0	0	0	46,363,635	0	2,005,798	6,072,380	40,291,255	28,124,962
5	Furniture and fixtures	8,283,011	340,942	0	0	0	8,623,953	0	494,017	2,625,683	6,000,270	6,151,345
6	Vehicles	23,220,088	7,504,196	1,331,080	0	0	29,391,204	0	2,330,411	624,996	22,536,508	18,118,888
7	Office equipment	9,202,384	746,140	0	0	0	9,948,525	0	1,091,821	4,432,262	5,516,263	5,961,943
	Total-Tangible assets	1,321,779,084	330,501,133	17,653,737	5,199,835	0	1,639,820,295	0	93,155,676	627,148	1,431,037,369	1,205,524,883
	Previous Year	687,370,974	615,712,796	910,009	18,478,730	5,126,593	1,321,779,084	44,434,318	304,272	116,254,398	1,205,524,685	615,246,622
b)	Intangible assets											
1	Product development expenditure	10,033,950	0	0	0	0	10,033,950	0	1,003,395	0	8,528,858	9,532,253
2	Computer software	1,000,502	0	0	0	0	1,000,502	0	162,181	0	610,366	772,547
	Total-Intangible assets	11,034,452	0	0	0	0	11,034,452	0	1,165,576	0	9,139,224	10,304,800
	Previous Year	870,502	10,163,950	0	0	0	11,034,452	0	648,045	0	10,304,800	788,895
c)	Capital Work-in-progress	209,082,223	19,126,319	221,445,504	0	0	6,763,038	0	0	0	6,763,038	209,082,223
	Previous Year	174,699,165	224,838,278	190,451,220	0	0	209,082,223	0	0	0	209,082,223	164,817,346
	Total-Current Year	1,541,895,758	349,627,452	239,105,261	5,199,835	0	1,657,617,784	0	94,331,252	627,148	1,446,939,630	1,424,911,708
	Total-Previous Year	862,940,641	850,713,024	191,383,229	18,478,730	1,126,593	1,541,895,758	45,082,363	304,272	116,984,050	1,424,911,708	780,852,865

Notes:

1 The Ministry of Corporate Affairs (MCA) has issued the amendment dated 29 December 2011 to AS 11 The Effects of Changes in Foreign Exchange Rates, to allow companies deferral/capitalization of exchange differences arising on long-term foreign currency monetary items. In accordance with the amendment/earlier amendment to AS 11, the company has capitalized exchange loss, amounting to Rs.5.20 million (31 March 2012: exchange loss Rs.18.48million) to the cost of plant and machinery.

2 In the Current year, the Company has amortised the cost of leasehold land over the period of lease with retrospective effect. The leasehold land amortization of Rs.24,51,758 /-(including Rs.20,08,886 /- relating to prior periods) has been debited to the statement of profit and loss account.

12 Non-current investments

	As at 31st March, 2013	As at 31st March, 2012
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity shares		
Investment in subsidiaries		
1000 (31 March 2012: 1000) Equity shares of Rs.100 each fully paid-up in Diamond Mattress Company Private Limited	3,000,000	3,000,000
Less - Provision for diminution in the value of investment	2,921,954	0
Total	78,046	3,000,000
Aggregate amount of quoted investments	0	0
Aggregate market value of quoted investments	0	0
Aggregate amount of unquoted investments	78,046	3,000,000

13 Loans and advances

	Non-Current		Current	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
Unsecured, considered good				
Capital advances	126,467,199	267,756,986	0	0
Security deposit	11,175,388	11,138,285	6,062,250	6,116,028
Advance Recoverable In Cash or Kinds:				
TDS receivable FY 2012-13	0	0	15,700,094	0
Income Tax Refund 2007-08	0	0	1,165,813	1,165,813
Income Tax Refund 2010-11	0	0	250,287	419,704
Income Tax Refund 2011-12	0	0	17,083,804	16,786,385
Advance to trade suppliers *	0	0	83,229,728	105,509,048
Advance for expenses	0	0	2,003,767	1,600,193
Advance Recoverable	0	0	11,242,182	5,238,913
Other Loans and Advances:	0	0	0	0
Prepaid expenses	0	0	4,012,085	3,682,929
Loans to employees	0	0	1,460,027	2,110,487
Balances due from Statutory Government Authorities -	250,925	713,308	111,545,800	125,833,553
Total	137,893,512	279,608,579	253,755,837	268,463,053

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

14 Trade receivables and other assets

14.1 Other assets

	Non-Current		Current	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
Unamortized expenses-Pre IPO expenses & Preliminary expenses	-	-	0	21,900
Interest accrued on deposits	-	-	1,551,123	1,863,690
Interest accrued on investments	-	-	35,420,670	20,420,629
Interest accrued on other	-	-	6,841,282	5,634,616
Margin money / FDR with banks originally more than twelve months etc. [refer note no. 17]	50,415,317	1,416,463	0	0
Earnest money deposits	-	-	0	10,000
Total	50,415,317	1,416,463	43,813,075	27,950,835

14.2 Trade receivables

	Non-Current		Current	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment	-	40,695,855	21,019,478	3,717,260
Other receivables	-	-	332,548,896	173,579,368
Total	0	40,695,855	353,568,373	177,296,627

Trade receivables include:

Dues from company in which the company's executive director is a director
Bigesto Technologies Limited

Current	
As at 31st March, 2013	As at 31st March, 2012
0.00	1,386,366

15 Current investments

Amount (Rs.)

	As at 31st March, 2013	As at 31st March, 2012
Other Investments		
Inter Corporate Deposits*	261,600,000	295,000,000
Total	261,600,000	295,000,000

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

S.No	Name of Bodies Corporate	Relationship	Amount (in Millions)	
			As At 31st March 2013	As At 31st March 2012
1	Raw Gold Securities Pvt. Ltd.	Seprate Legal Entity	70.0	70.00
2	Saptrishi Suppliers Pvt. Ltd.	Seprate Legal Entity	140.0	140.00
3	Watkins Commerce Pvt. Ltd.	Seprate Legal Entity	51.6	85.00
			261.6	295.0

The company has issued notice to all the above parties for calling back ICD of Rs. 310 millions to comply with the SEBI Directions, out of which Rs. 15.0 million and Rs 33.40 million had been received during financial year 2011-12 and 2012-13 respectively. This amount of Rs 48.40 million had been deposited in Escrow account maintained with Standard Chartered Bank as per directions of SEBI. The balance amount of Rs 261.60 million is yet to be received by the company.

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

Amount (Rs.)

	As at 31st March, 2013	As at 31st March, 2012
Raw materials and components	197,845,797	172,547,127
Stock in transit -raw materials	11,142,932	13,508,095
Work-in-progress	32,552,297	27,126,344
Finished goods	35,927,238	18,052,580
Stock in transits -finished goods	0	5,915,425
Stores & spares	563,618	429,710
Other- diesel	519,718	1,232,446
Total	278,551,600	238,811,727

17 Cash and bank balances

Amount (Rs.)

	Non-current		Current	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
Cash and Cash Equivalents				
Balance with banks:-				
- State Bank of India, Delhi			69,851	245,434
- State Bank of India, Noida			402,877	1,696,719
- State Bank of India, Supa at Pune			151,607	-214,957
- State Bank of India -Employee Group Gratuity trust fund, Noida			14,427	13,146
- State Bank of India -Roorkee			73,537	37,354
- Standard Chartered Bank, New Delhi			1,912,690	2,227,245
- HDFC Bank Ltd., Noida			70,930	143,584
- ICICI Bank Ltd, Noida			185,271	167,848
- Bank of Baroda, Noida			12,834	12,834
Cheques, Drafts on hand:-				
- Cheques in hand			0	60,000,000
Cash on hand:-				
- Cash in hand			881,500	2,327,743
Total (A)	0.00	0.00	3,775,524	66,656,950
Other bank balances				
Balance under lien/margin/kept as security etc:				
- Margin money originally maturity more than 12 months		1,416,463	0	13,856,308
- Margin money originally maturity more than 3 months & upto 12 months *			38,108,315	22,100,000
Other balances				
- Fixed deposit originally maturity more than 12 months	875,000		3,062,002	0
- Standard Chartered bank -Escrow a/c, Gurgaon **	140,317		0	15,177,401
- Fixed deposit in Escrow a/c with SCB **	49,400,000		0	0
Total (B)	50,415,317	1,416,463	41,170,317	51,133,709
Amount disclosed under margin money / fixed deposit originally more than 12 months etc. shown under non-current assets (refer note no. 14.1) - (C)	50,415,317	1,416,463		
Total (A+B-C)	0.00	0.00	44,945,841	117,790,659

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

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

18 Revenue from Operations

	Amount (Rs.)	
	As at 31st March, 2013	As at 31st March, 2012
Sale of Products:		
- Finished goods	3,069,746,211	2,216,487,996
- Traded goods	116,295,460	93,804,409
Income from services	3,953,884	2,296,758
Stock transfer/ Interunit Income	0	0
Other operating revenue:		
- Scrap sales	9,385,914	3,588,418
Revenue from operations (gross)	3,199,381,469	2,316,177,581
Less: Excise duty	-172,976,451	-97,934,781
Revenue from operations (net)	3,026,405,018	2,218,242,800

18.1 Details of Products Sold

	Amount (Rs.)	
	As at 31st March, 2013	As at 31st March, 2012
Finished goods sold		
Colour Television	1,216,058,831	1,080,418,737
DVD	280,945	0
CFL	325,788,899	201,408,774
Washing Machine	136,380,331	0
Water Purifier	276,035	23,324,533
Air Cooler	19,055,360	
Chasis For Ctv	24,593,391	0
Plastic Parts		
Colour Television	383,426,642	509,893,172
Air Conditioners	371,697,066	205,712,829
DVD	427,723	0
Water Purifier	31,122,808	7,647,821
Telecommunication	0	1,753,157
Washing Machine	302,195,550	89,629,701
Refrigerator	149,456,558	60,026,864
Automotive	84,204,348	24,472,084
Air Cooler	9,215,244	0
Bathroom fitting	10,887,906	0
Other	4,678,574	12,200,324
Total	3,069,746,211	2,216,487,996

18.2 Traded goods sold

	Amount (Rs.)	
	As at 31st March, 2013	As at 31st March, 2012
Plastic Granuals	40,063,716	25,394,266
CTV Components	40,842,366	54,964,460
DVD Components	0	4,487,801
CFL Components	35,343	281,264
Refrigerator Components	13,344,017	2,697,469
AC parts	10,962,123	0
WMC parts	5,804,606	0
Air Cooler Parts	66,429	0
Others	5,176,859	5,979,149
Total	116,295,459	93,804,409

18.3 Details of services rendered

	Amount (Rs.)	
	As at 31st March, 2013	As at 31st March, 2012
Job Work Charges	3,068,484	1,123,563
Repair Of Moulds	885,400	1,173,195
Total	3,953,884	2,296,758

	As at 31st March, 2013	Amount (Rs.) As at 31st March, 2012
19 Other income		
Interest Income		
Interest on Bank deposits	4,595,252	2,801,785
Interest from Investments #	39,356,301	22,689,589
Interest on others	1,340,740	6,260,685
PSI Incentive 2007 at MDC *	10,357,771	5,536,652
Commission income	9,883,294	2,970,320
Liabilities written back to the extent no longer required	0	711,370
Excess Provision written back	146,772	0
Miscellaneous Income	58,604	360,660
Total	65,738,734	41,331,061

The Inter-corporate deposit agreements (ICD agreement) was expired during the year. However, the company has recognised interest on ICDs at the rates specified in the Inter-corporate deposit agreement pending receipt of amount from the party as the Company has recalled the deposits and the party has still to refund the same.

* The Company has recognized the Incentive under Package Scheme of Incentives issued by government of Maharashtra for the promotion of Industrial investment in the State.

	As at 31st March, 2013	Amount (Rs.) As at 31st March, 2012
20 Cost of raw material & components consumed		
Inventory at the beginning of the year	172,547,127	116,317,440
Add: Purchases	2,688,716,283	2,019,780,571
Less: Discount received from suppliers	11,002,867	20,293,864
Less: Cost of goods Traded	101,752,938	85,532,968
Less: Consumed for product development	0	7,204,029
	2,748,507,605	2,023,067,151
Less: Inventory at the end of the year	197,845,797	172,547,127
Cost of raw material & components consumed	2,550,661,808	1,850,520,023

	As at 31st March, 2013	Amount (Rs.) As at 31st March, 2012
20.1 Details of raw material & components consumed		
Plastic Granules	735,960,511	460,498,757
Colour Picture Tube	523,348,198	496,060,327
Chasis For Ctv	430,224,257	404,464,660
Wash Motor	28,306,104	0
Populated Circuit Board (PCB) of CFL	150,009,690	111,526,641
Bulb CFL	141,902,419	90,524,694
Other	540,910,629	287,444,944
Total	2,550,661,808	1,850,520,023

	As at 31st March, 2013	Amount (Rs.) As at 31st March, 2012
20.2 Details of inventory		
Raw materials		
Plastic Granules	94,294,638	78,141,418
Colour Picture Tube	19,379,028	19,727,018
Chasis For Ctv	13,281,544	13,384,495
Washing Machine Component	3,591,194	0
Populated Circuit Board of CFL	2,398,649	3,358,806
Bulb CFL	4,257,645	3,525,263
Other	60,643,099	54,410,127
Total	197,845,797	172,547,127

	As at 31st March, 2013	Amount (Rs.) As at 31st March, 2012
20.3 Details of purchase of traded goods		
Plastic Granules	33,986,723	23,050,079
CTV Components	37,704,399	50,905,043
DVD Components	0	3,046,292
CFL Components	35,343	260,857
Refrigerator Components	11,262,521	2,365,917
AC Parts	9,132,274	0
WMC Parts	4,896,606	0
Air Cooler Parts	59,123	0
Others	4,675,949	5,904,780
Total	101,752,938	85,532,968

	Amount (Rs.)	
	As at 31st March, 2013	As at 31st March, 2012
21 (Increase)/decrease in inventories		
Inventories at the end of the year		
Work-in-progress	32,552,297	27,126,344
Finished goods	35,927,238	18,052,580
Total	68,479,535	45,178,924
Inventories at the beginning of the year		
Work-in-progress	27,126,344	8,181,063
Finished goods	18,052,581	24,930,685
Total	45,178,925	33,111,748
(Increase)/decrease in inventories	23,300,610	12,067,176

	Amount (Rs.)	
	As at 31st March, 2013	As at 31st March, 2012
21.1 Finished goods		
Colour Television	1,112,527	6,998,707
DVD	0	381,812
CFL	1,123,055	1,158,212
PCB	568,881	0
Air Coolers	3,653,964	0
Washing Machine	178,843	
Plastic Parts:-		
Colour Television	3,320,417	3,616,001
Air Conditioners	16,985,582	2,833,621
Water Purifier	1,596,698	218,258
Washing Machine	1,929,078	1,218,188
Refrigerators	3,050,251	833,638
Automotive	1,529,907	315,238
Air Coolers Parts	579,681	0
Bath Room Fitting Parts	166,035	0
Other	132,319	478,905
Total	35,927,238	18,052,580

	Amount (Rs.)	
	As at 31st March, 2013	As at 31st March, 2012
21.2 Work In Progress		
Water Purifier	0	232,723
Plastic Granules	0	841,396
Other goods	0	3,333,472
Plastic Parts		
Colour Television	4,383,301	7,353,102
Air Conditioners	22,425,512	11,913,585
Water Purifier	0	3,624
Washing Machine	1,607,331	452,979
Refrigerators	539,991	1,314,997
Automotive	1,965,969	1,583,216
Air Coolers Parts	849,490	0
Bath Room Fitting Parts	370,109	0
Other	410,595	97,250
Total	32,552,297	27,126,344

	Amount (Rs.)	
	As at 31st March, 2013	As at 31st March, 2012
22 Employee benefit expense		
Salaries, wages and bonus	141,512,771	99,218,524
Contribution to provident and other fund	5,838,194	5,651,039
Leave encashment [refer note no. 28(3)]	2,785,834	2,402,981
Gratuity expense [refer note no. 28(3)]	1,230,035	2,914,228
Employee Benefits	7,378,081	5,942,474
Total	158,744,915	116,129,246

	Amount (Rs.)	
	As at 31st March, 2013	As at 31st March, 2012 *
23 Other expenses		
Consumption of stores and spares	4,621,864	3,311,863
Power and fuel	70,158,908	52,274,319
Consumption of loose tools & Tackles	408,085	486,470
Sub-contracting expenses	16,216,496	16,038,954
Increase of excise duty on inventory	2,645,338	1,083,117
Freight and forwarding charges	30,832,433	21,658,278
Rent & Hiring charges of machinery . DG set	545,880	1,045,726
Rates and taxes (Service tax paid, ROC & Reversal of ITC)	4,797,761	942,861
Insurance	2,252,077	1,624,424
Repairs and Maintenance -Plant and machinery	8,598,668	10,269,381
Repairs & Maintenance- Buildings	1,168,447	1,952,590
Repairs & Maintenance - Others	3,387,877	2,449,349
Advertising	307,882	256,818
Travelling and conveyance	8,275,744	10,014,836
Communication costs	1,634,632	1,848,048
Printing and stationery	1,021,396	1,276,454
Legal and professional fees	6,442,035	3,616,323
Directors sitting fees	310,000	295,000
Payment to auditor (Refer details below)	950,000	1,009,763
Payment to cost auditor	380,000	0
Exchange differences (net)	1,623,475	6,413,231
Loss on sale of fixed assets (net)	227,860	425,737
Electricity & water expenses	181,483	34,080
Membership & subscription	120,301	86,272
General expenses	102,563	36,362
Security Guard expenses	5,377,900	5,158,860
Newspapers, books & periodicals	374,162	899,767
Vehicle running & maintenance	4,211,664	2,986,594
Festival expenses	1,203,090	1,491,949
Office upkeep expenses	1,988,576	1,865,491
Business Promotion	360,969	333,760
Donation	164,601	167,501
Gardening Expenses	52,820	40,330
Testing & trial charges	831,528	473,640
Recruitment expenses	40,800	14,829
Lease rent on leasehold land	3,213	14,861
Conference & meeting	500	2,500
Late delivery charges from customers	441,347	421,159
Software expenses	254,755	35,531
Maintenance charges to UPSIDC	92,273	164,149
Preliminary expenses W/O	21,900	21,900
Dimunition in value of investment	2,921,954	0
AGM Expenses	81,570	0
Brokrage on Sale of Assets	500,000	0
Miscellaneous expenses	154,735	62,754
Total	186,289,582	152,605,831

* Excluding expenses incurred for product development.

	Amount (Rs.)	
	As at 31st March, 2013	As at 31st March, 2012
Details of payment to auditor are as under:		
As auditor:		
Audit fee	350,000	400,000
Limited review	600,000	609,763
Total	950,000	1,009,763

24 A Prior period expenses:-	Amount (Rs.)	
	As at 31st March, 2013	As at 31st March, 2012
- Purchase	0	76,626
- Discount on sales	0	3,978
- Advertisement	0	30,800
- Repair & Maintenance- P & M	24,157	10,928
Rate & Taxes	112,418	
Staff Welfare Expenses	70,000	
- Sales tax for earlier years	40,833	0
- Testing & trial charges	28,674	344,184
- Professional charges	30,008	15,000
- Travelling and conveyance	0	68,022
- Amortisation cost of leasehold land	2,008,886	0
lease rent to Upside	68,460	0
- Other expenses	18,830	2,349
Total	2,402,266	551,887

B Exceptional items		
Loss on sale of investments	0.00	595,518
	0.00	595,518

25 Depreciation and amortization expenses	Amount (Rs.)	
	As at 31st March, 2013	As at 31st March, 2012
Depreciation on tangible assets *	91,146,791	44,434,318
Amortization on Intangible assets	1,165,575	648,045
Total	92,312,366	45,082,363

* excludes Rs 20,08,885 /- being amortisation cost of leasehold land pertaining to prior periods.

26 Finance costs	Amount (Rs.)	
	As at 31st March, 2013	As at 31st March, 2012
Interest to Bank	76,900,137	72,635,947
Interest to Other	1,322,149	770,973
Interest On Car Loan	719,993	690,949
Bank charges, Commission & Processing Fees	32,292,372	32,270,399
Total	111,234,651	106,368,268

27 Contingent liabilities and Commitments	Amount (Rs.)	
	As at 31st March, 2013	As at 31st March, 2012
A Contingent liability (to the extent not provided for)		
Claims against the company not acknowledged as debts		
a) Central Excise (FY 2006-07)	16,626	16,626
d) Income Tax- TDS (FY 2006-07 -2010-11)	3,655,425	3,655,425
c) Income Tax- 2009-10	414,696	0.00
Bank Guarantees given to Customers		
a) Bank Guarantees given to customers	1,000,000	1,000,000
b) Bank Guarantee for ELCOT	0.00	103,170,900
Bank Guarantee given to BSE	6,032,250	6,032,250
Corporate Guarantee given to SBI for Bigesta Technologies Limited	105,000,000	0.00
Total	116,118,997	113,875,201

i. For the F.Y 2006-07, the Central Excise Department issued a Show Cause Notice demanding for Rs. 16,626 /- toward Cenvat credit of SAD taken on the basis of Supplementary invoice issued by the M/s LG Electronics India Pvt. Ltd. The company has been contesting this claim and was of the view that the demand raised by the excise department was not tenable. To support its view, the company had also obtained legal opinion. Hence, it had not created provision toward this liability in the year ended 31 March 2013.

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

iii. The company was under process of investigation, as per SEBI ad-interim Order No. WTM/PS/IVD-ID5/42/2011/DEC dated 28-12-2011, In exercise of powers conferred upon SEBI under section 19 of the Securities and Exchange Board of India Act, 1992 read with section 11(1), 11(4), 11A and 11B of the said Act, SEBI has Issued certain directions for the company/ directors/ other entities to comply with. However, as per SEBI Order No. WTM/PS/16/IVD/ID-5/OCT/2012 dated 31-10-2012, SEBI has revoked Interim directions issued vide its order dated 28-12-2011 on all the entities except company and its promoter directors. As per this order the investigation has been completed by SEBI. Now the company has received a Show Cause Notice No. IVD/ ID5/SG/MKJ/1427/2013 dated 16-01-2013 under section 11(1), 11(4) and 11(B) and 11(A) and promoter directors under 11(1), 11(4) and 11(B) from the Securities and Exchange Board of India in which SEBI has contended that the company has suppressed material facts in the offer documents, mis-utilised/siphoned off the IPO funds etc. However, the company has refuted the contentions raised by the SEBI and filed the reply to the SEBI on 8-04-2013. In view of the uncertainty of the ultimate outcome, the impact, if any, cannot be presently ascertained.

B Commitments

Estimated amount of contracts remaining to be executed on Capital account and not provided for (Net of advances) 57,538,374 75,328,742

28 Other Notes on Accounts

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

2 Earnings per share (EPS)

Amount (Rs.)

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

	As at 31st March, 2013	As at 31st March, 2012
Numerator for earning per share		
Profit/(loss) before taxation	-87,954,144	-85,745,067
Less : Provision for deferred tax and income tax	-37,982,560	439,016
Profit/(loss) after tax	-49,971,584	-86,184,083
Denominator for earning per share		
Weighted average number of equity shares outstanding during the period	16,414,332	13,620,316
Earning per share- Basic and Diluted (one equity share of Rs. 10 each)	(3.04)	(6.33)

3 Employee Benefits

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

A Defined Contribution Plan

Employer's contribution to Provident Fund
Employer's contribution to Employee State Insurance Fund
Total

	2012-13	2011-12
Employer's contribution to Provident Fund	4,897,800	4,792,449
Employer's contribution to Employee State Insurance Fund	940,395	858,590
Total	5,838,195	5,651,039

B Defined Benefit Plans

Amount Recognised in the statement of profit & loss

	Amount (Rs.)		Amount (Rs.)	
	Leave Encashment Non Funded		Gratuity Partly Funded	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
Current service cost	2,353,284	1,641,029	2,029,802	2,077,186
Interest cost on benefit obligation	409,906	234,971	615,073	351,229
Past Service Cost	0	0	0	0
Expected return on plan assets	0	0	-282,558	-224,180
Net actuarial(gain)/loss recognized in the year	22,644	526,981	-1,132,282	709,993
Net benefit expense	2,785,834	2,402,981	1,230,035	2,914,228

C Amounts recognised in balance sheet

	Amount (Rs.)		Amount (Rs.)	
	Leave Encashment Non Funded		Gratuity Partly Funded	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
Present value of defined benefit obligation (Note 1)	6,719,240	4,766,346	8,018,112	7,152,021
Fair value of plan assets (Note II)	0	0	3,610,761	2,776,156
Plan asset/(liability)	-6,719,240	-4,766,346	-4,407,351	-4,375,865

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

	Amount (Rs.)		Amount (Rs.)	
	Leave Encashment Non Funded		Gratuity Partly Funded	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
Opening defined benefit obligation	4,766,346	2,872,274	7,152,021	4,297,504
Current service cost	2,353,284	1,641,029	2,029,802	2,077,186
Interest cost	409,906	234,971	615,073	351,229
Benefits paid	-832,940	-508,909	-646,502	-271,210
Actuarial (gains)/losses on obligation	22,644	526,981	-1,132,282	697,312
Closing defined benefit obligation	6,719,240	4,766,346	8,018,112	7,152,021

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

	Amount (Rs.)		Amount (Rs.)	
	Leave Encashment Non Funded		Gratuity Partly Funded	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
Opening fair value of plan assets	-	-	2,776,156	2,076,388
Expected return	-	-	282,558	224,180
Contributions by employer	-	-	811,859	715,610
Benefits paid	-	-	-259,812	-227,341
Actuarial gains/(losses) on plan assets	-	-	0	-12,681
Closing fair value of plan assets	-	-	3,610,761	2,776,156
Investments with insurer	Leave Encashment Non Funded		Gratuity Partly Funded	
	As at	As at	As at	As at
	31st March, 2013	31st March, 2012	31st March, 2013	31st March, 2012
With LIC	0.00	0.00	100%	100%

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

	Leave Encashment Non Funded		Gratuity Partly Funded	
	As at	As at	As at	As at
	31st March, 2013	31st March, 2012	31st March, 2013	31st March, 2012
Discount rate	8.20%	8.20%	8.10%	8.60%
Expected rate of return on assets	N.A.	N.A.	9.00%	9.00%
Employee turnover-all ages	3.00%	3.00%	3.00%	3.00%
Rate of increase in compensation levels	10.00%	10.00%	10.00%	10.00%
Mortality table		LIC (1994 - 1996) duly modified		

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

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

Amounts for the current and previous periods are as follows:

	Amount (Rs.)			
	As at		As at	
	31st March, 2013	31st March, 2012	31st March, 2013	31st March, 2012
Gratuity *				
Defined benefit obligation	8,018,112.00	7,152,021.00	4,297,504.00	3,134,138.00
Plan assets	3,610,761.00	2,776,156.00	2,076,388.00	1,340,483.00
Surplus/(deficit)	(4,407,351.00)	(4,375,865.00)	(2,221,116.00)	(1,793,655.00)
Experience adjustments on plan liabilities & assets #	-	-	-	-
Leave Encashment *				
Defined benefit obligation	6,719,240.00	4,766,346.00	2,872,274.00	1,980,286.00
Plan assets	0.00	0.00	0.00	0.00
Surplus/(deficit)	(6,719,240.00)	(4,766,346.00)	(2,872,274.00)	(1,980,286.00)
Experience adjustments on plan liabilities & assets #	-	-	-	-

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

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

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

	Amount (Rs.)	
	As at	As at
	31st March, 2013	31st March, 2012
Salaries, wages and bonus, Gratuity	263,866	6,904,189
Consumption of stores and spares, tools etc	0	18,775
Finance costs	0	6,469,173
Tour & travelling	0	845,219
Other expenses	0	940,568
Total	263,866	15,177,923

7 Details of expenses capitalised under Product Development :

Expense head	Amount (Rs.)	
	As at	As at
	31st March, 2013	31st March, 2012
Raw materials consumed	0	7,204,029
Employee benefit expenses	0	2,251,942
Power & fuel	0	568,005
Repair -Plant & Machinery	0	9,974
Total	0	10,033,950

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

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

- (a) Related Party where control exists
- i) Mr. Promod Gupta, Chairman & Managing Director (Key Management Person)
 - ii) Wholly Owned Subsidiary
 - Diamond Mattress Company Private Limited
- (b) The Details of related parties with whom transactions have taken place during the year:
- i) Wholly Owned Subsidiary (Group A)
 - Diamond Mattress Company Private Limited (DMCPL)
 - ii) Associate & Joint Venture (Group B) NIL
 - iii) Key Management Personnel (Group C)
 - Mr. Promod Gupta, Chairman & Managing Director (PG)
 - Mr. Vishal Gupta, Executive Director (VSG)
 - Mr. Vikas Gupta, Executive Director (VKG)
 - Mr. Anurag Gupta, Executive Director (AG)
 - iv) Relatives of Key Management Personnel (Group D)
 - Mrs. Neelu Gupta (NLG Wife of Mr. Anurag Gupta)
 - Mrs. Sarika Gupta (SG Wife of Mr. Vishal Gupta)
 - Mrs. Nitasha Gupta (NTG Wife of Mr. Vikas Gupta)
 - Mrs. Sudesh Gupta (SG1 - Wife of Mr. Promod Gupta)
 - Legal heirs of late Smt. Amarwati Aggarawal (AA Mother of Mr. Promod Gupta)
 - Promod Gupta & Sons (HUF)
 - v) Companies/ Parties in which Key Management Personnel or their relatives have substantial interest / significant influence (Group E)

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

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

	Amount (Rs.)	
	As at 31st March, 2013	As at 31st March, 2012
Loans and advances in the nature of loans given to subsidiaries		
Loan to Subsidiary: Diamond Mattresses Company Private Limited		
Balance as at the year end	-	-
Maximum amount outstanding at any time during the year	-	5,000,000

10 Utilization of money raised through public issue

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

	As at 31st March, 2013	As at 31st March, 2012
Amount raised during the year through Public issue	1,206,450,000	1,206,450,000
Less: amount utilized during the year		
Utilized for General Corporate Purpose (Net)	131,500,000	162,500,000
Purchase of plant and machinery & Construction of Building	572,406,019	559,824,035
IPO Expenses (Net of reimbursements received)	99,338,974	100,071,780
Repayment of Term Loan	10,000,000	10,000,000
Utilized for Working Capital	83,027,606	63,876,784
Unutilized amount at the end of the year	310,177,401	310,177,401

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

	Amount (Rs.) As at 31st March, 2013	Amount (Rs.) As at 31st March, 2012
Investment in Inter-corporate deposits	261,600,000 *	295,000,000
Balance in Escrow a/c with SCB	48,577,401	15,177,401
	310,177,401	310,177,401

* The funds has been temporarily deployed as an interim measure to earn interest pending deployment towards the object of the issue. As per directions of SEBI, the company has issued notice to all the above parties for calling back ICD of Rs. 310 millions, out of which Rs. 15.0 million and Rs 33.40 million had been received during financial year 2011-12 and 2012-13 respectively. This amount of Rs 48.40 million had been deposited in Escrow account maintained with Standard Chartered Bank as per directions of SEBI. The balance amount of Rs 261.60 million is yet to be received by the company.

The company was under process of investigation, as per SEBI ad-Interim Order No. WTM/PS/IVD-ID5/42/2011/DEC dated 28-12-2011, in exercise of powers conferred upon SEBI under section 19 of the Securities and Exchange Board of India Act, 1992 read with section 11(1), 11(4), 11A and 11B of the said Act, SEBI has issued certain directions for the company/ directors/ other entities to comply with. However, as per SEBI Order No. WTM/PS/16/IVD/ID-5/OCT/2012 dated 31-10-2012, SEBI has revoked interim directions issued vide its order dated 28-12-2011 on all the entities except company and its promoter directors. Now the company has received a Show Cause Notice No. IVD/ID5/SG/NKJ/1427/2013 dated 16-01-2013 under section 11(1), 11(4) and 11(B) and 11(A) and promoter directors under 11(1), 11(4) and 11(B) from the Securities and Exchange Board of India in which SEBI has contended that the company has suppressed material facts in the offer documents, mis-utilised/siphoned off the IPO funds etc. However, the company has refuted the contentions raised by the SEBI and filed the reply to the SEBI on 8-04-2013. In view of the uncertainty of the ultimate outcome, the impact, if any, cannot be presently ascertained.

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

	Amount (Rs.)	
	As at 31st March, 2013	As at 31st March, 2012
12 Value of imports calculated on CIF basis		
Plant & Machinery	219,762	32,617,574
Spare Parts	685,469	383,372
Raw materials	8,377,160	48,485,274
Tools & Tackles		19,162
Research & Development	56,029	0
Total	9,338,420	81,505,383

	Amount (Rs.)	
	As at 31st March, 2013	As at 31st March, 2012
13 Expenditure in foreign currency (accrual basis)		
Project professional fees	0	0
Travelling and conveyance	183,746	320,151
Total	183,746	320,151

14 Imported and indigenous raw materials, components consumed

	% of total consumption 31st March 2013	Amount (Rs.) 31st March 2013	% of total consumption 31 March 2012	Amount (Rs.) 31 March 2012
Raw Materials				
Imported	0.76	19,277,473	2.45	45,334,350
Indigenously obtained	99.24	2,531,384,335	97.55	1,805,185,673
Total	100.00	2,550,661,808	100.00	1,850,520,023

15 Statement Regarding Subsidiary Company (Pursuant to Section 212 of The Companies Act, 1956).

Diamond Mattress Company Private Limited

	Amount (Rs.) 31st March 2013	Amount (Rs.) 31st March 2012
Share Capital	100,000	100,000
Reserve & surplus	(21,954)	(18,539)
	Total Fixed Assets	0
	Total Investment	0
Total Assets	Total Current Assets	848,211
	Deferred Tax Assets	0
	Misc. Expenditure	0
	Profit & Loss	0
Total Liability	Total Loans	762,300
	Deferred Tax Liability	0
	Current Liability & Provision	7,865
Turnover	30,000	0
Profit Before Tax	(3,415)	(29,437)
Provision for Tax	0	987
Profit After Tax	(3,415)	(30,424)
Proposed Dividend	0	0

NOTE

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

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

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

For and on behalf of the board of directors

CA. Chitresh Gupta
Partner
Membership no.: 098247
Place: Greater Noida
Date: 30th May 2013

Promod Gupta
[Managing Director]

Vishal Gupta
[Executive Director]

Kuntal Kar
[Company Secretary]

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
PG Electroplast Limited

We have audited the accompanying consolidated financial statements of PG Electroplast Limited ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

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

(a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;

- (b) in the case of the consolidated Statement of Profit and Loss Account, of the profit/ loss for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

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

CA. Chitresh Gupta
Partner
Membership no. : 098247

Date : 30th May 2013
Place : Delhi

CONSOLIDATED FINANCIAL STATEMENT OF PG ELECTROPLAST LTD AND ITS SUBSIDIARY
Consolidated Balance sheet as at 31st March 2013

		Amount (Rs.)	
	Notes	As at 31st March, 2013	As at 31st March, 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	164,143,320	164,143,320
Reserves and surplus	4	1,260,922,712	1,310,164,905
		1,425,066,032	1,474,308,225
Non-current liabilities			
Long-term borrowings	5	280,110,159	288,792,976
Deferred tax liabilities (Net)	6	0	29,982,560
Long-term provisions	7	9,431,591	8,498,030
		289,541,750	327,273,566
Current liabilities			
Short-term borrowings	8	520,828,183	487,712,867
Trade payables	9	454,661,066	353,106,291
Other current liabilities	10	188,585,302	232,719,893
Short-term provisions	7	1,695,000	644,181
		1,165,769,551	1,074,183,232
Total		2,880,377,333	2,875,765,023
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11	1,431,037,369	1,205,524,685
Intangible assets	11	9,185,160	13,272,690
Capital work-in-progress	11	6,763,038	209,082,223
Non-current investments	12	0	0
Long-term loans and advances	13	137,893,512	279,608,579
Deferred tax assets (Net)	6	8,000,000	0
Trade receivables	14.2	0	40,695,855
Other non-current assets	14.1	50,415,317	1,416,463
		1,643,294,396	1,749,600,495
Current assets			
Current investments	15	261,600,000	295,000,000
Inventories	16	278,551,600	238,811,727
Trade receivables	14.2	353,598,373	177,296,628
Cash and bank balances	17	45,746,045	118,624,278
Short-term loans and advances	13	253,773,844	268,481,060
Other current assets	14.1	43,813,075	27,950,835
		1,237,082,937	1,126,164,528
Total		2,880,377,333	2,875,765,023
Significant Accounting Policies	2		
Contingent Liability and Commitments	27		
Other Notes on Accounts	28		

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

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

For and on behalf of the board of directors

CA. Chitresh Gupta
 Partner
 Membership no.: 098247
 Place: Greater Noida
 Date: 30th May 2013

Promod Gupta
 (Managing Director)

Vishal Gupta
 [Executive Director]

Kuntal Kar
 [Company Secretary]

CONSOLIDATED FINANCIAL STATEMENT OF PG ELECTROPLAST LTD AND ITS SUBSIDIARY

Consolidated Statement of Profit and loss for the Year ended 31st March 2013

	Notes	Amount (Rs.) 31st March, 2013	Amount (Rs.) 31st March, 2012
INCOME			
Revenue from operations (gross)	18	3,199,381,469	2,316,177,581
Less: excise duty		172,976,451	97,934,781
Revenue from operations (net)		3,026,405,018	2,218,242,800
Other income	19	65,768,734	41,331,061
Total revenue (I)		3,092,173,752	2,259,573,861
EXPENDITURE			
Cost of raw material and components consumed	20	2,550,661,808	1,850,520,023
Purchase of traded goods	20.3	101,752,938	85,532,968
Changes in inventories of finished goods, work in -progress	21	-23,300,611	-12,067,176
Employee benefits expense	22	158,744,915	116,129,246
Other expenses	23	186,322,427	152,634,718
Exceptional items	24B	0	595,518
Prior period expenses	24A	2,402,266	551,887
Total (II)		2,976,583,743	2,193,897,184
Earnings before interest, tax, depreciation and amortization (EBITDA) (I)-(II)		115,590,009	65,676,677
Depreciation and amortization expense	25	92,312,366	45,082,363
Finance costs	26	111,235,201	106,368,818
Profit/(loss) before tax		-87,957,558	-85,774,504
Tax expenses:			
Current tax		0	0
Income tax for earlier years		0	440,003
Deferred tax		-37,982,560	0
Total tax expense		-37,982,560	440,003
Profit/(loss) for the year		-49,974,998	-86,214,507
Earning per equity share [Refer Note No. 28(2)]			
[nominal value of equity share Rs 10 /- each]			
Basic and Diluted earning per share		(3.04)	(6.33)
Significant Accounting Policies	2		
Contingent Liability and Commitments	27		
Other Notes on Accounts	28		
The accompanying notes are an integral part of the Financial Statements.			

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

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

Basic and Diluted earning per share (3.04) (6.33)

Significant Accounting Policies 2
Contingent Liability and Commitments 27
Other Notes on Accounts 28
The accompanying notes are an integral part of the Financial Statements.

As per our report of even date

For Chitresh Gupta & Associates

Firm registration number: 017079N

Chartered Accountants

For and on behalf of the board of directors

CA. Chitresh Gupta
Partner
Membership no.: 098247
Place: Greater Noida
Date: 30th May 2013

Promod Gupta
[Managing Director]

Vishal Gupta
[Executive Director]

Xuntal Kar
[Company Secretary]

CONSOLIDATED FINANCIAL STATEMENT OF PG ELECTROPLAST LTD AND ITS SUBSIDIARY

Consolidated Cash Flow Statement

Amount (Rs.)
31st March, 2013 31st March, 2012

A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	-87,957,558	-85,774,504
Adjustment for:		
Dopreciation/amortization	94,321,252	45,082,363
Preliminary expenses written off	21,900	21,900
Loss/(profit) on sale of fixed assets	227,860	425,737
Provision for diminution in value of investment	2,921,954	
Loss on sale of Investments	0	595,518
Interest expense	111,235,201	106,368,818
Interest income	-45,292,293	-31,752,059
Operating profit before working capital changes	<u>75,478,316</u>	<u>34,967,772</u>
Movements in working capital :		
Increase/(decrease) in Current Liabilities & Provision	100,254,203	9,789,472
Decrease/(Increase) in trade receivables	-135,605,890	151,459,602
Decrease/(Increase) in Inventories	-39,739,874	-72,217,235
Decrease / (Increase) in loans and advances	172,132,378	-335,477,766
Cash generated from / (used in) operations	<u>172,519,133</u>	<u>-211,478,155</u>
Direct taxes paid (net of refunds)	-15,700,094	-21,106,571
Net cash flow from/ (used in) operating activities (A)	<u><u>156,819,038</u></u>	<u><u>-232,584,726</u></u>

B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including intangible assets, CWIP	-133,381,783	-679,865,126
Proceeds from sale of fixed assets	16,804,746	180,000
Proceeds from repayment of ICD & sale of investments	30,478,046	2,904,482
Investment in ICD		-295,000,000
Interest received	29,398,153	5,456,273
Net cash flow from/(used in) investing activities (B)	<u><u>-56,700,837</u></u>	<u><u>-966,324,371</u></u>

C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issuance of share capital & Share premium (Net of IPO expenses)	732,806	1,113,186,630
Proceeds from Long-term borrowings	125,319,054	213,381,630
Repayment of long-term borrowings	-173,215,674	-121,034,934
Short-term borrowings (Net)	33,115,316	160,640,261
Interest paid	-112,871,037	-107,822,305
Net cash flow from/(used in) in financing activities (C)	<u><u>-126,919,535</u></u>	<u><u>1,258,351,283</u></u>
Net increase/(decrease) in cash and cash equivalents (A + B + C)	<u><u>-26,801,334</u></u>	<u><u>59,442,186</u></u>
Cash and cash equivalents at the beginning of the year	<u>118,624,278</u>	<u>59,736,050</u>
Cash and cash equivalents at the end of the year	<u><u>45,746,045</u></u>	<u><u>117,790,659</u></u>
Components of cash and cash equivalents		
Cash on hand	1,639,010	2,327,743
Cheques/ drafts on hand	0	60,000,000
With banks:		
-on current account	2,936,718	4,329,207
-on deposit account	41,170,317	54,133,709
Total cash and cash equivalents (refer note no. 17)	<u><u>45,746,045</u></u>	<u><u>117,790,659</u></u>

NOTES

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

- Balance in Escrow account opened as per directives of SEBI		15,177,401
- Margin money deposits	38,108,315	35,956,308

2. Figures in negative/brackets shows Cash outflow

As per our report of even date

For Chitresh Gupta & Associates

Firm registration number: D17079H

Chartered Accountants

For and on behalf of the board of directors

CA. Chitresh Gupta
Partner
Membership no.: 098247
Place: Greater Noida
Date: 30th May 2013

Promod Gupta Vishal Gupta
[Managing Director] [Executive Director]

Kuntal Kar
[Company Secretary]

PG ELECTROPLAST LTD

Note to the financial statements for the year ended 31 March 2013

1 Background

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

2 Statement of Significant Accounting Policies

i) Basis of Preparation

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

ii) Basis and principles of consolidation:

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

iii) Use of Estimates

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

iv) Revenue Recognition

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

v) **Fixed Assets and Depreciation**

Tangible Assets

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

vi) **Depreciation**

- (a) "The depreciation on assets acquired/sold/discarded/demolished during the year is provided from/upto themonth the asset is commissioned/sold or discarded."
- (b) Depreciation is charged on straight line method (SLM) at the rates prescribed in Schedule XIV of the Companies Act, 1956.
- (c) Lease hold land is amortized over lease period.

vii) **Intangible Assets**

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

Period of Amortisation

Computer Software	6 year
Product Development	10 year

viii) **Inventories**

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

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

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

ix) **Investments**

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

x) **Borrowing Costs**

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

xi) Employee Benefits

(a) Short Term Employee Benefits

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

(b) Long Term Employee Benefits

Defined Contribution Plan

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

The Company operates the following defined contribution plan.

- Provident Fund Plan & Employee Pension Scheme.

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

- Employee State Insurance

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

(c) Defined benefit plan

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

- Gratuity

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

- Earned Leaves

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

xii) Foreign Currency Transactions

Initial Recognition

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

Subsequent Recognition

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

Exchange Differences

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

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

xiii) Government Grants

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

xiv) Current and deferred tax

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

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

xv) Lease Accounting

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

xvi) Miscellaneous Expenditure

Preliminary expenditure is amortized over a period of 10 years.

xvii) Impairment of Assets

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

xviii) Segment Reporting

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

xix) Provisions, Contingent liabilities and Contingent Assets

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

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

Contingent Assets : Contingent assets are neither recognised nor disclosed.

CONSOLIDATED FINANCIAL STATEMENT OF PG ELECTROPLAST LTD AND ITS SUBSIDIARY
Consolidated Notes to Financial Statements for the year ended 31st March, 2013

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

3 SHARE CAPITAL	Amount (Rs.)	
	As at 31st March, 2013	As at 31st March, 2012
Authorized shares		
2,50,00,000 (31 March 2012: 2,50,00,000) equity shares of Rs.10/- each	250,000,000	250,000,000
Issued, Subscribed and Paid-up shares		
1,64,14,332 (31 March 2012: 1,64,14,332) equity shares of Rs.10/- each	164,143,320	164,143,320
Total	164,143,320	164,143,320

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

Equity shares:	As at		As at	
	31st March, 2013	31st March, 2013	31st March, 2012	31st March, 2012
	No of shares	Amount (Rs.)	No of shares	Amount (Rs.)
At the beginning of the year	16,414,332	164,143,320	10,669,332	106,693,320
Issued during the year - IPO	0	0	5,745,000	57,450,000
Outstanding at the end of the year	16,414,332	164,143,320	16,414,332	164,143,320

3.2 Terms/rights attached to equity shares

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

3.3 Shares allotted as fully paid up by way of bonus shares (during five years immediately preceeding March 31, 2013):

	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010	31st March, 2009
Equity shares allotted as fully paid up bonus shares by capitalization of Security premium	-	-	-	7,112,888	-

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

	As at		As at	
	31st March, 2013	31st March, 2013	31st March, 2012	31st March, 2012
	No of shares	% holding	No of shares	% holding
Equity shares of Rs.10 each fully paid				
Mr. Promod Gupta	4,016,166	24.47%	4,016,166	24.47%
Mr. Anurag Gupta	1,514,222	9.22%	1,514,222	9.22%
Mr. Vishal Gupta	2,075,012	12.64%	2,075,012	12.64%
Mr. Vikas Gupta	2,070,722	12.62%	2,070,722	12.62%

4 Reserves and surplus

	Amount (Rs.)	
	As at 31st March, 2013	As at 31st March, 2012
Security Premium Account		
Balance as per the last financial statements	1,090,298,900	41,370,680
Add: Premium on Issue of IPO	0	1,149,000,000
Less: Amounts utilized toward IPO expenses #	-732,806	100,071,780
Closing Balance	1,091,031,706	1,090,298,900
# represents reimbursements received of initial public offer expenses adjusted against share premium account in last year.		
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statements	219,866,004	306,080,511
Profit/(loss) for the year	-49,974,998	-86,214,507
Net surplus in the statement of profit and loss	169,891,006	219,866,004
Total reserves and surplus	1,260,922,713	1,310,164,905

5 Long-term borrowings

Amount (Rs.)

	Non-current portion		Current maturities	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
Secured				
Term Loan:				
From banks:-				
- State Bank of India	-	19,990,000	19,990,000	18,201,323
- Standard Chartered Bank	102,914,334	166,379,781	55,472,250	56,016,053
- Vehicle loans from ICICI Bank, HDFC Bank, Axis Bank	3,588,155	2,062,409	3,076,962	3,422,556
Buyers Credit from banks for capital goods:-				
- State Bank of India	-	-	-	9,809,700
- Standard Chartered Bank	-	36,684,406	40,075,338	69,223,568
From others:-				
- Vehicle loans from Tata Capital Limited	-	488,289	488,289	599,216
Unsecured				
Unsecured loans from directors	139,404,000	59,300,000	-	-
Unsecured loans from other	34,000,000	-	-	-
Deferred Payment Against Leasehold land	203,670	3,888,090	234,819	1,279,044
Total	280,110,159	288,792,976	119,337,658	158,551,460
The above amount includes :				
Secured borrowings	106,502,489	225,604,886	119,102,838	157,272,416
Unsecured borrowings	173,607,670	63,188,090	234,819	1,279,044
	280,110,159	288,792,976	119,337,658	158,551,460
Amount disclosed under the head "other current liabilities" (refer note no. 10)	0	0	119,337,658	158,551,460
Net amount	280,110,159	288,792,976	0	0

Term Loan from State Bank of India

- 5.1 a. Term loans from State Bank of India are secured by way of first hypothecation and mortgage charge over entire fixed assets & moveable assets present and future including Equitable Mortgage of property situated at plot no- P-4/2, 4/3, 4/4, 4/5 site-B, Surajpur, Greater Noida of factory Land & Building of the Company & Personal guarantee of directors i.e Mr. Promod Gupta, Mr. Anurag Gupta, Mr. Vikas Gupta and Mr. Vishal Gupta and;
- b. Collateral Security:- Second charge on entire current assets of Unit I & II of the company and;
- c. Mortgage of leasehold rights for 29 years (valid upto May 2036) of factory land measuring 11370 sq.mtr of PG Electronics(Partnership firm) & of land measuring 3390 sq mtr. of Sh. Vishal Gupta at village- Raipur, Pargana Bhagwanpur, Roorkee and;
- d. Corporate Guarantee of M/s Kushang Technologies Limited & Guarantee of PG Electronics (Partnership Firm).
- e. Outstanding term loan of Rs 19.99 million (previous year Rs 38.19 million) as on reporting date is repayable in 12 (previous year : 24) monthly instalments upto March 2014 alongwith interest at the rate of "base rate" + 4.10% p.a.

Term Loan from Standard Chartered Bank

- 5.2 a. Term loans from Standard Chartered Bank are secured by way of exclusive charge over land, Building, Plant & Machinery, stocks, receivable at E-14 & E-15, Site-B, UPSIDC, Surajpur Industrial Area, Greater Noida, U.P. & at A-20/2, MDC Supa, District- Ahmandnagar Maharashtra & Personal Guarantee of directors i.e. Mr. Anrang Gupta, Mr. Vikas Gupta and Mr. Vishal Gupta and;
- b. Exclusive Charge on property no. D-37, Hosiery Complex, Phase -II, Noida, U.P. owned by Hansall Import (P) Ltd & Unit-II, Tower A, Lobe-2, 2nd floor, Unit-I Tower A Lobe-1, 6th floor & Unit-II Tower A Lobe-1, 6th floor situated at plot no. A-41, Institutional Area, Sector 62, Noida, U.P Owned by T.V. Palace (Partnership Firm).
- c. Corporate Guarantee of M/s Kushang Technologies Limited & Guarantee of PG Electronics (Partnership Firm).
- d. Outstanding term loan of Rs 158.38 million (previous year Rs 222.396 million) as on reporting date is repayable in 49 equal monthly instalments commencing from the end of 12th month from disbursement alongwith Interest @ 13.10% p.a. for Rs 16.15 million, 13.10% p.a. for Rs 37.04 million, 13% p.a. for Rs 62.45 million, 12.90% p.a. for Rs 26.25 million, 13.15% p.a. for Rs 8.16 million and 14.25% p.a. for Rs 8.33 million.
- 5.3 Buyer's Credit for capital goods from Standard Chartered Bank is repayable in 8 equal quarterly instalments along with interest at the rate of LIBOR plus bank margin and is secured as mentioned in 5.2 above.
- 5.4 Buyer's Credit for capital goods from State Bank of India was repayable in single installment after six month from the date of buyer's credit along with interest at the rate of LIBOR plus bank margin and had been repaid during the reporting year.
- Buyer's Credit for capital goods from State Bank of India was secured as follows:
- a. Secured against first exclusive charge on the entire current assets of unit I at Greater Noida & II at Roorkee of the company including goods in transit, debtors but excluding specific Stock and receivables pertaining to Elcot order.
- b. Extension of first charge on assets mortgaged under Term loan facility from State Bank of India as per clause no 5.1(a), (c) & (d).
- 5.5 Unsecured loans from directors of Rs 139.404 million (previous year Rs 59.30 million) was given by directors on long term basis and are interest free.
- 5.6 Unsecured loans from others of Rs 34.0 million (previous year Rs Nil) was given on long term basis and carries a interest rate of 13%.

5.7 Deferred payment against leasehold land includes Rs 0.43 million to UPSIDC against Plot no-P-4/6 Site- B Surajpur and is payable in 10 equal half yearly installments of Rs.0.101 million each, starting from July 2010 along with interest @ 14% p.a.

Deferred payment include Rs NIL (previous year Rs 4.18 million) payable to New Okhla Industrial Development Authority against Plot no A-147, Sector-136, Noida. The Company has sold the leasehold land during the year.

5.8 Vehicle loans

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

Bank Name	Amount outstanding as on 31st March 2012 Rs. (Million)	Amount outstanding as on 31st March 2013 Rs. (Million)	Repayment terms- Total number of EMI & amount of EMI per month	Vehicles no hypothecated as security for loan	Type of Vehicle
From ICICI Bank	0.47	0.12	36 EMI of Rs. 0.03 Million	Reg. No. DL1CM2241	Car
	0.19	0.05	36 EMI of Rs. 0.01 Million	Reg. No. UP17E3313	Car
	0.19	0.05	36 EMI of Rs. 0.01 Million	Reg. No. UK0650063	Car
From HDFC Bank Ltd.	1.28	0	36 EMI of Rs. 0.11 Million	Reg. No. DL1CM1809	Car
	0.00	0.42	36 EMI of Rs. 0.016 Million	Reg. No. DL3CBC 7922	Car
	0.00	0.42	36 EMI of Rs. 0.016 Million	Reg. No. DL3CBC 7921	Car
From AXIS Bank Ltd.	0.18	0	36 EMI of Rs. 0.03 Million	Reg. No. DL1CM513	Car
	0.07	0	36 EMI of Rs. 0.01 Million	Reg. No. DL3CBF 7508	Car
	0.29	0.18	36 EMI of Rs. 0.01 Million	Reg. No. DL3CB7291	Car
	0.29	0.18	36 EMI of Rs. 0.01 Million	Reg. No. DL3CB7292	Car
	0.29	0.18	36 EMI of Rs. 0.01 Million	Reg. No. DL3CB7293	Car
	0.29	0.18	36 EMI of Rs. 0.01 Million	Reg. No. DL3CB7294	Car
	0.29	0.18	36 EMI of Rs. 0.01 Million	Reg. No. DL3CB7295	Car
From HDFC Bank Ltd.	0.43	0.24	36 EMI of Rs. 0.02 Million	Reg. No. UP16AT2211	Commercial Vehicle
	0.43	0.24	36 EMI of Rs. 0.02 Million	Reg. No. UP16AT2212	Commercial Vehicle
	0	0.47	36 EMI of Rs. 0.02 Million	Reg. No. UP16BT1125	Commercial Vehicle
	0	0.47	36 EMI of Rs. 0.02 Million	Reg. No. UP16BT1126	Commercial Vehicle
	0	0.62	36 EMI of Rs. 0.029 Million	Reg. No. UP16BT3702	Commercial Vehicle
	0	0.62	36 EMI of Rs. 0.029 Million	Reg. No. UP16BT3703	Commercial Vehicle
	0.58	0.35	36 EMI of Rs. 0.02 Million	Reg. No. MH16AE7217	Commercial Vehicle
	0.21	0.13	36 EMI of Rs. 0.01 Million	Reg. No. MH16AJ4906	Commercial Vehicle
	0	0.79	48 EMI of Rs. 0.02 Million	Reg. No. MH16AY0923	Commercial Vehicle
	0	0.79	48 EMI of Rs. 0.02 Million	Reg. No. MH16AY0924	Commercial Vehicle
Vehicles Loan from others					
From TATA Capital Ltd.	0.45	0.20	36 EMI of Rs. 0.02 Million	Reg. No. DL1CM2916	Car
	0.64	0.29	36 EMI of Rs. 0.03 Million	Reg. No. DL8CL8973	Car
Total	6.57	7.16			

6 Deferred tax (net)

	Amount (Rs.) As at 31st March, 2013	Amount (Rs.) As at 31st March, 2012
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	91,320,384	52,540,820
Gross deferred tax liability	91,320,384	52,540,820
Deferred tax assets		
Disallowance under section 43B of the Income Tax Act, 1961	2,579,844	2,134,315
Carried forward loss and unabsorbed depreciation	96,740,540	20,423,945
Gross deferred tax assets	99,320,384	22,558,260
Deferred Tax (net)	-8,000,000	29,982,560

7 Provisions

	Non-current		Current		Amount (Rs.)
	As at	As at	As at	As at	
	31st March, 2013	31st March, 2012	31st March, 2013	31st March, 2012	
Provision for employee benefits					
Provision for gratuity [refer note no. 28(3)]	3,842,721	4,375,865	564,630	0	
Provision for leave benefits	5,588,870	4,122,165	1,130,370	644,181	
Total	9,431,591	8,498,030	1,695,000	644,181	

8 Short-term borrowings

	Amount (Rs.)	
	As at	As at
	31st March, 2013	31st March, 2012
Secured		
Working capital loans are repayable on demand from banks:-		
- Cash Credit Limit from State Bank of India	342,630,355	340,851,478
- Overdraft from Standard Chartered Bank	57,519,485	46,757,988
- Buyers Credit for raw materials from State Bank of India	0	8,709,980
Total Secured	400,149,840	396,319,446
Unsecured		
Bill discounting from banks:-		
- HDFC Bank	59,920,758	38,325,374
- Standard Chartered Bank	19,781,242	23,771,747
LC discounting from State Bank of India	13,314,043	
Unsecured loans from directors	27,662,300	29,296,300
Total Unsecured	120,678,343	91,393,421
Total	520,828,183	487,712,867

8.1 Cash Credit Limit from State Bank of India

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

8.2 Overdraft from Standard Chartered Bank (SCB).

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

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

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

8.5 LC discounting from State bank of India represents ILC issued by Central Bank of India for supply of air coolers to M/s Videcon Industries Limited and discounted by the company.

9 Trade Payables

	Amount (Rs.)	
	As at	As at
	31st March, 2013	31st March, 2012
Trade payables [refer note no. 28(11)]	287,660,071	206,193,623
Acceptances:		
Letter of Credit from State Bank of India	167,000,995	146,912,668
Total	454,661,066	353,106,291

10 Other Current liabilities

Current maturities of long-term borrowings (Refer note no. 5)	119,337,658	158,551,460
Interest accrued but not due on borrowings	627,752	505,573
Interest accrued and due on borrowings	985,131	2,743,146
Advance from customers	3,200,330	573,518
Expenses payable	4,844,671	4,167,185
Audit fee payable	353,932	270,000
Capital goods Creditors	10,117,826	22,762,960
Expenses Creditors	25,677,179	16,093,045
Security from service provider	125,000	125,000
Wages & salary payable	6,492,027	5,469,905
Statutory dues:-		
- Excise duty payable on finished goods	3,728,455	1,083,117
- Service tax payable	718,357	51,608
- TDS payable	1,302,900	1,305,628
- ESI Payable	117,011	105,332
- PF payable	766,715	829,410
- Bonus payable	1,293,927	1,351,910
- CST, Wct & Vat payable	8,636,276	16,648,901
- Professional tax payable	19,975	19,375
- Wealth Tax Payable	240,181	62,820
Total	188,585,302	232,719,893

CONSOLIDATED FINANCIAL STATEMENT OF PG ELECTROPLAST LTD AND ITS SUBSIDIARY

11 Consolidated Fixed Assets-31.03.2013

Sl. No.	Description	Gross Block				Depreciation				Net Block	
		As at 01-04-2012		As at 31-03-2013		For the year		As at 31-03-2013		As at 31-03-2013	
		Rs.		Rs.		Rs.		Rs.		Rs.	
a)	Tangible assets										
1	Land-Leasehold	47,547,128		39,352,159		2,451,758		36,900,401		47,547,128	
2	Buildings	446,459,764		446,231,976		14,794,578		410,682,945		425,645,261	
3	Plant and machinery	754,875,165		1,059,844,844		69,987,344		909,059,647		674,075,159	
4	Electric installation	31,191,544		46,361,635		2,005,798		40,291,253		28,124,962	
5	Furniture and fixtures	8,283,011		8,625,953		494,017		6,000,270		6,151,345	
6	Vehicles	23,220,088		29,393,204		2,330,411		22,586,588		18,118,888	
7	Office equipment	9,202,384		9,944,525		1,091,821		5,516,263		5,861,943	
	Total-Tangible assets	1,371,779,084		1,639,820,295		93,153,676		1,431,037,369		1,205,524,685	
	Previous Year	687,370,974		1,221,779,084		44,434,318		1,205,524,685		615,246,622	
b)	Intangible assets										
1	Goodwill	2,967,890		45,936		0		45,936		2,967,890	
2	Product development expenditure	10,013,950		10,031,950		1,003,395		8,528,658		9,531,253	
3	Computer software	1,000,502		1,000,502		162,181		610,356		772,547	
	Total-Intangible assets	14,002,342		11,080,388		1,165,576		9,185,160		13,272,690	
	Previous Year	870,502		11,034,452		648,045		10,304,800		788,895	
c)	Capital Work-in-progress	209,082,723		6,763,038		0		209,082,723		209,082,723	
	Previous Year	174,699,165		209,082,723		0		6,763,038		164,817,348	
	Total-Current Year	1,544,863,448		1,657,653,720		94,321,252		1,446,985,566		1,427,879,598	
	Total-Previous Year	862,940,641		1,541,855,758		45,082,362		1,424,911,708		780,852,585	

Notes:

1 The Ministry of Corporate Affairs (MCA) has issued the amendment dated 29 December 2011 to AS 11 'The Effects of Changes in Foreign Exchange Rates, to allow companies deferral/capitalization of exchange differences arising on long-term foreign currency monetary items. In accordance with the amendment/earlier amendment to AS 11, the company has capitalized exchange loss, arising on long-term foreign currency loan, amounting to Rs.5.20 million (31 March 2012: exchange loss Rs.18.46million) to the cost of plant and machinery.

2 In the Current year, the Company has amortised the cost of leasehold land over the period of lease with retrospective effect. The leasehold land amortization of Rs 24,51,758 /-(including Rs 20,08,866 /- relating to prior periods) has been debited to the statement of profit and loss account.

12 Non-current investments

13 Loans and advances

Amount (Rs.)

	Non-Current		Current	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
Unsecured, considered good				
Capital advances	126,467,199	267,756,986	-	-
Security deposit	11,175,388	11,138,285	6,062,250	6,116,028
Advance Recoverable In Cash or Kinds:				
TDS receivable FY 2012-13	-	-	15,700,094	-
Income Tax Refund 2007-08	-	-	1,165,813	1,165,813
Income Tax Refund 2010-11	-	-	268,294	437,711
Income Tax Refund 2011-12	-	-	17,083,804	16,786,385
Advance to trade suppliers *	-	-	83,229,728	105,509,048
Advance for expenses	-	-	2,003,767	1,600,193
Advance Recoverable	-	-	11,242,182	5,238,913
Other Loans and Advances:				
Prepaid expenses	-	-	4,012,085	3,682,929
Loans to employees	-	-	1,460,027	2,110,487
Balances due from Statutory Government Authorities	250,925	713,308	111,545,800	125,833,553
Total	137,893,512	279,608,579	253,773,844	268,481,060

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

14 Trade receivables and other assets

14.1 Other assets

Amount (Rs.)

	Non-Current		Current	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
Unamortized expenses-Pre IPO expenses & Preliminary expenses	-	-	-	21,900
Interest accrued on deposits	-	-	1,551,123	1,863,690
Interest accrued on investments	-	-	35,420,670	20,420,629
Interest accrued on other	-	-	6,841,282	5,634,616
Margin money / FDR, with banks originally more than twelve months	50,415,317	1,416,463	-	-
Earnest money deposits	-	-	-	10,000
Total	50,415,317	1,416,463	43,813,075	27,950,835

14.2 Trade receivables

	Non-Current		Current	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment	-	40,695,855	21,019,478	3,717,260
Other receivables	-	-	332,578,896	173,579,168
Total	-	40,695,855	353,598,373	177,296,627

Amount (Rs.)

Trade receivables include:

Dues from company in which the company's executive director is a director
Bigesto Technologies Limited

Current	
As at 31st March, 2013	As at 31st March, 2012
-	1,386,366

15 Current investments

	As at 31st March, 2013	As at 31st March, 2012
Other Investments		
Inter Corporate Deposits*	261,600,000	295,000,000
Total	261,600,000	295,000,000

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

S.No	Name of Bodies Corporate	Relationship	Amount (In Millions)	
			As At 31st March 2013	As At 31st March 2012
1	Raw Gold Securities Pvt. Ltd.	Seprate Legal Entity	70	70
2	Saptrishi Suppliers Pvt. Ltd.	Seprate Legal Entity	140	140
3	Wattkins Commerce Pvt. Ltd.	Seprate Legal Entity	52	85
			262	295

The company has issued notice to all the above parties for calling back ICD of Rs. 310 millions to comply with the SEBI Directions, out of which Rs. 15.0 million and Rs 33.40 million had been received during financial year 2011-12 and 2012-13 respectively. This amount of Rs 48.40 million had been deposited in Escrow account maintained with Standard Chartered Bank as per directions of SEBI. The balance amount of Rs 261.60 million is yet to be received by the company.

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

	As at 31st March, 2013	As at 31st March, 2012
Raw materials and components	196,930,926	172,547,127
Stock in transit -raw materials	12,057,803	13,508,095
Work-in-progress	32,552,295	27,126,344
Finished goods	35,927,238	18,052,580
Stock in transits -finished goods	-	5,915,425
Stores & spares	563,618	429,710
Other- diesel	519,718	1,232,446
Total	278,551,600	238,811,727

17 Cash and bank balances

	Non-current		Current	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2013	As at 31st March, 2012
Cash and Cash Equivalents				
Balance with banks:-				
- State Bank Of India, Delhi			112,545	321,543
- State Bank Of India, Noida			402,877	1,696,719
- State Bank Of India,Supa at Pune			151,607	(214,957)
- State Bank of India -Employee Group Gratuity trust fund, Noida			14,427	13,146
- State Bank Of India -Roorkee			73,537	37,354
- Standard Chartered Bank, New Delhi			1,912,690	2,227,245
- HDFC Bank Ltd., Noida			70,930	143,584
- ICICI Bank Ltd, Noida			185,271	167,848
- Bank of Baroda, Noida			12,834	12,834
Cheques, Drafts on hand:-				
- Cheques in hand			-	60,000,000
Cash on hand:-				
- Cash in hand			1,639,010	3,085,253
Total (A)	-	-	4,575,728	67,490,569
Other bank balances				
Balance under lien/margin/kept as security etc:				
- Margin money originally maturity more than 12 months		1,416,463	-	13,856,308
- Margin money originally maturity more than 3 months & upto 12 months *			38,108,315	22,100,000
Other balances				
- Fixed deposit originally maturity more than 12 months	875,000		3,062,002	-
- Standard Chartered bank -Escrow a/c, Gurgaon **	140,317		-	15,177,401
- Fixed deposit in Escrow a/c with SCB **	49,400,000		-	-
Total (B)	50,415,317	1,416,463	41,170,317	51,133,709
Amount disclosed under margin money / fixed deposit originally more than 12 months shown under non-current assets (refer note no. 14.1)-(C)	50,415,317	1,416,463		
Total (A+B-C)	-	-	45,746,045	118,624,278

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

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

18 Revenue from Operations

	Amount (Rs.)	
	As at 31st March, 2013	As at 31st March, 2012
Sale of Products:		
- Finished goods	3,069,746,211	2,216,487,996
- Traded goods	116,295,460	93,804,409
Income from services	3,953,884	2,296,758
Stock transfer/ Interunit Income	-	-
Other operating revenue:		
- Scrap sales	9,385,914	3,588,418
Revenue from operations (gross)	3,199,381,469	2,316,177,581
Less: Excise duty	(172,976,451)	(97,934,781)
Revenue from operations (net)	3,026,405,018	2,218,242,800

18.1 Details of Products Sold

	Amount (Rs.)	
	As at 31st March 2013	As at 31st March, 2012
Finished goods sold		
Colour Television	1,216,058,831	1,080,418,737
DVD	280,945	-
CFL	325,788,899	201,408,774
Washing Machine	136,380,331	-
Water Purifier	276,035	23,324,533
Air Cooler	19,055,360	-
Chasis For Ctv	24,593,391	-
Plastic Parts		
Colour Television	383,426,642	509,893,172
Air Conditioners	371,697,066	205,712,829
DVD	427,723	-
Water Purifier	31,122,808	7,647,821
Telecommunication	-	1,753,157
Washing Machine	302,195,550	89,629,701
Refrigerator	149,456,558	60,026,864
Automotive	84,204,348	24,472,084
Air Cooler	9,215,244	-
Bathroom fitting	10,887,906	-
Other	4,678,574	12,200,324
Total	3,069,746,211	2,216,487,996

18.2 Traded goods sold

	Amount (Rs.)	
	As at 31st March 2013	As at 31st March, 2012
Plastic Granuals	40,063,716	25,394,266
CTV Components	40,842,366	54,964,460
DVD Components	-	4,487,801
CFL Components	35,343	281,264
Refrigerator Components	13,344,017	2,697,469
AC parts	10,962,123	-
WMC parts	5,804,606	-
Air Cooler Parts	66,429	-
Others	5,176,859	5,979,149
Total	116,295,459	93,804,409

18.3 Details of services rendered

	Amount (Rs.)	
	As at 31st March 2013	As at 31st March, 2012
Job Work Charges	3,068,484	1,123,563
Repair Of Moulds	885,400	1,173,195
Total	3,953,884	2,296,758

19 Other income	Amount (Rs.)	
	As at 31st March 2013	As at 31st March, 2012
Interest Income		
Interest on Bank deposits	4,595,252	2,801,785
Interest from Investments #	39,356,301	22,689,589
Interest on others	1,340,740	6,260,685
PSI Incentive 2007 at MIDC *	10,357,771	5,536,652
Commission income	9,883,294	2,970,320
Liabilities written back to the extent no longer required	-	711,370
Excess Provision written back	146,772	-
Miscellaneous income	88,604	360,660
Total	65,768,734	41,331,061

The Inter-corporate deposit agreements (ICD agreement) was expired during the year. However, the company has recognised interest on ICD's at the rates specified in the Inter-corporate deposit agreement pending receipt of amount from the party as the Company has recalled the deposits and the party has still to refund the same.

* The Company has recognized the incentive of Rs. 10.36 million (2012- Rs 5.536 million) under Packaged Scheme of Incentives issued by government of Maharashtra for the promotion of industrial investment in the State.

20 Cost of raw material & components consumed	Amount (Rs.)	
	As at 31st March 2013	As at 31st March, 2012
Inventory at the beginning of the year	172,547,127	116,317,440
Add: Purchases	2,688,716,283	2,019,780,571
Less: Discount received from suppliers	11,002,867	20,293,864
Less: Cost of goods traded	101,752,938	85,532,968
Less: Consumed for product development	-	7,204,029
	2,748,507,605	2,023,067,151
Less: Inventory at the end of the year	197,845,797	172,547,127
Cost of raw material & components consumed	2,550,661,808	1,850,520,023

20.1 Details of raw material & components consumed	Amount (Rs.)	
	As at 31st March 2013	As at 31st March, 2012
Plastic Granules	735,960,511	460,498,757
Colour Picture Tube	523,348,198	496,060,327
Chasis For Ctv	430,224,257	404,464,660
Wash Motor	28,306,104	-
Populated Circuit Board (PCB) of CFL	150,009,690	111,526,641
Bulb CFL	141,902,419	90,524,694
Other	540,910,629	287,444,944
Total	2,550,661,808	1,850,520,023

20.2 Details of inventory	Amount (Rs.)	
	As at 31st March 2013	As at 31st March, 2012
Raw materials		
Plastic Granules	94,294,638	78,141,418
Colour Picture Tube	19,379,028	19,727,018
Chasis For Ctv	13,281,544	13,384,495
Washing Machine Component	3,591,194	-
Populated Circuit Board of CFL	2,398,649	3,358,806
Bulb CFL	4,257,645	3,525,263
Other	60,643,099	54,410,127
Total	197,845,797	172,547,127

20.3 Details of purchase of traded goods	Amount (Rs.)	
	As at 31st March 2013	As at 31st March, 2012
Plastic Granules	33,986,723	23,050,079
CTV Components	37,704,399	50,905,043
DVD Components	-	3,046,292
CFL Components	35,343	260,857
Refrigerator Components	11,262,521	2,365,917
AC Parts	9,132,274	-
WMC Parts	4,896,606	-
Air Cooler Parts	59,123	-
Others	4,675,949	5,904,760
Total	101,752,938	85,532,968

		Amount (Rs.)	
		As at 31st March 2013	As at 31st March, 2012
21 (Increase)/decrease in Inventories			
Inventories at the end of the year			
Work-in-progress		32,552,297	27,126,344
Finished goods		35,927,238	18,052,580
Total		68,479,535	45,178,924
Inventories at the beginning of the year			
Work-in-progress		27,126,344	8,181,063
Finished goods		18,052,580	24,930,685
Total		45,178,924	33,111,748
(Increase)/decrease in inventories		23,300,610	12,067,176
Amount (Rs.)			
21.1 Finished goods		As at 31st March 2013	As at 31st March, 2012
Colour Television		1,112,527	6,998,707
DVD		-	381,812
CFL		1,123,055	1,158,212
PCB		568,881	-
Air Coolers		3,653,964	-
Washing Machine		178,843	-
Plastic Parts:-			
Colour Television		3,320,417	3,616,001
Air Conditioners		16,985,582	2,833,621
Water Purifier		1,596,698	218,258
Washing Machine		1,929,078	1,218,188
Refrigerators		3,050,251	833,638
Automotive		1,529,907	315,238
Air Coolers Parts		579,681	-
Bath Room Fitting Parts		166,035	-
Other		132,319	478,905
Total		35,927,238	18,052,580
Amount (Rs.)			
21.2 Work In Progress		As at 31st March 2013	As at 31st March, 2012
Water Purifier		-	232,723
Plastic Granules		-	841,396
Other goods		-	3,333,472
Plastic Parts			
Colour Television		4,383,301	7,353,102
Air Conditioners		22,425,512	11,913,585
Water Purifier		-	3,624
Washing Machine		1,607,331	452,979
Refrigerators		539,991	1,314,997
Automotive		1,965,969	1,583,216
Air Coolers Parts		849,490	-
Bath Room Fitting Parts		370,109	-
Other		410,595	97,250
Total		32,552,297	27,126,344
Amount (Rs.)			
22 Employee benefit expense		As at 31st March 2013	As at 31st March, 2012
Salaries, wages and bonus		141,512,771	99,218,524
Contribution to provident and other fund		5,838,194	5,651,039
Leave encashment [refer note no. 28(3)]		2,785,834	2,402,981
Gratuity expense [refer note no. 28(3)]		1,230,035	2,914,228
Employee Benefits		7,378,081	5,942,474
Total		158,744,915	116,129,246

	Amount (Rs.)	
	As at 31st March, 2013	As at 31st March, 2012
23 Other expenses		
Consumption of stores and spares	4,621,864	3,311,863
Power and fuel	70,158,908	52,274,319
Consumption of loose tools & Tackles	408,085	486,470
Sub-contracting expenses	16,216,496	16,038,954
Increase of excise duty on inventory	2,645,338	1,083,117
Freight and forwarding charges	30,832,433	21,658,278
Rent & Hiring charges of machinery, DG set	545,880	1,045,726
Rates and taxes (Service tax paid, ROC & Reversal of ITC)	4,797,761	952,653
Insurance	2,252,077	1,624,424
Repairs and Maintenance -Plant and machinery	8,598,668	10,269,381
Repairs & Maintenance- Buildings	1,168,447	1,952,590
Repairs & Maintenance - Others	3,387,877	2,449,349
Advertising	307,882	256,818
Travelling and conveyance	8,275,744	10,014,836
Communication costs	1,634,632	1,848,048
Printing and stationery	1,021,396	1,276,454
Legal and professional fees	6,467,035	3,627,553
Directors sitting fees	310,000	295,000
Payment to auditor (Refer details below)	957,865	1,017,628
Payment to cost auditor	380,000	-
Exchange differences (net)	1,623,475	6,413,231
Loss on sale of fixed assets (net)	227,860	425,737
Electricity & water expenses	181,483	34,080
Membership & subscription	120,301	86,272
General expenses	102,563	36,362
Security Guard expenses	5,377,900	5,158,860
Newspapers, books & periodicals	374,162	899,767
Vehicle running & maintenance	4,211,664	2,986,594
Festival expenses	1,203,090	1,491,949
Office upkeep expenses	1,988,576	1,865,491
Business Promotion	360,969	333,760
Donation	164,601	167,501
Gardening Expenses	52,820	40,330
Testing & trial charges	831,528	473,640
Recruitment expenses	40,800	14,829
Lease rent on leasehold land	3,213	14,861
Conference & meeting	500	2,500
Late delivery charges from customers	441,347	421,159
Software expenses	254,755	35,531
Maintenance charges to UPSIDC	92,273	164,149
Preliminary expenses W/O	21,900	21,900
Impairment in value of Goodwill	2,921,954	-
AGM Expenses	81,570	-
Brokrage on Sale of Assets	500,000	-
Miscellaneous expenses	154,735	62,754
Total	186,322,427	152,634,718

* Excluding expenses incurred for product development.

	Amount (Rs.)	
	As at 31st March, 2013	As at 31st March, 2012
Details of payment to auditor are as under:		
As auditor:		
Audit fee	357,865	407,865
Limited review	600,000	609,763
Total	957,865	1,017,628

		Amount (Rs.)	
		As at 31st March 2013	As at 31st March, 2012
24 A	Prior period expenses:-		
	- Purchase	-	76,626
	- Discount on sales	-	3,978
	- Advertisement	-	30,800
	- Repair & Maintenance- P & M	24,157	10,928
	- Rate & Taxes	112,418	-
	- Staff Welfare Expenses	70,000	-
	- Sales tax for earlier years	40,833	-
	- Testing & trial charges	28,674	344,184
	- Professional charges	30,008	15,000
	- Travelling and conveyance	-	68,022
	- Amortisation cost of leasehold land	2,008,886	-
	- Lease rent to Upside	68,460	-
	- Other expenses	18,830	2,349
	Total	2,402,266	551,887
B	Exceptional items		
	Loss on sale of investments	0	595,518
		0	595,518
			Amount (Rs.)
25	Depreciation and amortization expenses		
	Depreciation on tangible assets *	91,146,791	44,434,318
	Amortization on intangible assets	1,165,575	648,045
	Total	92,312,366	45,082,363
	* excludes Rs 20,08,885 /- being amortisation cost of leasehold land pertaining to prior periods.		
26	Finance costs		
	Interest to Bank	76,900,137	72,635,947
	Interest to Other	1,322,149	770,973
	Interest On Car Loan	719,993	690,949
	Bank charges, Commission & Processing Fees	32,292,922	32,270,949
	Total	111,235,201	106,368,818
27	Contingent liabilities and Commitments		
A	Contingent liability (to the extent not provided for)		
	Claims against the company not acknowledged as debts		
	a) Central Excise (FY 2006-07)	16,626	16,626
	d) Income Tax- TDS (FY 2006-07 -2010-11)	3,655,425	3,655,425
	c) Income Tax- 2009-10	414,696	0
	Bank Guarantees given to Customers		
	a) Bank Guarantees given to customers	1,000,000	1,000,000
	b) Bank Guarantee for ELCOT	0	103,170,900
	Bank Guarantee given to BSE	6,032,250	6,032,250
	Corporate Guarantee given to SBI for Blgesto Technologies Limited	105,000,000	0
	Total	116,118,997	113,875,201
	i. For the F.Y 2006-07, the Central Excise Department issued a Show Cause Notice demanding for Rs. 16,626 /- toward Cenvat credit of SAD taken on the basis of Supplementry Invoice issued by the M/s LG Electronics India Pvt. Ltd. The company has been contesting this claim and was of the view that the demand raised by the excise department was not tenable. To support its view, the company had also obtained legal opinion. Hence, it had not created provision toward this liability in the year ended 31 March 2013.		
	ii. Directorate of Revenue Intelligence (DRI) had conducted a search on the factory premises of the Company and the residence of the Promoters on March 08, 2011. The Company has deposited anti dumping duty on import of CPT of Rs. 14.5 Million. However, no show cause notice is received by company from DRI.		
	iii. The company was under process of investigation, as per SEBI ad-Interim Order No. WTM/PS/IVD-ID5/42/2011/DEC dated 28-12-2011, in exercise of powers conferred upon SEBI under section 19 of the Securities and Exchange Board of India Act, 1992 read with section 11(1), 11(4), 11A and 11B of the said Act, SEBI has issued certain directions for the company/ directors/ other entities to comply with. However, as per SEBI Order No. WTM/PS/16/IVD/ID-5/OCT/2012 dated 31-10-2012, SEBI has revoked interim directions issued vide its order dated 28-12-2011 on all the entities except company and its promoter directors. As per this order the investigation has been completed by SEBI and the company has received a Show Cause Notice No. IVD/ID5/SG/MKJ/1427/2013 dated 16-01-2013 under section 11(1), 11(4) and 11(B) and 11(A) and promoter directors under 11(1), 11(4) and 11(B) from the Securities and Exchange Board of India in which SEBI has contended that the company has suppressed material facts in the offer documents, mis-utilised/siphoned off the IPO funds etc. However, the company has refuted the contentions raised by the SEBI and filed the reply to the SEBI on 8-04-2013. In view of the uncertainty of the ultimate outcome, the impact, if any, cannot be presently ascertained.		
B	Commitments		
	Estimated amount of contracts remaining to be executed on Capital account and not provided for (Net of advances)	57,538,374	75,328,742

28 Other Notes on Accounts

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

2 Earnings per share (EPS)

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

	As at 31st March 2013	As at 31st March, 2012
Numerator for earning per share		
Profit/(loss) before taxation	-87,957,558	-85,774,504
Less : Provision for deferred tax and income tax	-37,982,560	440,003
Profit/(loss) after tax	-49,974,998	-86,214,507
Denominator for earning per share		
Weighted average number of equity shares outstanding during the period	16,414,332	13,620,316
Earning per share- Basic and Diluted (one equity share of Rs. 10 each)	(3.04)	(6.33)

3 Employee Benefits

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

	2012-13	2011-12
A Defined Contribution Plan		
Employer's contribution to Provident Fund	4,897,800	4,792,449
Employer's contribution to Employee State Insurance Fund	940,395	858,590
Total	5,838,195	5,651,039

B Defined Benefit Plans

Amount Recognised in the statement of profit & loss

	Amount (Rs.)		Amount (Rs.)	
	Leave Encashment Non Funded		Gratuity Partly Funded	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March 2013	As at 31st March, 2012
Current service cost	2,353,284	1,641,029	2,029,802	2,077,186
Interest cost on benefit obligation	409,906	234,971	615,073	351,229
Past Service Cost	0	0	0	0
Expected return on plan assets	0	0	-282,558	-224,180
Net actuarial (gain)/loss recognized in the year	22,644	526,981	-1,132,282	709,993
Net benefit expense	2,785,834	2,402,981	1,230,035	2,914,228

C Amounts recognised in balance sheet

	Amount (Rs.)		Amount (Rs.)	
	Leave Encashment Non Funded		Gratuity Partly Funded	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March 2013	As at 31st March, 2012
Present value of defined benefit obligation (Note I)	6,719,240	4,766,346	8,018,112	7,152,021
Fair value of plan assets (Note II)	0	0	3,610,761	2,776,156
Plan asset/(liability)	-6,719,240	-4,766,346	-4,407,351	-4,375,865

I) Changes In the present value of the defined benefit obligation are as follows:

	Amount (Rs.)		Amount (Rs.)	
	Leave Encashment Non Funded		Gratuity Partly Funded	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March 2013	As at 31st March, 2012
Opening defined benefit obligation	4,766,346	2,872,274	7,152,021	4,297,504
Current service cost	2,353,284	1,641,029	2,029,802	2,077,186
Interest cost	409,906	234,971	615,073	351,229
Benefits paid	-832,940	-508,909	-646,502	-271,210
Actuarial (gains)/losses on obligation	22,644	526,981	-1,132,282	697,312
Closing defined benefit obligation	6,719,240	4,766,346	8,018,112	7,152,021

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

	Amount (Rs.)		Amount (Rs.)	
	Leave Encashment Non Funded		Gratuity Partly Funded	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March 2013	As at 31st March, 2012
Opening fair value of plan assets	0	0	2,776,156	2,076,388
Expected return	0	0	282,558	224,180
Contributions by employer	0	0	811,859	715,610
Benefits paid	0	0	-259,812	-227,341
Actuarial gains/(losses) on plan assets	0	0	0	-12,681
Closing fair value of plan assets	0	0	3,610,761	2,776,156

Investments with Insurer

	Amount (Rs.)		Amount (Rs.)	
	Leave Encashment Non Funded		Gratuity Partly Funded	
	As at 31st March, 2013	As at 31st March, 2012	As at 31st March 2013	As at 31st March, 2012
With LIC	0	0	100%	100%

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

	Leave Encashment Non Funded		Gratuity Partly Funded	
	As at	As at	As at	As at
	31st March, 2013	31st March, 2012	31st March 2013	31st March, 2012
Discount rate	8.20%	8.20%	8.10%	8.60%
Expected rate of return on assets	N.A.	N.A.	9.00%	9.00%
Employee turnover-all ages	3.00%	3.00%	3.00%	3.00%
Rate of increase in compensation levels	10.00%	10.00%	10.00%	10.00%
Mortality table		LIC (1994 - 1996) duly modified		

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

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

Amounts for the current and previous periods are as follows:

	As at		As at		Amount (Rs.)	
	31st March 2013	31st March, 2012	31st March 2013	31st March, 2012	31st March, 2013	31st March, 2012
Gratuity *						
Defined benefit obligation	8,018,112	7,152,021	4,297,504	3,134,138		
Plan assets	3,610,761	2,776,156	2,076,388	1,340,483		
Surplus/(deficit)	-4,407,351	-4,375,865	-2,221,116	-1,793,655		
Experience adjustments on plan liabilities & assets #	0	0	0	0		
Leave Encashment *						
Defined benefit obligation	6,719,240	4,766,346	2,872,274	1,980,286		
Plan assets	0	0	0	0		
Surplus/(deficit)	-6,719,240	-4,766,346	-2,872,274	-1,980,286		
Experience adjustments on plan liabilities & assets #	0	0	0	0		

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

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

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

	As at		Amount (Rs.)	
	31st March 2013	31st March, 2012	31st March, 2013	31st March, 2012
Salaries, wages and bonus, Gratuity	263,866	6,904,189		
Consumption of stores and spares, tools etc	0	18,775		
Finance costs	0	6,469,173		
Tour & travelling	0	845,219		
Other expenses	0	940,568		
Total	263,866	15,177,923		

7 Details of expenses capitalised under Product Development :

Expense head	As at		Amount (Rs.)	
	31st March 2013	31st March, 2012	31st March, 2013	31st March, 2012
Raw materials consumed	0	7,204,029		
Employee benefit expenses	0	2,251,942		
Power & fuel	0	568,005		
Repair -Plant & Machinery	0	9,974		
Total	0	10,033,950		

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

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

(a) Related Party where control exists

- i) Mr. Promod Gupta, Chairman & Managing Director (Key Management Person)
- ii) Wholly Owned Subsidiary

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

i) Associate & Joint Venture (Group B) NIL

ii) Key Management Personnel (Group C)

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

iii) Relatives of Key Management Personnel (Group D)

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

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

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

9 Utilization of money raised through public issue

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

	As at 31st March 2013	As at 31st March, 2012
Amount raised during the year through Public issue	1,206,450,000	1,206,450,000
Less: amount utilized during the year		
Utilized for General Corporate Purpose (Net)	131,500,000	162,500,000
Purchase of plant and machinery & Construction of Building	572,406,019	559,824,035
IPO Expenses (Net of reimbursements received)	99,338,974	100,071,780
Repayment of Term Loan	10,000,000	10,000,000
Utilized for Working Capital	83,027,606	63,876,784
Unutilized amount at the end of the year	<u>310,177,401</u>	<u>310,177,401</u>

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

	Amount (Rs.) As at 31st March 2013	Amount (Rs.) As at 31st March, 2012
Investment in Inter-corporate deposits	261,600,000	295,000,000
Balance in Escrow a/c with SCB	48,577,401	15,177,401
	<u>310,177,401</u>	<u>310,177,401</u>

* The funds has been temporarily deployed as an interim measure to earn interest pending deployment towards the object of the issue. As per directions of SEBI, the company has issued notice to all the above parties for calling back ICD of Rs. 310 millions, out of which Rs. 15.0 million and Rs 33.40 million had been received during financial year 2011-12 and 2012-13 respectively. This amount of Rs 48.40 million had been deposited in Escrow account maintained with Standard Chartered Bank as per directions of SEBI. The balance amount of Rs 261.60 million is yet to be received by the company. Out of the said ICD of Rs 3100 million, the company has received Rs 48.4 million and deposited in Escrow account maintained with Standard Chartered Bank.

The company was under process of investigation, as per SEBI ad-Interim Order No. WTM/PS/IVD-ID5/42/2011/DEC dated 28-12-2011, in exercise of powers conferred upon SEBI under section 19 of the Securities and Exchange Board of India Act, 1992 read with section 11(1), 11(4), 11A and 11B of the said Act, SEBI has issued certain directions for the company/ directors/ other entities to comply with. However, as per SEBI Order No. WTM/PS/16/IVD-ID-5/OCT/2012 dated 31-10-2012, SEBI has revoked interim directions issued vide its order dated 28-12-2011 on all the entities except company and its promoter directors. Now the company has received a Show Cause Notice No. IVD/ ID5/SG/MKJ/1427/2013 dated 16-01-2013 under section 11(1), 11(4) and 11(B) and 11(A) and promoter directors under 11(1), 11(4) and 11(B) from the Securities and Exchange Board of India in which SEBI has contended that the company has suppressed material facts in the offer documents, mis-utilised/siphoned off the IPO funds etc. However, the company has refuted the contentions raised by the SEBI and filed the reply to the SEBI on 8-04-2013. In view of the uncertainty of the ultimate outcome, the impact, if any, cannot be presently ascertained.

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

	As at 31st March 2013	Amount (Rs.) As at 31st March, 2012
11 Value of imports calculated on CIF basis		
Plant & Machinery	219,762	32,617,574
Spare Parts	685,469	383,372
Raw materials	8,377,160	48,485,274
Tools & Tackles		19,162
Research & Development	56,029	0
Total	<u>9,338,420</u>	<u>81,505,383</u>

	As at 31st March 2013	Amount (Rs.) As at 31st March, 2012
12 Expenditure in foreign currency (accrual basis)		
Project professional fees	0	0
Travelling and conveyance	183,746	320,151
Total	<u>183,746</u>	<u>320,151</u>

	% of total consumption 31st March 2013	Amount (Rs.) 31st March 2013	% of total consumption 31 March 2012	Amount (Rs.) 31 March 2012
13 Imported and indigenous raw materials, components consumed				
Raw Materials				
Imported	0.76	19,277,473	2.45	45,334,350
Indigenously obtained	99.24	2,531,384,335	97.55	1,805,185,673
Total	<u>100.00</u>	<u>2,550,661,808</u>	<u>100.00</u>	<u>1,850,520,023</u>

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

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

For and on behalf of the board of directors

Chitresh Gupta
Partner
Membership no.: 098247
Place: Greater Noida
Date: 30th May 2013

Promod Gupta
[Managing Director]

Vishal Gupta
[Executive Director]

Kuntal Kar
[Company Secretary]

PROXY FORM
PG ELECTROPLAST LIMITED
Regd. Office: B-11, Mahendru Enclave, Delhi – 110 033

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

No. of shares held:.....

I/We..... of
..... in the district of
..... being a member / members of the
above named Company hereby appoint of
..... in the district of or failing him
..... of in the
district of as my/our proxy to vote for me/our behalf at
the 11TH ANNUAL GENERAL MEETING of the Company to be held on Monday, 30th day of September, 2013 at 10.30 A.M. at
Guru Kirpa Farms, Palla - Bakhtawarpur Road, G.T. Karnal Road, Village Alipur, Delhi – 110 036 and at any adjournment thereof.

Signed this day of 2013.

Affix Rupee 1/- Revenue Stamp
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NOTE: This form duly completed and signed should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

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ATTENDANCE SLIP
PG ELECTROPLAST LIMITED
Regd. Office: B-11, Mahendru Enclave, Delhi – 110 033

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

No. of Shares held

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

I hereby record my presence at the 11TH ANNUAL GENERAL MEETING of the Company to be held on Monday, 30th day of
September, 2013 at 10.30 A.M. at Guru Kirpa Farms, Palla - Bakhtawarpur Road, G.T. Karnal Road, Village Alipur, Delhi – 110 036

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

.....
Member's / Proxy Signature

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

BOOK-POST

If undelivered, please return to:

PG ELECTROPLAST LIMITED

B-11, Mahendru Enclave, Delhi – 110 033.