



PG ELECTROPLAST LIMITED

PG Electroplast Limited (our “Company” or the “Issuer”) was incorporated as ‘PG Electroplast Private Limited’ on March 17, 2003, as a private limited company under the Companies Act, 1956, as amended pursuant to a certificate of incorporation granted by the Registrar of Companies, National Capital Territory of Delhi & Haryana at Delhi (“RoC”). Subsequently, pursuant to a special resolution passed at the meeting of the shareholders of our Company at an extraordinary general meeting held on July 15, 2010, our Company became a public limited company and the name of our Company was changed to “PG Electroplast Limited” and consequently, a fresh certificate of incorporation, dated August 6, 2010, was issued by the RoC. For further details, see the sections titled, “Organisational Structure of our Company” and “General Information” on pages 231 and 515, respectively.

CIN: L32109DL2003PLC119416

Registered Office: DTJ-209, 2nd Floor, DLF Tower B-Jasola, Plot 11, Non-Hierarchical Commercial Centre, Jasola, New Delhi – 110 025 Delhi, India.

Corporate Office: P-4/2 to 4/6, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida, Dist. Gautam Budh Nagar – 201 306, Uttar Pradesh, India.

Tel.: +91 114 1421 439; **Email:** investors@pge.in; **Website:** www.pge.in

Company Secretary and Compliance Officer: Sanchay Dubey

Our Company is issuing up to [●] equity shares of face value of ₹ 1 each (the “Equity Shares”) at a price of ₹ [●] per Equity Share, including a premium of ₹ [●] per Equity Share (the “Issue Price”), aggregating up to ₹ [●] million (the “Issue”). For further details, see “Summary of the Issue” on page 39.

THE ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE “SEBI ICDR REGULATIONS”), SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE “COMPANIES ACT, 2013”), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE “PAS RULES”), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER, AS AMENDED.

The Equity Shares of our Company are listed on the National Stock Exchange of India Limited (the “NSE”) and the BSE Limited (the “BSE” and together with NSE, the “Stock Exchanges”). The closing prices of the Equity Shares on the NSE and the BSE as on December 3, 2024 were ₹ 759.85 and ₹ 759.55 per Equity Share, respectively. Our Company has received in-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “SEBI Listing Regulations”) for listing of the Equity Shares to be issued pursuant to this Issue, from each of BSE and NSE on December 4, 2024 and December 4, 2024, respectively. Our Company shall make applications to the Stock Exchanges for obtaining final listing and trading approvals for the Equity Shares to be issued pursuant to this Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to be issued pursuant to this Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or the Equity Shares.

OUR COMPANY HAS PREPARED THIS PRELIMINARY PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT TO ELIGIBLE QIBs (AS DEFINED HEREINAFTER) IS BEING MADE IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS, SECTION 42 OF THE COMPANIES ACT, 2013 READ WITH RULE 14 OF THE PAS RULES AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND OTHER RULES MADE THEREUNDER. THIS PRELIMINARY PLACEMENT DOCUMENT SHALL BE CIRCULATED TO ONLY SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY, PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO QUALIFIED INSTITUTIONAL BUYERS AS DEFINED IN THE SEBI ICDR REGULATIONS. YOU ARE NOT AUTHORIZED TO AND MAY NOT (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT, IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILIZE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI ICDR REGULATIONS, THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

INVESTMENT IN EQUITY SHARES INVOLVES A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ “RISK FACTORS” BEGINNING ON PAGE 47 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONDUCT ITS OWN DUE DILIGENCE ON US AND THE EQUITY SHARES AND CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT.

A copy of this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereinafter) has been delivered to the Stock Exchanges and a copy of the Placement Document (which will include disclosures prescribed under Form PAS-4) will be delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the Registrar of Companies, National Capital Territory of Delhi & Haryana at Delhi (“RoC”), within the stipulated period as required under the Companies Act, 2013 and PAS Rules. This Preliminary Placement Document has not been reviewed by the Securities and Exchange Board of India (“SEBI”), the Reserve Bank of India (“RBI”), the Stock Exchanges or any other listing or regulatory authority and is intended only for use by Eligible QIBs. This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and the Issue will not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of the Equity Shares to be issued pursuant to this Issue shall only be made pursuant to this Preliminary Placement Document together with the Application Form, the Placement Document and the Confirmation of Allocation Note (each as defined hereinafter). For further details, please see the section titled “Issue Procedure” on page 244. The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs to whom this Preliminary Placement Document is specifically addressed, and persons retained by such Eligible QIBs to advise them with respect to their purchase of Equity Shares is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

The information on the websites of our Company and Subsidiaries, or any other website directly or indirectly linked to the websites of our Company and Subsidiaries, or the website of the Book Running Lead Manager (as defined hereinafter) or its affiliates, does not constitute nor form part of this Preliminary Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites for their investment in this Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in “offshore transactions”, as defined in and in reliance on Regulation S under the Securities Act (“Regulation S”) and the applicable laws of the jurisdiction where those offers and sales are made. For the selling restrictions in certain other jurisdictions, please see the section titled, “Selling Restrictions” on page 259. Also see, “Transfer Restrictions and Purchaser Representation” on page 266 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

BOOK RUNNING LEAD MANAGER



JM FINANCIAL LIMITED

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Preliminary Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all information with respect to our Company and its Subsidiaries and the Equity Shares which our Company considers material in the context of the Issue. The statements contained in this Preliminary Placement Document relating to our Company, our Subsidiaries and our Joint Venture and the Equity Shares are, in all material respects, true and accurate and are not misleading, and the opinions and intentions expressed in this Preliminary Placement Document with regard to our Company and its Subsidiaries and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to us. There are no other facts in relation to our Company and its Subsidiaries and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. Unless otherwise stated, all information in this Preliminary Placement Document is provided as of the date of this Preliminary Placement Document and neither our Company nor the BRLM have any obligation to update such information to a later date.

JM Financial Limited (the “**Book Running Lead Manager**” or the “**BRLM**”) have made reasonable enquiries but not separately verified all of the information contained in this Preliminary Placement Document (financial, legal or otherwise). Accordingly, neither the BRLM nor any of its affiliates or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents or associates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the BRLM or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information supplied in connection with the Issue or the distribution of the Equity Shares. Each person receiving this Preliminary Placement Document acknowledges that such person has neither relied on the BRLM nor any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates other than the Company in connection with such person’s investigation of the accuracy of such information or such person’s investment decision, and each such person must rely on its own examination of us and the merits and risks involved in investing in the Equity Shares pursuant to the Issue.

Distribution of this Preliminary Placement Document to any person other than the Eligible QIBs specified by the Book Running Lead Manager or its representatives, and those persons, if any, retained to advise such investor with respect thereto, is unauthorised, and any disclosure of its contents, is prohibited. Any reproduction or distribution of this Preliminary Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and make no copies of this Preliminary Placement Document or any offering material in connection with the Equity Shares.

No person is authorised to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorised by, or on behalf of the BRLM. The delivery of this Preliminary Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The information contained in this Preliminary Placement Document has been provided by our Company and other sources identified herein. The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of the Company to any person, other than Eligible QIBs specified by the Book Running Lead Manager or its representatives, and those retained by Eligible QIBs to advise them with respect to their subscription of the Equity Shares is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document. Any reproduction or distribution of this Preliminary Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited.

The Equity Shares have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including the United States Securities and Exchange Commission (“SEC”), any other federal or state authorities in the United States, the securities authorities of any non-United States jurisdiction and any other United States or non- United States regulatory authority. No authority has passed on or endorsed the merits of this Issue or the accuracy or adequacy of this Preliminary Placement Document. Any representation to the contrary may be a criminal offence in certain jurisdictions.

The Equity Shares offered in the Issue have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the

United States in “offshore transactions”, as defined in and in reliance on Regulation S under the Securities Act (“**Regulation S**”) and the applicable laws of the jurisdiction where those offers and sales are made. You should note and observe the solicitation and distribution restrictions contained in the sections titled “**Selling Restrictions**” and “**Transfer Restrictions and Purchaser Representations**” beginning on pages 259 and 266.

The distribution of this Preliminary Placement Document and the Issue in certain countries or jurisdictions may be restricted by law. As such, this Preliminary Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by our Company or the BRLM which would permit an offering of the Equity Shares in the Issue or distribution of this Preliminary Placement Document in any country or jurisdiction other than India where action for that purpose is required. Accordingly, the Equity Shares issued pursuant to the Issue may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any Issue materials in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction that would require registration of the Equity Shares in such country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

In making an investment decision, prospective investors must rely on their own examination of our Company and our Subsidiaries, the Equity Shares and the terms of the Issue, including the merits and risks involved. Investors should not construe the contents of this Preliminary Placement Document as legal, business, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, neither our Company nor the BRLM are making any representation to any offeree or subscriber of the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or subscriber under applicable laws or regulations.

Each Bidder in the Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and is eligible to invest in India and in our Company under Indian laws, including Chapter VI of the SEBI ICDR Regulations and Section 42, other applicable provisions of the Companies Act, 2013 and Rule 14 of the PAS Rules and is not prohibited by SEBI or any other regulatory authority from buying, selling or dealing in securities. This Preliminary Placement Document contains summaries of certain terms of certain documents, which are qualified in their entirety by the terms and conditions of such documents and disclosures included in the section titled “*Risk Factors*” on page 47.

The information on our Company’s website at www.pgel.in or any website directly or indirectly linked to our Company’s website or the website of each of the BRLM, its respective associates or affiliates, does not constitute or form part of this Preliminary Placement Document. Prospective investors should not rely on any such information contained in, or available through, any such websites.

REPRESENTATIONS BY INVESTORS

All references to “you” and “your” in this section are to the prospective investors in the Issue. By Bidding for, and/or subscribing to, Equity Shares under the Issue, you are deemed to have made the representations, warranties, acknowledgements, and agreements set forth in the sections titled “*Notice to Investors*”, “*Selling Restrictions*” and “*Transfer Restrictions and Purchase Representations*” on pages 1, 259 and 266, respectively, and represented, warranted, acknowledged and agreed with our Company, and the BRLM, as follows:

1. Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Company or Subsidiaries which is not set forth in this Preliminary Placement Document;
2. You are a “qualified institutional buyer” (“**QIB**”) as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under the applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, and (ii) comply with the SEBI ICDR Regulations and all other applicable laws including any reporting obligations, requirements/ making necessary filings, with appropriate regulatory authorities, including the Stock Exchanges, if any, in connection with the Issue;
3. You are eligible to invest in India and in the Equity Shares under applicable law, including the FEMA Rules (as defined hereinafter), and any notifications, circulars or clarifications issued thereunder, each as amended and have not been prohibited by SEBI or any other regulatory or statutory authority from buying, selling or dealing in securities or otherwise accessing capital markets in India. Further, you are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations (as defined hereinafter), the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act, 2013;
4. If you are not a resident of India, but a QIB, you are an Eligible FPI (and are not an individual, corporate body or a family office) having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and are eligible to invest in India under applicable law, including the FEMA Rules, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets. You confirm that you are not an FVCI;
5. You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws;
6. You are aware that in terms of the FEMA Rules, and any notifications, circulars or clarifications issued thereunder, the total holding by each FPI including its investor group (which means common ownership of more than 50% or common control) shall be below 10% of the total paid-up equity share capital of our Company on a fully diluted basis and the total holdings of all FPIs put together shall not exceed the sectoral cap applicable to our Company, which is 100% under automatic route, in respect of the manufacturing sector. In terms of FEMA Rules, for calculating the total holding of FPIs in a company, holding of all registered FPIs shall be included. Hence, Eligible FPIs may invest in such number of equity shares in the Issue such that (i) the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up equity share capital of our Company on a fully diluted basis, and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company. In case the holding of an FPI or investor group increases to 10% or more of the total paid-up equity share capital, on a fully diluted basis, , such FPI shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach, or such other time as may be prescribed by SEBI and the RBI from time to time. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by the Company and the investor with applicable reporting requirements;
7. You agree that our Company shall make necessary filings with the RoC (which shall include certain details such as your name, address and number of Equity Shares Allotted), in terms of Section 42 of the Companies Act, 2013 and Rule 14 of the PAS Rules, or other provisions of the Companies Act, 2013, and you consent to such disclosure being made by us. You will provide the information as required under the Companies Act, 2013, the PAS Rules and the applicable provisions of the SEBI ICDR Regulations for record keeping by our Company, including your name, complete address, phone number,

e-mail address, permanent account number and bank account details, and such other details as may be prescribed or otherwise required even after the closure of the Issue;

8. If you are Allotted the Equity Shares pursuant to the Issue, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the floor of the Stock Exchanges (additional restrictions apply if you are in certain other jurisdictions), and in accordance with any other resale restrictions applicable to you. For more information, please see the section titled “*Transfer Restrictions and Purchaser Representations*” on page 266;
9. You are aware that this Preliminary Placement Document and the Placement Document has not been, and will not be, registered as a prospectus with the RoC under the Companies Act, 2013, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. This Preliminary Placement Document and the Placement Document have not been and will not be reviewed, verified or affirmed by RBI, SEBI, the Stock Exchanges, RoC or any other regulatory or listing authority and have not been and will not be filed with the RoC as a prospectus, and are intended only for use by Eligible QIBs. This Preliminary Placement Document and the Placement Document has been and will be filed with the Stock Exchanges only for the purposes of their records and will be displayed on the websites of the Company and the Stock Exchanges;
10. You are entitled to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions which apply to you and you have the necessary capacity and that you have fully observed such laws and obtained all such governmental and other consents and authorisations, in each case which may be required thereunder and have complied with all necessary formalities, to enable you to commit to participation in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorizations to agree to the terms set out or referred to in this Preliminary Placement Document), and will honour such obligations;
11. You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents (“**Company’s Presentations**”) with regard to our Company, the Equity Shares or the Issue; or (ii) if you have participated in or attended any Company’s Presentations: (a) you understand and acknowledge that the BRLM may not have knowledge of the statements that our Company or its agents may have made at such Company’s Presentations and are therefore unable to determine whether the information provided to you at such Company’s Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the BRLM have advised you not to rely in any way on any information that was provided to you at such Company’s Presentations, and (b) confirm that, you have not been provided any material information that was not publicly available;
12. None of our Company, the BRLM or any of its shareholders, directors, officers, employees, counsel, representatives, agents, associates or affiliates is making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue and that participation in the Issue is on the basis that you are not and will not, up to the Allotment, be a client of any of the BRLM. Neither the BRLM nor any of its shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates have any duties or responsibilities to you for providing the protection afforded to their clients or for providing advice in relation to the Issue and are in no way acting in a fiduciary capacity to you;
13. You are aware that if you are Allotted more than 5% of the Equity Shares in the Issue, our Company shall be required to disclose your name and the number of Equity Shares Allotted to you to the Stock Exchanges, and the Stock Exchanges will make the same available on their website and you consent to such disclosures;
14. All statements other than statements of historical facts included in this Preliminary Placement Document, including, without limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which our Company will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as on the date of this Preliminary Placement Document. Neither our Company, nor the BRLM or any of its shareholders, directors, officers, employees, counsels, representatives, agents or affiliates assumes any responsibility to update any of the forward-looking statements contained in this Preliminary Placement Document;

15. You have been provided a serially numbered copy of this Preliminary Placement Document and have read them in their entirety, including, in particular, the section titled “**Risk Factors**” on page 47;
16. You are aware and understand that the Equity Shares are being offered only to Eligible QIBs and are not being offered to the general public and that the Allotment shall be on a discretionary basis;
17. You are aware that in terms of the requirements of the Companies Act, upon Allocation, the Company has disclosed names and percentage of post-Issue shareholding of the proposed Allottees in this Preliminary Placement Document. However, disclosure of such details in relation to the proposed Allottees in this Preliminary Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company;
18. You have made, or are deemed to have made, as applicable, the representations set forth under the sections titled “**Selling Restrictions**” and “**Transfer Restrictions and Purchaser Representations**” on pages 259 and 266, respectively;
19. You understand that the Equity Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and accordingly, may not be offered or sold within the United States, except in reliance on an exemption from the registration requirements of the Securities Act. For more information, please see the section titled “**Selling Restrictions**” on page 259;
20. You are outside the United States and are subscribing for the Equity Shares in an “offshore transaction” as defined in Regulation S, and are not our Company’s or the BRLM’s affiliate or a person acting on behalf of such an affiliate;
21. You are not acquiring or subscribing for the Equity Shares as a result of any general solicitation or general advertising (as those terms are defined in Regulation D under the Securities Act) or “directed selling efforts” (as defined in Regulation S). You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described under the sections titled “**Notice to Investors**”, “**Selling Restrictions**” and “**Transfer Restrictions and Purchaser Representations**” on pages 1, 259 and 266, respectively;
22. In making your investment decision, you have (i) relied on your own examination of our Company, the Equity Shares and the terms of the Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of our Company, the Equity Shares and the terms of the Issue based solely on the information contained in this Preliminary Placement Document and as will be contained in the Placement Document, (iii) consulted your own independent advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws, (iv) relied solely on the information contained in this Preliminary Placement Document and the Placement Document and no other disclosure or representation by our Company, its Directors, Promoters and affiliates, or any other party, (v) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company and the Equity Shares and (vi) relied upon your own investigation and resources in deciding to invest in the Issue;
23. You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You and any accounts for which you are subscribing the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares; (ii) will not look to our Company or any of the BRLM or any of its shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates for all or part of any such loss or losses that may be suffered; (iii) are able to sustain a complete loss on the investment in the Equity Shares; (iv) have no need for liquidity with respect to the investment in the Equity Shares; and (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. You are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resale or distribute;
24. The BRLM or any of its shareholders, directors, officers, employees, counsel, representatives, agents or affiliates have not provided you with any tax advice or otherwise made any representations regarding the tax consequences of the purchase, ownership and disposal of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice and will not rely on the BRLM or any of its shareholders, employees, counsel, officers, directors, representatives, agents or affiliates or our Company when evaluating the tax consequences in relation to the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You waive and agree not to assert any claim against the BRLM or our Company with respect to the tax aspects of the Equity Shares or the Issue or as a result of any tax audits by tax authorities, wherever situated;

25. That where you are acquiring the Equity Shares for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire the Equity Shares for each managed account; and to make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to “you” to include such accounts;
26. You are not a ‘promoter’ (as defined under the SEBI ICDR Regulations) of our Company and are not a person related to our Promoters, either directly or indirectly, and your Bid does not directly or indirectly represent the promoter or promoter group (as defined under the SEBI ICDR Regulations) of our Company or persons or entities related thereto;
27. You have no rights under a shareholders’ agreement or voting agreement entered into with the Promoters or Promoter Group, no veto rights or right to appoint any nominee director on our Board of Directors other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares, the acquisition of which shall not deem you to be a person related to the Promoters;
28. The Bid made by you would not result in triggering a tender offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the “**SEBI Takeover Regulations**”) and you shall be solely responsible for compliance with all other applicable provisions of the SEBI Takeover Regulations;
29. You have no right to withdraw your Application or revise your Bid downwards after the Issue Closing Date (as defined hereinafter);
30. You are eligible to apply for and hold Equity Shares so Allotted and together with any securities of our Company held by you prior to the Issue. You further confirm that your aggregate holding upon the issue and Allotment of the Equity Shares shall not exceed the level permissible as per any applicable law;
31. To the best of your knowledge and belief, your aggregate holding together with other Bidders in the Issue that belong to the same group or that are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size. For the purposes of this representation:
 - the expression ‘belongs to the same group’ shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst a QIB, its subsidiary or holding company and any other QIB; and
 - ‘control’ shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the SEBI Takeover Regulations.
32. You shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;
33. You are aware and understand that the BRLM have entered into a Placement Agreement with our Company, whereby the BRLM have, subject to the satisfaction of certain conditions set out therein, severally and not jointly, agreed to manage the Issue and use reasonable efforts to procure subscriptions for the Equity Shares on the terms and conditions set forth therein;
34. The contents of this Preliminary Placement Document and that of the Placement Document are exclusively the responsibility of our Company and that neither the BRLM nor any person acting on its behalf has or shall have any liability for any information, representation or statement contained in this Preliminary Placement Document and the Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Preliminary Placement Document and the Placement Document or otherwise. By participating in the Issue, you agree to the same and confirm that you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the BRLM or our Company or any other person and none of the BRLM, our Company or any other person will be liable for your decision to participate in the Issue based on any other information, representation, warranty or statement that you may have obtained or received;
35. The only information you are entitled to rely on, and on which you have relied, in committing yourself to acquire the Equity Shares is contained in this Preliminary Placement Document and will be contained in the Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares and that you have neither received nor relied on any other information given or representations, warranties or statements made

by the BRLM or our Company and neither the BRLM nor our Company will be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion that you have obtained or received;

36. You understand that the Equity Shares issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association of our Company and will be credited as fully paid and will rank *pari passu* in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared;
37. You agree to indemnify and hold our Company, the BRLM and its affiliates and their respective directors, officers, employees and persons in control harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of your representations, warranties, acknowledgements and undertakings in this Preliminary Placement Document and the Placement Document including this section. You agree that the indemnity set forth in this section shall survive the resale of the Equity Shares by or on behalf of the managed accounts;
38. You understand that the BRLM has no obligation to purchase or acquire all or any part of the Equity Shares which are subscribed by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by us of any of our respective obligations or any breach of any representations or warranties by us, whether to you or otherwise;
39. You are aware that (i) applications for in-principle approval, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations for listing and admission of the Equity Shares and for trading on BSE and NSE, were made and such approvals have been received from BSE and NSE and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final approvals for listing of the Equity Shares will be obtained in time or at all. Our Company, and the BRLM shall not be responsible for any delay or non-receipt of such final approvals or any loss arising from such delay or non-receipt;
40. You are an investor who is seeking to purchase the Equity Shares for your own investment and not with a view to distribution. In particular, you acknowledge that (i) an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment, (ii) you have sufficient knowledge, sophistication and experience in financial and business matters so as to be capable of evaluating the merits and risk of the purchase of the Equity Shares, and (iii) you are experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions and have such knowledge and experience in financial, business and investments matters that you are capable of evaluating the merits and risks of your investment in the Equity Shares;
41. Neither the Book Running Lead Manager nor any of its respective affiliates have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by our Company of any of its obligations or any breach of any representations and warranties by our Company, whether to you or otherwise;
42. You are aware and understand that you are allowed to place a Bid for Equity Shares. Please note that submitting a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to a successful Bidder. Allotment of Equity Shares will be undertaken by our Company, in its absolute discretion, in consultation with the Book Running Lead Manager;
43. You acknowledge that this Preliminary Placement Document and the Placement Document do not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;
44. You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of India, and the courts in Mumbai, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Preliminary Placement Document and the Placement Document;
45. Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times, up to and including the Allotment, listing and trading of the Equity Shares in the Issue;
46. It is agreed that if any such representations, warranties, acknowledgements, agreements and undertakings are no longer accurate, you will promptly notify our Company and the Book Running Lead Manager;
47. You have made, or are deemed to have made, as applicable, the representations set forth in this section titled “**Representations by Investors**”;

48. Our Company, the BRLM, its affiliates, directors, officers, employees and persons in control and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings which are given to the BRLM itself and on behalf of our Company and are irrevocable; and
49. You confirm that neither is your investment as an entity of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (in each which case, investment can only be through the Government approval route), and that your investment is in accordance with press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, and Rule 6 of the FEMA Rules.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines, and approvals in terms of Regulation 21 of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (“**SEBI FPI Regulations**”), FPIs, including the affiliates of the BRLM, who are registered as category I FPIs may issue, subscribe, or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it in India, as its underlying and herein referred to as “**P-Notes**”) and persons who are eligible for registration as category I FPIs can subscribe to or deal in such P-Notes, provided that in the case of an entity that has an investment manager who is from a Financial Action Task Force member country, such investment manager shall not be required to be registered as a category I FPI. The abovementioned category I FPIs may receive compensation from the purchasers of such instruments. You should ensure that any P-Notes issued by you have been issued in compliance with all applicable laws (including KYC norms and such other conditions as specified by SEBI from time to time). An Eligible FPIs shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as category I FPI, and such instrument is being transferred only to person eligible for registration as category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. P-Notes have not been and are not being offered or sold pursuant to this Preliminary Placement Document. This Preliminary Placement Document does not contain any information concerning P- Notes or the issuer(s) of any P-Notes, including any information regarding any risk factors relating thereto.

For further details relating to investment limits of FPIs, please see the section titled “**Issue Procedure**” on page 244. P-Notes may be issued only in favour of those entities which meet the eligibility criteria as laid down in Regulation 4 of the SEBI FPI Regulations. Pursuant to its circular dated June 10, 2016, SEBI has introduced additional requirements applicable to P-Notes, including (i) KYC norms for issuers of P-Notes which require identification and verification of beneficial owners of entities subscribing to the P-Note holding more than a prescribed threshold; (ii) the requirement for issuers to file suspicious transaction reports with the Indian Financial Intelligence Unit; and (iii) the requirement for the issuer to report details of intermediate transfers in the monthly reports on P-Notes submitted to SEBI. An Eligible FPI shall also ensure that no further issue or transfer of any instrument referred to above is made by or on behalf of it to any person other than such entities regulated by appropriate foreign regulatory authorities. P-Notes have not been, and are not being offered, or sold pursuant to this Preliminary Placement Document. This Preliminary Placement Document does not contain any information concerning P- Notes or the issuer(s) of any P-notes, including, without limitation, any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or above of our post-Issue equity share capital on a fully diluted basis. The SEBI has, vide a circular dated November 5, 2019, as amended issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the “**FPI Operational Guidelines**”), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the above-mentioned restrictions shall also apply to subscribers P-Notes. Two or more subscribers of P-Notes having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the P-Notes. In the event a prospective investor has investments as an FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Notes held in the underlying company.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 read with the Consolidated FDI Policy, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

Affiliates of the BRLM which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on, or interests in, our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the BRLM do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the BRLM and do not constitute any obligations of, or claims on, the BRLM. Affiliates of the BRLM which are FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuers of such P-Notes and the terms and conditions of any such P-Notes from the issuers of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P- Notes or any disclosure related thereto. Bidders are

urged to consult with their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

Please also see the sections titled, “*Selling Restrictions*” and “*Transfer Restrictions and Purchaser Representations*” on pages 259 and 266, respectively.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of this Preliminary Placement Document has been submitted to each of the Stock Exchanges. The Stock Exchanges do not in any manner:

- 1) warrant, certify or endorse the correctness or completeness of the contents of this Preliminary Placement Document;
- 2) warrant that the Equity Shares issued pursuant to the Issue will be listed or will continue to be listed on the Stock Exchanges; or
- 3) take any responsibility for the financial or other soundness of our Company, its Promoters, its management or any scheme or project of our Company,

and it should not for any reason be deemed or construed to mean that this Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER FINANCIAL INFORMATION

Certain Conventions

In this Preliminary Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to “you”, “your”, “offeree”, “purchaser”, “subscriber”, “recipient”, “investors”, “prospective investors” and “potential investor” are to the Eligible QIBs in the Issue and references to the “Issuer”, “PGEL”, “Company”, “our Company” refers to PG Electroplast Limited and references to “we”, “us”, or “our” are to our Company together with its Subsidiaries, on a consolidated basis.

Unless otherwise specified or the context otherwise requires, all references in this Preliminary Placement Document to (i) the ‘US’ or ‘U.S.’ or the ‘United States’ or the ‘U.S.A’ are to the United States of America and its territories and possessions; (ii) ‘India’ are to the Republic of India and its territories and possessions; and (iii) the ‘UK’ or ‘U.K.’ or the ‘United Kingdom’ are to the United Kingdom of Great Britain and its territories and possessions; and (iv) the ‘Government’ or ‘GoI’ or the ‘Central Government’ or the ‘State Government’ are to the Government of India, Central or State, as applicable.

In this Preliminary Placement Document, references to ‘INR’, ‘₹’, ‘Rs.’, ‘Indian Rupees’ and ‘Rupees’ are to the legal currency of India, references to “GBP” or “£”, are to the legal currency of Great Britain and references to ‘USD’, ‘U.S. Dollars’ and ‘US\$’ are to the legal currency of the United States.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. All the numbers in this Preliminary Placement Document have been presented in million or whole numbers, unless stated otherwise. The amounts in our Financial Statements included herein are presented in Rs. lakhs or in Rs. crores.

In this Preliminary Placement Document, references to “Lakh” represents “100,000”, “million” represents “1,000,000”, “crore” represents “10,000,000”, and “billion” represents “1,000,000,000”.

Certain figures contained in this Preliminary Placement Document, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Page Numbers

Unless otherwise stated, all references to page numbers in this Preliminary Placement Document are to page numbers of this Preliminary Placement Document.

Financial and Other Information

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise. The terms “Fiscal”, “Financial Year”, “Fiscals” or “Fiscal Year”, refer to the 12-month period ending March 31 of that particular year. Unless stated otherwise, the financial data in this Preliminary Placement Document is derived from the Financial Statements. Our Subsidiaries, PG Technoplast, PG Plastronics and Next Generation Manufacturers Private Limited (step down subsidiary) were incorporated on October 8, 2020, June 22, 2021 and November 4, 2019, respectively. On July 31, 2023, our Company acquired its shareholding in our joint venture, Goodworth Electronics Private Limited, aggregating to 50% of the joint venture’s share capital. Further, our Subsidiary, PG Technoplast, by virtue of a securities transfer agreement dated February 10, 2024 executed with Amstrad Consumer India Private Limited and Next Generation Manufacturers Private Limited (step down subsidiary) acquired 99.99% of the total issued and paid up capital of Next Generation Manufacturers Private Limited (step down subsidiary).

This Preliminary Placement Document includes the following:

- a) audited consolidated financial statements of the Company for Fiscal 2022 read along with the notes thereto prepared in accordance with Indian Accounting Standards (Ind AS), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with the SEBI Listing Regulations and the report issued thereon (the “**Fiscal 2022 Audited Consolidated Financial Statements**”);
- b) audited consolidated financial statements of the Company for Fiscal 2023 read along with the notes thereto prepared in accordance with Indian Accounting Standards (Ind AS), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with the SEBI Listing Regulations and the report issued thereon (the “**Fiscal 2023 Audited Consolidated Financial Statements**”);

- c) audited consolidated financial statements of the Company for Fiscal 2024 read along with the notes thereto prepared in accordance with Indian Accounting Standards (Ind AS), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with the SEBI Listing Regulations and the report issued thereon (the “**Fiscal 2024 Audited Consolidated Financial Statements**” and collectively with Fiscal 2022 Audited Consolidated Financial Statements and Fiscal 2023 Audited Consolidated Financial Statements, the “**Audited Financial Statements**”); and
- d) unaudited interim condensed consolidated financial statements of the Company as at and for the six-months ended September 30, 2024, read along with the notes thereto (including the comparative financial information for the six-months ended September 30, 2023), prepared in accordance with Indian Accounting Standard 34 “Interim Financial Reporting”, prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and the report issued thereto (“**Unaudited Interim Condensed Consolidated Financial Statements**” and collectively with Audited Consolidated Financial Statements, the “**Financial Statements**”).

Fiscal 2022 Audited Consolidated Financial Statements, the Fiscal 2023 Audited Consolidated Financial Statements, the Fiscal 2024 Audited Consolidated Financial Statements and the Unaudited Interim Condensed Consolidated Financial Statements together with the respective reports issued thereon by our current Statutory Auditors, S S Kothari Mehta & Co. LLP, Chartered Accountants, have been included in this Preliminary Placement Document.

The Audited Financial Statements should be read along with the respective audit reports, and the Unaudited Interim Condensed Consolidated Financial Statements should be read along with the respective review report. Further, our Unaudited Interim Condensed Consolidated Financial Statements are not necessarily indicative of results that may be expected for the full financial year or any future reporting period and are not comparable with the annual financials.

Our Company prepares its financial statements in accordance with Ind AS, Companies Act, and other applicable statutory and/or regulatory requirements. Our Company publishes its financial statements in Indian Rupees. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including IFRS and US GAAP and the reconciliation of the financial information to other accounting principles has not been provided. No attempt has been made to explain those differences or quantify their impact on the financial data included in this Preliminary Placement Document and investors should consult their own advisors regarding such differences and their impact on our Company’s financial data. The degree to which the financial information included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Ind AS, the Companies Act, the SEBI ICDR Regulations and practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited.

Our Financial Statements are prepared, and have been presented in lakhs in this Preliminary Placement Document, except for the information in the sections titled “**Risk Factors**”, “**Industry Overview**”, “**Summary of Business**”, “**Selected Financial Information**”, “**Our Business**”, “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” which have been presented in million for presentation purposes and have been rounded off or expressed in two decimals. Certain figures contained in this Preliminary Placement Document (excluding the section titled “**Industry Overview**”), including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Non-GAAP Financial Measures

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance such as EBITDA, EBITDA margin, PAT, PAT margin, ROE, ROCE, net asset fixed turnover and asset turnover ratio have been included in this Preliminary Placement Document. These may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

INDUSTRY AND MARKET DATA

Information regarding market position, growth rates, other industry data and certain industry forecasts pertaining to our business contained in this Preliminary Placement Document consists of estimates based on data reports compiled by government bodies, data from other external sources and knowledge of the markets in which we compete. Unless stated otherwise, the statistical information included in this Preliminary Placement Document relating to the industry in which we operate has been reproduced from various trade, industry and government publications and websites more particularly described in the section titled “**Industry Overview**” on page 145.

The industry, market and economic data included in this Preliminary Placement Document has been derived from the report titled “*EMS Opportunities in Indian Consumer Durables Segment*” dated December 3, 2024 (the “**F&S Report**”). Our Company has commissioned and paid for the F&S Report pursuant to the engagement letter dated November 12, 2024. Frost & Sullivan is not related in any manner to our Company, its Subsidiaries, Directors, Key Managerial Personnel, members of Senior Management or the Promoters.

This data in the F&S Report is subject to change and cannot be verified with certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analysis and estimates, so we have relied on internally developed estimates. Similarly, while we believe its internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither we nor the BRLM can assure Bidders as to their accuracy.

The extent to which the market and industry data used in this Preliminary Placement Document is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled “**Risk Factors – This Preliminary Placement Document contains information from industry sources including the industry report commissioned by the Company from Frost & Sullivan.**” on page 73.

Disclaimer of the F&S Report

The **F&S Report** is subject to the following disclaimer:

“EMS Opportunities in Indian Consumer Durables Segment’ has been prepared for the proposed qualified institutions placement of equity shares by PG Electroplast Limited (the “Company”).

This study has been undertaken through extensive primary and secondary research, which involves discussing the status of the industry with leading market participants and experts, and compiling inputs from publicly available sources, including official publications and research reports. Estimates provided by Frost & Sullivan (India) Private Limited (“Frost & Sullivan”) and its assumptions are based on varying levels of quantitative and qualitative analyses, including industry journals, company reports and information in the public domain.

Frost & Sullivan has prepared this study in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, and it does not purport to be exhaustive. The results that can be or are derived from these findings are based on certain assumptions and parameters/conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged.

Forecasts, estimates, predictions, and other forward-looking statements contained in this report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements.

In making any decision regarding the transaction, the recipient should conduct its own investigation and analysis of all facts and information contained in the document of which this report is a part and the recipient must rely on its own examination and the terms of the transaction, as and when discussed. The recipients should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.”

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Preliminary Placement Document that are not statements of historical fact constitute “forward-looking statements”. Investors can generally identify forward-looking statements by terminology such as “aim”, “anticipate”, “believe”, “continue”, “can”, “could”, “estimate”, “expect”, “intend”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “shall”, “should”, “will”, “would”, or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

The forward-looking statements appear in a number of places throughout this Preliminary Placement Document and include statements regarding the intentions, beliefs or current expectations of our Company concerning, amongst other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate. In addition, even if the result of operations, financial conditions, liquidity and dividend policy of our Company, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Preliminary Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

All statements regarding our Company’s expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company’s business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Preliminary Placement Document that are not historical facts. These forward-looking statements contained in this Preliminary Placement Document (whether made by us or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause the actual results, performances and achievements of our Company to be materially different from any of the forward-looking statements include, among others:

- High dependency on a limited number of customers for a majority portion of our revenue from operations and the potential loss of relationship or a significant reduction in purchases by such customers;
- Adverse impact due to change in location of business model of contract manufacturers who are our primary clients;
- Absence of long-term volume purchase commitments from our customers;
- Inability to keep up with technological advancements;
- Seasonality of a significant portion of our sales from our products business which take place immediately prior or during the summer months, and any adverse impact due to change in weather conditions during such peak sales seasons;
- Adverse impact on the Issue, ability to raise funds in the future and reputation on account of our Company and Promoters being debarred from accessing capital markets in the past;
- Failure to comply with the conditions of use of land of our Registered Office and our manufacturing units;
- Inability to manage the expansion of our business and operations and execute our growth strategy in a timely manner or within the budget estimates;
- Our business is working capital intensive. If we are unable to accurately forecast demand for our products and manage our inventory or working capital balances, it may have an adverse effect on our business, results of operations, cash flows and financial condition; and
- Possible conflicts of interest between us and our Promoters or the entities forming part of our Promoter Group entities due to the operations of such entities in similar line of business, adversely affecting our financial and business operations.

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under the sections titled “*Risk Factors*”, “*Industry Overview*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 47, 145, 195 and 112, respectively.

By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, any future gains, losses or impact on net income and net income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections. The forward-looking statements contained in this Preliminary Placement Document are based on the beliefs of the management, as well as the assumptions made by, and information currently available to, the management of our Company. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as on the date of this Preliminary Placement Document or the respective dates indicated in this Preliminary Placement Document, and we undertake no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialize, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements. In accordance with SEBI and Stock Exchange requirements, our Company and the BRLM will ensure that the eligible equity shareholders are informed of material developments until the time of the grant of listing and trading permissions by the Stock Exchanges.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public limited liability company incorporated under the laws of India. All our Directors, the Key Managerial Personnel and the members of our Senior Management are residents of India and all or a substantial portion of the assets of our Company and such persons are located in India. As a result, it may be difficult or may not be possible for investors outside India to effect service of process upon our Company or such persons in India, or to enforce judgments obtained against such parties outside India predicated upon civil liabilities of our Company or such directors and executive officers under laws other than Indian laws, including judgments predicated upon the civil liability provisions of the federal securities laws of the United States.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908, as amended (the “**Civil Procedure Code**”), on a statutory basis. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. India is not a party to any multilateral international treaty in relation to the recognition or enforcement of foreign judgments. However, Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Among other jurisdictions, the United Kingdom of Great Britain and Northern Ireland, Republic of Singapore, United Arab Emirates and Hong Kong have been declared by the Government to be reciprocating territories for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy of India. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax in accordance with applicable laws. We cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable. Our Company and the Book Running Lead Manager cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

EXCHANGE RATE INFORMATION

Fluctuations in the exchange rate between the Rupee and the U.S. dollar will affect the U.S. dollar equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into U.S. dollar of any cash dividends paid in Rupees on the Equity Shares.

INR TO USD

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and the U.S. dollar (in ₹ per U.S.D) based on the reference rates released by the RBI/FBIL. No representation is made that the Indian Rupee amounts actually represent such amounts in U.S. dollar or could have been or could be converted into USD at the rates indicated, any other rates, or at all.

	(₹ Per US\$)			
	Period end ^(^)	Average ⁽¹⁾	High ⁽²⁾	Low ⁽³⁾
Financial Year:				
2024	83.37	82.79	83.40	81.65
2023	82.22	80.39	83.20	75.39
2022	75.81	74.51	76.92	72.48
Six months ended:				
September 30, 2024	83.79	83.81	83.98	83.49
Month ended:				
November 2024	84.50	84.36	84.50	84.11
October 2024	84.09	84.03	84.09	83.81
September 2024	83.79	83.81	83.98	83.49
August 2024	83.87	83.90	83.97	83.73
July 2024	83.74	83.59	83.74	83.40
June 2024	83.45	83.47	83.59	83.07

(Source: www.fbil.org.in)

(^) The price for the period end refers to the price as on the last trading day of the respective fiscal year or quarterly or monthly periods.

(1) Average of the official rate for each working day of the relevant period.

(2) Maximum of the official rate for each Working Day of the relevant period.

(3) Minimum of the official rate for each Working Day of the relevant period.

Notes:

- If the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed.
- The RBI reference rates are rounded off to two decimal places.

DEFINITIONS AND ABBREVIATIONS

This Preliminary Placement Document uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein.

The following list of certain capitalised terms used in this Preliminary Placement Document is intended for the convenience of the reader/prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Preliminary Placement Document shall have the meaning as defined hereunder. Further any references to any agreement, document, statute, rules, guidelines, regulations or policies shall include amendments made thereto, from time to time.

*The words and expressions used in this Preliminary Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations framed thereunder. Notwithstanding the foregoing, terms used in the sections titled “**Taxation**”, “**Industry Overview**”, “**Financial Information**” and “**Legal Proceedings**” on pages 275, 145, 282 and 279, respectively, shall have the meaning given to such terms in such sections.*

General Terms

Term	Description
“Our Company”, “the Company”, “the Issuer” or “PGEL”	PG Electroplast Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 and having its registered office at DTJ-209, 2 nd Floor, DLF Tower B-Jasola, Plot 11 Non-Hierarchical Commercial Centre, Jasola, New Delhi – 110025, Delhi, India
“We”, “Our”, or “Us”	Unless the context otherwise indicates or implies, refers to our Company along with our Subsidiaries, on a consolidated basis

Company related terms

Term	Description
Articles or Articles of Association	The Articles of Association of our Company, as amended from time to time
Audit Committee	The Audit Committee constituted by the Board of our Company as disclosed in the section titled “ Board of Directors and Senior Management ” on page 218
Auditors or Statutory Auditors or Independent Auditors	Statutory auditors of the Company namely, S S Kothari Mehta & Co. LLP, Chartered Accountants
Board of Directors or Board	The board of directors of our Company, including any duly constituted committee thereof
Corporate Office	P-4/2 to 4/6, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida, Dist. Gautam Budh Nagar – 201 306, Uttar Pradesh, India
Corporate Social Responsibility Committee	The Corporate Social Responsibility Committee constituted by the Board of our Company as disclosed in the section titled “ Board of Directors and Senior Management ” on page 218
Director(s)	The directors on the Board of our Company, as may be appointed from time to time
ESOP 2020	PG Electroplast Employee Stock Option Scheme 2020
Equity Shares	The equity shares of a face value of ₹ 1 each of the Company
Financial Statements	Unaudited Interim Condensed Consolidated Financial Statements, Fiscal 2024 Audited Consolidated Financial Statements, Fiscal 2023 Audited Consolidated Financial Statements and Fiscal 2022 Audited Consolidated Financial Statements
Fiscal 2024 Audited Consolidated Financial Statements	Audited consolidated financial statements for Fiscal 2024, read along with the notes thereto, prepared in accordance with Indian Accounting Standards (Ind AS), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India, and in compliance with the SEBI Listing Regulations
Fiscal 2023 Audited Consolidated Financial Statements	Audited consolidated financial statements for Fiscal 2023, read along with the notes thereto, prepared in accordance with Indian Accounting Standards (Ind AS), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India, and in compliance with the SEBI Listing Regulations
Fiscal 2022 Audited Consolidated Financial Statements	Audited consolidated financial statements for Fiscal 2022, read along with the notes thereto, prepared in accordance with Indian Accounting Standards (Ind AS), prescribed under

Term	Description
	Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with the SEBI Listing Regulations
Gross Proceeds	The gross proceeds of the Issue that will be available to our Company
Independent Director(s)	Independent directors of our Company, unless otherwise specified
Joint Venture	The joint venture of our Company, in accordance with the Companies Act, 2013, being Goodworth Electronics Private Limited. The term “Joint Venture” shall be construed accordingly
Key Managerial Personnel	The key managerial personnel of our Company in accordance with the provisions of the Companies Act, 2013. For details, please see the section titled “ Board of Directors and Senior Management ” on page 218
Memorandum or Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time
Next Generation Manufacturers Private Limited	Wholly owned subsidiary of PG Technoplast Private Limited and a step down subsidiary of our Company.
Nomination and Remuneration Committee	The Nomination and Remuneration Committee constituted by the Board of our Company as disclosed in the section titled “ Board of Directors and Senior Management ” on page 218
Non-Executive Director(s)	Non-executive directors of our Company, unless otherwise specified
PG Technoplast	Our wholly owned subsidiary, PG Technoplast Private Limited
PG Plastronics	Our wholly owned subsidiary, PG Plastronics Private Limited
Previous Statutory Auditors	The previous statutory auditors of our Company namely, M/s. Chitresh Gupta & Associates, Chartered Accountants
Promoters	The Promoters of our Company, being, Anurag Gupta, Vishal Gupta and Vikas Gupta
Promoter Group	The individuals and entities forming part of our promoter group in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations
Registered Office	The registered office of the Company situated at DTJ-209, 2 nd Floor, DLF Tower B-Jasola, Plot 11 Non-Hierarchical Commercial Centre, Jasola, New Delhi – 110025, Delhi, India
Risk Management Committee	The Risk Management Committee constituted by the Board of our Company as disclosed in the section titled “ Board of Directors and Senior Management ” on page 218
Senior Management	The members of the senior management of our Company in accordance with Regulation 2 (1) (bbb) of the SEBI ICDR Regulations
Shareholders	Shareholders of our Company
Stakeholders Relationship Committee	The Stakeholders Relationship Committee constituted by the Board of our Company as disclosed in the section titled “ Board of Directors and Senior Management ” on page 218
Subsidiaries	The wholly owned subsidiaries of the Company in accordance with the Companies Act, 2013, being: <ul style="list-style-type: none"> (i) PG Technoplast Private Limited; (ii) PG Plastronics Private Limited; and (iii) Next Generation Manufacturers Private Limited (wholly owned subsidiary of PG Technoplast Private Limited and a step down subsidiary of our Company). The term “Subsidiary” shall be construed accordingly.
Unaudited Interim Condensed Consolidated Financial Statements	Unaudited interim condensed consolidated financial statements as at and for the six-months ended September 30, 2024 (including the comparative financial information with respect to the six-months ended September 30, 2023) prepared in accordance with Indian Accounting Standard 34 “Interim Financial Reporting”, prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India, the unaudited interim condensed consolidated balance sheet as at September 30, 2024 and the unaudited interim condensed consolidated statement of profit and loss, including other comprehensive income, the unaudited interim condensed consolidated cash flow statement and the unaudited interim condensed consolidated statement of changes in equity for the six-months ended September 30, 2024 and a summary of select explanatory notes (including the comparative financial information for the six-months ended September 30, 2023).

Issue related terms

Term	Description
Allocated or Allocation	The allocation of Equity Shares, by our Company in consultation with the BRLM, following the determination of the Issue Price to Eligible QIBs on the basis of the Application Forms submitted by them, in consultation with the BRLM and in compliance with Chapter VI of the SEBI ICDR Regulations
Allot/ Allotment/ Allotted	Allotment and issue of Equity Shares pursuant to the Issue
Allottees	Eligible QIBs to whom Equity Shares are issued pursuant to the Issue
Application Amount	With respect to a Bidder shall mean the aggregate amount paid by such Bidder at the time of submitting a Bid in the Issue
Application Form	Form (including any revisions thereof) which will be submitted by the Eligible QIBs for registering a Bid in the Issue
Bid Amount	The amount determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by a Bidder and payable by the Bidder in the Issue on submission of the Application Form
Bid(s)	Indication of an Eligible QIB's interest, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for the Equity Shares pursuant to the Issue. The term "Bidding" shall be construed accordingly
Bidder	Any prospective investor, being an Eligible QIB, who makes a Bid pursuant to the terms of this Preliminary Placement Document and the Application Form
Book Running Lead Manager or BRLM	JM Financial Limited
CAN/ Confirmation of Allocation Note	Note, advice or intimation confirming Allocation of Equity Shares to such Successful Bidders after determination of the Issue Price
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e., on or about [●], 2024
Designated Date	The date on which the Equity Shares issued pursuant to the Issue, are listed on the Stock Exchanges pursuant to receipt of the final listing and trading approvals for the Equity Shares from the Stock Exchanges or the date on which Form PAS-3 is filed by our Company with the RoC, whichever is later
Eligible FPIs	FPIs that are eligible to participate in this Issue in terms of applicable laws, other than individuals, corporate bodies and family offices
Eligible QIBs	QIBs, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations that are eligible to participate in the Issue and which are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations and are not restricted from participating in the Issue under the applicable laws. In addition, QIBs, outside the United States in "offshore transactions" in reliance on Regulation S under the Securities Act. Further, FVCIs are not permitted to participate in the Issue
Escrow Account	Special non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, to be opened in the name and style "PG Electroplast Limited QIP Escrow Account 2024" with the Escrow Bank, subject to the terms of the Escrow Agreement into which the Application Amount payable by the Bidders in connection with the subscription to the Equity Shares pursuant to the Issue shall be deposited
Escrow Agreement	Agreement dated December 4, 2024, entered into by and amongst our Company, the Escrow Bank and the Book Running Lead Manager for collection of the Application Amounts and remitting refunds, if any, of the amounts collected, to the Bidders
Escrow Bank	YES Bank Limited
Floor Price	Floor price of ₹ 705.18 for each Equity Share, calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount on the Floor Price in accordance with the approval of our Board October 19, 2024 and the Shareholders on November 13, 2024, and in terms of Regulation 176(1) of the SEBI ICDR Regulations
Issue	Offer and issuance of the Equity Shares to Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of the Companies Act, 2013 and the rules made thereunder
Issue Closing Date	[●], 2024, the date after which our Company (or Book Running Lead Manager on behalf of our Company) shall cease acceptance of Application Forms and the Application Amount

Term	Description
Issue Opening Date	December 4, 2024, the date on which our Company (or the Book Running Lead Manager on behalf of our Company) shall commence acceptance of the Application Forms and the Application Amount
Issue Period	Period between the Issue Opening Date and the Issue Closing Date, inclusive of both days during which Eligible QIBs can submit their Bids along with the Application Amount
Issue Price	A price per Equity Share of ₹ [●]
Issue Size	Aggregate size of the Issue, up to ₹ [●] million
Monitoring Agency / CRISIL	CRISIL Ratings Limited, being a credit rating agency registered with SEBI
Monitoring Agency Agreement	Monitoring agency agreement dated December 4, 2024, entered into between our Company and CRISIL
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue
Placement Agreement	Placement agreement dated December 4, 2024 by and among our Company and the Book Running Lead Manager
Preliminary Placement Document	This Preliminary Placement Document dated December 4, 2024 issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules prescribed thereunder
Placement Document	The placement document to be issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules prescribed thereunder
QIBs or Qualified Institutional Buyers	Qualified institutional buyers, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement under Chapter VI of the SEBI ICDR Regulations and applicable provisions of the Companies Act, 2013 read with applicable rules
Regulation D	Regulation D under the Securities Act
Regulation S	Regulation S under the Securities Act
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all, or part, of the Application Amount submitted by such Bidder pursuant to the Issue
Refund Intimation	The intimation from the Company to relevant Bidders confirming refund of the Refund Amount to their respective bank accounts
Relevant Date	December 4, 2024, which is the date of the meeting in which our Board decided to open the Issue
Securities Act / U.S. Securities Act / United States Securities Act	The United States Securities Act of 1933, as amended
Stock Exchanges	NSE and BSE
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount with the Application Form and who are Allocated Equity Shares pursuant to the Issue
U.S. / United States	The United States of America

Business related terms

Term	Description
AI	Artificial intelligence
CBUs	Complete built – up units
CM	Contract manufacturing
EMS	Electronic manufacturing services
EBITDA	Earnings before interest, taxes, depreciation, and amortization
EBITDA Margin	EBITDA margin is calculated as EBITDA as a percentage of revenue from operations
FATL	Fully automatic top load washing machines
IDUs	Indoor units
LCD	Liquid crystal display
LED	Light emitting diode
MI	Metal illumination
NABL	National Accreditation Board for Testing and Calibration Laboratories
ODM	Original design manufacturer

Term	Description
ODUs	Outdoor units
OEM	Original equipment manufacturer
LCD	Liquid crystal display
LED	Light emitting diode
PCB	Printed circuit boards
PLI Scheme	Production Linked Incentive Scheme for Large Scale Electronics Manufacturing
PM	Plastic moulding
RAC	Room air conditioners
R&D	Research and development
ROA	Return on Assets
ROCE	Return on Capital Employed
ROE	Return on equity
SAWM	Semi – automatic washing machines
SMT	Surface mount technology
Unit 1	The manufacturing units of our Company situated at: <ul style="list-style-type: none"> Plot 4/2 to Plot 4/4, UPSIDC Industrial Area, Surajpur, Greater Noida, Uttar Pradesh; Plot 4/5, UPSIDC Industrial Area, Surajpur, Greater Noida, Uttar Pradesh; and Plot 4/6, UPSIDC Industrial Area, Surajpur, Greater Noida, Uttar Pradesh
Unit 2	The manufacturing units of our Company situated at: <ul style="list-style-type: none"> Khasra No 268, 15th Milestore, Village Raipur, Bhagwanpur, Roorkee, Uttarakhand; and Khasra No 275, 15th Milestore, Village Raipur, Bhagwanpur, Roorkee, Uttarakhand
Unit 3	The manufacturing unit of our Company situated at: <ul style="list-style-type: none"> Plot No E-14, E-15 Site-B UPSIDC Industrial Area, Greater Noida, Uttar Pradesh; and Plot No. F – 20, Site – B, UPSIDC Industrial Area, Greater Noida, Uttar Pradesh
Unit 4	The manufacturing units of our Company situated at: <ul style="list-style-type: none"> Plot A – 20 / 2 Supa MIDC, Taluka Partner, District Ahmednagar, Maharashtra; and C-11, Supa MIDC, Taluka Parner, District Ahmednagar, Maharashtra
Unit 5	The manufacturing unit of our Company situated at: <ul style="list-style-type: none"> I 26 and I 27 Site – C, UPSIDC Industrial Area, Greater Noida, Uttar Pradesh; and I 15 and I 16 Site – C, UPSIDC Industrial Area, Greater Noida, Uttar Pradesh
Unit 1 – Subsidiary	The manufacturing unit of our Subsidiary, PG Technoplast Private Limited, situated at: <ul style="list-style-type: none"> Plot No. 76, Sector – Echotech – 12, Greater Noida, Gautam Budh Nagar, Uttar Pradesh, covering 61,545 sq. ft. Plot No. 76, Sector – Echotech – 12, Greater Noida, Gautam Budh Nagar, Uttar Pradesh, covering 80,700 sq. ft.
Unit 2 – Subsidiary	The manufacturing unit of our Subsidiary, PG Technoplast Private Limited, situated at Plot A – 18 Supa MIDC, Taluka Partner, Ahmednagar, Maharashtra.
Unit 3- Subsidiary	The manufacturing unit of our Subsidiary, PG Technoplast Private Limited, situated at Gat No. 822/2, Hanga Tal. Parner, Dist. Ahmednagar, Maharashtra - 414001
Unit 4– Subsidiary	The manufacturing unit of our Subsidiary, PG Technoplast Private Limited, situated at Plot No A 100-103 and 118-121, Rajasthan State Industrial Development and Corporation Limited Industrial Area, Bhiwadi, Alwar, Rajasthan.

Industry related terms

Term	Description
CAGR	Compound annual growth rate
COVID	Coronavirus disease
CSR	Corporate social responsibility
GDP	Gross domestic product

Term	Description
H1	First half
H2	Second half
HR	Human resource
IMF	International Monetary Fund
NCP	National Commission on Population
NCR	National Capital Region
Q1	Quarter 1
Q2	Quarter 2
Q3	Quarter 3
Q4	Quarter 4
SME	Small and Medium Enterprises
UK	United Kingdom
UP	Uttar Pradesh
USA	United States of America
USD	US Dollars
UT	Union Territory
YTD	Year to Date

Conventional and general terms

Term	Description
₹, Rs., INR, Rupees	Indian Rupees
AGM	Annual General Meeting
AS or Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CAGR	Compound annual growth rate
Calendar Year	Year ending on December 31
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CFO	Chief Financial Officer
CIN	Corporate Identification Number
Civil Procedure Code	The Code of Civil Procedure, 1908
Companies Act	The Companies Act, 2013 and applicable provisions of the Companies Act, 1956
Companies Act, 1956	The Companies Act, 1956 along with the relevant rules made thereunder
Companies Act, 2013	The Companies Act, 2013, along with the relevant rules made and clarifications issued thereunder
Consolidated FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020 effective from October 15, 2020
Cr.PC	The Code of Criminal Procedure, 1973
Depositories	CDSL and NSDL
Depositories Act	The Depositories Act, 1996
Depository Participant or DP	A depository participant as defined under the Depositories Act
DP ID Number	Depository participant identification number
DPIIT	Department for Promotion of Industry and Internal Trade
EGM	Extraordinary general meeting
Eligible FPIs	FPIs that are eligible to participate in this Issue
EU	European Union
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999, together with rules and regulations issued thereunder
FEMA Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019, and all the circulars, notifications, and clarification issued thereunder, as amended

Term	Description
FIR	First information report
Financial Year or Fiscal	The period of 12 months ended March 31 of that particular year, unless otherwise stated
Form PAS-4	Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investor, as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, registered with SEBI
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
General Meeting	AGM or EGM
GoI or Government	Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
HNI	High net-worth individual
I.T. Act	The Income-tax Act, 1961
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Ind AS	Indian accounting standards, as per the roadmap issued by the Ministry of Corporate Affairs, Government of India, notified by the MCA under section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015, as amended
Indian GAAP	Indian Generally Accepted Accounting Principles (GAAP) as notified under Section 133 of the Companies Act read with Companies (Accounts) Rules, 2014
IRDAI	Insurance Regulatory and Development Authority of India
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, GoI
MoEF	Ministry of Finance, GoI
MoU	Memorandum of Understanding
Mutual Funds	Mutual funds registered under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NEFT	National Electronic Fund Transfer
Non-Resident Indian or NRI	An individual resident outside India who is citizen of India
Non-Resident or NR	A person resident outside India, as defined under the FEMA
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
P.A. or p.a.	Per annum
PAN	Permanent Account Number allotted under the I.T. Act
PAS Rules	The Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
PAT	Profit after tax
RBI	Reserve Bank of India
RoC or Registrar	Registrar of Companies, National Capital Territory of Delhi & Haryana at Delhi
SCR (SECC) Regulations	The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations), Regulations, 2018
SCRA	The Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India established under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

Term	Description
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Mutual Fund Regulations	The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
U.S.	United States of America
U.S. GAAP	Generally accepted accounting principles in the United States of America
VCF	Venture capital fund
Wilful Defaulter or Fraudulent Borrower	Wilful defaulter or fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations

SUMMARY OF BUSINESS

Overview

We are an established original design manufacturer (“ODM”) and contract manufacturer (“CM”), for the consumer durables industry in India, with primary focus on manufacture of room air conditioners (“RACs”), washing machines and plastic moulding. We provide end – to – end solutions across the entire value chain of the products we supply to our customers, which include more than 19 leading domestic and international brands. This includes product conceptualisation, designing and prototyping, tool design and manufacturing, supply chain development and final assemblies for products like RACs, washing machines, LED TVs and air coolers. We consider our ability to evolve and address the needs of our marquee customer base as a key factor in the growth of our revenue from operations which grew at a CAGR of 57.5% from Fiscal 2022 to Fiscal 2024. We are the fastest growing B2C focused ODM players in India, having recorded the highest revenue CAGR amongst listed peers (Dixon Technologies (India) Limited, Amber Enterprises Limited and Elin Electronics Limited) over Fiscal 2022– 2024 (*Source: F&S Report*).

We operate under four primary business verticals as set out below:

Products: We manufacture and assemble a wide array of products under two business models namely, CM and ODM. Under CM model, we manufacture and supply products basis designs developed by our customers, who then further distribute these products under their own brands. Under the ODM model, in addition to manufacturing, we conceptualize and design the products which are then supplied to our customers, who then further distribute these products under their own brands. We are the second largest player in terms of RAC finished goods sales to the OEMs / brands, basis Fiscal 2024 data. (*Source: F&S Report*). We act as ODM for RACs, washing machines and air coolers. Due to our constant efforts to strive for cost leadership and to be a reliable supply chain partner to our customers, in less than three years of manufacturing RAC complete built – up units (“CBUs”), we have manufactured RACs for 19 brands.

Additionally, November 2021 and March 2022, our Subsidiary, PG Technoplast, received approval under the PLI Scheme for certain identified eligible white good products such as control assemblies for IDU or ODU or remotes, plastic moulding components, sheet metal components, heat exchangers, cross flow fan and motor and display panels (LCD / LED). The PLI Scheme gives us a total potential cumulative benefit of ₹ 1,987.50 million over the five financial years starting from Fiscal 2023 – 2024, which we believe will allow us to provide a better value proposition to our customers. We are in the process of applying for an application for Fiscal 2023-24. For further details in this respect, see “*Risk Factors – Our Subsidiary, PG Technoplast may not continue to enjoy the existing benefits under the PLI Scheme, which could have a materially adverse impact on our profitability*” on page 67.

For further details, refer to ‘*Business Operations – Our Business Verticals - Products*’ on page 206.

Plastic Moulding (“PM”): We are the largest manufacturer of plastic moulding for consumer durables and consumer electronics industry, in terms of revenue in India, as on March 31, 2024 (*Source: F&S Report*). We manufacture small, medium and large sized, high – precision and surface critical injection moulded components for our customers, which are used further to manufacture a wide variety of automotive, electronic equipment and sanitaryware products such as in-wall tank assemblies and toilet seats and for fan parts painting. We offer a variety of post moulding operations such as ultrasonic welding, heat staking, hot stamping, pad printing and screen printing.

Electronics: Under this category, we contract manufacture LED TVs of various sizes. Further, we develop and manufacture printed circuit board assemblies for a range of applications on a turnkey basis (including procurement, surface mount technology (“SMT”), artificial intelligence (“AI”), metal illumination (“MI”), testing, packing and shipping).

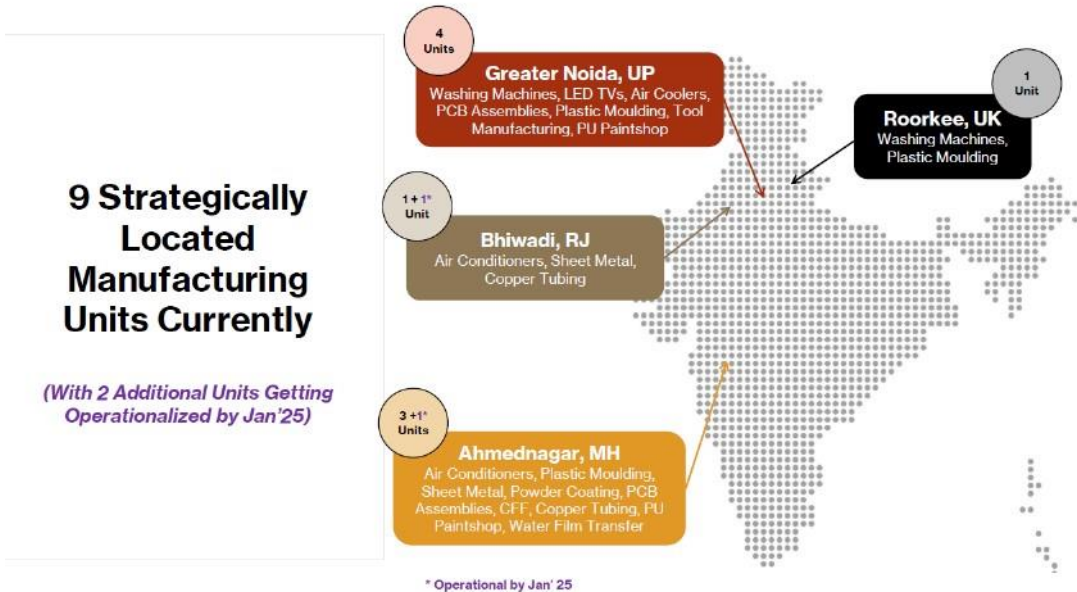
Tool Manufacturing: We develop moulds for various applications, including automotive applications, white goods (such as refrigerators), home and kitchen appliances, lighting and electrical equipment. The complete range of services from tool design to tool manufacturing and injection moulding under one roof makes us a turnkey tooling solutions provider.

Since inception, we have continuously evolved our product portfolio to meet the needs of our customers and cater to the prevailing industry technologies. Post incorporation of our Company in 2003, we started manufacturing plastic moulded components. Thereafter, in 2014, we started focussing on the products business and commenced manufacturing of air coolers. We set up an in – house tool room for our tool manufacturing business vertical in 2016 and thereafter started manufacturing semi – automatic washing machines (“SAWM”) in 2017. In 2018, we started manufacturing RAC indoor units (“IDUs”) and subsequently RACs outdoor units (“ODUs”) in 2021. Additionally, in 2021, we commenced manufacturing fully automatic top load washing machines (“FATL”) and subsequently LED TVs in 2022. Our product portfolio includes complete RAC sets, washing machines, and electronics, all of which today contribute significantly to our revenue. In 2023, our Company has entered into the JV Agreement, with Jaina Marketing & Associates, Jaina India Private Limited (collectively referred to as the “**Jaina Group**”) and Goodworth Electronics Private Limited pursuant to which Goodworth Electronics Private Limited (“**JV**”), has become a joint venture of the

Company. In 2024, our Subsidiary, PG Technoplast Private Limited acquired 100% stake in Next Generation Manufacturers to grow and expand and become a preferred outsourcing vendor for consumer durables and electronics business. The JV has developed necessary infrastructure and manufactures LED televisions.

We have constantly sought to adapt to the changing industry landscapes, business environments and customer requirements. As a result, we have built long – standing relationships with a number of our key customers.

Presently, we operate nine manufacturing units located in Greater Noida, Uttar Pradesh; Roorkee, Uttarakhand; Bhiwadi at Rajasthan and Ahmednagar, Maharashtra. For further details, see “*Our Business– Property*” on page 215.



Our manufacturing units are equipped with high quality machinery, assembly lines and full power backup that enable us to meet the quality requirements of our customers in a timely manner.

We have obtained third party certifications for quality management systems, environmental management systems and occupational health and safety management systems at our manufacturing units. These include ISO 9001:2015, 14001:2015, ISO 45001:2018, UL E520496 and IATF 16949:2016 certifications. In line with our focus to develop better control on our supply chain and improve our margins, we consistently strive to strategically backward integrate our manufacturing processes. In this regard, we have backward integrated our RAC manufacturing processes by adding plastic moulding, sheet metal, powder coating paint – shops, heat exchangers, copper tubing, crossflow fans, printed circuit board assemblies, an NABL – accredited psychometric lab, and complete product assembly lines for RAC IDUs and ODUs. We are also seeking to reduce our environmental footprint by focussing on solar energy. In this respect, we have installed a 1.4 MW rooftop grid system solar panel at our Unit 2 – Subsidiary in Maharashtra, and a 0.65 MW solar plant at our Unit – 4 in Maharashtra. In addition, in 2022, we have also entered into a power purchase agreement with a company to obtain at least 3.1 MW of solar energy for our manufacturing unit at Uttar Pradesh for a period of 25 years.

We remain focussed on R&D and invest in product development. This enables us to offer end – to – end product development services across the lifecycle of product. We have an R&D team for our RAC, washing machine and LED TV product lines. As on September 30, 2024, our R&D team consisted of 57 employees.

Our Promoters, Vishal Gupta, Vikas Gupta and Anurag Gupta have significant experience in the manufacturing sector and our Senior Management include experts from the industry with wide experience. For further information, see “*Board of Directors and Senior Management*” on page 218. In 2021, our Company received private equity funding from Baring Private Equity India AIF, Ananta Capital and Mr. Ashokkumar Sobhamal Patni and Mr. Rajanikanta Gajendrakumar Patni. For details, refer to “*Capital Structure*” on page 107.

Set forth below are our key performance indicators for the periods indicated:

(₹ in million, unless otherwise stated)

Particulars	Fiscal 2022**	Fiscal 2023	Year on year growth (in %)	Fiscal 2024	Year on year growth (in %)	Six months ended September 30, 2024*#
Revenue from operations	11,116.35	21,599.48	94.30%	27,464.95	27.16%	19,919.79
EBITDA ⁽¹⁾	942.82	1,804.26	91.37%	2,748.04	52.31%	1,950.77
EBITDA margin (%) ⁽²⁾	8.48%	8.35%	N.A.	10.01%	N.A.	9.79%
Profit for the year ("PAT")	374.16	774.69	107.05%	1,370.12	76.86%	1,043.95
PAT margin (%) ⁽³⁾	3.37%	3.59%	N.A.	4.99%	N.A.	5.24%
Return on Equity ("ROE") (%) ⁽⁴⁾	14.82%	21.88%	N.A.	19.11%	N.A.	10.02%
Return on Capital Employed ("ROCE") (%) ⁽⁵⁾	13.47%	17.80%	N.A.	19.53%	N.A.	12.02%
Net fixed asset turnover ⁽⁶⁾	3.12	4.25	N.A.	4.05	N.A.	2.89
Asset turnover ratio ⁽⁷⁾	1.35	1.68	N.A.	1.44	N.A.	0.97

N.A. – Not Applicable

* Not Annualised.

** Government incentives from State Government (which includes PSI Incentive 2007 from Maharashtra Government) aggregating to ₹ 139.17 million was classified as other non operating income until Fiscal 2022 which was re-classified as other operating income from Fiscal 2023. Accordingly, the financial information for Fiscal 2022 has been disclosed after considering the above as "Other Operating Income" and has been extracted from the comparative financial information for Fiscal 2022 included in the audited financial statements of Fiscal 2023.

Ratios are calculated for trailing twelve months by taking average of balance sheet data of September 30, 2023, and September 30, 2024.

- (1) EBITDA is calculated as profit for the period / year, plus tax expenses (consisting of current tax, deferred tax and current taxes relating to earlier years), finance costs and depreciation and amortisation expenses,
- (2) EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations.
- (3) PAT Margin is calculated as profit for the period / year as a percentage of revenue from operations.
- (4) ROE (Return on Equity) is calculated as profit after tax for the period/year divided by average total equity.
- (5) ROCE (Return on Capital Employed) is calculated as profit before tax plus finance costs divided by average net worth and average total debt.
- (6) Net fixed asset turnover is calculated as revenue from operations divided by average net fixed assets for the respective financial year.
- (7) Asset turnover ratio is calculated as revenue from operations divided by average of the total assets of the period / year.

Our Competitive Strengths

Our key competitive strengths are set out below:

Established ODM player and contract manufacturer with leading market position in our focus verticals such as RACs, washing machines and plastic moulding

Since inception, we have continuously evolved our product portfolio to meet the needs of our customers and cater to the prevailing industry technologies. Post incorporation of our Company in 2003, we started manufacturing plastic moulded components. Thereafter, in 2014, we started focussing on the products business and commenced manufacturing of air coolers. We set up an in-house tool room for our tool manufacturing business vertical in 2016 and thereafter started manufacturing semi-automatic washing machines in 2017. In 2018, we started manufacturing RAC IDUs and subsequently RAC s ODU's in 2021. Additionally, in 2021, we commenced manufacturing FATL and subsequently LED TVs in 2022. Presently, our product portfolio includes complete RAC sets, washing machines, and Coolers, all of which today contribute significantly to our revenue.

We have been manufacturing RAC IDUs since 2018 and RAC ODU's since 2021. We offer RACs CBU in the capacity ranging from 0.7T to 2T in both fixed speed and inverter categories for various star ratings. We are the second largest player in terms of RAC finished goods sales to the OEMs / brands, basis Fiscal 2024 data (Source: F&S Report).

We are the largest manufacturer of plastic injection moulding components for consumer durables and consumer electronics industry, in terms of revenue in India, as on March 31, 2024 (Source: F&S Report). Through our plastic moulding business, we offer a wide range of products including small, medium and large sized, high-precision, surface critical injection moulded components for consumer durables and the consumer electronics industry.

We provide end – to – end assembly solutions for final products and are the second largest ODM player for washing machines in India in terms of volume of units sold as of March 31, 2024 (*Source: F&S Report*). We commenced manufacturing semi – automatic washing machines in 2017 and presently offer semi – automatic and fully automatic washing machines in capacities ranging from 6 – 14 kg and 6.5 – 8.5 kg, respectively.

We are an end – to – end solutions provider across the entire value chain of the products we supply to our customers. We serve across varied industries such as air conditioners, washing machines, LED TVs, air coolers, automotive components, bathroom fittings and consumer electronics. We believe we owe our leadership position to our experience in the development and manufacturing of RACs and components and our ability to deliver cost leadership, meet stringent customer quality standards, deliver consistently, and evolve our technology to meet customer needs. Additionally, in November 2021 and March 2022, our Subsidiary, PG Technoplast, received approval under the PLI Scheme for certain identified eligible white good products such as control assemblies for IDU or ODU or remotes, plastic moulding components, sheet metal components, heat exchangers, cross flow fan and motor and display panels (LCD / LED). The PLI Scheme gives us a total potential cumulative benefit of ₹ 1,987.50 million over the five financial years starting from Fiscal 2023 – 2024, which we believe will allow us to provide a better value proposition to our customers. We are in the process of applying for an application for Fiscal 2023-24. For further details in this respect, see **“Risk Factors – Our Subsidiary, PG Technoplast may not continue to enjoy the existing benefits under the PLI Scheme, which could have a materially adverse impact on our profitability”** on page 67.

The domestic manufacturing of RAC has witnessed strong growth in the recent years, supported by government policies. Components such as compressors, motors and refrigerants are imported while IDUs and ODUs are manufactured in India. The overall market size for domestic sales for RAC in FY24 is 10.4 million units and it is expected to grow at a CAGR of 18.4% up to FY29. Government’s focus on “Atma Nirbhar Bharat” has led to special focus on the RAC business. While all import business may not immediately shift to local players, the move is well thought out. Some RAC manufacturers have enhanced in-house manufacturing capacity, but many marginal players do not have local manufacturing facilities till now. Under Phased Plan Manufacturing Programme, the Government plans to limit imports of components/equipment in the 1st phase by increasing duties and introducing import restrictions on motors, PCBs, compressors etc. from 20% to 30% over a 5-year time period. Under phase 2, raw materials like copper and aluminium will be indigenised. The Government seeks to create wide-scale production infrastructure for RAC components in India, which would help curb imports and provide export opportunities (*Source: F&S Report*).

Ability to provide end – to – end product development capabilities leading to strong relationships with marquee customer base

We are a leading, diversified Indian manufacturing services provider and among the few companies in India specialising in original design manufacturing, original equipment manufacturing and plastic injection moulding for the consumer durables industry, thereby providing one stop and end to end solutions to consumer durable brands (*Source: F&S Report*). Our key manufacturing capabilities include product assemblies, plastic moulding, sheet metal components, PCB assemblies, specialized AC components, PU & Powder paint shops and tool manufacturing

We are involved in the life cycle of the product from conceptualisation, designing and prototyping, till the final assemblies of products under ODM model. We believe that our in – house manufacturing capabilities of development of various components required for the products, process knowledge and our network of suppliers enables us to provide end – to – end solutions for all products manufactured by us. Further, we believe that having the benefit of providing such end-to-end solutions under one roof enables us to provide value added offerings such as specialised RAC components, PCB assemblies and sheet metal components.

In the Indian industry landscape, ODMs are currently being depended on primarily to manufacture the entry – level products. These products have low differentiation, and the main features for ODMs ends up being their quality, cost and delivery (*Source: F&S Report*). We believe our reliability, delivery and our service are the main differentiating factors that have helped us develop strong customer relationships.

As on September 30, 2024, we have a qualified and experienced R&D team with 57 employees. We have launched 795 SKUs since April 1, 2020 until September 30, 2024. For Fiscals 2022, 2023, 2024 and for six months ended September 30, 2024, our revenue from products vertical was ₹ 4,749.98million, ₹ 13,383.72 million, ₹16,401.91million and ₹ 13,511.69 million, which represented 42.73%, 61.96%, 59.72% and 67.83%, of our revenue from operations, respectively.

Set forth below is our revenue from product business under the ODM and CM business models, for the respective periods:

Particulars	Six months ended September 30, 2024*		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	In ₹ million	% contribution to products business	In ₹ million	% contribution to products business	In ₹ Million	% contribution to products business	In ₹ million	% contribution to products business
ODM	12,707.97	94.05%	14,839.30	90.47%	10,441.39	78.02%	2,654.15	55.88%
CM	803.72	5.95%	1,562.61	9.53%	2,942.33	21.98%	2,095.83	44.12%
Total	13,511.69	100.00%	16,401.91	100.00%	13,383.72	100.00%	4,749.98	100.00%

* Not annualised

Given the spectrum of our portfolio, we have established and will continue to focus on strengthening our longstanding relationships with our key domestic and multi-national customers across our product verticals. Set forth below is the aggregate number of customers served by us as of the respective dates indicated below:

Particulars	As of September 30, 2024	As of March 31, 2024	As of March 31, 2023	As of March 31, 2022
Number of customers served	94	110	93	72

We believe we have been able to maintain long-term relationships with such customers by maintaining expected standards of manufacturing quality of products in a timely manner as well as our efforts to become a one-stop solution for their manufacturing requirements. This is substantiated by way of the following case studies below:

<u>Case Studies</u>
<p><i>Case Study A</i></p> <p><i>An example of our capabilities includes an instance where a customer had approached us to manufacture air coolers for them in 2016. We manufactured the product, which was approved by the customer. Subsequently, we commenced manufacturing RAC IDUs in 2018, RAC ODUs in 2022 and are manufacturing semi – automatic washing machines in 2023 for such customer.</i></p>
<p><i>Case Study B</i></p> <p><i>An example of our capabilities includes an instance where a customer had approached us to manufacture plastic injection moulded components in 2017. We manufactured the components, which was approved by the customer. Subsequently, we commenced manufacturing RAC CBUs and blow moulded plastic components in 2022, and semi – automatic washing machines in 2023 for such customer over a period of time.</i></p>

We believe our strong relationships with our customers have not only been instrumental in our success to date, but will also be a strong driver of our future growth and help expand our market share.

Well – established, de – risked business model

We derive our revenue by supplying products for usage in multiple industries. Further, as of September 30, 2024, our portfolio under the products vertical included 600 SKUs. In addition, we served 94 customers, as of September 30, 2024. We believe, our varied product offerings and continuous product development efforts have enabled us to cater to multiple industries and customers, and to enhance our ability to attract new customers. We have also been able to develop designs which are customised to customer specific requirements through our ODM capabilities, which positions us as a strategic supplier. As of March 31, 2022, we had 72 customers, 93 as of March 31, 2023 and 110 as of March 31, 2024.

Set out below is the revenue from operations from our business verticals during six months ended September 30, 2024 and Fiscals 2024, 2023 and 2022:

Business Verticals	Six months ended September 30, 2024*		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	In ₹ million	% of contribution	In ₹ Million	% of contribution	In ₹ million	% of contribution	In ₹ million	% of contribution
RAC	11,145.39	55.95%	12,977.34	47.25%	10,412.73	48.21%	2,936.75	26.42%

Business Verticals	Six months ended September 30, 2024*		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	In ₹ million	% of contribution	In ₹ Million	% of contribution	In ₹ million	% of contribution	In ₹ million	% of contribution
Washing machine	2,138.62	10.74%	3,041.86	11.08%	2,588.50	11.98%	1,664.33	14.97%
Air cooler	227.67	1.14%	382.71	1.39%	382.49	1.77%	148.9	1.34%
Sub - total (products segment)	13,511.69	67.83%	16,401.91	59.72%	13,383.72	61.96%	4,749.98	42.73%
Electronics	2,143.32	10.76%	3,524.06	12.83%	1,571.84	7.28%	694.54	6.25%
Plastic moulding	4,208.32	21.13%	7,422.65	27.03%	6,541.08	30.28%	5,611.84	50.48%
Tool Manufacturing	56.46	0.28%	116.33	0.42%	102.84	0.48%	59.99	0.54%
Total	19,919.79	100.0%	27,464.95	100.0%	21,599.47	100.00%	11,116.35	100.00%

* Not annualised

** Government Incentives from State Government (which includes PSI Incentive 2007 from Maharashtra Government) aggregating to ₹ 139.17 million was classified as other non operating income until Fiscal 2022 which was re-classified as other operating income from Fiscal 2023. Accordingly, the financial information for Fiscal 2022 has been disclosed after considering the above as "Other Operating Income" and has been extracted from the comparative financial information for Fiscal 2022 included in the audited financial statements of Fiscal 2023.

Our diverse product portfolio enables us to balance out any impact or risk incurred with respect to any single product, product vertical or customer. The contribution from the plastic moulding business has decreased from 50.48% in Fiscal 2022 to 30.28% in Fiscal 2023, to 27.03% in Fiscal 2024, and to 21.13% in the six months ended September 30, 2024.

Similarly, our diversified customer base enables us to balance out any risk associated with the customer concentration. We have over time been able to successfully reduce concentration from our top customers. Set forth below is the revenue contribution of our top customer, top five customers and top 10 customers for the respective periods:

Top Customers*	Six months ended September 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	In ₹ million	% of revenue from operations	In ₹ Million	% of revenue from operations	In ₹ million	% of revenue from operations	In ₹ million	% of revenue from operations
Top customer	1,931.38	9.70%	3,250.15	11.83%	2,426.38	11.23%	1,866.98	16.79%
Top 5 customers	8,134.72	40.84%	11,960.83	43.55%	10,019.53	46.39%	5,339.37	48.03%
Top 10 customers	13,474.71	67.64%	17,839.49	64.95%	15,146.52	70.12%	7,519.40	67.64%

* The top customers have been identified for each specific year / period based on the revenue contribution of each such customer in the relevant year / period.

Backward integrated manufacturing infrastructure

We have manufacturing units equipped with high quality machinery, assembly lines and full power backup which are strategically located in the states of Uttar Pradesh, Uttarakhand, Rajasthan, and Maharashtra giving us close proximity to our key customers. Our unit in Ahmednagar, Maharashtra is one of the largest and most backward integrated AC manufacturing plants at a single location in India (Source: F&S Report). Our unit in Bhiwadi, Rajasthan will be our new integrated manufacturing facility for RACs.

Our manufacturing units are subject to periodic audits by our customers, which ensures that our customers are able to confirm the continuance of quality of our facility and processes. In addition to such audits by our customers from time to time, we also conduct our in-house quality testing of our products to ensure that the quality and standard of products remains in compliance with our customer's expectations. Our quality control process has resulted in certifications and approval such as ISO 9001:2015, 14001:2015, ISO 45001: 2018 UL E520496 and IATF 16949:2016. For Fiscals 2022, 2023 and 2024 and for six months ended September 30, 2024, our sales return accounted for only 0.74%, 0.27%, 0.09% and 0.08%, respectively.

In line with the objective of electronic manufacturing services ("EMS") companies to provide end – to – end product solutions, companies are focusing on backward integration in manufacturing processes by developing plastic moulding capabilities in – house.

This improves the EMS company's cost-effectiveness, reduces its reliance on third-party suppliers, and grants greater control over the production time and quality of critical components (*Source: F&S Report*). Our manufacturing units are backward integrated. We have backward integrated our RAC manufacturing processes by adding plastic moulding, sheet metal, powder coating paint-shops, heat exchangers, copper tubing, crossflow fans, printed circuit board assemblies, and complete product assembly lines for RAC IDUs and ODUs. We have built capacity to manufacture 2,40,000 IDUs per month and 1,54,000 ODUs per month as on September 30, 2024. We have developed four platforms for RACs IDUs and ODUs so far and have in-house NABL-accredited psychometric lab, safety and reliability labs and performance testing labs. Further, we have six platforms and two platforms, comprising tooling abilities and offering different kinds of products with specifications catering to customers, for manufacturing SAWM and FATL, respectively with a capacity to manufacture 1,25,000 SAWM and 25,000 FATL machines every month. Furthermore, we have increased our capacity from 1,00,000 units per month to 1,25,000 units per month for our SAWM platforms, as on September 30, 2024. We have the capacity to offer product development and manufacturing solutions from designing, tooling to final assembling and testing. Most of our operations are backward-integrated and the processes are carried out in-house. Backward integration gives us the flexibility to control our manufacturing processes and reduces dependence on external suppliers, which we believe helps to make us a consistent and reliable ODM supplier and contract manufacturer.

Unit 1



Unit 2



Unit 5



Unit 2 - Subsidiary



The Government of India has been proactively building a base for electronics manufacturing in India and it has launched numerous incentive schemes, which have allowed manufacturing growth, reduced dependence on the imports, and promoted the exports. The increased demand for electronic goods such as mobile phones and consumer electronics (which includes room air conditioners, washing machine, refrigerators, television, air coolers and others) has resulted in the segment attracting the greatest amount of foreign direct investment (“FDI”) in recent years. We believe that our reputation, coupled with future plans for our companies with a focus on integrated manufacturing, will enable us to be well – positioned to capture the growing demand.

Skilled, experienced and qualified workforce and senior management

Our Company has an experienced management team with experience across sectors such as industrial, mechanical engineering and manufacturing sectors. We also have a leadership team of experienced professionals, having relevant functional expertise across different industries and who are instrumental in implementing our business strategies. The leadership team is assisted by a strong Senior Management team of nine executives, heading various functions and units of our business. These include the following:

Sr. No.	Name	Designation
1.	Pranav Gupta	Business Manager
2.	Vinod Siwach	Manufacturing Head
3.	Ashwani Kumar Tyagi	Head, Business Development, Northern India
4.	Vikas Koul	Head, Business Development, Western India
5.	Mahabir Prasad Shivhare	Factory Head

Sr. No.	Name	Designation
6.	Nirbhay Kant Rai	Factory Head
7.	Bharat Bhushan Batra	Factory Head
8.	Bishwanath Mukherjee	Factory Head
9.	Rajesh Hari Sujan	Factory Head

For details, refer to ‘*Board of Directors and Senior Management*’ on page 218.

Our management team has been able to create value through organic growth, including new business opportunities through existing channels, as well as our strong customer relationships. The operational and management experience of our management team has enabled us to cater to the customized requirements of customers and proactively plan and execute our projects. We have a robust corporate governance system in place to monitor, guide and support our operations, with oversight by an experienced Board of Directors.

We believe our highly experienced and professional management team provides us with a key competitive advantage. Most members of our senior management have extensive experience in the precision components manufacturing industry, including in operations, business development, quality assurance, customer relationships. For further details, please see the section titled, “*Board of Directors and Senior Management*” on page 218. This results in effective operational coordination and continuity of business strategies. Our management team has led our organisation through a multi-pronged diversification of the business and development of new systems and products over the last several years.

Consistent and strong financial performance

As a result of our focus on business expansion and capital efficiency, we have been able to achieve sustained growth with respect to various financial indicators. We consider our ability to evolve and address the needs of our marquee customer base as a key factor in the growth of our revenue from operations, which grew at a CAGR of 57.5% from Fiscal 2022 to Fiscal 2024. We are the fastest growing B2C focused ODM players in India, having recorded the highest revenue CAGR amongst listed peers (Dixon Technologies (India) Limited, Amber Enterprises Limited and Elin Electronics Limited) over Fiscal 2022 – 2024 (*Source: F&S Report*).

The table below sets forth some of the key financial indicators for the Fiscals 2022, 2023 and 2024 and six months ended September 30, 2024:

Particulars	(₹ in million)					
	Fiscal 2022**	Fiscal 2023	Year on year growth (in %)	Fiscal 2024	Year on year growth (in %)	Six months ended September 30, 2024*#
Revenue from operations	11,116.35	21,599.48	94.30%	27,464.95	27.16%	19,919.79
EBITDA ⁽¹⁾	942.82	1,804.26	91.37%	2,748.04	52.31%	1,950.77
EBITDA margin (%) ⁽²⁾	8.48%	8.35%	N.A.	10.01%	N.A.	9.79%
Profit for the year (“PAT”)	374.16	774.69	107.05%	1,370.12	76.86%	1,043.95
PAT margin (%) ⁽³⁾	3.37%	3.59%	N.A.	4.99%	N.A.	5.24%
Return on Equity (“ROE”) (%) ⁽⁴⁾	14.82%	21.88%	N.A.	19.11%	N.A.	10.02%
Return on Capital Employed (“ROCE”) (%) ⁽⁵⁾	13.47%	17.80%	N.A.	19.53%	N.A.	12.02%
Net fixed asset turnover ⁽⁶⁾	3.12	4.25	N.A.	4.05	N.A.	2.89
Asset turnover ratio ⁽⁷⁾	1.35	1.68	N.A.	1.44	N.A.	0.97

N.A. – Not Applicable

* Not Annualised

** Government incentives from State Government (which includes PSI Incentive 2007 from Maharashtra Government) aggregating to ₹ 139.17 million was classified as other non operating income until Fiscal 2022 which was re-classified as other operating income from Fiscal 2023. Accordingly, the financial information for Fiscal 2022 has been disclosed after considering the above as “Other Operating Income” and has been extracted from the comparative financial information for Fiscal 2022 included in the audited financial statements of Fiscal 2023.

- # Ratios are calculated for trailing twelve months by taking average of balance sheet data of September 30, 2023, and September 30 2024.
- (1) EBITDA is calculated as profit for the period / year, plus tax expenses (consisting of current tax, deferred tax and current taxes relating to earlier years), finance costs and depreciation and amortisation expenses,
 - (2) EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations.
 - (3) PAT Margin is calculated as profit for the period / year as a percentage of revenue from operations.
 - (4) ROE (Return on Equity) is calculated as profit after tax for the period/year divided by average total equity.
 - (5) ROCE (Return on Capital Employed) is calculated as profit before tax plus finance costs divided by average net worth and average total debt.
 - (6) Net fixed asset turnover is calculated as revenue from operations divided by average net fixed assets for the respective financial year.
 - (7) Asset turnover ratio is calculated as revenue from operations divided by average of the total assets of the period / year.

We strive to maintain a robust financial position with emphasis on having a strong balance sheet and increased profitability. With increasing focus on and contribution from our products business, we have been able to improve our ROCE from 13.47% in Fiscal 2022, to 19.53% in Fiscal 2024. Further, our net fixed asset turnover has improved from 3.12 in Fiscal 2022 to 4.05 in Fiscal 2024. Our strong balance sheet enables us to pursue opportunities for growth and better manage unanticipated cash flow variations. For further details on a comparative analysis of our financial position and revenue from operations, see the “**Management’s Discussion and Analysis of Financial Position and Results of Operations**” on page 112.

Competitive Strategies

We believe that the following are our principal strategies:

Expand capacities and offering in existing product vertical

The manufacturing scenario in India has changed a lot in the last few years. According to the World Bank, India ranked 63rd out of 190 countries in ‘Ease of Doing Business’ in 2021, an improvement of 79 positions between 2014 and 2021. With the recognition of electronics sector as one of the key growth drivers for the Indian economy, the sector has received significant attention from the government in the last few years through various policies, schemes, and incentives. The National Policy on Electronics emphasised local value addition and created an enabling environment. As the cost structure of Chinese electronics contract manufacturing keeps going up, especially with the changing geopolitical situation, tariff issues and the supply chain disruptions, there is an urgency by the OEMs to investigate realistic alternatives to manufacturing in China. Due to the above factors, OEMs are considering adding another country for increased production rather than replacing China entirely, and are looking into production locations like India, Vietnam, and Indonesia. India is well positioned to benefit from global OEM’s strategy towards “China plus one” for supply chain diversification. The Government of India has been proactively building a base for electronics manufacturing in India and it has launched numerous incentive schemes, which have allowed manufacturing growth, reduced dependence on the imports, and promoted the exports. The increased demand for electronic goods such as mobile phones and consumer electronics (which includes room air conditioners, washing machine, refrigerators, television, air coolers and others) has resulted in the segment attracting the greatest amount of foreign direct investment (“FDI”) in recent years.

To cater to such projected increase in demand, we propose to expand our manufacturing capacities by increasing the capacity of our units. For details, refer to ‘**Use of Proceeds - Details of the Objects – Investment in our Subsidiary, PG Technoplast – Funding the capital expenditure requirements**’ on page 90. In this regard, we, through our Subsidiary PG Technoplast, have entered into memorandum of understanding with the Government of Maharashtra. Pursuant to the memorandum of understanding dated May 23, 2022 entered into with the Government of Maharashtra, the state government had agreed to facilitate PG Technoplast to obtain such approvals/ incentives, as may be necessary, for its proposed project having 2022 as the year of commencement. For details in relation to the capacity utilization, refer to ‘**Our Business– Our Business Verticals – Manufacturing Units**’ on page 212.

We are an innovation led company with a dedicated focus on developing products, customized to the specific needs of our customers. Some of our key R&D undertakings in the past have included manufacturing of air coolers, semi – automatic washing machines, RACs, and LED TVs. We will continue to periodically review the functioning of our in-house product development strategy, identify scope for expansion and undertake projects to increase our production capabilities.

Expansion of addressable market through development of new products

We will continue to leverage our ability to launch new products in order to increase our revenues and market share in our target markets. With the ever-evolving consumer needs and preferences, we intend to continuously work towards launching new products and categories at various price points with an aim to increase our market share and our share of the wallets of our consumers. In this regard, we intend to further improve our product offerings and are looking at opportunities in similar product categories.

We cater to our customers across multiple industries. We believe that the repeated business we have received from our customers is an indicator of our position as a preferred supplier. We intend to tap into the market share of existing customers for other products

as well as the corresponding market and supply chain for other products. As of September 30, 2024, we had a portfolio of 600 SKUs, which enabled us to cater to existing and new customers and markets. We believe that our continuing R&D endeavours for quality will help increase our overall market share for product groups. We have built long – standing relationships with our customers by capitalizing on our diversified product portfolio and services we offer.

Going forward, we intend to continue to leverage our diversified product portfolio and our industry standing to establish relationships with new export and local customers and expand our customer base.

Continue to explore adjacent applications for our robust capabilities in plastic moulding

We are the largest manufacturer of plastic injection moulding components for consumer durables and consumer electronics industry, in terms of revenue in India, as on March 31, 2024 (*Source: F&S Report*). Our Company has over 300 moulding machines, ranging from 50T to 2100T across eight manufacturing units in Greater Noida, Roorkee and Ahmednagar. Our Company specialises in developing small, medium and large sized, high-precision, surface critical plastic moulded components which are used to manufacture a wide variety of automotive and electronic equipment. We have capacities for various specialised moulding operations such as vertical injection moulding, plastic blow moulding and thermoset moulding and also offer a number of specialised post-moulding operations to meet customer needs.

While our product portfolio includes RACs, washing machines, and electronics, we have also diversified into engineered plastics for sanitaryware, automotive and other specialized applications. We intend to explore further applications for our plastic moulding capabilities, sheet metal capacities and PCB assembly lines, to further grow our component business.

Take advantage of a growing industry with strong tailwinds

In terms of the F&S Report, the Government of India is encouraging domestic manufacturing through supporting policies and initiatives that are likely to lead to overall development in the ecosystem and will open up gates of opportunities for companies, vendors, and distributors in the market. Incentives for local manufacturing, demand side support through Government procurement, import barriers via duties and favourable steps like GST that reduced complexity of operations, are pull factors for both multi – national companies as well as domestic manufacturers to invest in India. Some of the key initiatives/ schemes/ programs introduced by the Government in boosting the electronics industry in India include:

- *Atmanirbhar Bharat (Make in India initiative)* wherein the Government of India announced this initiative to make India a global manufacturing hub, by facilitating both domestic as well as international companies to set - up manufacturing bases in India and it has released special funds to boost the local manufacturing of mobile phones and electronic components.
- *Phased Manufacturing Plan Programme (PMP)* to promote indigenous manufacturing of electronic products. Initially introduced for mobile phones, the program is gradually extended to other electronic products. According to the PMP, the government offers various incentives, including differential duty exemptions such as countervailing duty (CVD) on imports and excise duty without input tax credit.
- *Production Linked Incentive (PLI) Scheme* - the scheme was initially announced in the year 2019 by the Government of India considering the incremental investment and sales of manufactured goods specifically to mobile phones and components market in India. It is expected to promote exports in the next few years. The scheme is worth INR 62bn which is announced for ACs and LED Lighting which can help in boosting domestic manufacturing as well as addressing ‘China+1’ strategy of global RAC brands.

Our Company, through its wholly owned subsidiary PG Technoplast, has one of the largest allocations of the PLI Scheme for white goods (air conditioners), being the fifth largest investment commitment since the PLI scheme in FY 2022 (*Source: F&S Report*).

In November 2021 and March 2022, our Subsidiary, PG Technoplast, received approval under the PLI Scheme for certain identified eligible white good products such as control assemblies for IDU or ODU or remotes, plastic moulding components, sheet metal components, heat exchangers, cross flow fan and motor and display panels (LCD / LED). The PLI Scheme gives us a total potential cumulative benefit of ₹ 1,987.50 million over the five financial years starting from Fiscal 2023 – 2024, which we believe will allow us to provide a better value proposition to our customers. We are in the process of applying for an application for Fiscal 2023-24. For further details in this respect, see “***Risk Factors – Our Subsidiary, PG Technoplast may not continue to enjoy the existing benefits under the PLI Scheme, which could have a materially adverse impact on our profitability***” on page 67.

Continue improving financial performance through focus on operational and functional efficiencies

Optimisation and reduction of costs remains our key focus area and we continue to work towards attaining cost efficiencies, whether it be in the supply chain management or during the production process.

Further, we are also seeking to reduce our environmental footprint by focussing on solar energy. In this respect, we have installed a 1.4 MW rooftop grid system solar panel at our Unit 2 – Subsidiary in Maharashtra, and a 0.65 MW solar plant at our Unit – 4 in Maharashtra. In addition, in 2022, we have also entered into a power purchase agreement with a company to obtain at least 3.1 MW of solar energy for our manufacturing unit at Uttar Pradesh for a period of 25 years. Going forward, we will continue to evaluate and undertake such initiatives which would improve our functional efficiencies. We will also seek to ensure that our future manufacturing units are strategically located to demand zones, as identified at the relevant time.

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Preliminary Placement Document, including the sections titled “*Risk Factors*”, “*Use of Proceeds*”, “*Placement*”, “*Issue Procedure*” and “*Description of the Equity Shares*” on pages 47, 89, 257, 244 and 272, respectively.

Issuer	PG Electroplast Limited
Face Value	₹1 per Equity Share
Issue Size	Issue of up to [•] Equity Shares at a premium of ₹ [•], aggregating to up to ₹ [•] million A minimum of 10% of the Issue Size i.e. at least up to [•] Equity Shares, shall be made available for Allocation to Mutual Funds only and the balance [•] Equity Shares shall be made available for Allocation to all QIBs, including Mutual Funds. In case of under-subscription in the portion available for Allocation to Mutual Funds, such undersubscribed portion or part thereof may be Allotted to other Eligible QIBs.
Date of Board Resolution	October 19, 2024
Date of Shareholders’ Resolution	November 13, 2024
Floor Price	₹ 705.18 per Equity Share The Floor Price for the Issue has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of our Board dated October 19, 2024 and the shareholders of our Company accorded through their special resolution passed on November 13, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Issue Price	₹ [•] per Equity Share of the Company (including a premium of ₹ [•] per Equity Share)
Eligible Investors	Eligible QIBs, to whom this Preliminary Placement Document and the Application Form are delivered and who are eligible to bid and participate in the Issue. For further details, please see the sections titled “ <i>Selling Restrictions</i> ”, “ <i>Issue Procedure – Eligible Qualified Institutional Buyers</i> ” and “ <i>Transfer Restrictions and Purchaser Representations</i> ” on pages 259, 248 and 266, respectively. The list of Eligible QIBs to whom this Preliminary Placement Document and the Application Form is delivered shall be determined by the BRLM in consultation with the Company, at their sole discretion.
Equity Shares issued and outstanding immediately prior to the Issue	261,634,440 Equity Shares of face value of ₹ 1 each, being fully paid-up
Subscribed and paid-up Equity Share capital prior to the Issue	₹ 261,634,440
Equity Shares issued and outstanding immediately after the Issue	[•] Equity Shares
Issue Procedure	The Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act, read with Chapter VI of the SEBI ICDR Regulations. For details, please see the section titled “ <i>Issue Procedure</i> ” on page 244.

Listing	<p>Our Company has received in-principle approvals each dated December 4, 2024 from BSE and NSE respectively in terms of Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue.</p> <p>Our Company shall make applications to each of the Stock Exchanges after Allotment to obtain final listing approval for the Equity Shares.</p>
Trading	<p>The trading of the Equity Shares would be in dematerialized form and only in the cash segment of each of the Stock Exchanges.</p> <p>Our Company will make applications to each of the Stock Exchanges after credit of Equity Shares to the beneficiary account with the Depository Participant to obtain final trading approval for the Equity Shares to be issued pursuant to this Issue.</p>
Lock-up	See “ <i>Placement – Lock-up</i> ” on page 257 for a description of restrictions on our Company and Promoters in relation to Equity Shares.
Transferability Restrictions	The Equity Shares being Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. For further details, please see the sections titled “ <i>Selling Restrictions</i> ”, “ <i>Transfer Restrictions and Purchaser Representations</i> ” and “ <i>Issue Procedure</i> ” on pages 259, 266 and 244.
Use of Proceeds	The Gross Proceeds from the Issue aggregate to ₹ [•] million. Subject to compliance with applicable laws, the net proceeds from the Issue, after deducting fees, commissions and the estimated expenses of the Issue of approximately ₹ [•] million, shall be approximately ₹ [•] million. For details, please see the section titled “ <i>Use of Proceeds</i> ” on page 89.
Risk Factors	For details, please see the section titled “ <i>Risk Factors</i> ” on page 47 for a discussion of risks you should consider before deciding whether to subscribe for the Equity Shares.
Dividend	See “ <i>Description of the Equity Shares</i> ” and “ <i>Dividends</i> ” on pages 272 and 111, respectively.
Taxation	Please see the section titled “ <i>Taxation</i> ” on page 275
Closing Date	The Allotment is expected to be made on or about [•]
Status, Ranking and dividends	<p>The Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank <i>pari passu</i> in all respects with the existing Equity Shares, including rights in respect of dividends. Our Shareholders (as on record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, 2013, the SEBI Listing Regulations and other applicable laws and regulations. Our Shareholders may attend and vote in shareholders’ meetings on the basis of one vote for every Equity Share held.</p> <p>For details, please see the sections titled “<i>Description of the Equity Shares</i>” and “<i>Dividends</i>” on pages 272 and 111.</p>
Voting Rights	See “ <i>Description of the Equity Shares – Voting Rights</i> ” on page 273.
Security Codes for the Equity Shares	<p>ISIN: INE457L01029</p> <p>BSE Code: 533581</p> <p>NSE Symbol: PGEL</p>

SELECTED FINANCIAL INFORMATION

The following tables set out selected financial information as extracted from our Financial Statements, prepared in accordance with the applicable accounting standards (Ind AS), Companies Act, 2013 and the requirements of SEBI Listing Regulations, as applicable, and presented in “*Financial Information*” on page 282. The selected financial information presented below should be read in conjunction with “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Financial Information*”, on pages 112 and 282, respectively, for further details.

SUMMARY OF BALANCE SHEET AS AT SEPTEMBER 30, 2024, MARCH 31, 2024, MARCH 31, 2023, AND MARCH 31, 2022

Particulars	As at September 30, 2024 (Consolidated)	As at March 31,		
		2024 (Consolidated)	2023 (Consolidated)	2022 (Consolidated)
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	7,921.09	7,813.32	5,765.70	4,402.88
(b) Capital work-in-progress	1,423.50	632.40	19.75	48.90
(c) Goodwill	0.03	0.03	0.03	0.03
(d) Intangible assets	15.78	12.11	12.20	6.68
(e) Other intangible asset under development	21.70	21.70	-	-
(f) Financial Assets				
(i) <i>Investment</i>	103.30	55.28	21.76	6.90
(ii) <i>Other Financial Assets</i>	226.79	202.85	99.46	83.74
(g) Other non-current assets	844.40	284.52	78.32	55.39
Total Non-current assets	10,556.59	9,022.21	5,997.22	4,604.52
Current assets				
(a) Inventories	5,953.02	5,433.94	3,533.81	2,860.33
(b) Financial Assets				
(i) <i>Trade receivables</i>	4,708.37	5,530.27	4,378.74	2,133.27
(ii) <i>Cash and cash equivalents</i>	419.23	301.82	86.69	238.53
(iii) <i>Bank balances other than (ii) above</i>	1,051.61	1,522.34	309.58	153.31
(iv) <i>Loans</i>	9.33	64.35	4.58	27.53
(v) <i>Others financial assets</i>	384.01	426.66	267.59	193.66
(c) Other current assets	1,672.81	758.26	366.15	430.42
(d) Income Tax Assets (Net)	17.24	20.00	137.29	43.69
Total Current Assets	14,215.62	14,057.64	9,084.43	6,080.74
TOTAL ASSETS	24,772.21	23,079.85	15,081.65	10,685.26
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	261.63	260.26	227.43	212.25
(b) Other Equity	11,194.58	10,120.55	3,731.85	2,910.73
Total Equity	11,456.21	10,380.81	3,959.28	3,122.98
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	1,849.32	1,870.27	2,249.60	1,717.85
(ii) Other financial liabilities	18.49	22.43	21.75	17.84
(iii) Lease Liabilities	651.97	680.34	316.22	133.98
(b) Deferred Tax Liabilities (Net)	313.96	294.99	281.76	165.56
(c) Provisions	96.38	77.44	56.21	44.77
(d) Other Liabilities	118.59	119.26	60.47	-
Total Non-current liabilities	3,048.71	3,064.73	2,986.01	2,080.00
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	1,988.60	1,735.34	3,175.65	2,120.66

Particulars	As at September 30, 2024 (Consolidated)	As at March 31,		
		2024 (Consolidated)	2023 (Consolidated)	2022 (Consolidated)
(ii) Trade payables -micro & small enterprises	374.71	807.94	296.78	135.81
(iii) Trade payables -other than micro & small enterprises	5,951.49	5,656.16	3,602.73	2,556.27
(iv) Other financial liabilities	822.18	684.54	531.69	445.33
(v) Lease Liabilities	67.73	61.65	28.42	13.74
(b) Other current liabilities	992.92	633.17	407.23	201.38
(c) Provisions	12.55	11.14	9.31	9.09
(d) Income Tax Liabilities	57.11	44.37	84.55	-
Total Current liabilities	10,267.29	9,634.31	8,136.36	5,482.28
TOTAL EQUITY AND LIABILITIES	24,772.21	23,079.85	15,081.65	10,685.26

SUMMARY OF STATEMENT OF PROFIT AND LOSS FOR THE SIX-MONTHS ENDED SEPTEMBER 30, 2024, AND THE FISCAL YEARS ENDED MARCH 31, 2024, MARCH 31, 2023, AND MARCH 31, 2022

(₹ in million)

Particulars	For the six-months ended September 30, 2024 (Consolidated)**	For the financial year ended March 31,		
		2024 (Consolidated)	2023 (Consolidated)	2022* (Consolidated)
I. Income				
(a) Revenue from Operations (net)	19,919.79	27,464.95	21,599.48	11,116.35
(b) Other Income	80.47	130.14	42.69	43.24
Total Income	20,000.26	27,595.09	21,642.17	11,159.59
II. Expenses:				
(a) Cost of Materials consumed	14,797.42	21,686.24	16,046.14	7,314.98
(b) Purchase of stock-in-trade	975.99	1,103.62	1,881.57	1,816.18
(c) Changes in inventories of Finished Goods, Work in progress & Stock in Trade	281.44	(727.18)	(282.63)	(290.81)
(d) Employee benefits expense	1,126.42	1,662.70	1,228.55	778.53
(e) Finance Costs	333.59	517.26	479.32	231.26
(f) Depreciation and amortisation expense	305.23	466.12	349.51	221.13
(g) Other expenses	868.22	1,121.66	964.28	607.19
Total Expenses	18,688.31	25,830.42	20,666.73	10,678.46
III. Profit/(Loss) before exceptional items and tax (I-II)	1,311.95	1,764.67	975.44	481.12
IV. Exceptional Items	-	-	-	(9.31)
V. Profit/(Loss) before tax (III-IV)	1,311.95	1,764.67	975.44	490.42
VI. Tax expense				
(1) Current Tax	248.76	379.90	84.55	-
(2) Earlier Year Tax	-	0.45	-	-
(3) Deferred Tax	19.25	14.20	116.20	116.27
VII. Profit / (Loss) for the period after tax (V-VI)	1,043.94	1,370.12	774.69	374.16
VIII. Profit / (Loss) for the period after tax in Joint Venture Company	(13.72)	(21.12)	-	-
IX. Profit / (Loss) for the period after Profit / (Loss) of Joint Venture Company(VII+VIII)	1,030.22	1,349.00	774.69	374.16
X. Other Comprehensive Income				
A(i) Items that will not be reclassified to profit or loss	(2.75)	(2.70)	(0.31)	4.70
(ii) Income tax relating to items that will not be reclassified to profit or loss	0.28	0.71	0.01	-
(iii) Deferred tax on above A(ii)	-	-	-	-
B(i) Items that will reclassified to profit or loss	-	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
Total Other Comprehensive Income	(2.47)	(1.99)	(0.30)	4.70
XI. Total Comprehensive Income for the period (IX+X)	1,027.75	1,347.01	774.39	378.86

** Not Annualised

* Government Incentives from the State Government (which includes PSI Incentive 2007 from Maharashtra Government) aggregating to ₹ 139.17 million was classified as other non-operating income until Fiscal 2022 which was re-classified as Other Operating Income from Fiscal 2023. Accordingly, the financial information for Fiscal 2022 has been disclosed after considering the above as "Other Operating Income" and has been extracted from the comparative financial information for Fiscal 2022 included in the audited financial statements of Fiscal 2023.

SUMMARY OF STATEMENT OF CASH FLOW FOR THE SIX-MONTHS ENDED SEPTEMBER 30, 2024, AND THE FISCAL YEARS ENDED MARCH 31, 2024, MARCH 31, 2023 AND MARCH 31, 2022

(₹ in million)

Particulars	For the six-months ended September 30, 2024 (Consolidated)**	For the financial year ended March 31,		
		2024 (Consolidated)	2023 (Consolidated)	2022 (Consolidated)
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax	1,311.95	1,764.67	975.44	490.42
Adjustments to reconcile profit before tax to net cash flows				
Depreciation and amortisation expenses	305.23	466.12	349.51	221.13
Employees expenses non-operating	(2.75)	(2.70)	(0.31)	4.70
Loss on sale of property, plant and equipment & assets written off	0.67	7.76	3.52	0.43
Profit on sale of property, plant and equipment	(1.08)	-	(1.16)	(0.78)
Miscellaneous balances written off	0.08	0.53	3.52	1.92
Provision for warranty expenses- post sales	2.81	0.60	(1.60)	5.00
Provision for Doubtful recoveries	-	-	-	-
Provision for doubtful receivable & debts	-	-	-	22.11
Provision for doubtful advance to suppliers & capital advance	-	-	19.70	10.50
Provision for slow & non moving Inventories	2.53	7.86	0.73	1.80
Impairment allowance	12.61	-	-	-
Loss on Inventory due to Fire	-	35.15	0.79	0.15
Loss on property, plant and equipment due to Fire	-	1,71	1.63	1.14
Liabilities no longer required written back	(0.08)	(0.54)	(1.47)	(2.82)
Employee stock option scheme	79.90	154.01	33.94	20.68
Interest expense on lease liabilities	30.24	37.26	18.22	7.48
Fair value gain on Investment recognised through FVTPL	(1.82)	(2.58)	(0.17)	(0.42)
Interest expense	303.35	479.99	461.09	223.78
Interest income	(76.42)	(113.01)	(31.81)	(20.55)
Cash flow generated from operating activity before working capital adjustments	1,967.22	2,836.83	1831.57	986.68
Working capital adjustments:				
Increase/(decrease) in trade Payables	(137.83)	2,565.13	1,208.91	1,161.41
Increase/(decrease) in non - current provisions	18.94	21.23	11.44	(11.23)
Increase/(decrease) in non - current liabilities	(0.67)	58.79	60.47	-
Increase/(decrease) in short - term provisions	(1.40)	1.23	1.82	(0.01)
Increase/(decrease) in other current liabilities	359.77	225.93	205.85	49.36
Increase/(decrease) in current financial liabilities	62.92	134.30	131.11	91.48
Decrease/(increase) in trade receivables	821.82	(1,152.06)	(2,268.69)	(695.25)
Decrease/(increase) in inventories	(534.21)	(1,943.13)	(675.01)	(1,936.17)
Decrease / (increase) in short - term loans	(2.53)	(1.72)	22.95	(24.40)
Decrease/(Increase) in other current assets	(914.55)	(392.12)	64.28	(217.56)
Decrease/(Increase) in other current financial assets	43.39	(126.56)	(24.07)	(153.33)
Decrease/(increase) in other non current assets	1.26	(0.16)	(2.11)	(3.70)
Decrease/(Increase) in other non financial assets	(1.02)	(39.59)	(17.55)	(9.91)
Cash generated (used in)/generated from operations	1,683.11	2,188.10	550.98	(762.63)

Particulars	For the six-months ended September 30, 2024 (Consolidated)**	For the financial year ended March 31,		
		2024 (Consolidated)	2023 (Consolidated)	2022 (Consolidated)
Direct taxes (paid)/refund	(223.26)	(303.49)	(93.60)	(25.40)
Net cash flow (used in)/generated from operating activities (A)	1,449.85	1,884.61	457.38	(788.03)
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property Plant and equipment including CWIP and Intangible assets	(1,741.46)	(2,268.14)	(1,545.66)	(1,571.02)
Payment for acquisition of subsidiary	-	(450.10)	-	-
Proceeds from sale of Property plant and equipment	3.09	9.94	3.78	58.49
Investments made during the year	(72.36)	(108.95)	(15.32)	(4.93)
Maturity of bank deposit having maturity more than 3 months	447.81	(1,276.55)	(202.51)	(110.60)
Interest received	75.67	80.51	30.02	18.05
Net cash flow used in investing activities (B)	(1,287.25)	(4,013.29)	(1,729.69)	(1,610.02)
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from long-term borrowings	327.62	430.60	1,154.33	1,260.74
Repayment of long-term borrowings	(369.19)	(1,117.29)	(412.28)	(351.09)
Proceeds from issue of equity share capital	90.06	4,917.52	33.49	440.72
Shares transferred to beneficiary	-	-	-	-
Proceeds from cumulative compulsory convertible debentures	-	-	-	362.92
Proceeds from/(Repayment of) Short-term borrowings (Net)	269.93	(1,330.36)	849.79	1,090.97
Payment of principal portion of lease liabilities	(31.08)	(36.36)	(21.63)	(14.50)
Payment of interest portion of lease liabilities	(30.24)	(37.26)	(18.23)	(7.49)
Interest paid	(302.29)	(483.03)	(465.00)	(219.89)
Net cash flow (used in)/generated from financing activities (C)	(45.19)	2,343.82	1,120.47	2,562.38
Net increase/(decrease) in cash and cash equivalents (A + B + C)	117.41	215.13	(151.84)	164.33
Cash and cash equivalents at the beginning of the year	301.82	86.69	238.53	74.19
Cash and cash equivalents at the end of the year	419.23	301.82	86.69	238.53
Components of cash and cash equivalents				
Cash on hand	0.81	1.07	0.56	1.20
With banks:				
-on current account	418.41	300.74	86.13	237.33
Total cash and cash equivalents	419.23	301.82	86.69	238.53

** Not Annualised

RELATED PARTY TRANSACTIONS

For details of the related party transactions during (i) the six-months ended September 30, 2024 (including the comparative financial information for the six-months ended September 30, 2023); (ii) the Financial Year ended March 31, 2024; (iii) the Financial Year ended March 31, 2023; and (iv) the Financial Year ended March 31, 2022 as per the requirements under Indian Accounting Standard (Ind AS) 24 – Related Party Disclosures, please see the section titled “***Financial Information***”, on page 282 for the above mentioned period/fiscal years respectively.

RISK FACTORS

This Issue and an investment in Equity Shares involve a high degree of risk. You should carefully consider the risks described below as well as other information in this Preliminary Placement Document and the Placement Document expected to be prepared in connection with the Issue before making an investment decision. If any one or a combination of the risks described below actually occurs, our business, prospects, financial condition, results of operations and cash flows could be seriously affected, the trading price of our Equity Shares could decline and you may lose all or part of your investment. Unless specified in the risk factors below, we are not in a position to quantify the financial implications of any of the risks mentioned below. We have described the risks and uncertainties that our management believes are material but the risks set out in this Preliminary Placement Document may not be exhaustive or complete, and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material, as the case may be, in the future. This section should be read together with the sections titled, “Industry Overview”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Information” beginning on pages 145, 195, 112 and 282 of this Preliminary Placement Document, respectively, as well as the financial statements, including the notes thereto, and other financial information included elsewhere in this Preliminary Placement Document. This Preliminary Placement Document contains forward-looking statements that involve risks and uncertainties. Prospective investors should carefully consider the following risk factors as well as other information included in this Preliminary Placement Document prior to making any decision as to whether or not to invest in our Issue. The risks described below and any additional risks and uncertainties not presently known to us or that currently are deemed immaterial could adversely affect our business, financial condition, liquidity or results of operations. As a result, the trading price of our Equity Shares could decline and investors may lose part or all of their investment. Any potential investor in, and purchaser of our Equity Shares should pay particular attention to the fact that we are governed in India by a legal and regulatory environment which in some material respects may be different from that which prevails in other countries.

Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for Fiscals 2022, 2023 and 2024 included herein is based on the Audited Financial Statements, and the financial information for six months ended September 30, 2024 (including the comparative financial information with respect to the six months ended September 30, 2023) is based on the Unaudited Condensed Interim Consolidated Financial Statements, included in this Preliminary Placement Document. For further information, see “Financial Information”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Selected Financial Information” on pages 282, 112 and 41, respectively.

In this section, unless the context otherwise requires, a reference to “our Company” is a reference to PG Electroplast Limited on a standalone basis, while any reference to “we”, “us”, “our” or “our Group” is a reference to the Company, its Subsidiaries and Joint Venture on a consolidated basis.

Unless otherwise indicated, all industry and market data used in this section has been derived from the report “EMS Opportunities in Indian Consumer Durables Segment dated December 3, 2024 (the “F&S Report”) prepared and released by Frost & Sullivan and commissioned by us. Our Company commissioned and paid for the F&S Report pursuant to the engagement letter dated November 12, 2024. Frost & Sullivan is not related in any manner to our Company, its Subsidiaries, Joint Venture, Directors, Key Managerial Personnel, members of Senior Management or the Promoters. For risks in relation to commissioned reports, see “Risk Factors – This Preliminary Placement Document contains information from industry sources including the industry report commissioned by the Company from Frost & Sullivan.” on page 73.

This Preliminary Placement Document also contains forward-looking statements that involve risk and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below in “Forward-Looking Statements” on page 15, and elsewhere in this Preliminary Placement Document.

Risks related to our Business

- 1. Our Company and Promoters were debarred from accessing capital markets in the past. In the event this were to happen again, it may have an adverse impact on our reputation, our ability to raise funds in the future, our growth plans, operations and financial condition.***

Our Company raised money through an initial public offering (“IPO”) on September 26, 2011. Upon noticing fluctuations in the share price of our Company immediately following its listing, SEBI conducted an investigation in relation to the IPO, with the preliminary findings prima facie revealing suppression of material facts in the offer documents, syphoning and diversion of IPO proceeds through purchase orders and non – compliance with the disclosure requirements under the SEBI ICDR Regulations, 2009. SEBI passed an interim order dated December 28, 2011, wherein our Company was prohibited from raising any further capital and Promoters were prohibited from buying, selling or dealing in the securities market for a period of 10

years. Subsequently, pursuant to a final order of SEBI dated March 11, 2014 (“WTM Order”), our Company and Promoters were prohibited to raise any further capital from the securities market for a period of 10 years from December 28, 2011, and directed us to deposit the IPO proceeds in an escrow account. On appeal of the WTM Order, the Securities Appellate Tribunal (“SAT”) held that our Company partially failed to disclose material information as was required for investors to enable them to make an informed decision. The debarment was reduced to seven years from 10 years pursuant to an order of SAT dated August 30, 2016, on grounds of it being highly disproportionate and to maintain balance between imposition of the punishment and upholding interests of investors. Parallely, the adjudicating officer of SEBI, who had commenced proceedings, pursuant to an order dated August 2, 2017 (“AO Order”), imposed a monetary penalty of ₹ 10 million on our Company and each of our Promoters for the grounds as stated above. On appeal of the AO Order, the SAT pursuant to an order dated August 2, 2019, set aside the monetary penalty imposed on our Company and each of our Promoters on the ground of it being grossly disproportionate to the violation and stating that the WTM Order of debarment is a sufficient penalty to cover the technical violation by our Company. While the debarment period is over, any non – compliance with securities laws and/or consequent disciplinary action by SEBI or any other governmental authorities may severely impact our reputation, business operations and ability to raise funds in the future.

2. ***We are highly dependent on a limited number of customers for a majority portion of our revenue from operations. The loss of relationship or a significant reduction in purchases by such customers could have a material adverse impact on our business, financial condition, results of operations and future prospects.***

We are highly dependent on a limited number of customers, who contribute to a significant portion of our revenue from operations. Set out below is the revenue generated from our top customer, top five customers and top 10 customers for the respective period / years:

Top Customers	Six months ended September 30, 2024**		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	In ₹	%	In ₹	%	In ₹	%	In ₹	%
	million	of revenue from operations	million	of revenue from operations	million	of revenue from operations	million	of revenue from operations
Top customer	1,931.38	9.70%	3,250.15	11.83%	2,426.38	11.23%	1,866.98	16.79%
Top 5 customers	8,134.72	40.84%	11,960.83	43.55%	10,019.53	46.39%	5,339.37	48.03%
Top 10 customers	13,474.71	67.64%	17,839.49	64.95%	15,146.52	70.12%	7,519.40	67.64%

* The top customers have been identified for each specific year / period based on the revenue contribution of each such customer in the relevant year / period.

** Not annualised

Since we are largely dependent on such customers for a significant portion of our sales, the loss of any one such customers or a significant reduction in demand from such customers could have a material adverse effect on our business. Additionally, we may not be able to retain the business of such customers or maintain the current level of business with each of these customers. The risks may include, but are not limited to, reduction, delay or cancellation of orders from our significant customers, failure to enter into new purchase orders with one or more of our significant customers, failure to renegotiate favourable terms with our key customers, our inability to meet the expectations to track the changing preferences of our customers or non – acceptance of our products by customers. In order to retain some of our existing customers we may also be required to offer terms to such customers which we may place restraints on our resources.

Further, in the event of loss of any of such customers, it may significantly affect our revenues and we may face challenges in securing comparable levels of business from other customers or may not be able to secure new customers in a timely manner or at all to offset any impact of loss of revenue from our customers. The occurrence of any of the above may have a significant adverse impact on our business, financial condition, results of operations and future prospects.

3. ***Our primary clients are the brands we serve, who outsource some of their manufacturing of their products to us to reduce their costs and achieve scale. Our business model would be impacted, in case of any change in their location of business or change in business model of contract manufacturing.***

We are an established ODM and contract manufacturer, for the consumer durables industry in India, with primary focus on manufacture of RACs, washing machines and plastic moulding. We are the largest manufacturer of plastic injection moulding components for consumer durables and consumer electronics industry in terms of revenue in India as on March 31, 2024 (Source: F&S Report). We are the second largest player in terms of RAC finished good sales to the OEMs / brands, basis Fiscal 2024 data (Source: F&S Report). However, there can be no assurance that we will be able to retain our market share.

We have manufacturing units equipped with standard quality machinery, assembly lines and full power backup which are strategically located in the states of Uttar Pradesh, Rajasthan, Uttarakhand and Maharashtra giving us close proximity to our customers. To meet specific requirements of our customers, some of the brands who we serve, outsource their manufacturing requirements to us. The decision of our customers to outsource is affected by their own ability and capacity for manufacturing, the competitive advantages of outsourcing as well as their business position and financial condition. We cannot assure you that our customers will continue to outsource or increase the share of outsourcing in their manufacturing operations. If our customers do not continue to outsource the manufacturing of their products or reduce the amount of manufacturing outsourced by them or if our customers decide to perform these functions independently or choose to outsource their manufacturing of such products to other ODMs or contract manufacturers, our future growth could be limited and our sales and operating results may suffer. Further, any change or shift in location of business would result in loss of our customers which would have significant impact on our revenue and operations.

4. ***We do not have long – term volume purchase commitments from our customers. If our customers choose not to continue to place orders with us, our business and results of operations will be adversely affected. Further, any breach of the conditions under the purchase orders with customers may adversely affect our business and results of operations.***

We supply specific products to our customers in terms of purchase orders, typically on a per order basis and such customer may place repeat orders, on a case – to – case basis. While we have no formal arrangement with our customers, they provide us with purchase orders which typically include the price, precise terms for lead time for delivery of products, delivery schedule in terms of quantities for certain months. At times we may have to agree with certain onerous terms laid down by our customers. Such onerous terms may have an effect on margins and our future growth including expansion of customer base. Such terms and conditions include, among others, details of vendors for raw materials that are approved by some of our customers, manner of inspection and testing of products manufactured, representation and warranties made by us in relation to our manufacturing capabilities, process to be followed in case of defects, steps to ensure compliance with applicable laws, quality of products, undertakings in relation to protection of intellectual property of our customers, indemnification of our customers due to our negligence or breach of any term of the order, defect warranties in relation to the products manufactured or assembled by us. Additionally, non-compliance with the terms of our purchase orders may lead to, among others, damages or penalties, termination of the order and will also result in us being unable to attract further business in the future. While, in the past we have not had any instances of non – compliance or breach of any terms of the purchase orders, in case we fail to comply with applicable requirements in the future, we would be subjected to damages, penalties or termination of the orders.

There is no guarantee that despite having a good relationship with our customers, we are assured of generating revenues in the future as they are not under any obligations to outsource their manufacturing requirements to us. Accordingly, we are not in a position to predict the extent of revenues that we can generate for each of the products manufactured by us in the future. The short – term nature of our customers’ commitments and the changes in demand for their products (which are in turn manufactured by us) could reduce our ability to estimate accurately future customer requirements, make it difficult to schedule production and limit our ability to maximize utilization of our manufacturing capacity. Accordingly, we face the risk that our customers might not place any order or might place orders of lesser than expected quantity or may even cancel existing orders (including where deliveries were to be made in the future).

Cancellations, reductions, or instructions to delay production (thereby delaying delivery of products manufactured by us) by any significant customer could adversely affect our results of operations due to reduced sales volume, as well as by possibly causing delay in our customers’ paying us for the order placed for purchasing the inventory with us which we would have manufactured for them. While there are no material instances of any delay or defect which has led to loss in customers, we may be liable to bear the cost of any such losses that our borne by our customers. Such instances may have a material impact on our business operations.

In addition, we make significant decisions, including determining the levels of business that we will seek and accept, production schedules, component procurement commitments, inventory, personnel requirements, and other resource requirements, based on our estimates of customer orders. All of the above could have a material adverse impact on our financial position and results of operations.

5. ***Our inability to keep up with technological advancements may adversely affect our business and results of operations.***

Our business verticals *i.e.* plastic moulding, products business, electronics and tool manufacturing require us to anticipate and keep up with technological advantages in order to remain competitive. While we undertake our own R&D for the products that we manufacture under the ODM business model, we cannot assure you that we will be able to secure the necessary knowledge to keep up with advancements in technology and accordingly manufacture products that meet such changes in technology. Our business is continually changing due to technological advances and scientific discoveries. These changes result in the frequent introduction of new products and services and significant price competition. If our products and technologies become obsolete

for various factors, our business and results of operations could be adversely affected. Although we strive to maintain and upgrade our technologies, units and machinery consistent with current national and international standards, the technologies, facilities and machinery we currently use may become obsolete. The cost of implementing new technologies and upgrading our manufacturing units could be significant, which could adversely affect our business, results of operations and financial condition.

As of September 30, 2024 we had a portfolio of 600 SKUs, which enabled us to cater to existing and new customers and markets. Further, we invest in R&D to sustain or enhance our existing products and to develop new technologies and processes that would better allow us to customize products for our clients. We may also be required to incur or allocate higher capital expenditure towards our R&D to meet our customer requirements. If we are unable to develop these in a timely manner, or at all, we may be unable to effectively implement our strategies.

Further, as at September 30, 2024 we had qualified and experienced R&D team with 57 employees representing 0.92% of our total employees. We are dependent on these employees for our R&D capabilities and the loss of the services of such personnel or our inability to recruit or train a sufficient number of experienced personnel may have an adverse effect on our financial results and business prospects.

We cannot assure you that our quality maintenance, product research and development initiatives will be successful or be completed within the anticipated time frame or budget, or that our products will achieve wide market acceptance from our customers or end-users of our products. Even if such products can be commercially successful, there is no guarantee that they will be accepted by our customers and achieve anticipated sales target or in a profitable manner. Additionally, there can be no guarantee that the time and effort that we spend in R&D would be beneficial to us. In addition, it is often difficult to project the time frame for developing new products and the duration of market window for these products, there is a substantial risk that we may have to abandon a potential product that is no longer commercially viable, even after we have invested significant resources in the development of such product. If we continue to fail in our product launching efforts, our business, prospects, financial condition and results of operations may be materially and adversely affected.

6. ***A significant portion of our sales from our products vertical is seasonal and takes place immediately prior or during the summer months, and any adverse weather conditions during such peak sales seasons may materially and adversely affect our sales, results of operations and financial condition.***

A significant portion of our sales from our products vertical is seasonal, given that it involves acting as an ODM for RACs and air coolers wherein the sales are typically higher in the summer months due to the weather conditions, and considerably lower during the monsoon and winter months. Set forth below is the contribution of RACs and air coolers to our revenue from operations for each of the periods indicated:

Particulars	For the six months ended September 30, 2024*		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (in ₹ million)	% of revenue from operations	Amount (in ₹ million)	% of revenue from operations	Amount (in ₹ million)	% of revenue from operations	Amount (in ₹ million)	% of revenue from operations
Products business	13,511.69	67.83%	16,401.91	59.72%	13,383.72	61.96%	4,749.98	42.73%
Of which								
RACs	11,145.39	55.95%	12,977.34	47.25%	10,412.73	48.21%	2,936.75	26.42%
Air coolers	227.67	1.14%	382.71	1.39%	382.49	1.77%	148.90	1.34%

*Not annualised

Bad weather conditions, including disturbed summers or untimely rains during the peak sales season of summer, may adversely affect our sales volumes, revenue from operations, results of operations and financial condition, and could therefore have a disproportionate impact on our results of operations in the relevant year. In addition, the seasonality of our results of operations may be affected by unforeseen circumstances that affect production during such peak periods, such as any downtime to production due to breakdown of equipment, shortage of raw materials, interruptions in power supply and other utilities, inadequate inventory planning and other interruptions to timely production and delivery of our products to our customers. Because of the significant fluctuations in demand for air conditioners and air coolers during various seasons of the year, any comparison of the sales recorded and our results of operations between different periods within a year is not meaningful and should not be relied on as an indicator of our future business prospects or financial performance.

7. ***Our Registered Office, manufacturing units and warehouses, from where we operate, are not owned by us. The land and premises of our manufacturing units are held by us under lease agreements. Further, some of our manufacturing units are***

located on industrial lands allocated by Maharashtra Industrial Development Corporation (“MIDC”) and Uttar Pradesh State Industrial Development Corporation (“UPSIDC”). Failure to comply with the conditions of use of such land could result in an adverse impact on our business and financial condition.

Our Company does not own the premises at which our Registered Office is located. Our Company has taken the Registered Office on leave and license basis for a period of 11 months, and Unit 2 on lease basis from one of our Promoters, Vishal Gupta. Additionally, the premises of our manufacturing units have been leased by us for a period between 36 months to 95 years.

The table below provides details of the premises on which our manufacturing units are situated:

Unit No.	Address of the manufacturing units	Owned / Leased	Term	Balance Term of Lease Period
Company				
Unit 1	Plot 4/2 to Plot 4/4, UPSIDC Industrial Area, Surajpur, Site-B, Greater Noida, Uttar Pradesh	Leased	90 years	68 years 2 months
	Plot 4/5 and Plot 4/6, UPSIDC Industrial Area, Surajpur, Site – B, Greater Noida, Uttar Pradesh	Leased	90 years	68 years 7 months
	Plot 4/6, UPSIDC Industrial Area, Surajpur, Site-B, Greater Noida, Uttar Pradesh	Leased	90 years	68 years 2 months
Unit 2	Khasra No 268, 15 th Milestore, Village Raipur, Bhagwanpur, Roorkee, Uttarakhand	Leased	30 years	14 years 11 months
	Khasra No 275, 15 th Milestore, Village Raipur, Bhagwanpur, Roorkee, Uttarakhand	Leased	30 years	14 years 11 months
Unit 3	Plot No E-14, E-15, Surajpur, Site-B UPSIDC Industrial Area, Greater Noida, Uttar Pradesh	Leased	83 years	68 years 7 months
	Plot No. F – 20, Site – B, UPSIDC Industrial Area, Greater Noida, Uttar Pradesh	Leased	90 years	51 years 8 months
Unit 4	Plot A – 20 / 2 Supa Parner, MIDC Industrial Area, Taluka Parner, District Ahmednagar, Maharashtra	Leased	95 years	77 years 6 months
	C-11, Supa Parner, MIDC Industrial Area, Taluka Parner, District Ahmednagar, Maharashtra	Leased	95 years	68 years 2 months
Unit 5	I 26 and I 27 Site – C, UPSIDC Industrial Area, Surajpur, Greater Noida, Uttar Pradesh	Leased	64 years	55 years 2 months
	I 15 and I 16 Site – C, UPSIDC Industrial Area, Surajpur, Greater Noida, Uttar Pradesh	Leased	36 months	2 years 6 months
Subsidiary (PG Technoplast)				
Unit Subsidiary 1-	Plot No. 76, Sector – Echotech – 12, Greater Noida, Gautam Budh Nagar, Uttar Pradesh, covering 61,545 sq. ft	Leased	120 months	6 years, 8 months
	Plot No. 76, Sector – Echotech – 12, Greater Noida, Gautam Budh Nagar, Uttar Pradesh, covering 80,700 sq. ft	Leased	120 months	8 years
Unit Subsidiary 2-	Plot A – 18 Supa Parner MIDC Industrial Area, Taluka Parner, Ahmednagar, Maharashtra	Leased	95 years	70 years 2 months
Unit Subsidiary 3-	Gat No. 822/2, Hanga Tal. Parner, Dist. Ahmednagar, Maharashtra - 414001	Leased	5 years	2 years 8 months
Unit Subsidiary 4-	Plot no A 100 – 103 and 118 – 121, Rajasthan State Industrial Development and Corporation Limited Industrial Area, Bhiwadi, Alwar, Rajasthan	Leased	9 years	7 years 8 months

The table below provides leased details of our warehouses:

Sr. No.	Address of the warehouses	Owned / Leased	Term	Balance Term of Lease Period
Company				
1	Part of shed no. 4, No. 66, Udyog Vihar, Old Kasna Road, Greater Noida, Uttar Pradesh – 201306, covering 69,300 sq. ft. area.	Leased	9 years	7 years 8 months
2	E-10, Area Site-C, UPSIDA Industrial Area, Surajpur, Dist. Gautam Budh Nagar, Uttar Pradesh 201306, covering 5400 sq. ft. area	Leased	11 months	5 months

Sr. No.	Address of the warehouses	Owned / Leased	Term	Balance Term of Lease Period
3	Plot No. 7, Khasra No. 34/1, 10/1, Alfa Campus area, Fariadabad, Haryana, covering 6300 sq. ft. area	Leased	24 months	7 months
Subsidiary (PG Technoplast)				
4	D-111, Supa MIDC, Taluka Parner, Dist Ahmednagar.	Leased	60 months	2 years 3 months
5	Gat NO. 246, Pombardi, Taluka Bhore, Distt. Pune Maharashtra 412206.	Leased	11 months	6 months
6	Plot no 4/5, 2 nd Floor and Plot no 4/6, 1 st Floor, Surajpur Industrial Area, Greater Noida, Uttar Pradesh 201306, covering around 31500 sq. ft. area	Leased	11 months	4 months
7	Plot no. 3, Ecotech, Sector-16, Greater Noida, Uttar Pradesh 201306, admeasuring 66,987 sq. ft.	Leased	11 months	10 months
8	Eastern wing, SP3A, RIICO Industrial Area, Kahrani, Rajasthan	Leased	11 months	8 months
9	Plot no. E-44 B1, RIICO Industrial Area Khushkhera (Bhiwadi), Alwar, Rajasthan 301707, covering around 15,000 sq. Ft. area	Leased	11 months	3 months

Under the terms of the respective lease agreements entered into with the respective lessors, we are subject to various payment and compliance requirements, including timely payment of lease rentals, using the whole leased area for industrial purposes to the satisfaction of the lessor in its sole discretion, a prohibition to make any changes or alterations to the building or other erections on the premises without prior approval or effect any change to the use of plot, keeping the buildings constructed on the said land insured against loss or damage by fire in a sum equivalent to the cost of the buildings, compliance with building and safety norms prescribed by relevant authorities, making prescribed arrangements for effluent treatment, and compliance with applicable pollution control norms, and giving preference to a certain number of persons whose land was acquired for the purpose of developing the industrial area where the facilities are located for labour requirements. Termination of our leases may occur due to failure to comply with such conditions, including for reasons beyond our control. In the event of termination of such lease agreements, we may have to relocate to alternative premises or shut down our operations at that site. Further, upon expiration of the relevant agreement for each such manufacturing unit, we will be required to negotiate the terms and conditions on which the lease agreement may be renewed. We cannot assure you that we will be able to renew these agreements on commercially reasonable terms in a timely manner, or at all.

Further, our manufacturing units are located on industrial lands allocated by MIDC and UPSIDC. In terms of the lease agreements entered into with UPSIDC for the land parcels at Unit 1, Unit 3 and Unit 5, we are required to obtain consent from them, for among others, change in capital structure and shareholding of the Company. While our Company has made an application dated December 2, to UPSIDC seeking its consent, no response has been received from UPSIDC as on the date of this Preliminary Placement Document. We cannot assure you that we will get this consent in a timely manner or at all. In the event we do not get such consent, it may lead to termination of such lease agreements with UPSIDC which could have a material impact on our operations.

Once we obtain a lease, we incur significant expenses to install necessary infrastructure, including machinery, furniture, lighting, security systems, to ensure such unit meets our business requirements. Relocation of any part of our operations may cause disruptions to our business and may require significant expenditure, and we cannot assure you that in such a case, we will be able to find suitable premises on commercially reasonable terms in a timely manner, if at all or we may have to pay significantly higher rent or incur additional expenses towards interiors. Set forth below is the lease cost incurred by us for the six months ended September 30, 2024, Fiscal 2024, 2023 and 2022:

Particulars	For the six months ended September 30, 2024*		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (in ₹ million)	% of revenue from operation	Amount (in ₹ million)	% of revenue from operations	Amount (in ₹ million)	% of revenue from operations	Amount (in ₹ million)	% of revenue from operations
Lease cost incurred**	86.01	0.43%	120.22	0.44%	71.76	0.33%	28.13	0.26%

* Not annualised

** Lease cost includes depreciation on right of use assets, interest cost on lease liabilities and rent expense for the period / year.

Further, some of the lease deeds that we have entered into may not be registered or may not be adequately stamped and consequently, may not be accepted as evidence in a court of law. Accordingly, we may be required to pay penalties for inadequate stamp duty. Further, we may not be able to assess or identify all risks and liabilities associated with any properties, such as faulty or disputed title, unregistered encumbrances or adverse possession rights, improperly executed, unregistered or insufficiently stamped instruments, or other defects that we may not be aware of.

8. ***We have substantial capital expenditure requirements and may require additional financing to meet those requirements. Further, our inability to manage the expansion of our business and operations and execute our growth strategy in a timely manner or within the budget estimates could have an adverse effect on our business, results of operations and financial condition.***

We may incur significant capital expenditure in the coming future in the ordinary course of business, which is typical to the industry in which we operate. Set forth below are the cash outflows related to the capital expenditure incurred by us for the respective period / years:

(in ₹ million)

Particulars	Six months ended September 30, 2024*	Fiscal 2024	Fiscal 2023	Fiscal 2022
Capital expenditure incurred	1,741.46	2,268.14	1,545.66	1,571.02

* *Not annualised*

Additionally, we have set forth below the borrowings availed by us from lenders for the periods indicated to fund our expansion and our other business requirements:

(in ₹ million)

Particulars	Six months ended September 30, 2024*	Fiscal 2024	Fiscal 2023	Fiscal 2022
Borrowings*	3,837.92	3,605.61	5,425.25	3,838.51

* *Computed as sum of borrowings disclosed in our Audited Financial Statements under non – current liabilities and current liabilities.*

We may also require additional financing in order to expand and upgrade our existing manufacturing units as well as to construct new units. However, we cannot assure you that our operations will be able to generate cash flows sufficient to cover such costs. Further, financing required for such investments may not be available to us on acceptable terms, or at all, and we may be restricted by the terms and conditions of our existing or future financing agreements. If we decide to raise additional funds through the incurrence of debt, our interest obligations will increase, which could significantly affect financial measures such as our earnings per share. If we decide to raise additional funds through the issuance of equity, your ownership interest in our Company will be diluted.

Further, the actual amount and timing of our future capital requirements may differ from our estimates as a result of, among other things, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, engineering design changes, weather-related delays and technological changes. Any inability to obtain sufficient financing could result in the delay, reduction or abandoning of our development and expansion plans. Consequently, we cannot assure you that any expansion or improvement of our manufacturing unit, will be completed as planned or on schedule, or that we will achieve our increased planned output capacity or operational efficiency. If we experience significant delays in the implementation of our expansion plans, the overall benefit of such plans to our revenues and profitability may decline. If the expenditure that we incur does not produce anticipated or desired results, our profitability, cash flows and financial condition will be adversely affected.

9. ***Our business is working capital intensive. Our inability to accurately forecast demand for our products and manage our inventory or working capital balances may have an adverse effect on our business, results of operations, cash flows and financial condition.***

Our business requires significant amount of working capital primarily as a considerable amount of time passes between purchase raw materials and sale of our finished products and the subsequent collection process from our customers. As a result, we are required to maintain sufficient stock at all times in order to meet manufacturing requirements, thus increasing our storage and working capital requirements. While we maintain a reasonable level of inventory of raw materials, work in progress and finished goods, if we underestimate demand or have inadequate capacity due to which we are unable to meet the demand for our products, we may end up manufacturing lesser quantities of products than required, which could result in the loss of business. Similarly, an error in our forecast could also result in surplus stock, which may not be sold in a timely manner or at all. If we overestimate demand, we may incur costs to build capacity or purchase more raw materials and manufacture more

products than required. Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, results of operations, cash flows and financial condition.

Our historical working capital requirements are set out below for the stated period / years:

(in ₹ million, unless otherwise stated)

Particulars	Six months ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Working Capital*	4,466.09	4,334.53	3,727.45	2,327.29
Number of days / working capital cycle**	81.83	57.60	62.99	76.42

* Working capital is computed as current assets (excluding cash and cash equivalents and bank balances) minus current liabilities

** Number of days calculated as working capital / total revenue x 365

We evaluate our inventory balances of materials based on expected sourcing levels, known uses and anticipated demand based on forecasted customer order activity and changes in our product sales mix. Efficient inventory management is a key component of the success of our business, results of operations and profitability. To be successful, we must maintain sufficient inventory levels and an appropriate product sales mix to meet our customers' demands, without allowing those levels to increase to such an extent that the costs associated with storing and holding other inventory adversely affects our results of operations. If our raw materials purchase decisions do not accurately predict sourcing levels, or if our estimation of customer requirements and trends are inaccurate, we may have to take unanticipated markdowns or impairment charges to dispose of the excess or obsolete inventory, which can adversely affect our results of operations. Set forth below are our inventory levels as at the stated periods/years:

(in ₹ million, unless otherwise stated)

Particulars	Six months ended September 30, 2024 [@]	Fiscal 2024	Fiscal 2023	Fiscal 2022
Inventories	5,953.02	5,433.94	3,533.81	2,860.33
Inventory Turnover Ratio*	3.39	4.92	5.52	4.67
Debtors Turnover**	6.03	5.54	6.63	6.17
Current Ratio***	1.38	1.46	1.12	1.11

* Computed as cost of goods sold for the period divided by average inventory

** Computed as revenue from operations in the period divided by average receivables during the period

*** Computed as period end current assets divided by period end current liabilities

[@] Ratios are calculated for trailing 12 months by taking average of balance sheet data of September 30, 2023 and September 30, 2024.

Our working capital requirements may also increase if payment terms shift to payments on completion of delivery or otherwise increase our working capital burdens. If a customer defaults in making its payment on a product to which we have devoted significant resources, it may also affect our profitability and liquidity and decrease the capital resources that are otherwise available for other uses. If we are unable to finance our working capital needs, or secure other financing when needed, on acceptable commercial terms or at all, it may adversely affect our business, growth prospects and results of operations. All of these factors may result in increases in our working capital requirements.

Management of our working capital requirements involves the timely payment of, or rolling over of, our short – term indebtedness and securing new and additional loans on acceptable terms, or re – negotiation of our payment terms for, our trade payables, collection of trade receivables and preparing and following accurate and feasible budgets for our business operations. If we are unable to manage our working capital requirements, our business, results of operations, financial condition, and cash flows could be materially and adversely affected. Should we fail to effectively implement sufficient internal control procedures and management systems to manage our working capital and other sources of financing, we may have insufficient capital to maintain and grow our business, and we may breach the terms of our financing agreements with banks, face claims under cross-default provisions and be unable to obtain new financing, any of which would have a material adverse effect on our business, results of operations, financial condition, and cash flows.

10. There may be possible conflicts of interest between us and our Promoters or the entities forming part of our Promoter Group entities due to the operations of such entities in similar line of business, which could adversely affect our financial and business operations.

Our Promoters are involved in the management of the business operations of our Company and the business operations of certain other companies such as P.G Appliances Private Limited and Kushang Technologies Limited which are in a similar line

of business as that of our Company. While currently these entities are non – operational, going forward, these entities once operational, may provide comparable services, expand their presence, solicit our employees or acquire interests in competing ventures in the locations or segment or verticals in which we operate. A conflict of interest may occur between our business and the business of such entities, which could have an adverse effect on our business, financial condition, results of operations and cash flows.

11. Our Company and our Promoters had received summons from the Directorate of Revenue Intelligence (“DRI”) in connection with anti-dumping duty on import of picture tubes from Malaysia. Any material liability, which could not be contested in our favour, could adversely affect our financial and business operations.

Officials of the DRI visited our Unit 1 premises and the residence of our Promoters on March 8, 2011. The DRI initiated an investigation alleging overvaluation of imports with an intention to evade payment of anti – dumping duty of picture tubes from M/s. Chunghwa Picture Tubes, Malaysia for assembly of 14-inch colour television supplied to ELCOT in Tamil Nadu. The DRI vide show cause notice dated May 29, 2015 levied ₹ 73.85 million as anti – dumping duty and a deposit of ₹14.50 million was made by the Company for non – payment of anti – dumping duty. The Principal Commissioner of Customs vide order dated February 28, 2017 (“PCC Order”) confirmed the demand of anti-dumping duty of ₹ 73.85 million and imposed monetary penalty of ₹ 83.85 million on our Company and ₹ 15.00 million on our Promoter, Vishal Gupta. Pursuant to an appeal filed by our Company, the Customs, Excise and Service Tax Appellate Tribunal, Allahabad vide order dated June 18, 2019 (“CESTAT Order”) set aside the PCC Order on the grounds that the regulatory proceedings were barred by limitation. Thereafter, DRI challenged the CESTAT Order before the Supreme Court of India and pursuant to orders dated November 11, 2019 and June 16, 2021 passed by the Principal Commissioner of Customs, an amount of ₹14.50 million was refunded by DRI to our Company. While the matter is currently outstanding, we cannot assure you that an adverse judgement in this matter could not adversely affect our financial and business operations. Further, we cannot assure you that similar instances of such proceedings may not occur in the future.

12. The geographical concentration of our manufacturing units may restrict our operations and adversely affect our business, results of operations and financial conditions.

We currently operate through nine manufacturing units spread across Uttar Pradesh, Uttarakhand, Rajasthan and Maharashtra. Additionally, we operate a unit at Ahmednagar, Maharashtra, where we operate incoming and outgoing quality control of products, storage of raw materials and finished goods and dispatch operations for our other manufacturing units in the location. Further, our Subsidiary, PG Technoplast, has leased premises at Alwar, Rajasthan and has set up a manufacturing unit for air conditioners (Unit 3 – Subsidiary). As on the date of this Preliminary Placement Document, our Subsidiary is in the process of setting up the unit and is therefore, yet to commence operations at this unit. Due to the geographic concentration of our manufacturing operations, our operations are susceptible to local and regional factors, such as accidents, system failures, economic and weather conditions, natural disasters, and demographic and population changes, the outbreak of infectious diseases such as COVID-19 and other unforeseen events and circumstances. Such disruptions could result in the damage or destruction of a significant portion of our manufacturing abilities, significant delays in the transport of our products and raw materials and/or otherwise adversely affect our business, financial condition and results of operations.

13. One of our Subsidiaries has incurred losses for the six months ended September 30, 2024 and in Fiscals 2024, 2023, 2022.

Our Subsidiary, PG Plastronics was incorporated June 22, 2021. Owing to its limited operating history, our Subsidiary has incurred losses in the recent past.

Subsidiary	For the six months ended September 30, 2024	Profit/ (Loss) after Tax for Fiscal		
		2024	2023	2022
PG Plastronics Private Limited	(0.01)	(0.04)	(0.08)	(0.06)

(in ₹ million)

In the event any of our Subsidiary continues to incur losses, our consolidated results of operations and financial condition will continue to be adversely affected.

14. We have experienced significant growth in the past few years and if we are unable to sustain or manage our growth, our business and results of operations may be adversely affected.

We have experienced significant growth in the six months period ended September 30, 2024 and Fiscals 2024, 2023 and 2022. Set forth below is the revenue from operations for the respective periods and the corresponding growth in our revenue:

Particulars	Six months ended September 30, 2024*		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	In ₹ million	Growth(%)#	In ₹ million	Growth(%)	In ₹ million	Growth(%)	In ₹ million	Growth(%)
Revenue from Operations	19,919.79	75.04%	27,464.95	27.16%	21,599.48	94.30%	11,116.35	58.08%

* Not annualised

As compared to six months ended September 30, 2023.

Our growth requires us to invest in our operations on an ongoing basis, improve our operational, financial and internal controls and administrative infrastructure. We may not be able to sustain our growth due to a variety of reasons including a decline in the demand for our products, inability to acquire new customers and increasing/maintaining demand of our products from existing customers, maintaining the quality and precision levels of our products, increased price competition, availability of raw materials and the growth of the overall economy. A failure to sustain our growth may have an adverse effect on our business, financial condition, results of operations and future prospects.

Our growth strategy involves expanding capacity of our existing product vertical, expansion of addressable market through development of new products, continuing to explore adjacent applications for our robust capabilities in plastic moulding, taking advantage of a growing industry with strong tailwinds and continuing to improve financial performance through focus on operational and functional efficiencies. Further, if we are unable to increase our production capacity, we may not be able to successfully execute our growth strategy. Our failure to manage our growth effectively may have an adverse effect on our business, financial condition, results of operations and future prospects. Such a growth strategy will place significant demands on our management as well as our financial, accounting and operating systems. We cannot assure you that our future performance or growth strategy will be successful.

15. We are subject to counterparty credit risk and any delay in receiving payments or non – receipt of payments may adversely impact our financial condition and results of operations.

Credit risk is the risk of financial loss to our Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. We are exposed to credit risk from our operating activities, primarily from trade receivables. Due to the nature of, and the inherent risks in the purchase orders and arrangements with our customers, we are subject to counterparty credit risk and a significant delay in receiving large payments or non – receipt of large payments may adversely impact our results of operations. Our operations involve extending credit to our customers in respect of sale of our products and consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. Typically, our credit period ranges from 15 days to 90 days.

Set forth below are certain details of our trade receivables for the respective periods:

(in ₹ million, unless otherwise specified)

Particulars	Six months ended September 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Total Receivables	4,708.37	5,530.27	4,378.74	2,133.27
Receivables individually in excess of 10% of the total receivables	2,648.65	2,665.92	2,363.72	535.6
Receivables individually in excess of 10% of the total receivables (% of Total Receivables)	56.25%	48.21%	53.98%	25.11%
Total receivables as % of revenue from operations	23.64%	20.14%	20.27%	19.19%

There is no guarantee that we will accurately assess the creditworthiness of our customers. Macroeconomic conditions, such as a potential credit crisis in the global financial system, could also result in financial difficulties for our customers, including limited access to the credit markets, insolvency or bankruptcy. Such conditions could cause our customers to delay payments, request modifications of their payment terms, or default on their payment obligations to us, all of which could increase our receivables. Timely collection of dues from customers also depends on our ability to complete our contractual commitments and subsequently bill for and collect from our clients. If we are unable to meet our contractual obligations, we might experience delays in the collection of, or be unable to collect, our customer balances, and if this occurs, our results of operations and cash

flows could be adversely affected. In addition, if we experience delays in billing and collection for our services, our cash flows could be adversely affected.

16. *We operate in a highly competitive industry. Failure to compete effectively may have an adverse impact on our business, financial condition, results of operations and prospects.*

We operate in a competitive industry. Some of our peers and competitors in the industries in which we operate may have greater design, engineering, manufacturing, financial capabilities, or superior resources. Our customers evaluate the product suppliers based on, among other things, manufacturing capabilities, quality of production, costs, turnaround time and engineering services. Accordingly, this exposes us to risks of our competitors having better resources than us. There are nearly 700 electronic manufacturing services companies in the market, ranging from large, medium – sized, to small players. Major global companies are Bharat FIH, Flex, Wistron, Pegatron, Jabil; large Indian companies include Dixon, EPack Durables, PG Electroplast, SFO Technologies, Syrma, Elin, Avalon Technologies etc. (Source: F&S Report)

Further, brands continuously seek to reduce cost. In addition, major brands typically outsource the same type of products to at least two or three outsourcing partners for the purpose of diversifying their supply risks. The competitive nature of the industry may result in substantial price competition. The industries in which we operate could become even more competitive if customers fail to significantly increase their levels of outsourcing or if they begin in-house manufacturing of products that we supply. This would result in an increasingly competitive market with a smaller market share for the existing players. Increased competition could result in significant price competition, reduced revenues, lower profit margins, or loss of market share, any of which would have a material adverse effect on our business, financial condition, and results of operations.

Our customers may opt to transact with our competitors instead of us or if we fail to develop and provide the technology, quality and skills required by our customers at a rate comparable to our competitors and in a timely manner. There can be no assurance that we will be able to competitively develop the higher value add solutions necessary to retain business or attract new customers. There can also be no assurance that we will be able to establish a compelling advantage over our competitors.

17. *Our inability to identify and understand evolving industry trends, consumer preferences and develop new products to meet our customers' demands may adversely affect our business. Any negative impact on growth, performance and reputation of our key customers may also have an adverse effect on our business.*

We are an established ODM and CM, for the consumer durables industry in India, with primary focus on manufacture of RACs, washing machines and plastic moulding. We consider our ability to evolve and address the needs of our marquee customer base as a key factor in the growth of our revenue from operations which grew at a CAGR of 57.5% from Fiscal 2021 to Fiscal 2024. We are the fastest growing B2C focused ODM players in India, having recorded the highest revenue CAGR amongst listed peers (Dixon Technologies (India) Limited, Amber Enterprises Limited and Elin Electronics Limited) over Fiscal 2022 – 2024 (Source: F&S Report).

The market for such products in India is characterized by introduction of innovative products, price fluctuations and competition. Further, some of these products are also affected by seasonal and cyclical changes, including the demand of consumers for air conditioners and air coolers. Changes in consumer choices and industry requirements may render certain of our products less attractive or obsolete. Our ability to anticipate changes in industry standards or consumer preferences and to successfully develop and introduce new and enhanced products or address yet unidentified needs among our current and potential customers in a timely manner, is a significant factor in our ability to remain competitive. In order to do so, we need to identify and understand the key market trends and address our customers' evolving needs proactively and on a timely basis. As a result, we may incur, and have in the past incurred, capital expenditures for development of products to meet the demands of our customers. However, there can be no assurance that we will be able to respond to changes in industry trends, in consumer preferences and develop new products to meet customer demands including in a cost – effective manner. Our failure to successfully cater to the requirements of our customers and industry trends could have a material adverse effect on our business, financial condition, results of operations and future prospects.

18. *Pricing pressure from customers may adversely affect our gross margin, profitability and ability to increase our prices.*

The industry in which we operate is particularly competitive, and customers of the products that we manufacture often pursue price reduction initiatives with their suppliers including us. Adoption of cost- cutting measures while maintaining stringent quality standards may lead to a decrease in our margins, which may have a material adverse effect on our business, financial condition, results of operations and future prospects.

Set forth below are the PAT, PAT Margin and Return on Assets (ROA) for the periods indicated below:

(in ₹ million, unless otherwise stated)

Particulars	Six months ended September 30, 2024**@	Fiscal 2024	Fiscal 2023	Fiscal 2022
PAT	1,043.95	1,370.12	774.69	374.16
PAT Margin (%)***	5.24%	4.99%	3.59%	3.37%
Return on Asset (%) (ROA)*	4.31%	7.18%	6.01%	4.54%

* Computed as PAT for the period divided by average total assets during the year / period

** Not annualised

*** PAT Margin is calculated as profit for the period/ year as a percentage of revenue from operations

@ Ratios are calculated for trailing 12 months by taking average of balance sheet data of September 30, 2023 and September 30, 2024

Our business is capital intensive, requiring us to maintain a substantial fixed asset base. Therefore, our profitability is dependent, in part, on our ability to spread fixed production costs over higher production volume. Our customers typically negotiate for larger discounts in price as the volume of their orders increases. We fix our prices with our customers on a monthly basis in order to avoid any sudden reduction in our prices. If we are unable to efficiently undertake manufacturing and generate sufficient cost savings in the future to offset price reductions or if there is any reduction in consumer demand for our products or components, our sales, gross margin and profitability may reduce, which may have a material adverse effect on our business, financial condition, results of operations and future prospects.

19. We have had negative cash flows in the past, and it is possible that we may experience negative cash flows in the future, which may adversely affect our business, results of operations, cash flows and financial condition.

We have had negative cash flows in the past, and it is possible that we may experience negative cash flows in the future. The table below sets forth selected information from our statements of cash flows extracted from our Financial Statements for the years / periods indicated below:

(in ₹ million)

Particulars	Six months ended September 30, 2024*	Fiscal 2024	Fiscal 2023	Fiscal 2022
Net cash flows generated from / (used in) operating activities	1,449.85	1,884.61	457.38	(788.03)
Net cash flows generated from / (used in) investing activities	(1,287.25)	(4,013.29)	(1,729.69)	(1,610.02)
Net cash flows generated from / (used in) financing activities	(45.19)	2,343.82	1,120.47	2,562.38
Net increase/ (decrease) in cash and cash equivalents	117.41	215.13	(151.84)	164.33

*Not annualised

For details, refer to 'Management's Discussion and Analysis of Financial Conditions and Results of Operations' on page 112.

20. We source our raw material from suppliers on purchase order basis and do not have any long-term arrangements with our suppliers. Any increase in the cost of our raw material or other purchases, delay, interruption or reduction in the supply of raw materials to manufacture our products may adversely affect our business, results of operations, cash flows and financial condition.

The primary raw material used for our manufacturing processes are (i) aluminium and copper for RACs, (ii) motors and gear case for washing machines, and (ii) open cells for LED TVs. We procure raw materials from multiple domestic suppliers and also import a portion of our raw material requirements from certain countries including China, Thailand, Vietnam and Malaysia. We believe that efficient inventory management is a key component of the success of our business, results of operations and profitability and to that end we maintain a reasonable level of inventory of raw materials, work in progress and finished goods at our manufacturing units.

The success of our operations depends on, among other things, our ability to source raw materials at competitive prices and in a timely manner. Raw materials are subject to supply disruptions and price volatility caused by various factors such as

commodity market fluctuations, the quality and availability of raw materials, currency fluctuations, consumer demand, changes in domestic as well as force majeure events and supply disruptions, international government policies and regulatory sanctions.

Set forth below are the cost of raw materials consumed and the traded good purchased by us for the respective period / years:

(in ₹ million)

Particulars	Six months ended September 30, 2024*		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (in ₹ million)	% of total revenue from operations	Amount (in ₹ million)	% of total revenue from operations	Amount (in ₹ million)	% of total revenue from operations	Amount (in ₹ million)	% of total revenue from operations
Cost of material consumed	14,797.42	74.29%	21,686.24	78.96%	16,046.14	74.29%	7,314.98	65.80%
Purchase of traded goods	975.99	4.90%	1,103.62	4.02%	1,881.57	8.71%	1,816.18	16.34%
Total	15,773.41	79.19%	22,789.86	82.98%	17,927.71	83.00%	9,131.16	82.14%

* Not annualised

Further, our dependence on a few suppliers may constrain our ability to negotiate our sourcing arrangements and may have an impact on our profitability and financial performance. Set forth below are the contribution of top five and top 10 suppliers for our raw material requirements for each of the respective periods which is inclusive of traded goods:

(in ₹ million)

Top Suppliers*	Six months ended September 30, 2024**		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	In ₹ million	% of cost of goods sold	In ₹ million	% of cost of goods sold	In ₹ million	% of cost of goods sold	In ₹ million	% of cost of goods sold
Top 5 suppliers	3,806.73	19.11%	6,745.16	24.56%	4,078.72	18.88%	2,584.49	23.25%
Top 10 suppliers	5,896.72	29.60%	9,454.96	34.43%	6,190.81	28.66%	3,831.43	34.47%

* The top five and top 10 suppliers have been identified for each specific year / period based on the cost of goods sold for each such supplier in the relevant year / period.

** Not annualised

We presently do not have any long – term or exclusive arrangements with any of our suppliers of raw materials and we cannot assure you that we will be able to purchase the quantities at the terms we have historically from such suppliers. Most of our transactions with our suppliers are typically on a purchase order basis without any commitment for a fixed volume of business. There can also be no assurance that our suppliers will renew their arrangements with us on current or similar terms, or at all. While we negotiate product prices and payment terms with our raw material suppliers, in the event our suppliers alter their requirements, it could have a material adverse effect on our business. In addition, our suppliers may also cancel purchase orders at short notice or without notice, which could have an impact on our inventory management. Termination of any of the above – mentioned arrangements or frequent cancellation of purchase orders could have a material adverse effect on our business, financial condition, results of operations, and cash flows. Further, any disruptions in sourcing of our raw material could also increase our working capital requirements in case we have to identify substitutes, which may not be available at competitive rates.

21. We have not yet placed orders for capital requirements proposed to be funded through objects of the Issue. In the event of any delay in placing the orders, or in the event the vendors are not able to provide the equipment in a timely manner, or at all, may result in time and cost over-runs and our business, prospects and results of operations may be adversely affected.

We intend to utilize portions of the Net Proceeds for (i) investment in our Subsidiary, PG Technoplast for funding its working capital requirements; (ii) investment in our wholly owned step-down Subsidiary, Next Generation Manufacturers Private Limited for (a) funding its capital expenditure requirements for expansion of its manufacturing and warehousing/ storage unit by constructing a new building at Plot no F-3, Supa Parner MIDC Industrial Area, Taluka Parner, Dist- Ahmednagar – 411301, (b) funding its capital expenditure requirements for expansion of its manufacturing and warehousing/ storage unit by constructing a new building at SP5-4 (EMC Zone), Electronic Zone, Karoli, Bhiwadi and (c) Funding its capital expenditure requirements for purchase of new equipment and machinery; (iii) repayment and/or pre-payment, in full or part, of certain borrowings (including interest thereon) availed by our Company and our Subsidiary, PG Technoplast; and (iv) general

corporate purposes. The successful completion of the proposed capital expenditure is dependent on the performance of external agencies, which are responsible for *inter alia civil work, installation and commissioning of machinery and supply and testing of equipment*. and other commercial and technical factors. If the performance of these agencies is inadequate, it may result in incremental cost and time overruns which could adversely affect our business and results of operations. We may also be unable to identify suitable replacement external agencies in a timely manner.

Further, we have not placed any firm orders for 100% (amounting to ₹ 864.61 million) of such machinery and equipment for any of the proposed capital expenditure, to the extent it relates to purchase of machinery, and no payments (including advances) have been made towards the same and our Company will be funding it by way of Net Proceeds. Further, we have not entered into any definitive contracts with such parties. For details, see “*Use of Proceeds*” on page 89. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will not be cost escalations. Such quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. Further, the actual amount and timing of our future capital requirements may differ from our estimates as a result of, among other things, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, engineering design changes and technological changes. In the event of any delay in placing the orders, or an escalation in the cost of acquisition of the equipment or in the event the vendors are not able to provide the equipment in a timely manner, or at all, we may encounter time and cost overruns in setting up of the proposed projects.

Furthermore, if we are unable to procure machinery and equipment from the vendors from whom we have procured quotations, we cannot assure you that we may be able to identify alternative vendors to provide us with the machinery and equipment which satisfy our requirements at acceptable prices. In addition, such projects may also be subject to regulatory restrictions or approvals which we have yet to obtain. Our inability to procure such approvals or machinery and equipment at acceptable prices or in a timely manner, may result in an increase in capital expenditure, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly, thereby resulting in an adverse effect on our business, prospects and results of operations.

22. We import a significant portion of our raw material requirements and thus fluctuations in foreign exchange rates could adversely affect our results of operations.

Our exposure to the risk of changes in foreign exchange rates relates primarily to our operating activities. We import a significant portion of our raw materials from certain countries including China, Thailand, Vietnam, and Malaysia and generally pay for such materials in foreign currencies, including the U.S. dollar, and as a result, we are subject to foreign currency fluctuations in respect of such purchases. A substantial portion of our expenses on imports of raw material procured by us are denominated in foreign currency. Accordingly, fluctuations in foreign currency exchange rates influence our results of operations.

Set forth below are our imports of raw materials for the respective period / years:

Particulars	% of cost of materials consumed			
	Six months ended September 30, 2024*	Fiscal 2024	Fiscal 2023	Fiscal 2022
Cost of material imported**	43.94%	44.77%	32.17%	27.05%
- Imported from China	58.14%	68.16%	83.22%	97.59%
- Imported from Vietnam	5.63%	3.20%	10.87%	0.00%
- Imported from Malaysia	3.16%	6.38%	2.89%	0.87%
- Imported from Thailand	9.58%	4.01%	1.77%	0.00%
- Imported from Hong Kong	10.53%	11.08%	0.00%	0.00%
- Imported from South Korea	8.92%	4.97%	0.00%	0.00%
- Imported from other countries	4.03%	2.19%	1.25%	1.55%

* Not annualised

** Import from respective countries as indicated above is the percentage of total cost of material imported for the respective years / period.

Our net exposure to foreign currency risk as a result of the foreign exchange earnings and outgo are set out below:

(₹ in million)

Particulars	Six months ended September 30, 2024*	Fiscal 2024	Fiscal 2023	Fiscal 2022
Foreign currency earnings	8.83	42.15	20.16	3.77
Foreign currency outgo	6,375.37	7,212.98	5,467.38	1,694.48

*Not annualised

We do not use foreign currency derivative to hedge our risks associated with fluctuations in foreign currencies. However, we avail forward cover for foreign letter of credit for import of raw materials to hedge our exposure in an attempt to reduce the risks of currency fluctuations relating to foreign currency liabilities and have formulated a forex and interest rate risk management policy. Consequentially, any fluctuations in the foreign currency exchange rates may have an adverse impact on our results of operations.

Further, a decline in India's foreign exchange reserves could impact the valuation of the Rupee and could result in reduced liquidity and higher interest rates which could adversely affect our financial condition. A future material decline in these reserves could result in reduced liquidity and higher interest rates in the Indian economy which in turn, could adversely affect our business and future financial performance.

23. *We may be unable to meet our obligations or comply with contain covenants under our financing arrangements which may limit our flexibility in operating our business. Non-compliance with certain of these covenants or a failure to obtain waivers from of our lenders, could result in our lenders accelerating the repayment schedules, and enforce security, leading to an adverse effect on our business and financial condition. Further, any downgrade of our credit ratings may restrict our access to capital and thereby adversely affect our business and results of operations.*

As at September 30, 2024, we had total borrowings (consisting of long-term borrowings and short-term borrowings) of ₹3,837.92 million of which ₹1,849.32 million was long term borrowings and ₹1,988.60 million was short term borrowings and current maturities. We are bound by restrictive and other covenants in our facility agreements with various lenders, including restrictions on the utilisation of the loan for certain specified purposes, timely provision of information and documents, timely creation of security, maintenance of financial ratios and obtaining prior written approval from the relevant lender for various corporate actions in terms of our financing arrangements. Failure to comply with certain of these covenants or our inability to obtain necessary waivers as required from our lenders, may result in declaration of outstanding amounts under these loans due and payable, at the discretion of the lenders and in certain instances, enforce their security which has been constituted. We cannot assure you that we will be able to obtain approvals to undertake any of these activities as and when required or to comply with such covenants or other covenants in the future. We cannot assure prospective investors that such covenants will not hinder our business development and growth in the future.

Further, while State Bank of India have noted our request for approval for the Issue, as on the date of this Preliminary Placement Document, we have not received consents from them and are currently awaiting the same (the “**Pending Lender Consent**”, and the financing documents relating to such Pending Lender Consent, the “**Pending Lender Consent Financing Documents**”). Undertaking the Issue without receiving the Pending Lender Consents may constitute a default by us under the Pending Lender Consents Financing Document and may entitle the relevant lender to declare a default against us and enforce remedies under the terms of the relevant Pending Lender Consents Financing Document, which could entail among others cancellation of our facilities, payment of the entire loan amount after the cure period of 90 days. A default by us and/or acceleration of repayment under the terms of the Pending Lender Consent Financing Document may also trigger a cross-default and/or cross-acceleration of outstanding amounts under our other financing documents. We also propose to repay/pre-pay certain facilities availed from the State Bank of India from whom the consent is pending Such prepayment may be subject to penalties as per the terms of the financing documents entered into with these lenders. For further details, please see the section titled “*Use of Proceeds*” on page 89.

We cannot assure prospective investors that such covenants will not hinder our business development and growth in the future. Further, we have provided security to our lenders, including HDFC Bank Limited, State Bank of India, and Uttar Pradesh Industrial Development Corporation Limited, for the performance of our obligations under the facility agreements. Such security comprises of bank guarantees and encumbrances over our assets, including plant and machinery as well as land and building on which our manufacturing facilities are located. In terms of our loan documents, in the event we are unable to repay our borrowings (whether or not secured by an encumbrance over our assets) when due, would constitute a cross default. If any of our lenders accelerates the repayment of our borrowings, we cannot assure you that we will have sufficient assets to repay amounts outstanding under our loan agreements or continue our business. Further, if the lenders enforce the security provided by us, we will not have access to our manufacturing units which would have a material adverse impact on our operations and financial condition.

Additionally, as on September 30, 2024, our Company has provided guarantees amounting to ₹ 7,710.00 million, in relation to certain financing availed by one of our Subsidiaries, PG Technoplast, from YES Bank Limited, HDFC Bank Limited, ICICI Bank Limited and DBS Bank India Limited for the purpose of its business operations. In the event of default on the loans, the guarantees may be invoked by the lenders thereby adversely affecting our ability to manage the affairs of our Company and this, in turn, could adversely affect our business, prospects, financial condition and results of operations.

Our business depends on our ability to obtain funds at competitive rates. The cost and availability of capital, amongst other factors, is also dependent on our current and future results of operations and financial condition, our ability to effectively manage risks, our brand and our credit ratings. We may not be able to avail the requisite amount of financing or obtain financing at competitive interest rates if we fail to have favourable results of operations. We had been last rated by CRISIL Ratings Limited for our fund based long – term borrowing as CRISIL A – Stable and for our non – fund based – short-term borrowing as CRISIL A2+. Such rating was valid till March 31, 2024. Ratings reflect a rating agency’s opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Any downgrade made to our credit ratings could lead to high borrowing costs and limit our access to capital and lending markets and, as a result, could adversely affect our business. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any new or existing financing arrangements.

Further, any fluctuations in the interest rates may directly impact the interest costs of such loans and could adversely affect our financial condition. Our ability to make payments on and refinance our indebtedness will depend on our ability to generate cash from our future operations. While no such instance has occurred in the past, we may not be able to generate enough cash flow from operations or obtain enough capital to service our debt. Any of these circumstances could adversely affect our business, credit rating, reputation, prospects, future cash flows, results of operations and financial condition and lead to initiation of adverse actions by our lenders. Moreover, any such action initiated by our lenders could result in the price of the Equity Shares being adversely affected.

24. There are outstanding legal proceedings involving our Company, Subsidiaries, Directors and Promoters. Any adverse outcome in such proceedings may have an adverse impact on our reputation, business, financial condition, results of operations and cash flows.

There are certain outstanding legal proceedings involving our Company, Subsidiaries, Directors and Promoters. These proceedings are pending at different levels of adjudication before various courts and tribunals. Such proceedings could divert management time and attention and consume financial resources in their defense.

Name	Criminal proceedings	Tax proceedings	Statutory or regulatory actions	Material civil litigation	Other material litigation	Aggregate amount involved (in ₹ million)*
Company						
By the Company	Nil	Nil	Nil	Nil	Nil	Nil
Against the Company	Nil	2	Nil	Nil	Nil	150.43
Subsidiaries						
By the Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
Against the Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
Directors						
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Promoters						
By the Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoters	Nil	Nil	Nil	Nil	Nil	Nil

Note: The amounts indicated above (wherever quantifiable) are approximate amounts.

For details of such outstanding legal proceedings, please see the section titled, “**Legal Proceedings**” on page 279.

An adverse outcome in the aforesaid proceedings or any legal proceedings in future, individually or in the aggregate, involving our Company, Subsidiaries, Directors and Promoters could have an adverse effect on our business, prospects, financial condition and results of operations. Further, any adverse outcome in these proceedings may affect the reputation and standing of us and may impact future business.

25. ***Information relating to the historical installed capacity and capacity utilization of our manufacturing facilities included in this Preliminary Placement Document is based on various assumptions and estimates and our future production and capacity may vary. Any underutilization of our manufacturing capacities could have a material adverse effect on our business, results of operations, financial condition and prospects.***

Information relating to the historical installed capacity and capacity utilization of our manufacturing units included in this Preliminary Placement Document is based on various assumptions and estimates of our management and an independent chartered engineer, including assumptions relating to expected operations, availability of raw materials, expected unit utilization levels, downtime resulting from scheduled maintenance activities, downtime resulting from change in stock keeping units for a particular product and unscheduled breakdowns. Actual production volumes and capacity utilization rates may differ significantly from the estimated production capacities and historical capacity utilization of our manufacturing units. Investors should therefore not place undue reliance on our historical installed capacity information for our existing manufacturing facilities included in this Preliminary Placement Document. For details of our capacity utilization of all our manufacturing units for our business verticals, calculated on the basis of total installed production capacity and actual production as of/ for the periods, please see “***Our Business – Our Business Verticals – Manufacturing Units***” on page 212.

We are and have been unable to fully utilize our authorized capacity as a result of which we may continue to experience low levels of utilization and customer demand, which could materially and adversely affect our business and financial condition. Our aggregate capacity utilization in number of units of electronics, tool manufacturing and other products was 53.47%, 54.67%, 65.44% and 47.29% for the six month period ended September 30, 2024, Fiscals 2024, 2023 and 2022. Our aggregate capacity utilization in tons of sheet metal and plastic molding was 55.50%, 64.35%, 61.07% and 54.14% for the six month period ended September 30, 2024, Fiscals 2024, 2023 and 2022. Our inability to maintain or increase current capacity utilization levels may negatively impact our business, results of operations, financial condition and prospects

26. ***Our intellectual property rights may not be adequately protected against third party infringement. This could have a material adverse effect on our business which in turn adversely affect results of operations.***



We have registered our logo under classes 9 and 11 of the Trademarks Act, as on the date of this Preliminary Placement Document. Our process knowledge is a significant independent asset, which may not be adequately protected by intellectual property rights such as patent registration. Some of our process knowledge is protected only by secrecy. As a result, we cannot be certain that our process knowledge will remain confidential in the long run. A significant number of our employees have access to confidential customer design and process knowledge of the products information and there can be no assurance that this information will remain confidential. Further, our purchase orders with our customers also contain confidentiality obligations, which may be liable to be breached. Moreover, certain of our employees may leave us and join our various competitors or form a competing business. The potential damage from such disclosure is increased as many of our designs and products are not patented, and thus we may have no recourse against copies of our products and designs that enter the market subsequent to such leakages. In the event that the confidential technical information in respect of our products or business becomes available to third parties or to the general public, any competitive advantage we may have over other companies in the precision products sector could be harmed. If a competitor is able to reproduce or otherwise capitalize on our technology, it may be difficult, expensive or impossible for us to obtain necessary legal protection. Consequently, any leakage of confidential technical information could have an adverse effect on our business, results of operations, financial condition and future prospects.

27. ***We depend on the skills and experience of our Board of Directors, Key Managerial Personnel and members of Senior Management with technical expertise for our business and future growth. A reduction or change of their involvement in our business could have an impact on our business, results of operations, financial condition and prospects.***

Our future performance will depend on the continued service, skill and experience of our Board of Directors, Key Managerial Personnel, members of Senior Management and persons with technical expertise, and the loss of any senior employee and the inability to find an adequate replacement may impair our relationship with key customers and our level of technical expertise, which may adversely affect our business, results of operations, financial condition and prospects. In particular, we rely on the experience and business relationships of our Executive Chairman and Whole – time Director, Anurag Gupta, our Managing Director – Finance, Vishal Gupta and our Managing Director – Operations, Vikas Gupta who are also our Promoters, our Key Managerial Personnel and members of Senior Management, including our Chief Financial Officer, Pramod Chimmanlal Gupta, our Company Secretary, Mr. Sanchay Dubey and our other functional heads and unit heads. Should their involvement in our business reduce or should our relationship with these persons deteriorate for any reason in the future, our business, results of operations, financial condition and prospects may be adversely affected. For details, refer “***Board of Directors and Senior Management***” on page 218.

In addition, our success in expanding our business also depends, in part, on our ability to attract, retain and motivate mid-to-senior level management personnel and engineers. As of September 30, 2024, we had 6,184 employees working at our manufacturing units. The attrition rate for permanent employees was 1.49%, 1.52%, 1.66% and 2.24% for the six months ended September 30, 2024, each of Fiscals of 2024, 2023 and 2022, respectively. Our Company's performance depends largely on the continued efforts and abilities of these employees. Competition for skilled personnel in the manufacturing industry and the ODM and services industry is intense, and we may need to offer a more attractive compensation and other benefits package, including share-based compensation, to attract and retain them. Even if we were to offer higher compensation and other benefits, there is no assurance that these individuals will choose to join or continue to work for us.

We may also require a long period of time to hire and train replacement personnel when skilled personnel terminate their employment with us. We may also be required to increase our levels of employee compensation and benefits more rapidly than in the past to remain competitive in attracting skilled personnel. If we cannot attract and retain qualified personnel, it could have a material adverse impact on our business, financial condition, and results of operations. Moreover, we may be unable to manage knowledge developed internally, which may be lost in the event of our inability to retain employees.

28. Our business is subject to strict quality control requirements. Failure in compliance with such standards may lead to cancellation of orders from our customers as well as product recalls, which could adversely affect our business, financial condition and results of operations.

We may not meet strict quality standards imposed by our customers, applicable to our manufacturing processes, which could have an adverse effect on our business, financial condition, and results of operations. Our business also requires obtaining and maintaining quality certifications and accreditations from independent certification entities. These include ISO 9001:2015, 14001:2015, ISO 45001:2018, UL E520496 and IATF 16949:2016 certifications. Such specifications and standards of quality is an important factor in the success and wide acceptability of our products. We cannot assure you that we comply or can continue to comply with all regulatory requirements or the quality requirement standards of our customers. Some of customers also undertake audits on in relation to products that we manufacture for them in order to ensure that we meet their quality standards. Our failure to achieve or maintain compliance with these requirements or quality standards may disrupt our ability to supply products sufficient to meet demand until compliance is achieved. Certain customers conduct periodic quality audits of our manufacturing units to verify and ascertain effective implementation of quality management systems. While historically, we have not received any notices pursuant to any inspection or audit undertaken by the our customers or Indian regulatory agencies, going forward if we are not in compliance with any of their requirements, our units and products may be the subject of a warning letter or sanctions or any other action from regulatory authorities, which could result in the withholding of product approval and the shut-down of our units.

Our customers may have their own policies regarding product recalls and other product liability actions relating to their suppliers. However, as suppliers, we are integrally involved in the design process and our customers may seek compensation from suppliers, including us, for contributions when faced with sales return, product liability or warranty claims. Despite our quality control and quality assurance efforts, problems may occur, or may be alleged, in or resulting from the design and/or manufacturing of these products. Further, problems in the products we design and/or manufacture, or in products which include components we manufacture, whether real or alleged, whether caused by faulty customer specifications, the design or manufacturing processes or a component defect, may result in increased costs to us, as well as delayed shipments to customers, and/or reduced or cancelled customer orders and a loss of reputation.

Set forth below is the information in relation to the sales return from customers for the respective period / years:

Particulars	Six months ended September 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	(in ₹ million)	% of revenue from operations	(in ₹ million)	% of revenue from operations	(in ₹ million)	% of revenue from operations	(in ₹ million)	% of revenue from operations
Sales return / return of products from customers	16.04	0.08%	24.15	0.09%	58.00	0.27%	82.29	0.74%

In event of the products being classified as defective by our customers, we could be required to replace such products at our own cost or bear the cost of repair of the defective products to our customer. While there have been no such instances of

material defects in the past, occurrence of such events, could lead to cancellation of existing and future orders and have a material adverse effect on our business and revenue.

29. Our contingent liabilities that have not been provided for could adversely affect our business, cash flows, financial condition and results of operations.

We may have contingent liabilities from time to time. As of September 30, 2024, the following contingent liabilities were not provided for in our Audited Financial Statements:

Particulars	(₹ in million)
	As at September 30, 2024 (₹ in million)
Claims against the group not acknowledged as debts (excluding interest and penalty)	
- Central Excise (FY 2008-09 to 2011-12)	76.57
- Anti-Dumping duty on Import	73.85
- Claims by third party	4.58
Total	155.00

If any of these contingent liabilities materialize, we may have to fulfil our payment obligations, which may have an adverse impact on financial conditions. For further details, see “**Financial Information**” on page 282.

30. Our respective statutory auditors for the relevant periods have included remarks in connection with the Companies (Auditor’s Report) Order, 2020 / Companies (Auditor’s Report) Order, 2016 (together, the “CARO Reports”).

Our respective statutory auditors for the relevant periods have included the following observations in the CARO Reports in relation to the audited financial statements as at and for Fiscals 2024, 2023 and 2022.

For the year ended March 31, 2024

“As disclosed in note 46 to the Standalone Financial Statements, the Company has been sanctioned working capital limits in excess of ₹ 50 million in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks and financial institutions has immaterial variances with the books of accounts of the Company”

For the year ended March 31, 2023

“As disclosed in note 46 to the standalone financial statements, the Company has been sanctioned working capital limits in excess of ₹ 50 million in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks and financial institutions has immaterial variances with the books of accounts of the Company.”

For the year ended March 31, 2022

“As disclosed in note 46 of the standalone financial statements, the Company has been sanctioned working capital limits in excess of ₹ 50 million in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. The quarterly returns / statements filed by the Company with such banks and financial institutions has immaterial variances with the books of accounts of the Company.”

For details, refer to “**Financial Information**” on page 282.

There can be no assurance that any similar matters prescribed under the CARO Reports, will not form part of our audited financial statements for the future fiscal periods, which could subject us to additional liabilities due to which our reputation and financial condition may be adversely affected.

31. Our insurance cover may be inadequate to protect us from losses that may occur in the course of our business, which could have an adverse impact of on our business and financial performance.

We avail various insurance policies covering stocks, buildings, furniture, plant and machinery, electric installations, raw materials. For details, please see “**Our Business – Insurance**” on page 215. However, our insurance policies may not have adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverages.

Set forth below are the carrying values of our key component of fixed assets and working capital and insurance coverage for the periods indicated below:

Particulars	Six months ended September 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (in ₹ million)	% of total assets	Amount (in ₹ million)	% of total assets	Amount (in ₹ million)	% of total assets	Amount (in ₹ million)	% of total assets
Property, plant and equipment (excluding capital work in progress)	7,921.09	31.98%	7,813.32	33.85%	5,765.70	38.23%	4,402.88	41.21%
Inventories	5,953.02	24.03%	5,433.94	23.54%	3,533.81	23.43%	2,860.33	26.77%
Total	13,874.11	56.01%	13,247.26	57.39%	9,299.51	61.66%	7,263.21	67.98%
Insurance Coverage	-	68.26%	-	73.26%	-	79.37%	-	90.50%

As on September 30, 2024, 31.74% of our total assets are uninsured. We cannot assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. Further, we are not covered by business interruption policy. Interruption of our business operations for any reasons including on account of fire, flood, any natural calamities etc. may have a material and adverse impact on our business operations and profitability. For instance, on January 20, 2022, we had an incident of a fire breakout at the manufacturing Unit 2 – Subsidiary. While our insurance coverage was adequate to cover the losses suffered, our operations were partially affected due to these incidents. We may be exposed to public liability claims as we deal with products, which are made from raw materials, which are hazardous and poisonous and/or chemicals, which are combustible and flammable. Our Company is not covered under any public liability insurance. Therefore, in the event of any accident, we may have to incur substantial costs or pay damages for, inter-alia, personal injuries or loss or damage to property, suffered by the public or any third party which may have an adverse impact on the financial performance of our Company.

While we believe that the insurance coverage that we maintain is in accordance with industry standards, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all material losses. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, that is not covered by insurance or exceeds our insurance coverage, the loss would have to be borne by us and our cash flows, results of operations and financial performance could be adversely affected. In the event that our Company files a claim under the applicable insurance policy, there is no assurance that we will be able to recover all, or part of the losses incurred.

32. *Our business is entirely dependent on our manufacturing units and we are subject to certain related risks. Any prolonged disruptions, unplanned slowdowns, unscheduled shutdowns and closure in our manufacturing operations, under-utilization of our manufacturing capacities or inability to effectively utilize our capacity post expansion may restrict our operations and adversely affect our business. Further, our production capacity may not correspond precisely to its production demand which may affect our results of operations.*

We currently operate 13 manufacturing units, in the states of Uttar Pradesh, Uttarakhand, Rajasthan and Maharashtra. Additionally, we operate a unit at Ahmednagar, Maharashtra, where we operate incoming and outgoing quality control of products, storage of raw materials and finished goods and dispatch operations for our other manufacturing units in the location. Our Subsidiary, PG Technoplast, has acquired land on lease at Alwar, Rajasthan, where it has set up a manufacturing unit (Unit 3 – Subsidiary).

As is typical with manufacturing operations, our business is susceptible to external factors, such as accidents, system failures, economic and weather conditions, natural disasters, and demographic and population changes, and other unforeseen events and circumstances. Our manufacturing units and operations are also subject to risks and factors including, among others, breakdown and/or failure of equipment, industrial accidents, increases in raw materials, consumables and manpower costs, challenges in achieving targeted utilization levels at our manufacturing units, product quality issues, disruption in electrical power or water resources, timely grant or renewal of approvals, severe weather conditions, natural disasters, outbreaks of infectious diseases, such as any pandemic, natural calamities, labor disputes, fire, civil disruptions and changes in the regulations and policies of

the states or local governments where our manufacturing units are located. For instance, on January 20, 2022, we had an incident of a fire breakout at the manufacturing Unit 2 – Subsidiary. Occurrence of such incidents may have an impact on the operations of our units. While there have been no instances of fatalities or serious Injuries in the past, we cannot assure you that such instances will not have an impact on the operations of our factories.

Disruptions could also result from any accidental damage or destruction of our manufacturing abilities. Any material disruption at our manufacturing units including due to the factors above, could reduce our ability to meet the conditions of our purchase orders and earnings for the affected period. In particular, there is also risk of accidents due to the use of hazardous or flammable materials in our manufacturing units including, paints, thinners, fuels and chemicals. Any such disruptions could lead to significant delays or disruption in shipments of our products and/or otherwise materially adversely affect our business, financial condition and results of operations.

We may under – utilize and may be effectively unable to utilize our capacities post expansion. The production capacity and utilization have been calculated on the basis of manufacturing data for each of the manufacturing units of our Company. For details in relation to the capacity utilization of our manufacturing units, please refer to ‘*Our Business – Our Business Verticals – Manufacturing Units*’ on page 212. Interruptions in production may also increase our costs and reduce our sales and may require us to make substantial capital expenditures to remedy the situation or to defend litigation that we may become involved in as a result, which may negatively affect our profitability, business, financial condition, results of operations, cash flows and prospects. In the event that our Company files a claim under the applicable insurance policy, there is no assurance that we will be able to recover all, or part of the losses incurred.

33. *Our Subsidiary, PG Technoplast may not continue to enjoy the existing benefits under the PLI Scheme, which could have a materially adverse impact on our profitability.*

Our Subsidiary, PG Technoplast avails benefits under the PLI Scheme for white goods manufacturing (air conditioners and LED lights) which was notified on April 16, 2021, by the Government of India. The PLI Scheme offers financial incentive to boost domestic manufacturing and attracting large investments in white goods manufacturing value chain with a prime objective to remove sectoral disabilities, creating economies of scale, enhancing exports and creating a robust component ecosystem and generate employment. PLI Scheme for White Goods was launched by the Department of Promotion of Industry and Internal Trade for ACs and LED lights. (Source: F&S Report). The scheme has recently completed its 3rd window of applications in October 2024 and around 38 companies have applied in this window (Source: F&S Report) As per the scheme, the government released special funds to boost the local manufacturing of mobile phones and electronic components, and later the PLI scheme was extended to room air conditioners. (Source: F&S Report). In November 2021 and March 2022, our Subsidiary, PG Technoplast, received approval under the PLI Scheme for certain identified eligible white good products such as control assemblies for IDU or ODU or remotes, plastic moulding components, sheet metal components, heat exchangers, cross flow fan and motor and display panels (LCD / LED). The PLI Scheme gives us a total potential cumulative benefit of ₹ 1,987.50 million over the five financial years starting from Fiscal 2023 – 2024, which we believe will allow us to provide a better value proposition to our customers. We are in the process of applying for an application for Fiscal 2023-24. Ineligibility or non-compliance with the conditions set out under the PLI Scheme could lead to invocation and withdrawal the incentive claim including a refund of the incentives already availed. While our Company has not claimed any incentives so far, we cannot assure you that the incentives will be cleared in a timely manner or at all.

34. *Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been appraised by any bank or financial institution and our management will have broad discretion over the use of the Net Proceeds.*

We intend to utilize portions of the Net Proceeds for (i) investment in our wholly owned Subsidiary, PG Technoplast for funding its working capital requirements; (ii) investment in wholly owned step-down Subsidiary, Next Generation Manufacturers Private Limited for funding its capital expenditure requirements for expansion of its manufacturing and warehousing/ storage unit by constructing new buildings at Supa Unit and Karoli Unit and funding its capital expenditure requirements for purchase of new equipment and machinery; and (iii) repayment and/or prepayment in full or part, of certain borrowings availed by our Company and Subsidiary, PG Technoplast; and (iv) general corporate purposes. These estimates are based on various factors, including current conditions and is subject to change in light of changes in external circumstances, costs, other financial conditions or business strategies and the passage of time. Further, for details of certifications and quotations which form basis of such estimates, please see “*Use of Proceeds*” on page 89. If we engage someone other than the identified third-party vendors and contractors from whom we have obtained quotations or if the quotations obtained expire, such vendor’s / contractor’s estimates and actual costs may differ from the current estimates. Our management will have broad discretion to use the Net Proceeds and you will be relying on the judgment of our management regarding the application of these Net Proceeds. Subject to applicable laws, we may have to revise our funding requirements, including increasing or decreasing expenditure for expansion plans on account of a variety of factors.

In relation to the above, we are yet to place orders for all of the plant and machinery and utilities for the proposed project as specified in the section titled “*Use of Proceeds*” on page 89. As on the date of this Preliminary Placement Document, no payments (including advances) have been made towards the same and our Company will be funding it from the Net Proceeds. Any delay in procurement of the above may delay the implementation schedule which may also lead to increase in prices of the machinery thereby affecting our cost, revenue and profitability.

35. *We engage contract labour for carrying out certain functions of our business operations. We may be affected by strikes, work stoppages or unincreased wage demands by such labours.*

We engage third- party independent contractors through whom we engage contract labour for performance of certain functions at our manufacturing units and at our offices, including cleaning and security. As at September 30, 2024, we had 4,729 contract labour staff including trainees, hired on a contractual basis. Although we do not engage these labourers directly, we are responsible for any wage payments to be made to such labourers in the event of default by their respective independent contractors. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, in certain circumstances, we may be required to absorb a number of such contract labourers as permanent employees. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations and financial condition. Furthermore, any upward revision of wages that may be required by the state government to be paid to such contract labourers or the unavailability of the required number of contract labourers, may adversely affect the business and future results of our operations. Any requirement to fund such defaulted wage requirements may have an adverse impact on our results of operations and our financial condition. The success of our operations depends on availability of labour and maintaining good relationship with our workforce. We cannot assure you that our relations with our contract labour staff shall remain cordial at all times and that they do not undertake or participate in strikes, work stoppages or other industrial actions in the future. Any labour disruption may adversely affect our manufacturing operations either by increasing our cost of production or halt a portion or all of our production.

36. *Our operations depend on the availability of timely and cost-efficient transportation and other logistic facilities and any prolonged disruption may adversely affect our business, results of operations, cash flows and financial conditions.*

Our operations depend on the timely transport of raw materials to our manufacturing units and of our products to our customers. We use a combination of land and water transport and typically rely on third party transportation providers for such purposes, which are subject to various bottlenecks and other hazards beyond our control, including customs, weather, strikes or civil disruptions. We may experience disruption in the transportation of raw materials by ship and delivery of the products to our customers due to bad weather conditions. Further, unexpected delays due to delays in obtaining customs clearance for raw materials imported by us, or increases in transportation costs, could significantly decrease our ability to make sales and earn profits. Any failure to deliver our products to our customers in an efficient, reliable and timely manner could have an adverse effect on our business, results of operations, cash flows and financial conditions.

37. *Our manufacturing units are dependent on adequate and uninterrupted supplies of electricity, water and fuel; shortage or disruption in electricity, water or fuel supplies may lead to disruption in operations, higher operating cost and consequent decline in operating margins.*

Adequate and cost-effective supply of electrical power, water and fuel is critical to our manufacturing units. Our manufacturing units require a significant amount and continuous supply of water and electricity or any shortage or non – availability may adversely affect our operations. We source electricity and water for our manufacturing units from the relevant private power producers, state departments, industrial estates or diesel generators, pursuant to arrangements entered into with them. For certain manufacturing units, ground water is extracted as per approvals of relevant regulatory authorities and diesel generators may also require approval from relevant regulatory authorities depending upon their generation capacity.

Set forth below is the cost of power and fuel incurred by us for the respective periods:

Particulars	For six months ended September 30, 2024*		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (in ₹ million)	% of revenue from operation	Amount (in ₹ million)	% of revenue from operation	Amount (in ₹ million)	% of revenue from operations	Amount (in ₹ million)	% of revenue from operation
Cost of power and fuel	229.06	1.15%	319.18	1.16%	286.82	1.33%	206.20	1.85%

* Not annualised

We are also seeking to reduce our environmental footprint by focussing on solar energy. In this respect, we have installed a 1.4 MW rooftop grid system solar panel at our Subsidiary's Unit – 2 in Maharashtra, and a 0.65 MW solar plant at Unit – 4 in Maharashtra. In addition, in 2022, we have also entered into a power purchase agreement with a company to obtain at least 3.1 MW of solar energy for our manufacturing unit at Uttar Pradesh for a period of 25 years. However, there can be no assurance that these measures will result in expected benefits or at all.

Further, there may be power cuts in the supply provided by the respective state electricity boards from time to time and so we have stand-by captive generator sets and UPS system for our operations to ensure that there is no stoppage in our production. Power costs represent a significant portion of our operating costs. If the per unit cost of electricity is increased by the state electricity boards our power costs will increase. It may not be possible to pass on any increase in our power costs to our customers, which may adversely affect our profit margins. An interruption in or limited supply of electricity may result in suspension of our manufacturing operations. A prolonged suspension in production could materially and adversely affect our business, financial condition or results of operations. In addition to the production losses that we would incur during production shutdowns in the absence of supply of electrical power, we would not be able to immediately return to full production volumes following power interruptions, however brief. Any interruption of power, even if short, could give rise to inefficiencies when we resume production.

38. *Our Promoters, Managing Director and certain Key Managerial Personnel and members of Senior Management hold Equity Shares in our Company and may be interested in our Company other than remuneration and reimbursement of expenses.*

Our Promoters, Managing Directors and certain Key Managerial Personnel and members of Senior Management, while managing the day-to-day operations, are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding and benefits arising therefrom. Our Directors may also be interested to the extent of any transaction entered into by our Company with any other company/firm/entity in which they are director/promoter/partner or a related party. For instance, our Company has taken on lease and license basis the Registered Office and Unit 2 on lease basis from one of our Promoters, Vishal Gupta. While our Promoters, Managing Director, Key Managerial Personnel and members of Senior Management believe that they act in the benefit and best interest of the Company, there can be no assurance of continuing the same. For details, see “*Board of Directors and Senior Management*” and “*Financial Information*” on pages 218 and 282 respectively.

39. *We are required to obtain, renew or maintain statutory and regulatory permits, licenses and approvals to operate our business and our manufacturing units, and any delay or inability in obtaining, renewing or maintaining such permits, licenses and approvals could result in an adverse effect on our results of operations. We are also required to be in compliance with various laws that are applicable to us and any non-compliance may have a material adverse effect on our business, financial condition or results of operation.*

Our operations are subject to extensive government regulations and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in the geographies in which we operate, generally for carrying out our business and for our manufacturing units. Several of these approvals are granted for a limited duration. Some of these approvals have expired and we have either made or are in the process of making an application for obtaining the approval for its renewal. Further, while we have applied for some of these approvals such as consent to abstract ground water to Central Ground Water Authority and license to import and store petroleum to the Petroleum and Explosives Safety Organisation, Ministry of Commerce and Industry, we cannot assure you that such approvals will be issued or granted to us in a timely manner, or at all. We are proposing to construct buildings at Supa, Ahmednagar and Karoli, Bhiwadi for which we propose to utilize ₹ 1,141.14 million and ₹ 786.28 million, respectively from the Net Proceeds. For further details, please see “*Use of Proceeds*” at page 89. We have applied for approvals of the building plans for the construction of the buildings at Supa and Karoli, with MIDC and RIICO, respectively and the same are awaited. If we do not receive such approvals or are not able to renew the approvals in a timely manner, our business and operations may be adversely affected.

The approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged noncompliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business. In addition, these registrations, approvals or licenses are liable to be cancelled or the manufacture or sale of products may be restricted. In case any of these registrations, approvals or licenses are cancelled, or its use is restricted, then it could adversely affect our results of operations or growth prospects. For further information, see “*Risk Factors - Our business involves work with hazardous materials and activities, which could cause injuries to people or property, and we must comply compliance with, and our business can be affected by, changes in, safety, health and environmental laws and various labour laws and regulations*” on page 70.

40. Our business involves work with hazardous materials and activities, which could cause injuries to people or property, and we must comply compliance with, and our business can be affected by, changes in, safety, health and environmental laws and various labour laws and regulations.

We are subject to a broad range of safety, health, environmental, labour, workplace and related laws and regulations in the jurisdictions in which we operate, which impose controls on disposal and storage of raw materials, noise emissions, air and water discharges on the storage, handling, discharge and disposal of chemicals, and employee exposure to hazardous substances and other aspects of our operations.

For example, the laws in India limit the amount of hazardous and pollutant discharge that our manufacturing units may release into the air and water. The discharge of substances that are chemical in nature or of other hazardous substances into the air, soil or water beyond these limits may cause us to be liable to regulatory bodies and incur costs to remedy the damage caused by such discharges. We are also required to obtain and comply with environmental permits for certain of our operations. For instance, we require approvals under the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, the Hazardous and Other Waste (Management and Transboundary Movement) Rules, 2016 to establish and operate our manufacturing units.

The adoption of stricter health and safety laws and regulations, stricter interpretations of existing laws, increased governmental enforcement of laws or other developments in the future than that are prevailing as of now may require that we make additional capital expenditures, incur additional expenses or take other actions in order to remain compliant and maintain our current operations. Complying with, and changes in, these laws and regulations or terms of approval may increase our compliance costs and adversely affect our business, prospects, results of operations and financial condition.

We are also subject to the laws and regulations governing relationships with employees in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour hired through and work permits. Our business is also subject to, among other things, the receipt of all required licenses, permits and authorizations including local land use permits, manufacturing permits, building and zoning permits, and environmental, health and safety permits. There is a risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products. Non-compliance with applicable safety, health and environmental laws and various labour, workplace and related laws and regulations including terms of approvals granted to us could subject us to litigation, which may increase our expenses in the event we are found liable, and could adversely affect our reputation.

In addition, environmental laws and regulations in India have increasingly become more stringent. The scope and extent of the new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations, cash flows and prospects.

41. We may not continue to enjoy our existing tax benefits and government incentives, which could adversely affect our profitability.

Our Company has opted for the lower corporate tax rate of 25.17% (22% plus surcharge of 10% and education cess of 4%) (prescribed under section 115BAA of the Income-Tax Act, 1961 ("**the Act**") with effect from AY 20-21. Section 115BAA gives an option to domestic company to be governed by this section from a particular assessment year. If a company opts for section 115BAA of the Act, the company can pay corporate tax at a reduced rate of 25.17% (22% plus surcharge of 10% and education cess of 4%). However once opted for reduced rate of taxation under the said section, it cannot be subsequently withdrawn. It further provides that domestic companies availing the option will not be required to pay Minimum Alternate Tax ("**MAT**") on their 'book profits' under section 115JB of the Act. However, such a company will no longer be eligible to avail any specified exemptions / incentives under the Act and will also need to comply with the other conditions specified in section 115BAA. Also, if a company opts for section 115BAA, the tax credit (under section 115JAA), if any, which it is entitled to on account of MAT paid in earlier years, will no longer be available. Further, it shall not be allowed to claim set-off of any brought forward losses arising to it on account of additional depreciation and other specified incentive.

Our Company has also availed deferred payment of customs duty on import of inputs or capital goods under Manufacture and other operations in Warehouse Regulations 2019 (No. 2 Regulations) at one of its plants for which the license has been granted.

Further, we also avail benefits under the IIEPP-2017 (Industrial Investment and Employment Promotion Policy), 2017 by the Pradeshiya Industrial and Investment Corporation of Uttar Pradesh ("**PICUP Scheme**"). The PICUP Scheme provides incentives to attract investments in the state. Under the said scheme, we avail certain benefits, including but not limited to

reimbursement of 60% of net SGST paid on incremental sale in the state of Uttar Pradesh for five years starting from Fiscal 2019 to Fiscal 2023 and a capital interest subsidy to the extent of 5% per annum for five years subject to annual ceiling of ₹ 5 million per annum starting from Fiscal 2019 to Fiscal 2023. Our profitability will be affected to the extent that such benefits shall not be available beyond the period currently contemplated in the relevant notifications/ circulars. Our profitability may be further affected in the future if any of the above-mentioned benefits are reduced or withdrawn prior to the respective periods mentioned therein, including due to our inability to meet the eligibility requirements or comply with applicable terms and conditions of the schemes. There is no assurance that we will continue to enjoy such tax benefits in the future. Any change in Indian tax regulations or policy may result in us losing such benefits and our business, financial condition and results of operations may be adversely affected as a result. In addition, our business, results of operations and financial condition may be adversely affected if we are subject to any dispute with the tax authorities in relation to these benefits or in the event, we are unable to comply with the conditions required to be complied with in order to avail ourselves of these benefits. For further information on our tax benefits, please see the section titled, “*Taxation*” on page 275.

42. *Failure or disruption of our Information Technology (“IT”) systems may adversely affect our business, financial condition, results of operations and prospects.*

We have implemented various IT systems that cover key areas of our operations, procurement, inventory, sales and dispatch and accounting, and we rely on our IT systems for the timely supply of our products to customers. IT systems are potentially vulnerable to damage or interruption from a variety of sources, which could result in a material adverse effect on our operations. While we have taken measures for seamless working of our IT systems, any disruption or failure of our IT systems could have a material adverse effect on our operations. A large-scale IT malfunction could disrupt our business or lead to disclosure of sensitive company information. Our ability to keep our business operating depends on the proper and efficient operation and functioning of various IT systems, which are susceptible to malfunctions and interruptions. A significant or large-scale malfunction or interruption of one or more of our IT systems could adversely affect our ability to keep our operations running efficiently and affect product availability, particularly in the country, region or functional area in which the malfunction occurs, and wider or sustained disruption to our business would be a possibility.

In addition to disruptions to our IT systems, we are exposed to cybersecurity risks which may include breaches of confidentiality, availability of the data and/or transactions processed by the information systems (system malfunction, data theft and data destruction). These may result from external (denial of service, hacking, malware) or internal (tampering, breach of data confidentiality) threats. As a result, a malfunction of our data system security measures could enable unauthorized persons to access sensitive business data, including information relating to our intellectual property (including product designs, design software and other trade secrets) or business strategy or those of our customers. Such malfunction or disruptions could cause economic losses for which we could be held liable. While there have been no such instance of failure or disruption in the past, failure of our information technology systems could cause damage to our reputation which could harm our business. Any of these developments, alone or in combination, could have a material adverse effect on our business, financial condition and results of operations. As such, the unavailability of, or failure to retain, well trained employees capable of constantly servicing our IT and/or ERP systems may lead to inefficiency or disruption of our IT systems, thereby adversely affecting our ability to operate efficiently.

Any failure or disruption in the operation of these systems or the loss of data due to such failure or disruption (including due to human error or sabotage) may affect our ability to plan, track, record and analyse work in progress and sales, process financial information, meet business objectives based on IT initiatives such as product life cycle management, manage our creditors, debtors, manage payables and inventory or otherwise conduct our normal business operations. In addition, we may be required to incur significant costs to protect against damage caused by such attacks or disruptions in the future or failure by us to comply with Indian or foreign laws and regulations, including laws and regulations regulating privacy, data protection or information security, which may increase our costs and otherwise materially adversely affect our business, results of operations, financial condition and prospects.

43. *The industry and addressable markets may not grow as projected by our peers and us.*

The electronics, RAC vertical, washing machines and television markets may not grow as projected by us or our customers. We face certain market restraints in terms of these industries such as:

- Inefficient supply chain for the required electronics: India has a limited component supplier base; most of the high-value and critical components including include ICs, PCBs, etc. are imported. As supply-chain resilience and localization are becoming more significant, India must take the necessary steps to improve the domestic value chain capability for long-term benefits. The introduction of the PLI scheme to promote component sourcing; FDI policies relaxing companies' ability to set up bases in India; and the establishment of dedicated freight corridors that help in the advancement of transportation technology and increase in productivity are some of these steps. (Source: *F&S Report*)

- Lack of manufacturing ecosystem: In India, there is lack of a stable component ecosystem. Moreover, FTAs (Free Trade Agreements) with ASEAN countries makes imports less expensive than domestic production, thereby intensifying the situation. Tax disputes, a scarcity of skilled engineers, and a sparse network of local component manufacturers are all significant factors impeding the growth of India's mobile component manufacturing industry (*Source: F&S Report*).
- Skilled labour shortage: There is substantial competition for R&D personnel, qualified technical experts, sales and marketing professionals and post-sales services providers (*Source: F&S Report*).
- Import dependency on components: There is a lack of domestic manufacturing capacity/ capability for critical components such as compressors and motors (*Source: F&S Report*).

We rely on market projections for the smooth functioning of our business. While we endeavour to keep up to the changing market conditions and recent trends in the market, we cannot assure you that such market restraints will not have a material impact on our business and financial operations. Any change in the market conditions may result in loss of our current market positioning and may adversely impact our business operations.

44. *Availability of counterfeit products or a failure to keep confidential the technical knowledge used in our business could have an impact on our business and results of operations.*

Third parties could pass off their own products as ours, including counterfeit or pirated products. Certain entities could imitate our brand name, packaging materials or attempt to create look-alike products. As a result, our market share could be reduced due to replacement of demand for our products and deficiency in the quality of the counterfeit products will adversely affect our goodwill. Like many of our competitors, we possess extensive technical knowledge about our products. Such technical knowledge has been built up through our own experiences. While we do not use any proprietary technology, our technical knowledge is a significant independent asset, which may not be adequately protected by intellectual property rights such as patent registration. Some of our technical knowledge is protected only as trade secrets. As a result, we cannot be certain that our technical knowledge will remain confidential in the long run.

Certain proprietary knowledge may be leaked, either inadvertently or wilfully. Some of our employees may have access to confidential design and product information and there can be no assurance that this information will remain confidential. Moreover, certain of our employees may leave us and join our various competitors or form a competing business. In the event that the confidential technical information in respect of our products or business becomes available to third parties or to the general public, any competitive advantage we may have over other companies in the automotive components sector could diminish. If a competitor is able to reproduce or otherwise capitalize on our technology, it may be difficult, expensive or impossible for us to obtain necessary legal protection.

45. *If we fail to maintain an effective system of internal controls, we may not be able to successfully manage, or accurately report, our financial risks.*

Effective internal controls are necessary for us to prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time, due to evolving business conditions. There can be no assurance that deficiencies in our internal controls will not arise in the future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls. Any inability on our part to adequately detect, rectify or mitigate any such deficiencies in our internal controls may adversely impact our ability to accurately report, or successfully manage, our financial risks, and to avoid fraud.

46. *We have in the past entered into related party transactions and may continue to do so in the future and we cannot assure you that we could not have achieved more favourable terms if such transactions had not been entered into with related parties.*

We have in the past entered into transactions with certain of our related parties and are likely to do so in the future. For details, see "**Financial Information**" on page 282.

While we believe that all such transactions have been conducted on an arm's length basis, we cannot assure you that we might have obtained more favorable terms had such transactions been entered into with unrelated parties. While we continue to conduct all related party transactions subject to the Board's or Shareholders' approval, as applicable, and in compliance with the applicable accounting standards, provisions of Companies Act, 2013, as amended, provisions of the SEBI Listing Regulations and other applicable law, such related party transactions may potentially involve conflicts of interest. Our Company will endeavour to duly address such conflicts of interest as and when they may arise, however, we cannot assure you that such transactions, individually or in the aggregate, may not involve potential conflict of interest which will not have an adverse

effect on our business, results of operations, cash flows and financial condition. Furthermore, it is likely that we may enter into related party transactions in the future. While no such instance has occurred in the past, related party transactions may potentially involve conflicts of interest which may be detrimental to our Company and may have an adverse impact on our Company. In respect of loans or advances that our Company and subsidiaries provide to related parties, there can be no assurance that we will be able to recover all or any part of such loans or advances which, if unrecoverable, may have an adverse effect on our business, results of operations, cash flows and financial condition.

47. This Preliminary Placement Document contains information from industry sources including the industry report commissioned by the Company from Frost & Sullivan.

Certain sections of this Preliminary Placement Document include information based on, or derived from, the F&S Report or extracts of the F&S Report prepared by Frost & Sullivan, which is not related to our Company, Directors, Key Managerial Personnel, members of Senior Management or Promoters. We exclusively commissioned and paid for this report for the purpose of confirming our understanding of the industry in connection with the Issue. All such information in this Preliminary Placement Document indicates the F&S Report as its source. Accordingly, any information in this Preliminary Placement Document derived from, or based on, the F&S Report should be read taking into consideration the foregoing.

Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. Further, the F&S Report is not a recommendation to invest / disinvest in any company covered in the F&S Report. Accordingly, prospective investors should not place undue reliance on, or base their investment decision solely on this information.

In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Issue pursuant to reliance on the information in this Preliminary Placement Document based on, or derived from, the F&S Report. You should consult your own advisors and undertake an independent assessment of information in this Preliminary Placement Document based on, or derived from, the F&S Report before making any investment decision regarding the Issue. See “*Industry Overview*” on page 145.

48. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.

While we have issued dividends in the past, our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. Our Board has approved and adopted a dividend distribution policy effective from May 25, 2021. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act 2013. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on Shareholders’ investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

49. Our Promoters and Promoter Group will continue to exercise significant influence over us and may cause us to take actions that are not in the best interest of our other shareholders.

After the completion of the Issue, our Promoters along with the members of the Promoter Group will continue to hold substantial shareholding in our Company. As on September 30, 2024, the Promoters and the members of the Promoter Group held 53.42% of the paid-up equity share Capital of our Company. So long as our Promoters own a significant portion of our Equity Shares, they will be able to significantly influence the election of our Directors and control most matters affecting us, including our business strategies and policies, decisions with respect to mergers, business combinations, acquisitions or dispositions of assets, dividend policies, capital structure and financing, and may also delay or prevent a change of management or control, even if such a transaction may be beneficial to other shareholders of our Company.

Further, our Promoters will continue to determine decisions requiring majority voting of shareholders and the other shareholders may not be able to affect the outcome of such voting. The interests of our Promoters, as the controlling shareholders, may also conflict with our interests or the interests of the other shareholders of our Company.

External Risks

Risks Relating to India

1. *Natural disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.*

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19, man-made disasters, including acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition, cash flows and results of operations.

Our operations may be adversely affected by fires, natural disasters and / or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and trading price of the Equity Shares.

In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the investor's sentiments and availability of capital. In addition, India has witnessed local civil disturbances in recent years, and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and trading price of the Equity Shares.

A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus. Certain countries in Southeast Asia have reported cases of bird-to-human transmission of avian and swine influenza, resulting in numerous human deaths. A worsening of the current outbreak of COVID-19 virus or future outbreaks of COVID-19 virus, avian or swine influenza or a similar contagious disease could adversely affect the Indian economy and economic activity in the region and in turn have a material adverse effect on our business and trading price of the Equity Shares.

2. *Financial instability in other countries may cause increased volatility in Indian financial markets.*

The Indian market and economy are influenced by economic and market conditions in other countries, including conditions in Europe and particularly in emerging market countries located in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business and our future financial performance.

Further, economic developments globally can have a significant impact on India. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. Liquidity and credit concerns and volatility in the global credit and financial markets have increased significantly with the bankruptcy or acquisition of, and government assistance extended to, several major European financial institutions. These and other related events have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in global credit and financial markets. In response to such developments, legislators and financial regulators in other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current difficult conditions in the global credit markets continue or if there is any significant financial disruption, such conditions could have an adverse effect on our business, future financial performance and trading price of the Equity Shares.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations

between the two countries. These developments, or the perception that any related developments could occur, have and may continue to have a material adverse effect on global economic conditions and financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operation and reduce the trading price of the Equity Shares.

3. *Any adverse change in India’s sovereign credit rating by an international rating agency could adversely affect our business and results of operations.*

Our borrowing costs and our access to the debt capital markets depend significantly on the sovereign credit ratings of India. India’s sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India’s foreign exchange reserves, which are outside our control.

Name of Agency	Rating	Outlook	Date
Fitch	BBB-	Stable	January 16, 2024
Moody’s	Baa3	Stable	August 18, 2023
DBRS	BBB (low)	Positive	May 14, 2024
S&P	BBB-	Positive	May 29, 2024

Any further adverse revisions to India’s credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India’s credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business, cash flows and financial performance and trading price of the Equity Shares.

4. *If inflation were to rise in India, we might not be able to increase the prices of our products at a proportional rate in order to pass costs on to our customers and our profits might decline.*

Inflation rates could be volatile, and we may face high inflation in the future as India had witnessed in the past. Increased inflation can contribute to an increase in interest rates and increased costs of borrowings resulting in increased cost to our business, including increased costs of transportation, salaries, and other expenses relevant to our business. Further, high inflation leading to higher interest rates may also lead to a slowdown in the economy and adversely impact credit growth. Consequently, we may also be affected and fall short of business growth and profitability. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our operating expenses, which, we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business, cash flows and financial condition. While the Government of India through the RBI continuously take economic measures to combat high inflation rates, it is unclear whether these measures will remain in effect, and there can be no assurance that Indian inflation levels will not rise in the future.

5. *Our business, financial condition and results of operations could be adversely affected by any change in the extensive central and state tax regime in globally applicable to us and our business.*

Tax and other levies imposed by the central and state governments in India that affect our tax liability, include central and state taxes and other levies, income tax, turnover tax, goods and service tax, stamp duty and other special taxes and surcharges, which are introduced on a temporary or permanent basis from time to time. This extensive central and state tax regime is subject to change from time to time. The final determination of our tax liability involves the interpretation of local tax laws and related regulations in each jurisdiction, as well as the use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred.

Companies can voluntarily opt in favor of a concessional tax regime (subject to no other specified benefits/exemptions being claimed), which reduces the rate of income tax payable to 22.0% (plus applicable surcharge and cess) subject to compliance with conditions prescribed, from the erstwhile 25.0% or 30.0% (plus applicable surcharge and cess) depending upon the total turnover or gross receipt in the relevant period. Any future amendments to these corporate tax rates or other applicable tax rules may affect our benefits such as exemption for interest received in respect of tax free bonds and the same may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability.

Earlier, distribution of dividends by a domestic company was subject to Dividend Distribution Tax (“DDT”), in the hands of the company at an effective rate of 20.6% (inclusive of applicable surcharge and cess). Such dividends were generally exempt from tax in the hands of the shareholders. However, the Government of India has amended the Income-tax Act,

1961, to abolish the DDT regime. Accordingly, any dividend distributed by a domestic company is subject to tax in the hands of the investor at the applicable rate. Additionally, tax is required to be withheld on such dividends distributed at the applicable rate.

Further, the Organization of Economic Co-operation and Development's Base Erosion and Profit Shifting project led to a series of anti-avoidance measures being developed across several actions, which are being / shall be implemented, amongst other means, vide changes to bilateral tax treaties effected through the Multilateral Instrument ("MLI"). India has ratified the MLI and issued its list of reservations and notifications. MLI entered into force for India on October 1, 2019 and its provisions have effect on several of India's tax treaties, including tax rates, from financial year 2020-21 onwards, where the other country has also deposited its instrument of ratification of the MLI. Non-resident shareholders may claim benefit of the applicable tax treaty read with the MLI, if and to the extent applicable, subject to satisfaction of certain conditions.

In addition, the Indian Government may make clarifications on interpretation of tax laws, which may even be applicable retrospectively. Uncertainty in the applicability, interpretation or implementation of any past or future amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. Further, if we are affected, directly or indirectly, by the application or interpretation of any provision of such laws and regulations or any related proceedings, or are required to bear any costs in order to comply with such provisions or to defend such proceedings, our business and financial performance may be adversely affected.

For instance, the Government of India has implemented two major reforms in Indian tax laws, namely the Goods and Services Tax ("GST"), and provisions relating to general anti-avoidance rules ("GAAR"). The indirect tax regime in India has undergone a complete overhaul. The indirect taxes on goods and services, such as central excise duty, service tax, central sales tax, state value added tax, surcharge and excise have been replaced by Goods and Service Tax with effect from July 1, 2017. The GST regime is subject to evolving amendments and its interpretation by the relevant regulatory authorities. GAAR became effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement may result in, among others, a denial of tax benefit to us and our business. In the absence of any precedents on the subject, the application of these provisions is subjective. If the GAAR provisions are made applicable to us, it may have an adverse tax impact on us. Further, if the tax costs associated with certain of our transactions are greater than anticipated because of a particular tax risk materializing on account of new tax regulations and policies, it could affect our profitability from such transactions.

Additionally, the Government of India has enacted the Finance Act, 2024 ("**Finance Act**"), which has introduced various amendments to the Income Tax Act. The Finance Act may have an impact on our business and operations or on the industry in which we operate. Unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

With several proposals to introduce further regulatory compliances, additional conditions to be met to receive benefits under existing regimes being introduced, upon any such proposals being notified, we may also become subject to inter alia additional compliances and increased associated costs. For instance, under the Finance Act, 2021, with effect from July 1, 2021, higher tax deducted at source ("**TDS**") rates may become applicable in the event of failure of certain compliances, including of linking Aadhar with permanent account numbers, or onerous conditions being proposed including to display quick response codes on business to consumer transactions which could pose operational and implementation challenges given the large number of orders in invoices.

6. *We are subject to regulatory, economic, social and political uncertainties and other factors beyond our control.*

We are incorporated in India, and we conduct our corporate affairs and our business in India. Consequently, our business, operations, financial performance may be affected by various factors that are beyond our control. Such factors include changes in investment patterns, budget announcements, policy announcements, political changes, changes in interest rates, inadequate monsoons, health pandemics, terrorist attacks, natural calamities and other acts of violence or war, which may adversely affect worldwide financial and Indian markets. These could potentially lead to an economic recession, which could adversely affect our business, results of operations, financial condition and cash flows, and more generally, any of these events could lower confidence in India's economy. The regulatory and policy environment in which we operate is evolving and is subject to change.

Further, India has, from time to time, experienced instances of civil unrest and terrorist attacks, regional or international hostilities and other acts of violence as well as other adverse social, political and economic events. India has also

experienced natural calamities such as earthquakes, tsunamis, floods and droughts in the past. If such events occur and lead to overall political and economic instability, it could have a materially adverse effect on our business, financial condition, cash flows and results of operations. Further, any such events that affect the functioning of our operations and IT systems could lead to a shutdown of certain of our operations, which could result in a material adverse effect on our business, financial condition, cash flows and results of operations.

Other factors that may adversely affect the Indian economy, and hence our results of operations may include:

- Any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- The impact of international trade wars or uncertain or unfavorable policies on international trade or (whether or not directly involving the Government of India);
- Any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- Prevailing income conditions among Indian customers and Indian corporations;
- Epidemic or any other public health in India or in countries in the region or globally, including in India's various neighboring countries;
- Macroeconomic factors and central bank regulations, including in relation to interest rates movements which may in turn adversely impact our access to capital markets and increase our borrowing costs;
- Volatility in, and actual or perceived trends in trading activity on India's principal stock exchanges, that is, on the National Stock Exchange and the Bombay Stock Exchange;
- Decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- Political instability resulting from a change in governmental or economic and fiscal policies, may adversely affect economic conditions in India. In recent years, reforms in relation to land acquisition policies and trade barriers have led to increased incidents of social unrest in India over which we have no control;
- Terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- Civil unrest, acts of violence, regional conflicts or situations or war may adversely affect the financial markets;
- International business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;
- Logistical and communication challenges;
- Downgrading of India's sovereign debt rating;
- Changes in government policies, including taxation, economic and deregulation policies, social and civil unrest and other political, social and economic developments in or affecting India;
- Occurrence of natural calamities and force majeure events;
- Difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and / or a timely basis; and
- Being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could materially adversely affect our business, financial condition, results of operations, cash flows and prospects.

7. ***Our business may be affected by sanctions, export controls and similar measures targeting Russia and other countries and territories as well as other responses to Russia’s invasion of Ukraine, including indefinite suspension of operations in Russia and Belarus by many multi-national businesses across a variety of industries. Further, we may also be affected by the on-going conflict between Israel and Palestine, which could have an adverse effect on our business operations.***

As a result of Russia’s invasion of Ukraine and the on-going conflict between Israel and Palestine, governmental authorities in the U.S., the EU and the U.K, among others, launched an expansion of coordinated sanctions and export control measures, including:

- blocking sanctions on some of the largest state-owned and private Russian financial institutions (and their subsequent removal from the Society for Worldwide Interbank Financial Telecommunication (“**SWIFT**”) payment system);
- blocking sanctions against Russian and Belarusian individuals, including the Russian President, other politicians and those with government connections or involved in Russian military activities;
- blocking sanctions against certain Russian businessmen and their businesses, some of which have financial and trade ties to the EU;
- blocking of Russia’s foreign currency reserves and prohibition on secondary trading in Russian sovereign debt and certain transactions with the Russian Central Bank, National Wealth Fund and the Ministry of Finance of the Russian Federation;
- expansion of sectoral sanctions in various sectors of the Russian and Belarusian economies and the defense sector;
- U.K sanctions introducing restrictions on providing loans to, and dealing in securities issued by, persons connected with Russia;
- restrictions on access to the financial and capital markets in the EU, as well as prohibitions on aircraft leasing operations;
- sanctions prohibiting most commercial activities of U.S. and EU persons in Crimea and Sevastopol;
- enhanced export controls and trade sanctions targeting Russia’s imports of technological goods as a whole, including tighter controls on exports and re-exports of dual-use items, stricter licensing policy with respect to issuing export licenses, and/or increased use of “end-use” controls to block or impose licensing requirements on exports, as well as higher import tariffs and a prohibition on exporting luxury goods to Russia and Belarus;
- closure of airspace to Russian aircraft;
- ban on imports of Russian oil, liquefied natural gas and coal to the U.S.;
- Indian companies exporting products to Israel may have to pay higher premiums and shipping cost; and
- increase in prices of crude oil resulting in a trade deficit thereby pressurizing the country’s current account balances

As the conflict in Ukraine continues, there can be no certainty regarding whether these countries or other countries will impose additional sanctions, export controls or other measures targeting Russia, Belarus or other territories. Furthermore, in retaliation against new international sanctions and as part of measures to stabilize and support the volatile Russian financial and currency markets, the Russian authorities also imposed currency control measures aimed at restricting the outflow of foreign currency and capital from Russia, imposed various restrictions on transacting with non-Russian parties, banned exports of various products and other economic and financial restrictions.

We do not currently have contracts directly with the entities or businesses on the sanctions list and we currently do not have operations in Russia, Belarus, the Crimea Region of Ukraine, the so-called Donetsk People’s Republic or the so-called Luhansk People’s Republic. We continuously review and monitor our contractual relationships with suppliers and customers to establish whether any are target of the applicable sanctions. In the unlikely event that we identify a party with which we have a business relationship that is the target of applicable sanctions, we will immediately activate a legal analysis of what gives rise to the business relationship, including any contract, to estimate the most appropriate course of action to comply with the sanction regulations, together with the impact of a contractual termination according to the applicable law, and then proceed as required by the regulatory authorities. However, given the range of possible outcomes,

the full costs, burdens, and limitations on our and our customers' and partners' businesses are currently unknown and may become significant.

8. ***We are subject to anti-bribery and anti-corruption laws, violation of which may subject our Company and/or our Promoters to governmental inquiries and/or investigations, which if material and adverse in nature, could adversely affect our business, results of operations and financial condition in future periods and our reputation.***

We have operations and projects, in India. Those operations and projects often involve interactions with governmental authorities and officials at the Indian federal, state and local level. We are subject to anti-corruption and anti-bribery laws in India that prohibit improper payments or offers of improper payments to governments and their officials and political parties for the purpose of obtaining or retaining business or securing an improper advantage and require the maintenance of internal controls to prevent such payments. Although, we maintain an anti-bribery compliance program and train our employees in respect of such matters, our employees might take actions that could expose us to liability under anti-bribery laws. In certain circumstances, we may be held liable for actions taken by our partners and agents, even though they are not always subject to our control. It is not possible to predict the outcome or timing of commencement, continuation and completion of inquiries or investigation(s), as the case may be, in India or overseas.

9. ***Investors may have difficulty in enforcing foreign judgments against us or our management.***

We are a public limited company incorporated under the laws of India. All of our directors and executive officers are residents of India. Many of our assets are located in India. As a result, it may be difficult for investors to effect service of process upon us or such persons in India or to enforce judgments obtained against us or such parties outside India. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions, including the U.K, Singapore, UAE, and Hong Kong. The U.S. has not been notified as a reciprocating territory. A judgment from certain specified courts located in a jurisdiction with reciprocity must meet certain requirements of the Code of Civil Procedure, 1908, as amended (“**Civil Procedure Code**”). Under the Civil Procedure Code, a court in India shall, on the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record; such presumption may be displaced by proving want of jurisdiction. The Civil Procedure Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, or other charges of a like nature or in respect of a fine or other penalty and does not provide for the enforcement of arbitration awards even if such awards are enforceable as a decree or judgment. A foreign judgment rendered by a superior court (as defined under the Civil Procedure Code) in any jurisdiction outside India which the Government of India has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the U.S. or other such jurisdiction within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis as a foreign court if an action is brought in India. Moreover, it is unlikely that an Indian court would award damages to the extent awarded in a final judgment rendered outside India if it believes that the amount of damages awarded were excessive or inconsistent with public policy in India. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable. Such amount may also be subject to income tax in accordance with applicable law. Consequently, it may not be possible to enforce in an Indian court any judgment obtained in a foreign court, or effect service of process outside of India, against Indian companies, entities, their directors and executive officers and any other parties resident in India. Additionally, there is no assurance that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner.

10. ***Our businesses and activities may be regulated under competition laws in India, and any adverse application or interpretation of such laws could adversely affect our business, cash flows, results of operations and financial condition.***

The Competition Act, 2002, as amended (the “**Competition Act**”), regulates agreements having or likely to have an appreciable adverse effect on competition (“**AAEC**”) in the relevant market in India.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an AAEC in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. Given that we pursue strategic acquisitions, we may from time to time be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, any enforcement proceedings initiated by the CCI, any adverse publicity that may be generated due to scrutiny or prosecution by the CCI, or any prohibition or substantial penalties levied under the Competition Act, which would adversely affect our business, results of operations, cash flows and prospects.

The Government of India has also introduced the Competition (Amendment) Bill, 2022 in the Lok Sabha in August 2022, which has proposed several amendments to the Competition Act, such as introduction of deal value thresholds for assessing whether a merger or acquisition qualifies as a “combination”, expedited merger review timelines, codification of the lowest standard of “control” and enhanced penalties for providing false information or a failure to provide material information. As these are draft amendments, we cannot ascertain at this stage as to whether the proposed amendments will come into force in the form suggested or at all, their applicability in respect of our operations, partially or at all once they come into force, or the extent to which the amendments, if and when they come into force, will result in additional costs for compliance, which in turn may adversely affect our business.

11. *Our ability to raise foreign capital may be constrained by Indian law.*

Under foreign exchange regulations which are currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to sectoral norms and certain other restrictions), if they comply with the valuation and reporting requirements specified under applicable law. If a transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions, then prior approval of the relevant regulatory authority is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Further, this conversion is subject to the shares having been held on a repatriation basis and, either the security having been sold in compliance with the pricing guidelines or, the relevant regulatory approval having been obtained for the sale of shares and corresponding remittance of the sale proceeds. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained with or without any particular terms or conditions.

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, which has been incorporated as the proviso to Rule 6(a) of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 (“**FEMA Rules**”), investments where the beneficial owner of the equity shares is situated in or is a citizen of a country which shares a land border with India, can only be made through the Government approval route, as prescribed in the Consolidated Foreign Direct Investment (“**FDI**”) Policy dated October 15, 2020 and the FEMA Rules.

These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or conditions or at all. As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies.

Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations. Accordingly, our ability to raise any foreign capital under the FDI route is therefore constrained by Indian law, which may adversely affect our business, financial condition, cash flows, results of operations and prospects.

RISKS RELATED TO THE EQUITY SHARES AND THE ISSUE

1. *Investors will be subject to market risks until the Equity Shares credited to the investor’s demat account are listed and permitted to trade.*

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor’s demat account, are listed and permitted to trade. In accordance with Indian law and practice, final approval for listing and trading of our Equity Shares will not be granted until after the Equity Shares have been issued and allotted. Such approval will require the submission of all other relevant documents authorizing the issuance of the Equity Shares. Accordingly, there

could be a failure or delay in listing the Equity Shares on NSE and BSE, which would adversely affect your ability to sell the Equity Shares. Since the Equity Shares are currently traded on the BSE and the NSE, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Furthermore, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account in a timely manner or that trading in the Equity Shares will commence in a timely manner.

2. *The trading volume and market price of the Equity Shares may be volatile following the Issue, and you may not be able to sell your Equity Shares at or above the Issue Price.*

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- actual or anticipated variations in our results of operations, including compared to expectations of securities analysts and investors and those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by analysts and investors;
- announcements about our earnings that are not in line with analyst expectations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- complaints from our customers, shortages or interruptions in the availability of raw materials, or reports of incidents of tampering of raw materials;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of senior management;
- changes in our shareholder base;
- changes in our dividend policy;
- changes in accounting standards, policies, guidance, interpretations or principles;
- the public's reaction to our press releases, other public announcements, and filings with the regulator;
- adverse media reports about us or our industry;
- changes / volatility in exchange rates;
- changes in the regulatory and legal environment in which we operate;
- fluctuations in stock market prices and volume; and
- general economic and stock market conditions.

Any of these factors listed above could result in large and sudden changes in the volume and trading price of the Equity Shares and adversely affect the price of the Equity Shares. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to resell the Equity Shares at or above the Issue Price. Furthermore, the Issue Price which may include a discount of not more than 5% on the Floor Price in accordance with the SEBI ICDR Regulations, which will be determined by our Company in consultation with the Book Running Lead Manager, may not be necessarily indicative of the market price of the Equity Shares after this Issue is complete.

3. ***An investor will not be able to sell any of the Equity Shares subscribed in the Issue other than on a recognized Indian stock exchange for a period of one year from the date of allotment of such Equity Shares.***

Pursuant to the SEBI ICDR Regulations, for a period of one year from the date of the allotment of the Equity Shares in the Issue, investors subscribing the Equity Shares in the Issue may only sell such Equity Shares on NSE or BSE and may not enter into any off-market trading in respect of such Equity Shares. We cannot be certain that these restrictions will not have an impact on the price of the Equity Shares. This may affect the liquidity of the Equity Shares subscribed by investors and it is uncertain whether these restrictions will adversely impact the market price of the Equity Shares subscribed by investors.

4. ***Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares or dividend paid thereon.***

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements and capital expenditure. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant. We cannot assure you that we will be able to pay dividends in the future. Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. Any capital gain realised on the sale of listed equity shares on a Stock Exchange held for more than 12 months immediately preceding the date of transfer will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of Securities Transaction Tax (“STT”), on the sale of any Equity Shares held for more than 12 months immediately preceding the date of transfer. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Furthermore, any capital gains realised on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

No dividend distribution tax is required to be paid in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. Our Company may grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends on furnishing applicable documents for availing tax treaty benefit. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

5. ***Any future issuance of Equity Shares, or convertible securities or other equity linked instruments by us may dilute your shareholding. Furthermore, any such further issuance of our securities and / or sale of Equity Shares by the Promoters or members of our Promoter Group may adversely affect the trading price of our Equity Shares.***

We cannot assure you that we will not issue additional Equity Shares. Any future equity issuances by us, including a primary offering of Equity Shares, convertible securities or securities linked to Equity Shares may lead to the dilution of your shareholding in our Company. Furthermore, any future equity issuances by us or sale of our Equity Shares by the Promoters or members of our Promoter Group or any of our other principal shareholders or any public perception regarding such issuance or sales may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. There can be no assurance that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

6. ***There may be less information available about companies listed on Indian securities markets than companies listed on securities markets in other countries.***

There may be less publicly available information about Indian public companies, including our Company, than is regularly disclosed by public companies in other countries with more mature securities markets. There is a difference between the level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants in those markets, and that of markets in other more developed economies. In India, while there are certain

regulations and guidelines on disclosure requirements, insider trading and other matters, there may be less publicly available information about Indian companies than is regularly made available by public companies in many developed economies. As a result, you may have access to less information about our business, results of operations and financial condition, and those of our competitors that are listed on the Stock Exchanges, on an ongoing basis, than you may in the case of companies subject to the reporting requirements of certain other countries.

7. *Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.*

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including those in relation to class actions under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

8. *Investors may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.*

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution.

However, if the law of the jurisdiction the investors are in, does not permit them to exercise their pre-emptive rights without our Company filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless our Company makes such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value such custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in our Company would be reduced.

9. *Applicants to the Issue are not allowed to withdraw or revise downwards their Bids after the Issue Closing Date*

In terms of the SEBI ICDR Regulations, applicants in the Issue are not allowed to withdraw their Bids after the Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately seven days and up to 10 days from the Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in the business, results of operations and financial condition of our Company, or other events affecting the applicant's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment of Equity Shares in the Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of the Equity Shares. The applicants shall not have the right to withdraw their Bids in the event of any such occurrence. Our Company may complete the Allotment of the Equity Shares even if such events may limit the applicants' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

10. *Our Equity Shares are quoted in Indian Rupees in India and investors may be subject to potential losses arising out of exchange rate risk on the Indian Rupee and risks associated with the conversion of Indian Rupee proceeds into foreign currency.*

Investors are subject to currency fluctuation risk and convertibility risk since our Equity Shares are quoted in Indian Rupees on the Indian stock exchanges on which they are listed. Dividends on the Equity Shares will also be paid in Indian Rupees and subsequently may need to be converted into the relevant foreign currency for repatriation. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, foreign investors that seek to sell Equity Shares will have to obtain approval from the RBI, unless the sale is made on a stock exchange or in connection with an offer made under regulations regarding takeovers. Any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by shareholders. The volatility of the Indian Rupee against other currencies may subject investors who convert funds into Indian Rupees to purchase our Equity Shares to currency fluctuation risks.

MARKET PRICE INFORMATION

As on the date of this Preliminary Placement Document, 261,634,440 Equity Shares of face value of ₹ 1 each are subscribed and paid-up.

On December 3, 2024, the closing price of the Equity Shares on BSE and NSE was ₹ 759.55 and ₹ 759.85 respectively per Equity Share. Since the Equity Shares are available for trading on the Stock Exchanges, the market price and other information for each of BSE and NSE has been given separately.

- (i) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded for the Financial Years ended March 31, 2024, March 31, 2023, and March 31, 2022:

BSE									
Financial Year	High (₹)	Date of high	Number of Equity Shares traded on the date of high	Total turnover of Equity Shares traded on date of high (₹ million)	Low (₹)	Date of low	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on date of low (₹ million)	Average price for the year (₹)
2024	2,570.00	December 21, 2023	16,407	40.14	1,325.05	April 3, 2023	2,192	2.93	1,811.26
2023	1,444.00	March 9, 2023	1,603	2.29	590.80	May 12, 2022	9,561	6.06	1,005.29
2022	870.00	January 7, 2022	72,695	62.02	285.20	April 20, 2021	6,444	1.92	511.92

NSE									
Financial Year	High (₹)	Date of high	Number of Equity Shares traded on the date of high	Total turnover of Equity Shares traded on date of high (₹ million)	Low (₹)	Date of low	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on date of low (₹ million)	Average price for the year (₹)
2024	2,569.60	December 21, 2023	42,374	102.61	1,325.90	April 03, 2023	17,101	22.98	1,811.81
2023	1,443.90	March 9, 2023	44,945	64.24	594.85	May 12, 2022	72,064	45.10	1,005.67
2022	871.45	January 7, 2022	182,672	156.07	288.50	April 20, 2021	41,660	12.47	512.12

(Source: www.bseindia.com and www.nseindia.com)

Notes:

1. High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high price, low price, the date with the higher traded volume has been chosen.

The following table sets forth the details of the number of Equity Shares traded on the Stock Exchanges and the turnover during Fiscals 2024, 2023 and 2022:

Fiscal	Number of Equity Shares Traded		Turnover (In ₹ million)	
	BSE	NSE	BSE	NSE
2024	14,67,602	16,928,484	2,716.04	31,265.35
2023	1,583,983	12,879,137	1,591.52	12,868.51
2022	5,530,053	17,635,093	3,542.45	10,049.25

(ii) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded during each of the last six months:

BSE											
Month year	High (₹)	Date of high	Number of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹)	Low (₹)	Date of low	Number of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (₹ million)
November 2024	732.40	November 29, 2024	75,913	54.44	608.65	November 04, 2024	1,20,601	74.59	665.27	21,43,364	1,431.23
October 2024	648.95	October 1, 2024	77,649	49.25	531.60	October 8, 2024	2,70,074	158.10	599.62	27,38,398	1,615.44
September 2024	694.50	September 25, 2024	1,25,377	83.82	510.95	September 2, 2024	67,752	35.50	613.74	26,06,485	1,610.49
August 2024	592.45	August 23, 2024	1,75,710	99.65	404.40	August 5, 2024	82,811	34.32	477.51	22,42,509	1,092.00
July 1, 2024 to July 9, 2024	4,100.00	July 1, 2024	23,994	91.75	3,565	July 5, 2024	10,418	38.09	3,804.03	1,33,989	509.22
July 10, 2024 to July 31, 2024	469.45	July 26, 2024	2,55,175	114.20	337.00	July 23, 2024	1,05,879	38.54	399.30	21,51,504	875.02
June 2024	3,590.65	June 28, 2024	17,512	61.49	2,311.55	June 5, 2024	22,451	54.76	3,021.41	3,43,959	1,029.81

NSE											
Month year	High (₹)	Date of high	Number of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ million)	Low (₹)	Date of low	Number of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹- million)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (₹ million)
November 2024	732.00	November 29, 2024	1,982,091	1,418.56	609.50	November 04, 2024	1,093,391	677.87	665.35	26,419,627	17,758.31
October 2024	648.40	October 1, 2024	1,15,8293	733.54	532.20	October 08, 2024	2,45,6461	1,442.27	599.49	2,36,66,739	14,100.59
September 2024	694.00	September 25, 2024	31,66,575	2,121.93	511.00	September 2, 2024	13,12,811	688.28	614.02	3,42,45,898	21,098.83
August 2024	592.00	August 23, 2024	23,38,007	1,333.98	404.00	August 5, 2024	11,70,709	484.76	477.71	2,75,16,140	13,629.90
July 1, 2024 to July 9, 2024	4,050.00	July 2, 2024	2,62,434	1,006.86	3,561.00	July 5, 2024	1,73,234	633.96	3,805.02	14,90,762	5,673.88
July 10, 2024 to July 31, 2024	468.90	July 26, 2024	20,60,383	922.84	337.00	July 23, 2024	16,39,889	604.48	399.04	2,77,77,698	11,468.66
June 2024	3,591.00	June 28, 2024	1,32,517	465.53	2,311.10	June 5, 2024	25,1352	615.16	3,021.18	42,01,655	12,498.04

(Source: www.bseindia.com and www.nseindia.com)

Notes:

1. High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high price, low price, the date with the higher traded volume has been chosen.
4. Stock market data has been shown separately for the periods prior and post the sub division of equity shares record date i.e., July 10, 2024 for the sub division of equity shares undertaken pursuant to a board resolution dated May 22, 2024 and Shareholders' resolution dated June 26, 2024.

(iii) The following table sets forth the market price on the Stock Exchanges on October 21, 2024 and November 14, 2024, that is, the first working days following the approvals dated October 19, 2024 read with November 13, 2024 respectively of our Board of Directors and our Shareholders for the Issue:

Date	BSE					
	Open	High	Low	Close	Number of Equity Shares traded	Turnover (₹ million)
November 14, 2024	629.00	647.15	625.95	628.65	63,976	40.64
October 21, 2024	624.65	624.65	583.25	586.85	1,16,815	69.37

(Source: www.bseindia.com)

Date	NSE					
	Open	High	Low	Close	Number of Equity Shares traded	Turnover (₹ million)
November 14, 2024	629.55	647.50	626.00	628.75	7,04,838	446.39
October 21, 2024	620.00	620.00	582.20	586.90	10,79,033	641.94

(Source: www.nseindia.com)

USE OF PROCEEDS

The Gross Proceeds from the Issue aggregate up to ₹ [•] million. Subject to compliance with applicable laws, the net proceeds from the Issue, after deducting fees, commissions and the estimated expenses of the Issue of approximately ₹ [•] million, shall be approximately ₹ [•] million (the “Net Proceeds”).

Objects of the Issue

Subject to compliance of applicable laws and regulations, our Company intends to use the Net Proceeds to finance (in whole or part) one or more, or any combination of the following (“Objects”):

(₹ in million)

Sr No.	Particulars	Amount which will be financed from Net Proceeds
1.	Investment in our wholly owned Subsidiary, PG Technoplast for:	
(a)	Funding its working capital requirements	6,440.41
2.	Investment in our wholly owned step-down Subsidiary, Next Generation Manufacturers Private Limited for:	
(a)	Funding its capital expenditure requirements for expansion of its manufacturing and warehousing/ storage unit by constructing a new building at Plot no F-3, Supa Parner MIDC Industrial Area, Taluka Parner, Dist- Ahmednagar – 411301 (“Supa Unit”).	1,141.14
(b)	Funding its capital expenditure requirements for expansion of its manufacturing and warehousing/ storage unit by constructing a new building at SP5-4 (EMC Zone), Electronic Zone, Karoli, Bhiwadi (“Karoli Unit”).	786.28
(c)	Funding its capital expenditure requirements for purchase of new equipment and machinery.	864.61
3.	Repayment and/or pre-payment, in full or part, of certain borrowings (including interest thereon) availed by our Company and our Subsidiary, PG Technoplast.	
(a)	Our Company	253.06
(b)	Our wholly owned Subsidiary, PG Technoplast, through investment in such subsidiary	1,765.08
4.	General corporate purposes*	•
	Total Net Proceeds	•

* To be determined upon finalisation of the Issue Price and updated in the Placement Document. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

The main objects and objects incidental and ancillary to the main objects of the memorandum of association of our Company and our Subsidiaries, PG Technoplast and New Generation Manufacturers Private Limited, as applicable, enable us to undertake (i) existing activities and (ii) the activities proposed to be funded from the Net Proceeds.

Proposed schedule of implementation and deployment of Net Proceeds

(₹ in million)

Sr. No.	Particulars	Total estimated costs	Estimated Amount to be funded from Net Proceeds	Proposed schedule for deployment of the Net Proceeds	
				Fiscals 2025	Fiscal 2026
1.	Investment in our wholly-owned subsidiary, PG Technoplast for:				
(a)	Funding its working capital requirements	6,440.41	6,440.41	3,738.29	2,702.12
2.	Investment in our wholly-owned step down subsidiary, Next Generation Manufacturers Private Limited for:				
(a)	Funding its capital expenditure requirements for expansion of its manufacturing and warehousing/ storage unit by constructing a new building at Plot no F-3, Supa Parner MIDC Industrial Area, Taluka Parner, Dist- Ahmednagar – 411301 (“Supa Unit”).	1,141.14	1,141.14	800.00	341.14
(b)	Funding its capital expenditure requirements for expansion of its manufacturing and warehousing/ storage unit by	786.28	786.28	200.00	586.28

Sr. No.	Particulars	Total estimated costs	Estimated Amount to be funded from Net Proceeds	Proposed schedule for deployment of the Net Proceeds	
				Fiscals 2025	Fiscal 2026
	constructing a new building at SP5-4 (EMC Zone), Electronic Zone, Karoli, Bhiwadi (“ Karoli Unit ”).				
(c)	Funding its capital expenditure requirements for purchase of new equipment and machinery.	864.61	864.61	400.00	464.61
3.	Repayment and/or pre-payment, in full or part, of certain borrowings (including interest thereon) availed:				-
(a)	Our Company	253.06	253.06	253.06	-
(b)	Our wholly-owned subsidiary, PG Technoplast, through investment in such subsidiary	1,765.08	1,765.08	1,765.08	-
4.	General corporate purposes*		[●]	[●]	[●]
	Total Net Proceeds		[●]	[●]	[●]

* To be determined upon finalisation of the Issue Price and updated in the Placement Document. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

The funding requirements, deployment of funds and the intended use of Net Proceeds indicated above is based on management estimates, current circumstances of our business, our existing business plans, quotations from third parties, the certificates each dated December 4, 2024 from the statutory auditors of PG Technoplast and Next Generation Manufacturers Private Limited, M. S. Barmecha & Co., Chartered Accountants (FRN: 101029W), and by Amol Ramlal Hase, Independent Architect, respectively, the prevailing market conditions and other commercial and technical factors. Given the nature of our business, we may have to revise our funding requirements and intended deployment schedule on account of a variety of factors such as our financial condition, business strategy, delay in procuring and operationalizing assets or necessary licenses and approvals, and external factors such as market conditions, competitive environment, price fluctuations and interest or exchange rate fluctuations and other external factors which may not be within the control of our management. Depending upon such factors, we may have to reduce or extend the deployment period for the stated objects. This may entail rescheduling or revising the planned expenditure, implementation schedule and funding requirements, including the expenditure for a particular purpose, at the discretion of our management. Subject to applicable law, if the actual utilisation towards the objects is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds. In case of a shortfall in raising requisite capital from the Net Proceeds, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Issue, subject to compliance with applicable laws. For details, see “**Risk Factors – “Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been appraised by any bank or financial institution and our management will have broad discretion over the use of the Net Proceeds.”**” on page 67.

Our Company proposes to deploy the entire Net Proceeds towards the Objects stated above. If the Net Proceeds are not utilized (in full or in part) for the Objects for the period stated above due to any reason, including (i) the timing of completion of the Issue; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilized (in part or full) in subsequent periods in such manner as may be determined by our Company, in accordance with applicable laws. Further, our Company may also utilise any portion of or the entire the Net Proceeds, towards the aforementioned Objects, ahead of the estimated schedule of deployment specified above.

Details of the Objects

1. Investment in our wholly owned Subsidiary, PG Technoplast for:

We propose to utilise ₹6,440.41 million from the Net Proceeds towards investment in our wholly owned Subsidiary, PG Technoplast for funding its working capital requirements of Fiscals 2025 and 2026.

The investment by our Company in our wholly owned Subsidiary, PG Technoplast is proposed to be undertaken in the form of debt or equity or a combination of both as may be agreed by the board of directors of our Company and PG Technoplast. The actual mode of such deployment /investment has not been finalized as on the date of this Preliminary Placement Document.

Our Company expects to benefit from such investment by increase in the value of the investment made by our Company in our wholly owned Subsidiary, PG Technoplast through increased manufacturing, warehousing and storage facilities.

A. Funding its working capital requirements

PG Technoplast has significant working capital requirements in the ordinary course of business, which is typically funded through internal accruals and availing financing facilities from various banks and financial institutions. As on November 30, 2024, our Subsidiary, PG Technoplast had a total sanctioned limit of fund based working capital facilities of ₹ 2,210.00 million (including bill discounting facilities) and had utilised ₹ 1,859.56 million. We, through our Subsidiary, PG Technoplast, require additional working capital in order to support its incremental business requirements and funding future growth opportunities. The investment in the future working capital requirements will help PG Technoplast in meeting the expected growth in demand for our products and services. For further details, please see the section titled, “**Our Business**” on page 195.

Existing working capital

Set forth below is the working capital of our Subsidiary, PG Technoplast, on a standalone basis, based on the audited financial statements for the financial years ended March 31, 2022, March 31, 2023 and March 31, 2024 and unaudited condensed interim financial statements for the six-months ended September 30, 2024 as certified by the statutory auditors of our Subsidiary, PG Technoplast, M. S. Barmecha & Co, Chartered Accountants (FRN: 101029W), through their certificate dated December 4, 2024:

(₹ in million)

Particulars	Fiscal 2022 (audited)**	Fiscal 2023 (audited)	Fiscal 2024 (audited)	Six months ended September 30, 2024 (limited review)
A. Current assets				
(a) Inventories	830.19	2,302.39	3,849.28	3,937.54
(b) Financial assets				
(i) Trade receivables	550.30	3,077.46	3,864.82	2,129.95
(ii) Loans	-	0.88	3.30	1,037.54
(iii) Other financial assets	21.98	8.23	3.68	28.57
(c) Other current assets	192.17	198.94	602.56	1,440.56
(d) Current income tax assets (net)	1.71	33.53	1.28	1.82
Total current assets (A)	1,596.35	5,621.44	8,324.91	8,575.98
B. Current liabilities				
(a) Financial liabilities				
a) Trade payables	861.98	2,695.18	4,680.49	3,763.24
b) Lease liabilities	7.56	26.57	54.12	57.82
(b) Other financial liabilities	214.56	333.23	544.70	474.57
(c) Other current liabilities	131.36	305.61	482.62	876.02
(d) Current tax liabilities (net)	0.00 [#]	36.24	1.36	46.92
(e) Provisions	0.35	1.87	2.66	3.04
Total current liabilities (B)	1,215.81	3,398.71	5,765.94	5,221.61
C. Total working capital requirements (C=A-B)	380.54	2,222.73	2,558.97	3,354.37

[#] Negligible.

On the basis of the PG Technoplast’s existing working capital requirements and the projected working capital requirements, the respective boards of directors of our Company and PG Technoplast, pursuant to their resolutions dated December 4, 2024 and December 2, 2024 respectively, have approved the projected working capital requirements for Fiscal Years 2025 and 2026 to be ₹ 7,092.66 million and ₹ 9,794.78 million, respectively. Out of the projected working capital requirement for Fiscal Year 2025, ₹ 3,354.37 million has already been deployed during six months ended September 30, 2024. Thus, the incremental projected working capital requirement for Fiscal Year 2025 is ₹ 3,738.29 million and for the Fiscal Year 2026 is ₹ 2,702.12 million.

The expected working capital requirements of PG Technoplast for Fiscal 2025 and 2026 are based on the computation as stated below:

(₹ in million)		
Particulars	Fiscal 2025 (Estimated)	Fiscal 2026 (Estimated)
A. Current assets		
(a) Inventories	7,447.74	10,252.21
(b) Financial assets		
(i) Trade receivables	8,074.92	11,115.55
(ii) Loans	3.00	3.00
(iii) Other financial assets	10.00	10.00
(c) Other current assets	1,411.15	1,942.52
(d) Income tax assets (net)	241.18	345.48
Total current assets (A)	17,187.99	23,668.76
B. Current liabilities		
(a) Financial liabilities		
i) Trade payables	8,310.11	11,439.31
ii) Lease Liabilities	54.12	54.12
(b) Other Financial Liabilities	783.97	1,079.18
(c) Other current liabilities	940.77	1,295.02
(d) Current tax liabilities (net)	1.36	1.36
(e) Provisions	5.00	5.00
Total current liabilities (B)	10,095.33	13,873.98
C. Total working capital requirements (C=A-B)	7,092.66	9,794.78
D. Incremental working capital requirements for Fiscal 2025 and Fiscal 2026*	3,738.29	2,702.12
E. Proposed Funding Pattern		
Amount proposed to be funded from the Net Proceeds	3,738.29	2,702.12

* Incremental working capital requirement for the relevant fiscal means the working capital requirement for such fiscal minus the working capital requirement for the preceding fiscal. In Fiscal 2025, out of the incremental working capital requirement of ₹ 7,092.66 million, ₹ 3,354.37 million has already been deployed during six months ended September 30, 2024. Thus, the incremental projected working capital requirement for the six months ended March 31, 2025 is ₹ 3,738.29 million.

The following table sets forth the details of the holding period for the financial years ended March 31, 2022, March 31, 2023 and March 31, 2024 and for the six-months ended September 30, 2024 which has been computed based on the audited financial statements for the financial years ended March 31, 2022, March 31, 2023 and March 31, 2024 and unaudited condensed interim financial statements for the six-months ended September 30, 2024 respectively, and key assumptions based on which working capital requirements are estimated for Fiscal 2025 and Fiscal 2026 have been set forth below:

(₹ in million)						
Particulars	Fiscal 2022	Fiscal 2023	Fiscal 2024	Six-months ended September 30, 2024	Fiscal 2025	Fiscal 2026
	<i>Actuals</i>				<i>Assumptions</i>	
Inventory (days on sales)	141	81	96	56	95	95
Receivables (days on sales)	93	109	97	30	103	103
Others financial assets (days on sales)	4	0	0	0	0	0
Other current assets (days on sales)	33	7	15	20	18	18
Payable (days on sales)	146	95	117	53	106	106
Other current liability (days on sales)	22	11	12	12	12	12

Notes:

- The details of holding levels have been certified by M. S. Barmecha & Co, Chartered Accountants (FRN: 101029W), statutory auditors of our wholly owned Subsidiary, PG Technoplast, by way of their certificate dated December 4, 2024.
- Holding period (in days) is calculated as respective current asset or current liability divided by revenue from operations multiplied by number of days. The holding period has been computed over 365 days for each fiscal year (wherever applicable) and over 182 days for six months ended September 30, 2024.

Justification for holding levels:

Particulars	Assumptions and Justifications
Inventories	<p>The holding levels of the inventories for Fiscal 2024 and six month period ended September 30, 2024 were ₹3,849.28 million and ₹3,937.54 million, respectively. The holding level of inventories is expected to increase to ₹7,447.74 million & ₹ 10,252.21 million in Fiscal 2025 and Fiscal 2026, in line with increased business volumes and projected business activity.</p> <p>PG Technoplast's inventory holding period for Fiscal 2025 and 2026 is estimated to increase by 6 days from the average holding period for Fiscal 2023 and 2024. This is due to a change in government policy, which now requires compulsory BIS certification for all imported components leading to limited eligible overseas capacities in certain critical components. Therefore, holding levels of imported critical components are increasing and PG Technoplast has thus projected Inventory holding of 95 days for Fiscal 2025 and Fiscal 2026.</p>
Trade receivables	<p>Trade receivables for Fiscal 2024 and six month period ended September 30, 2024 were ₹3,864.82 million and ₹2,129.95 million respectively. Trade receivables are expected to increase to ₹8,074.92 million and ₹11,115.55 million in Fiscal 2025 and Fiscal 2026, in line with increased business volumes and projected business activity.</p> <p>The trade receivable period is expected to be at similar levels to the average trade receivable levels of Fiscal 2023 and Fiscal 2024 of 103 days.</p>
Trade payables (suppliers)	<p>Trade payables for six month period ended September 30, 2024 and Fiscal 2024 were ₹3,763.24 million and were ₹4,680.49 million respectively. The average trade payable days for Fiscal 2023 and Fiscal 2024 was 106 days.</p> <p>We expect trade payable days to sustain at similar days in Fiscal 2025 and Fiscal 2026 on account of similar credit periods being offered by key suppliers.</p>
Other current assets	<p>Other current assets for Fiscal 2024 and six month period ended September 30, 2024 were at ₹602.56 million and ₹1440.56 million, respectively, which works out to 15 days of annualized sales and 20 days respectively. The main component of the other current assets is GST credit with the government, which is accrued. This arises mainly due to the purchase of imported raw material.</p> <p>To align with the projected business activity, PG Technoplast has projected the level of other current assets at 18 days for Fiscal 2025 and Fiscal 2026.</p>
Other current liabilities	<p>Other current Liabilities for Fiscal 2024 and six month period ended September 30, 2024 were at ₹482.62 million and ₹876.02 million, respectively, which works out to 12 days of annual sales in Fiscal 2024. The main component of other current liabilities is the custom duties payable and the IGST payable on imports as our manufacturing & other operations are in the warehouse and duties become payable only when the finished goods are made from imports and leave our premises.</p> <p>To align with the projected business activity, PG Technoplast has projected the level of other current liabilities at the same level of 12 days for Fiscal 2025 & Fiscal 2026.</p>

Note: The above working capital projections for Fiscal 2025 and Fiscal 2026 are based on an estimated revenue from operations of Rs. 28,615.00 million and Rs. 39,390.06 million, respectively. Out of the estimate of ₹ 28,615.00 million of revenue for PG Technoplast for Fiscal 2025, it has already achieved a revenue of ₹ 12,864.99 million during the six months ended September 30, 2024. Further, PG Technoplast has strong visibility and verbal commitments from the projected revenue growth.

On the basis of existing working capital requirement and holding levels of PG Technoplast for the financial years ended March 31, 2022, March 31, 2023, and March 31, 2024 and six-months ended September 30, 2024, we have estimated the working capital requirements of PG Technoplast for Fiscal 2025 and Fiscal 2026. The board of directors of PG Technoplast and our Company, pursuant to their respective resolutions dated December 2, 2024 and December 4, 2024, have approved the projected total working capital requirements of PG Technoplast for Fiscal 2025 and Fiscal 2026 as ₹ 7,092.66 million and ₹ 9,794.78 million, respectively, and incremental working capital requirements, as ₹ 3,738.29 million and ₹ 2,702.12 million, respectively. Accordingly, we propose to utilize ₹ 3,738.29 million and ₹ 2,702.12 million of the Net Proceeds in Fiscal 2025 and Fiscal 2026, respectively, towards the estimated incremental working capital requirements of our Subsidiary, PG Technoplast. Any shortfall in of working capital requirements of PG Technoplast for any of these periods, if any, shall be met through internal accruals and extending existing or additional working capital facilities from various banks, financial institutions and non-banking financial companies (including bill discounting) or equity.

2. Investment in our wholly owned step down Subsidiary, Next Generation Manufacturers Private Limited

We propose to utilise ₹ 2,792.03 million from the Net Proceeds towards investment in our Subsidiary, Next Generation Manufacturers Private Limited. The aforesaid investment shall be undertaken for the following purposes:

(₹ in million)		
Sr. No.	Particulars	Amount which will be financed from Net Proceeds
(a)	Funding its capital expenditure requirements for expansion of its manufacturing and warehousing/ storage unit by constructing a new building at Plot no F-3, Supa Parner MIDC Industrial Area, Taluka Parner, Dist- Ahmednagar – 411301 (“ Supa Unit ”).	1,141.14
(b)	Funding its capital expenditure requirements for expansion of its manufacturing and warehousing/ storage unit by constructing a new building at SP5-4 (EMC Zone), Electronic Zone, Karoli, Bhiwadi (“ Karoli Unit ”).	786.28
(c)	Funding its capital expenditure requirements for purchase of new equipment and machinery	864.61
Total		2,792.03

The investment by our Company in our wholly owned step down Subsidiary, Next Generation Manufacturers Private Limited is proposed to be undertaken in the form of debt or equity or a combination of both as may be agreed by the board of directors of our Company and Next Generation Manufacturers Private Limited. The actual mode of such deployment /investment has not been finalized as on the date of this Preliminary Placement Document. Our Company expects to benefit from such investment by increase in the value of the investment made by our Company in our Subsidiary, Next Generation Manufacturers Private Limited, increased manufacturing, warehousing and storage facilities, and new equipment and machinery for meeting our business requirements.

A. Funding its capital expenditure requirements for expansion of its manufacturing and warehousing/ storage unit by constructing a new building at Plot no F-3, Supa Parner MIDC Industrial Area, Taluka Parner, Dist- Ahmednagar – 411301 (“Supa Unit”).

Our Company proposes to utilise ₹1,141.14 million towards investment in our wholly-owned step down Subsidiary, Next Generation Manufacturers Private Limited, in order to expand its unit situated at Plot no F-3, Supa Parner MIDC Industrial Area, Taluka Parner, Dist- Ahmednagar, 411301 (“**Supa Unit**”) by construction of a new building. As on the date this Preliminary Placement Document, the Supa Unit has applied for the approval of the building plan by way of a proposal dated November 9, 2024, with the Maharashtra Industrial Development Corporation (“**MIDC**”), which is currently awaited. Next Generation Manufacturers Private Limited, manufactures air conditioners, plastic moulding, sheet metal, and printed circuit board assemblies at the Supa Unit. For details of the manufacturing capacity and utilization of the Supa Unit, please see section titled “**Our Business**” on page 195. The proposed investment by our Company will be undertaken to expand the Supa Unit by constructing a three storeyed building, which will primarily be utilised for warehousing and storage purposes (“**Supa Building**”). Additionally, we may use the Supa Building towards manufacturing activities in the future and we may require certain other approvals post completion of the construction, such as the occupancy certificate and fire no objection certificate which we will apply for as soon as reasonably possible (by paying the requisite charges and fees), at the relevant stage. For further details, please see the section titled, “**Our Business**” on page 195. Please also see “**Risk Factors – Our Registered Office, manufacturing units and warehouses, from where we operate, are not owned by us. The land and premises of our manufacturing units are held by us under lease agreements. Further, some of our manufacturing units are located on industrial lands allocated by Maharashtra Industrial Development Corporation (“MIDC”) and Uttar Pradesh State Industrial Development Corporation (“UPSIDC”). Failure to comply with the conditions of use of such land could result in an adverse impact on our business and financial condition.**” and “**Risk Factors - Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been appraised by any bank or financial institution and our management will have broad discretion over the use of the Net Proceeds,** and “**Risk Factors - We are required to obtain, renew or maintain statutory and regulatory permits, licenses and approvals to operate our business and our manufacturing units, and any delay or inability in obtaining, renewing or maintaining such permits, licenses and approvals could result in an adverse effect on our results of operations. We are also required to be in compliance with various laws that are applicable to us and any non-compliance may have a material adverse effect on our business, financial condition or results of operation.**” on pages 50, 67, and 69, respectively.

The land on which the Supa Building is proposed to be constructed and has been leased from MIDC. The aforesaid plot, admeasuring 42,480.00 sq. mtrs. has been allotted to our wholly-owned step down Subsidiary, Next Generation Manufacturers Private Limited pursuant to a deed of assignment dated July 5, 2021 and has a lease period of 95 years

(beginning from December 31, 2007). A floor space index (“FSI”) of 1,27,440.00 sq. mtrs. is available for utilisation towards construction of the Supa Building, of which 75,203.20 sq. mtrs. is proposed to be utilised.

For further details, refer to ‘**Business Operations – Our Business Verticals - Products**’ on page 206.

Estimated costs

The total estimated cost of the Supa Building is ₹1,141.14 million, as certified by Amol Ramlal Hase, Independent Architect, pursuant to a certificate dated December 4, 2024. The fund requirements, the deployment of funds and the intended use of the Net Proceeds for the Supa Building as described herein are based on our current business plan, management estimates, and the relevant current and valid quotations from contractors, and other commercial and technical factors. However, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution.

The total estimated cost for construction of the Supa Building, as certified by Amol Ramlal Hase, Independent Architect, pursuant to a certificate dated December 4, 2024, is as follows:

(₹ in million)			
Sr. No.	Particulars	Description	Amount
1.	Building civil works	Earth work and Anti-termite treatment work, PCC work, RCC Work with structural & other steel works, Masonry work, Plastering Work and Painting Works, Flooring Works, Waterproofing treatment works, Roofing & Cladding & Glazing Works.	337.93
2.	Pre-engineered building work	Pre-engineered building including primary structure (including Bracing and other Structural Members.), Staircase Structure, Crain Beam, Purlins, Roof Sheeting with Rock Wool insulations, Wall Sheeting, Deck sheets, Louvers and Downspouts with necessary Elbow and Bends.	521.99
3.	Road works	Providing, laying, spreading and compacting removal/ filing of unsuitable murum for formation level.	36.40
4.	Drainage System Works	External PHE, External Drainage System first Chamber to STP, External Storm Water System, Internal PHE Preamble, Cold Water Supply (internal works), Internal Drainage (Soil & Waster), RWP (internal)	20.08
5.	Fire Fighting Work	Fire Hydrant, Fire Pump room, Fire Sprinkler, Fire Extinguisher, Fire alarm Work	50.67
6.	GST @ 18%		174.07
	Total estimated cost		1,141.14

Other confirmations

The fund requirements set out above are proposed to be funded from the Net Proceeds. The estimates of building construction cost is based on the certificate dated December 4, 2024 from Amol Ramlal Hase, Independent Architect (which includes quotations obtained from contractors) and recent estimates of our management. Quotations and cost estimates received are valid as on the date of this Preliminary Placement Document. However, we have not entered into any definitive agreements or contracts with either of the aforesaid parties, and there can be no assurance that the same architect or contractor would be engaged to eventually construct the Supa Building or provide the services at the same costs. The above cost estimates do not include cost of any applicable duties and taxes (except GST) (wherever applicable) as these can be determined only at the time of placing of orders. In addition, there may be revision in the final amount payable towards these categories pursuant to any other levies and/or cost of installation of equipment, if any, on such items and accordingly, the actual costs may differ from the current estimates. We are yet to place orders for the above and no payments have been made towards any of the aforementioned costs. For details, see “**Risk Factors – “We have not yet placed orders for capital requirements proposed to be funded through objects of the Issue. In the event of any delay in placing the orders, or in the event the vendors are not able to provide the equipment in a timely manner, or at all, may result in time and cost over-runs and our business, prospects and results of operations may be adversely affected.”**” on page 59.

B. Funding its capital expenditure requirements for expansion of its manufacturing and warehousing/ storage unit by constructing a new building at SP5-4 (EMC Zone), Electronic Zone, Karoli, Bhiwadi (“Karoli Unit”).

Our Company proposes to utilise ₹ 786.28 million towards investment in our wholly-owned step down Subsidiary, Next Generation Manufacturers Private Limited, in order to expand its unit situated at SP5-4 (EMC Zone), Electronic Zone, Karoli, Bhiwadi (“**Karoli Unit**”) by construction of a new building. The Karoli Unit has applied for the approval of the building plan by way of an application dated September 17, 2024, with the Rajasthan State Industrial Development and Investment Corporation (“**RIICO**”), which is currently awaited. Further, the Karoli unit has also applied for a provisional fire NOC with the Nagar Parishad, Bhiwadi, dated November 29, 2024, which is currently awaited. As of the date of this Preliminary Placement Document, our wholly-owned step down Subsidiary, Next Generation Manufacturers Private Limited, manufactures air conditioners, plastic moulding, sheet metal, and printed circuit board assemblies at the Karoli Unit. For details of the manufacturing capacity and utilization of the Karoli Unit, please see section titled “**Our Business**” on page 195. The proposed investment by our Company will be undertaken to expand the Karoli Unit by constructing a three storeyed building, which will primarily be utilised for warehousing and storage purposes (“**Karoli Building**”). Additionally, we may use the Karoli Building towards manufacturing activities in the future and we may require certain other approvals post completion of the construction, such as the occupancy certificate and fire no objection certificate which we will apply for as soon as reasonably possible (by paying the requisite charges and fees), at the relevant stage. For further details, please see the section titled, “**Our Business**” on page 195. Please also see “**Risk Factors – Our Registered Office, manufacturing units and warehouses, from where we operate, are not owned by us. The land and premises of our manufacturing units are held by us under lease agreements. Further, some of our manufacturing units are located on industrial lands allocated by Maharashtra Industrial Development Corporation (“MIDC”) and Uttar Pradesh State Industrial Development Corporation (“UPSIDC”). Failure to comply with the conditions of use of such land could result in an adverse impact on our business and financial condition.**”; and “**Risk Factors - Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been appraised by any bank or financial institution and our management will have broad discretion over the use of the Net Proceeds.**”, and “**Risk Factors - We are required to obtain, renew or maintain statutory and regulatory permits, licenses and approvals to operate our business and our manufacturing units, and any delay or inability in obtaining, renewing or maintaining such permits, licenses and approvals could result in an adverse effect on our results of operations. We are also required to be in compliance with various laws that are applicable to us and any non-compliance may have a material adverse effect on our business, financial condition or results of operation.**” on pages 50, 67, and 69, respectively.

The land on which the Karoli Building is proposed to be constructed, held by our wholly-owned step down Subsidiary, Next Generation Manufacturers Private Limited, is situated at SP5-4 (EMC Zone), Electronic Zone, Karoli, Bhiwadi, and has been leased from RIICO. The aforesaid plot, admeasuring 32,980.00 sq. mtrs. has been allotted to our wholly-owned step down Subsidiary, Next Generation Manufacturers Private Limited pursuant to a sale deed dated July 16, 2024 and has a lease period of 99 years (beginning from July 2, 2024). A Floor Space Index (“**FSI**”) of 56,066.00 sq. mtrs. is available for utilisation towards construction of the Karoli Building, of which 18,918.27 sq. mtrs. is proposed to be utilised.

Our Company expects to benefit from such investment by having increased warehousing and storage facilities and increase in the value of the investment made by our Company in our Subsidiary, Next Generation Manufacturers Private Limited.

For further details, refer to ‘**Business Operations — Our Business Verticals - Products**’ on page 206.

Estimated costs

The total estimated cost of the Karoli Building is ₹ 786.28 million, as certified by Amol Ramlal Hase, Independent Architect, pursuant to a certificate dated December 4, 2024. The fund requirements, the deployment of funds and the intended use of the Net Proceeds for the Karoli Building as described herein are based on our current business plan, management estimates, and the relevant current and valid quotations from contractors, and other commercial and technical factors. However, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution.

The total estimated cost for construction of the Karoli Building, as certified by Amol Ramlal Hase, Independent Architect, pursuant to a certificate dated December 4, 2024, is as follows:

(₹ in million)			
Sr. No.	Particulars	Description	Amount
1.	Building civil works	Earth work and Anti-termite treatment work, PCC work, RCC Work with structural & other steel works, Masonry	244.23

Sr. No.	Particulars	Description	Amount
		work, Plastering Work and Painting Works, Flooring Works, Waterproofing treatment works, Staircase Works, Roofing & Cladding & Glazing Works	
2.	Pre-engineered building work	Pre-engineered building including primary structure (including Bracing and other Structural Members.), Staircase Structure, Crain Beam, Purlins, Roof Sheeting with Rock Wool insulations, Wall Sheeting, Deck sheets, Louvers and Downspouts with necessary Elbow and Bends.	330.41
3.	Drainage System Works	External PHE, External Drainage System first Chamber to STP, External Storm Water System, Internal PHE Preamble, Cold Water Supply (internal works), Internal Drainage (Soil & Waster), RWP (internal)	8.68
4.	Electrical Work	Metering Equipment, Transformer, Substation Equipment, LT Equipment, HT Cables & Transmissions, LT Cables & Transmission, LT Cable Termination, Cable Tray & Associated work, Earthing System and Point Wiring and Accessories	41.85
5.	Fire Fighting Work	Fire Hydrant, Fire Pump room, Fire Sprinkler, Fire Extinguisher, Fire alarm Work	41.17
6.	GST @ 18%		119.94
	Total estimated cost		786.28

Other confirmations

The fund requirements set out above are proposed to be funded from the Net Proceeds. The estimates of building construction cost is based on the certificate dated December 4, 2024 from Amol Ramlal Hase, Independent Architect (which includes quotations obtained from contractors) and recent estimates of our management. Quotations and cost estimates received are valid as on the date of this Preliminary Placement Document. However, we have not entered into any definitive agreements or contracts with either of the aforesaid parties, and there can be no assurance that the same architect or contractor would be engaged to eventually construct the Karoli Building or provide the services at the same costs. The above cost estimates do not include cost of any applicable duties and taxes (except GST) (wherever applicable) as these can be determined only at the time of placing of orders. In addition, there may be revision in the final amount payable towards these categories pursuant to any other levies and/or cost of installation of equipment, if any, on such items and accordingly, the actual costs may differ from the current estimates. We are yet to place orders for the above and no payments have been made towards any of the aforementioned costs. For details, see “*Risk Factors – “We have not yet placed orders for capital requirements proposed to be funded through objects of the Issue. In the event of any delay in placing the orders, or in the event the vendors are not able to provide the equipment in a timely manner, or at all, may result in time and cost over-runs and our business, prospects and results of operations may be adversely affected.”*” on page 59.

C. Funding its capital expenditure requirements for purchase of new equipment and machinery

As a part of our strategy to expand our capacity and offerings in existing product verticals and expansion of addressable market through development of new products, we intend to increase our Subsidiary, Next Generation Manufacturers Private Limited’s capacities in plastic moulding, electronics (PCB assemblies) and products (window ACs). For further details, please see “*Our Business – Competitive Strategies*” on page 204. Accordingly, we intend to utilize ₹ 864.61 million out of the Net Proceeds towards purchase of new equipment and machinery for our existing production facilities housed under our Subsidiary, Next Generation Manufacturers Private Limited. The specific number and nature of such machinery to be purchased by our Subsidiary, Next Generation Manufacturers Private Limited, will depend on its business requirements at the time of such purchase. A brief description of the machinery we proposed to purchase, and its intended use, is set out below:

Sr. No.	Machinery / equipment	Description
1.	Brazing machine	Auto brazing of condenser and EVA coil of Air conditioner
2.	Gas charging machine	Use to charge refrigent in air conditioner
3.	Booster pump station	To boost/ increase the refrigerant (part of gas charging machine)

Sr. No.	Machinery / equipment	Description
4.	Low pressure indicator	Component of gas charging machine
5.	Spare parts	To check the pressure of filled gas (part of gas charging machine)
6.	Tube straightening and cutting machine	For straightening and cutting of copper tube/coils
7.	CNC tube bender - R2	For bending the copper tube
8.	CNC tube bender - L2	For bending the copper tube
9.	Automatic loading end forming machine	Formation of copper tube
10.	Pipe and forming machine	Formation of copper tube
11.	Hole punching machine	For making holes on copper tubes
12.	Capillary tube cutting and bending machine	for making capillary for air conditioners
13.	Coil bending machine	For bending condenser coils
14.	Belt conveyer	Conveyor line for EVA brazing coils - to use in air conditioners
15.	AC drive	
16.	Mini super conveyer drive	
17.	Safe duct conductor bar system	
18.	Heating oven 4kw	
19.	Dual-belt conveyer	
20.	Ac drive and trail unit	
21.	Motorized roller conveyer	
22.	Belt conveyer with one side light pole	
23.	Eva brazing conveyer	
24.	Light pole/cable try tow	Specialised conveyor line for assembly of indoor and outdoor of air conditioners along with extended, testing line, repairing line and packing line conveyer
25.	Free flow conveyer	
26.	Ac drive and trail unit	
27.	Ac drive and trail unit	
28.	Automatic loader and un-loader	
29.	Stopper with stopper plate	
30.	CNC cutting wooden paller	
31.	Pneumatic pope with ball-CAL	
32.	Diverter for paller transfer	
33.	Connecting conveyer	
34.	PLC panel	
35.	Motorized ss 304 roller conveyer	
36.	Roller conveyer	
37.	SS 304 drain tray	
38.	Repairing conveyer vacuum manual	
39.	Repairing conveyer testing	
40.	Manual roller conveyer	
41.	Vacuum line carousel type conveyer	
42.	Testing line carousel type conveyer	
43.	Bus bar safe duct conductor 100a 4bar	
44.	Bus bar safe duct conductor 140a 4bar	
45.	Bus bar mounting bracket	
46.	Automatic lift & shift with PLC panel	
47.	Powder coating plant	Powder coating Plant on sheet metal parts of Air conditioners
48.	C frame fixed table press-110 ton	Sheet metal press machines for sheet metal parts
49.	C frame fixed table press-160 ton	
50.	C frame fixed table press-200 ton	
51.	C frame fixed table press-250 ton	
52.	C frame fixed table press-400 ton	

Sr. No.	Machinery / equipment	Description
53.	Strapping machine centre sealing	To use in strapping /packing of final products
54.	Strapping machine side sealing	
55.	Top & bottom taping machine	
56.	Vacuum leak test equipment including spare parts 2 unit	Equipment for checking of internal leakage in condenser and evaporator machines. for making condenser and evaporator coil dies of 5mm fines
57.	Fin die 5mm	For making condenser and evaporator coil dies of 5mm fines
58.	Fin die 7mm	For making condenser and evaporator coil dies of 7mm fines
59.	Fin press 5mm	For making condenser and evaporator coil dies of 5mm fines Pressing
60.	Fin press 7mm	For making condenser and evaporator coil dies of 7mm Fines Pressing
61.	Vertical shrink less expander	For making condenser and evaporator coil
62.	Vertical shrink less expander	For making condenser and evaporator coils
63.	Hair pin bender	Cooper tube bending to make hair pin of evaporator coils
64.	Hair pin bender	Cooper tube bending to make hair pin of evaporator coils
65.	Ultrasonic tube sealer	For vacuum sealing of polybags to storage PCB
66.	IMM machines	Injection moulding machines for plastic moulding parts
67.	Moulds – IDU - 1260mm	Moulds for indoor unit of air conditioner
68.	Moulds - IDU - 960mm	Moulds for indoor unit of air conditioner
69.	SMT Line	PCB making through surface mounted technology
70.	AI Equipment	Automatic insertion equipment for insertion of PCB components
71.	Magazines / Rack /Trolley	For storage of PCB
72.	MI Line	Manual insertion line for insertion of PCB components manually
73.	Conformal Coating Line	Assembly line for PCB
74.	Fin Die 5mm	For making condenser and evaporator coil dies of 5mm fines
75.	Fin Die 7mm	For making condenser and evaporator coil dies of 7mm fines
76.	Fin Press 5mm	For making condenser and evaporator coil dies of 5mm fines pressing
77.	Fin Press 7mm	For making condenser and evaporator coil dies of 7mm fines pressing
78.	Vertical Shrink-less Expander	For making condenser and evaporator coils
79.	Vertical Shrink-less Expander	For making condenser and evaporator coils
80.	Hair Pin Bender	Cooper tube bending to make hair pin of evaporator coil
81.	Hair Pin Bender	Cooper tube bending to make hair pin of evaporator coil
82.	IMM Machines	For vacuum sealing of polybags to storage PCB

A business vertical wise break-up of our proposed investment for purchase of machinery / equipment by our Subsidiary, Next Generation Manufacturers Private Limited utilising the Net Proceeds is as follows:

(₹ in million)

Business Vertical	Total Estimated Cost
Air conditioner – Product	368.12
Sheet Metal Pressing Machine	65.87
Plastic Moulding Machines	241.34
Moulds for Plastic Mouldings	54.86
Electronics - PCB Line	134.42
Total	864.61

An indicative list of such machinery that we intend to purchase for deployment at our facilities, based on management estimates, along with details of the quotations, as certified by M. S. Barmecha & Co., Chartered Accountants (FRN: 101029W), pursuant to their certificate dated December 4, 2024, have been set forth below.

(₹ in million)

Sr. No.	Description of equipment / machinery	Total cost	Name of vendor [^]
A.	Air conditioner – Product		
1.	Brazing machine	9.28	Jaehyun Autonics
2.	Gas charging machine	4.20	CACL
3.	Booster pump station	1.68	
4.	Low pressure indicator	0.59	
5.	Spare parts	0.19	

Sr. No.	Description of equipment / machinery	Total cost	Name of vendor^	
6.	Tube straightening and cutting machine	6.75	Zhongshan OMS Trading Company Limited	
7.	CNC tube bender - R2	5.45		
8.	CNC tube bender - L2	5.45		
9.	Automatic loading end forming machine	3.38		
10.	Pipe and forming machine	1.47		
11.	Hole punching machine	1.46		
12.	Capillary tube cutting and bending machine	1.43		
13.	Coil bending machine	2.87		
14.	Belt conveyer	2.06		M.A. ENGG Works
15.	AC drive	0.73		
16.	Mini super conveyer drive	0.78		
17.	Safe duct conductor bar system	0.59		
18.	Heating oven 4kw	0.11		
19.	Dual-belt conveyer	0.24		
20.	Ac drive and trail unit	0.13		
21.	Motorized roller conveyer	0.22		
22.	Belt conveyer with one side light pole	0.30		
23.	Eva brazing conveyer	0.50		
24.	Light pole/cable try tow	0.26		
25.	Free flow conveyer	1.77		
26.	Ac drive and trail unit	0.41		
27.	Ac drive and trail unit	0.33		
28.	Automatic loader and un-loader	0.54		
29.	Stopper with stopper plate	0.69		
30.	CNC cutting wooden paller	0.38		
31.	Pneumatic pope with ball-CAL	0.11		
32.	Diverter for paller transfer	0.44		
33.	Connecting conveyer	0.61		
34.	PLC panel	0.60		
35.	Motorized ss 304 roller conveyer	0.39		
36.	Roller conveyer	0.04		
37.	SS 304 drain tray	0.07		
38.	Repairing conveyer vacuum manual	0.49		
39.	Repairing conveyer testing	0.49		
40.	Manual roller conveyer	0.07		
41.	Vacuum line carousel type conveyer	2.29		
42.	Testing line carousel type conveyer	1.63		
43.	Bus bar safe duct conductor 100a 4bar	0.84		
44.	Bus bar safe duct conductor 140a 4bar	0.62		
45.	Bus bar mounting bracket	0.07		
46.	Automatic lift & shift with PLC panel	1.11		
47.	Powder coating plant	99.12	KSW India Private Limited	
48.	Strapping machine centre sealing	1.25	Bandma Equipcorp Limited	
49.	Strapping machine side sealing	1.33		
50.	Top & bottom taping machine	0.22		
51.	Vacuum leak test equipment including spare parts 2 unit	15.19	Woosung Vacuum Technology Company Limited	
52.	Fin die 5mm	16.37	Huangshan Craft Foreign Trade Company Limited	
53.	Fin die 7mm	14.47		
54.	Fin press 5mm	14.56		
55.	Fin press 7mm	14.56		
56.	Vertical shrink less expander	11.27		
57.	Vertical shrink less expander	11.27		
58.	Hair pin bender	4.39		
59.	Hair pin bender	4.39		
60.	Ultrasonic tube sealer	4.34		Tech Sonic

Sr. No.	Description of equipment / machinery	Total cost	Name of vendor [^]
61.	Fin Die 5mm	16.37	Huangshan Craft Foreign Trade Company Limited
62.	Fin Die 7mm	14.47	
63.	Fin Press 5mm	14.56	
64.	Fin Press 7mm	14.56	
65.	Vertical Shrink-less Expander	11.27	
66.	Vertical Shrink-less Expander	11.27	
67.	Hair Pin Bender	4.39	
68.	Hair Pin Bender	4.39	
	Sub-Total (A)	368.12	
B.	Sheet Metal Pressing Machine		
1.	C frame fixed table press-110 ton	12.85	Yadon
2.	C frame fixed table press-160 ton	14.45	
3.	C frame fixed table press-200 ton	19.19	
4.	C frame fixed table press-250 ton	7.21	
5.	C frame fixed table press-400 ton	12.17	
	Sub-Total (B)	65.87	
C.	Plastic Moulding Machines		
1.	IMM Machines	170.92	Haitian Huayuan
2.	IMM Machines	70.42	
	Sub-Total (D)	241.34	
D.	Moulds for Plastic Mouldings		
1.	Moulds – IDU - 1260mm	29.67	E-OCEAN
2.	Moulds - IDU - 960mm	25.19	
	Sub-Total (D)	54.86	
E.	Electronics - PCB Line		
1.	SMT Line	73.44	Unisert Machines India Private Limited
2.	AI Equipment	25.35	
3.	Magazines / Rack /Trolley	2.65	
4.	MI Line	26.44	
5.	Conformal Coating Line	6.54	
	Sub-Total (E)	134.42	
	Total estimated cost (A+ B+ C+D+E)	864.61	

[^] All quotations and purchase orders are valid as on date of this Preliminary Placement Document.

[#] Inclusive of freight installation charges and other handling charges, and exclusive of GST and other taxes, as applicable, which will be funded by our wholly owned step down Subsidiary, Next Generation Manufacturers Private Limited, through internal accruals.

^{*} These machines will be imported by Next Generation Manufacturers Private Limited, and the costs included herein are inclusive of applicable customs duty, freight installation charges and other handling charges and exclusive of GST. Any additional taxes and levies will be funded by our wholly owned step down Subsidiary, Next Generation Manufacturers Private Limited through internal accruals. Further, the above quotations have been provided in foreign currency, USD, which have been converted into INR using the foreign exchange rate of 1 USD = 84.09 INR as on October 31, 2024 (source: www.fibil.org.in).

Other confirmations

The fund requirements set out above are proposed to be funded from the Net Proceeds. The estimation of the cost for machinery/equipment is based on the certificate dated December 4, 2024 from M. S. Barmecha & Co Chartered Accountants (FRN: 101029W), which is based on quotations obtained from third party vendors and purchase orders for each machinery/equipment, and estimates of our management. We are yet to place orders for such machinery and equipment and no payments (including as advance) have been made towards any of the aforementioned costs.

Further, no second-hand or used or refurbished machinery/ equipment are proposed to be bought by our wholly owned step down Subsidiary, Next Generation Manufacturers Private Limited.

In addition to estimated expenses mentioned above, there may be revision in the final amounts payable towards these categories pursuant to any taxes, levies payable and/or installing cost, if any, on such items and accordingly, the actual costs may differ from the current estimates. Based on various commercial considerations including, amongst others,

prevailing market price, demand for its products, availability of adequate manpower and equipment in timely manner, competition, business strategy and technological advancements, our wholly owned step down Subsidiary, Next Generation Manufacturers Private Limited, shall have the flexibility to replace any existing equipment or machinery, depending on the internal estimates of our management and business requirements. For further details, see “*Risk Factors – We have not yet placed orders for capital requirements proposed to be funded through objects of the Issue. In the event of any delay in placing the orders, or in the event the vendors are not able to provide the equipment in a timely manner, or at all, may result in time and cost over-runs and our business, prospects and results of operations may be adversely affected.*”
On page 59.

3. *Repayment and/or pre-payment, in full or part, of certain borrowings availed by our Company and our wholly owned Subsidiary, PG Technoplast*

Our Company and our wholly owned Subsidiary, PG Technoplast have entered into various borrowing arrangements from time to time, with banks and financial institutions. The outstanding borrowing arrangements entered into by our Company and our wholly owned Subsidiary, PG Technoplast includes debt in the form of, *inter alia*, availing term loans and working capital facilities, including fund based and non-fund based borrowings. Our Company proposes to utilise an estimated amount of up to ₹ 253.06 million from the Net Proceeds towards part or full repayment and/or pre-payment of certain borrowings (including interest thereon) availed by our Company. Further, our Company proposes to utilise an estimated amount of ₹ 1,765.08 million from the Net Proceeds towards investment in our wholly owned Subsidiary, PG Technoplast, for prepayment or repayment, in full or in part, of all or a portion of the outstanding borrowings availed by PG Technoplast and the accrued interest thereon.

Our Company or our wholly owned Subsidiary, PG Technoplast may avail further loans and/or draw down further funds under existing or new borrowing arrangements, from time to time.

Further, the outstanding amounts under these borrowings as well as the sanctioned limits are dependent on several factors and may vary with our business cycle with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits. Accordingly, our Company and our subsidiaries may utilise the Net Proceeds for part prepayment of any such facilities.

We believe that such repayment and/or pre-payment will help reduce our outstanding indebtedness and debt servicing costs, improve our debt-to-equity ratio and enable utilisation of our accruals for further investment in our business growth and expansion. Additionally, we believe that the since our debt-equity ratio will improve, it will enable us to raise further resources at competitive rates in the future to fund potential business development opportunities and plans to grow and expand our business in the future.

Certain of the financing facilities availed by our Company and our wholly owned Subsidiary, PG Technoplast, provide for the levy of prepayment penalty. In the event that there are any prepayment penalties required to be paid under the terms of relevant financing agreements, such prepayment penalties shall be paid by our Company or our wholly owned Subsidiary, PG Technoplast, as applicable, out of the internal accruals of our Company and our wholly owned Subsidiary, PG Technoplast. We have and will also take such provisions into consideration while deciding repayment and/or pre-payment of loans from the Net Proceeds.

Details of Utilisation

The following table provides the details of outstanding borrowings availed by our Company, any or all of which are proposed to be repaid or prepaid, in full or in part, from the Net Proceeds:

A. Loans availed by our Company*

(₹ in million, unless stated otherwise)

Sr. No.	Name of the lender	Date of sanction letter/ loan agreement	Nature of borrowing	Amount sanctioned as on Date of Sanction Letter	Tenure of borrowing	Total amount outstanding as on September 30, 2024	Applicable interest rate (% p.a.)	Re-payment date/ schedule	Prepayment penalty (if any)	Purpose for which amount was utilised [^]
1	State Bank of India	February 14, 2024	Term Loan	150.00	96 months	66.88	8.41% - 8.56%	37 monthly instalments of ₹1.8 million from April 2024 to October 2027 and balance in November 2027.	2% of prepayment amount	Setting up of assembly line for washing machine in our manufacturing capacity in FG2, Roorkee and a new washing machine manufacturing line in PG1, Greater Noida.
2	State Bank of India	February 14, 2024	Term Loan	300.00	96 months	202.38	8.41% - 8.56%	56 monthly instalments of ₹ 3.6 million from April 2024 to May 2029 & balance in June 2029	2% of prepayment amount	Setting up of assembly line for washing machine in our manufacturing capacity in FG2, Roorkee and a new washing machine manufacturing line in PG1, Greater Noida.

* As certified by the, Statutory Auditors S S Kothari Mehta & Co. LLP, Chartered Accountants (FRN: 000756N), by way of a certificate dated December 4, 2024.

[^] The Statutory Auditors S S Kothari Mehta & Co. LLP, Chartered Accountants (FRN: 000756N) has confirmed that the loans have been utilized for the purpose for which they were availed.

B. Loans availed by our wholly owned Subsidiary, PG Technoplast*

The following table provides the details of outstanding borrowings availed by our wholly owned Subsidiary, PG Technoplast, any or all of which are proposed to be repaid or prepaid, in full or in part, from the Net Proceeds:

(₹ in million, , unless stated otherwise)

Sr. No.	Name of the lender	Date of sanction letter/ loan agreement	Nature of borrowing	Amount sanctioned as on Date of Sanction Letter	Tenure of borrowing	Total amount outstanding as on September 30, 2024	Applicable interest rate (% p.a.)	Re-payment date/ schedule	Prepayment penalty (if any)	Purpose for which amount was utilised [^]
1	ICICI Bank Limited	September 29, 2021	Term Loan	200.00	8 years	152.08	8.15	Repayment within 61 months and payable on monthly basis	2% of Penal Interest	Capital expenditure
2	HDFC Bank Limited	August 24, 2021	Term Loan	600.00	8 years	445.66	8.75	Repayment within 60 months and payable on monthly basis	2% of Penal Interest	Capital expenditure
3	HDFC Bank Limited	August 25, 2022	Term Loan	700.00	8 years	600.00	8.88	Repayment within 61 months and payable on monthly basis	2% of Penal Interest	Capital expenditure

Sr. No.	Name of the lender	Date of sanction letter/ loan agreement	Nature of borrowing	Amount sanctioned as on Date of Sanction Letter	Tenure of borrowing	Total amount outstanding as on September 30, 2024	Applicable interest rate (% p.a.)	Re-payment date/ schedule	Prepayment penalty (if any)	Purpose for which amount was utilised^
4	HDFC Bank Limited	August 7, 2023	Term Loan	650.00	8 years	640.00	8.50	Repayment within 28 quarterly instalments starting from December 2024	2% of Penal Interest	Capital expenditure

* As certified by the, Statutory Auditors S S Kothari Mehta & Co. LLP, Chartered Accountants (FRN: 000756N), by way of a certificate dated December 4, 2024.

^ The Statutory Auditors S S Kothari Mehta & Co. LLP, Chartered Accountants (FRN: 000756N) has confirmed that the loans have been utilized for the purpose for which they were availed.

4. General corporate purposes

The Net Proceeds will first be utilized towards the Objects as set out above. Subject to this, our Company intends to deploy any balance Net Proceeds towards general corporate purposes and the business requirements of our Company and our Subsidiaries, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds.

Such general corporate purposes may include, but are not restricted to meeting fund requirements which our Company or Subsidiaries may face in the ordinary course of business, strategic initiatives, partnerships, tie-ups, joint ventures or acquisitions, investment in our Subsidiaries, meeting working capital requirements of our Company incurred in the ordinary course of business, meeting exigencies and expenses, logistics expenses, installation expenses, accessories, freight, and other expenses in relation to our proposed capital expenditure, and any other purpose as may be approved by our Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act, 2013.

The allocation or quantum of utilization of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our Company's management shall have flexibility in utilising surplus amounts, if any, in accordance with applicable law.

Monitoring of utilisation of funds

Pursuant to Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CRISIL Ratings Limited, a credit rating agency registered with the SEBI, as the monitoring agency ("**Monitoring Agency**") by way of an agreement dated December 4, 2024, as the size of our Issue exceeds ₹ 1,000 million. The Monitoring Agency shall submit its report to our Company in the format specified in Schedule XI of the SEBI ICDR Regulations on a quarterly basis, till 100% of the proceeds of the Issue have been utilised. The board of directors and the management of our Company will provide their comments on the findings of the Monitoring Agency as specified in Schedule XI. Our Company shall, within 45 days from the end of each quarter, upload the report of the Monitoring Agency on our website and also submit the same to the Stock Exchanges.

The report of the Monitoring Agency shall be placed before our Audit Committee on a quarterly basis, promptly upon its receipt. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the Objects, as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Objects, as stated above. This information will also be published on our website simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Other confirmations

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC and final listing and trading approvals are received from each of the Stock Exchanges. The Net Proceeds shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised as approved by our Board and/ or a duly authorized committee of our Board, from time to time only for such purposes, as permitted under the Companies Act, prescribed Objects as disclosed above and other applicable laws.

Our Company will have flexibility in deploying the Net Proceeds received by our Company from the Issue in accordance with applicable laws. Pending utilisation for the purposes described above, our Company intends to temporarily invest funds in creditworthy instruments, including money market mutual funds and deposits with banks. Such investments would be in accordance with the investment policies as approved by our Board from time to time and applicable laws.

Subject to applicable laws, our Board shall determine the quantum of Net Proceeds to be deployed by our Company from the Issue, depending on business opportunities or requirements of our Company from time to time.

Neither our Promoters nor our Directors are making any contribution either as part of the Issue or separately in furtherance of the Objects. Further, neither our Promoters nor our Directors shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoters, Directors, Key Managerial Personnel or members of Senior Management (including 'key managerial personnel' under the Companies Act) are not eligible to subscribe in the Issue.

CAPITALISATION STATEMENT

The following table sets forth our capitalization and total borrowings, on a consolidated basis, as at September 30, 2024 which has been derived from our Unaudited Interim Condensed Consolidated Financial Statements and as adjusted to give effect to the receipt of the Gross Proceeds of the Issue. This table should be read in conjunction with the sections titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Financial Information*” on pages 112 and 282, respectively.

(in ₹ million, unless otherwise stated)

Particulars	Pre-Issue (as at September 30, 2024) (Actuals)	Post-Issue as adjusted ^{***}
1. Non-current borrowings		
Secured	2,219.65	[●]
Less: Current Maturities	(373.79)	[●]
Unsecured	31.68	[●]
Less: Current Maturities	(28.21)	[●]
Total non-current borrowings (A)	1,849.32	[●]
2. Current borrowings		
Secured	1,475.57	[●]
Add: Current Maturities	373.79	[●]
Unsecured	111.02	[●]
Add: Current Maturities	28.21	[●]
Total current borrowings (B)	1,988.60	[●]
Total debt (C) = (A + B)	3,837.92	[●]
3. Shareholders’ funds		
Equity share capital	261.63	[●]
Other equity	11,194.58	[●]
Total equity (D)	11,456.21	[●]
Total capitalisation (E) = (C+D)	15,294.13	[●]
Total non-current borrowings/ Total Equity (A/D)	0.16	[●]
Total debt / Total equity (C/D)	0.34	[●]

As adjusted to reflect the number of Equity Shares issued pursuant to the Issue and proceeds from the Issue and no other adjustment for allotments made post September 30, 2024. Further, adjustments do not include Issue related expenses.

** To be incorporated after determination of the Issue Price.

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Preliminary Placement Document is set forth below:

(in ₹ million, except share data)

Particulars		Aggregate value at face value (except for securities premium account)
A	AUTHORISED SHARE CAPITAL	
	350,000,000 Equity Shares of face value of ₹ 1 each	350.00
B	ISSUED CAPITAL BEFORE THE ISSUE	
	261,634,440 Equity Shares of face value of ₹ 1 each	261.63
C	SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE	
	261,634,440 Equity Shares of face value of ₹ 1 each	261.63
D	PRESENT ISSUE IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT	
	Up to [•] Equity Shares aggregating up to ₹ [•] million ^{(1) (2)}	[•]
E	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE	
	[•] Equity Shares of face value of ₹ 1 each ⁽²⁾	[•]
F	SECURITIES PREMIUM ACCOUNT	
	Before the Issue ⁽³⁾	7,297.31
	After the Issue ⁽⁴⁾	[•]

(1) This Issue has been authorised and approved by our Board of Directors on October 19, 2024, and by our Shareholders through a special resolution passed on November 13, 2024.

(2) To be determined upon finalisation of Issue Price.

(3) As on the date of this Preliminary Placement Document.

(4) The securities premium account after the Issue is calculated on the basis of Gross Proceeds. Adjustments do not include Issue related expenses. To be updated upon finalisation of Issue Price.

Equity share capital history of our Company

The following table sets forth details of allotments of Equity Shares of our Company since the date of incorporation:

Date of Allotment	Number of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of consideration	Nature of allotment
March 17, 2003	10,000	10	10	Cash	Initial subscription to memorandum of association
July 28, 2003	723,300	10	30	Cash	Preferential allotment
February 5, 2004	709,400	10	30	Cash	Preferential allotment
October 23, 2006	4,960	10	710	Cash	Preferential allotment
August 25, 2007	1,112,200	10	30	Cash	Preferential allotment
November 17, 2007	450,900	10	30	Cash	Preferential allotment
August 11, 2009	545,684	10	100	Cash	Preferential allotment
March 15, 2010	7,112,888	10	N.A.	N.A.	Bonus issue in the ratio of 2:1
September 19, 2011	5,745,000	10	210	Cash	Initial public offering
March 25, 2019	2,240,000	10	125	Cash*	Preferential allotment*
February 14, 2020	874,584	10	57.17	Cash*	Preferential allotment*
March 31, 2021	165,000	10	150	Cash	Conversion of 165,000 fully convertible warrants into equity shares ⁽¹⁾
July 1, 2021	1,195,950	10	337	Cash	Preferential allotment

Date of Allotment	Number of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of consideration	Nature of allotment
December 10, 2021	335,000	10	150	Cash	Conversion of 335,000 fully convertible warrants into equity shares ⁽¹⁾
August 12, 2022	53,200	10	250	Cash	Allotment of 53,200 equity shares to the PG Electroplast Limited Employees Welfare Trust pursuant to the PG Electroplast Employees Stock Option Scheme – 2020
September 27, 2022	100,000	10	150	Cash	Conversion of 100,000 fully convertible warrants into equity shares ⁽¹⁾
December 31, 2022	1,364,551	10	337	Cash [#]	Conversion of 1,076,904 compulsorily convertible debentures into equity shares
May 26, 2023	48,200	10	250	Cash	Allotment of 48,200 equity shares to the PG Electroplast Limited Employees Welfare Trust pursuant to the PG Electroplast Employees Stock Option Scheme – 2020.
August 22, 2023	28,700	10	650	Cash	Allotment of 28,700 equity shares to the PG Electroplast Limited Employees Welfare Trust pursuant to the PG Electroplast Employees Stock Option Scheme – 2020.
September 2, 2023	3,205,128	10	1,560	Cash	Qualified institutions placement under Chapter VI of SEBI ICDR Regulations by the Company on a private placement basis to eligible QIBs.
Allotments in the one year immediately preceding this Preliminary Placement Document					
January 2, 2024	1,600	10	250	Cash	Allotment of 1,600 equity shares to the PG Electroplast Limited Employees Welfare Trust pursuant to the PG Electroplast Employees Stock Option Scheme – 2020.
May 22, 2024	71,599	10	250	Cash	Allotment of 71,599 equity shares to the PG Electroplast Limited Employees Welfare Trust pursuant to the PG Electroplast Employees Stock Option Scheme – 2020.
Pursuant to a resolution of our Board dated May 22, 2024, and a resolution of our Shareholders dated June 26, 2024, equity shares of our Company having face value of ₹10 each were sub-divided into equity shares of face value of ₹1 each with effect from the record date of July 10, 2024. Consequently, the issued and subscribed equity share capital of our Company comprising 26,097,844 equity shares of face value of ₹ 10 each was sub-divided into 260,978,440 equity shares of face value of ₹ 1 each.					
August 5, 2024	656,000	1	110	Cash	Allotment of 656,000 equity shares to the PG Electroplast Limited Employees Welfare Trust pursuant to the PG

Date of Allotment	Number of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of consideration	Nature of allotment
					Electroplast Employees Stock Option Scheme – 2020.
Total	261,634,440	-	-	-	-

* Preferential allotment in compliance with SEBI ICDR Regulations, towards conversion of outstanding loan into equity. The consideration was received by our Company at the time of disbursement of the loan.

Consideration for such allotment of equity shares was paid at the time of allotment of the compulsorily convertible debentures.

(1) 600,000 fully convertible warrants were allotted on March 31, 2021, at an issue price of ₹ 150.00. This issuance was approved by way of a Board resolution dated January 25, 2021, and a Shareholders' resolution dated February 28, 2021.

Except as stated in “– **Equity Share Capital History of our Company**” above, our Company has not made any allotment of Equity Shares or Preference Shares in the one year immediately preceding the date of this Preliminary Placement Document, including for consideration other than cash, or made any allotment of Equity Shares pursuant to a preferential issue, private placement or a rights issue.

Employee Stock Option Plan

Pursuant to a Board resolution dated November 5, 2020, and Shareholders' resolution dated February 28, 2021, our Company instituted the PG Electroplast Employees Stock Option Scheme – 2020 (“**ESOP 2020**”), which was further amended by way of Shareholders' resolution dated March 28, 2022, to provide for the grant of options to employees of our Company who meet the eligibility criteria under ESOP 2020. ESOP 2020, pursuant to an increase in the reserved pool approved by the Shareholders by their special resolution dated March 28, 2022, envisages grant of an aggregate of 10,000,000 options of which each option upon exercise, grants its holder the right to be allotted one Equity Share, upon payment of the exercise price. The quantum of options that can be granted under the ESOP 2020 and the issue of Equity Shares upon its exercise are subject to corresponding fair and reasonable adjustment in the event of corporate actions by our Company including capitalisation of profits or reserves.

The details of ESOP 2020, as on the date of this Preliminary Placement Document, are as under:

Scheme	Options granted (A)*	Exercise Price per option**	Options exercised*	Options vested (B)*	Options unvested*	Options lapsed / forfeited before vesting (C)*	Options lapsed / forfeited after vesting*	Options pending for exercise (D)*	Options outstanding (E) = (A)-(B)-(C)+D*	No. of Equity Shares to be allotted upon exercise of outstanding options*
ESOP 2020- Tranche-1(a)	2,900,000	25	1,714,000	1,718,000	708,000	478,000	8,000	4000	7,08,000	708,000
ESOP 2020 - Tranche-1(b)	150,000	25	32,000	56,000	24,000	70,000	2,000	24,000	48,000	48,000
ESOP 2020- Tranche-2	1,600,000	65	287,000	556,000	771,000	273,000	12,000	257,000	1,028,000	1,028,000
ESOP 2020 – Tranche 3	3,570,000	110	656,000	666,000	2,592,000	312,000	10,000	-	2,592,000	2,592,000
ESOP 2020 – Tranche 4	1,410,000	150	-	-	1,410,000	-	-	-	1,410,000	1,410,000

(1) 2,900,000 options granted on April 17, 2021.

(2) 150,000 options granted on July 17, 2021.

(3) 1,600,000 options granted on June 11, 2022.

(4) 3,570,000 options granted on May 26, 2023.

(5) 1,410,000 options granted on April 20, 2024.

* Pursuant to a resolution of our Board dated May 22, 2024, and a resolution of our Shareholders dated June 26, 2024, equity shares of our Company having face value of ₹10 each were sub-divided into equity shares of face value of ₹1 each with effect from the record date of July 10, 2024. Hence the number of option granted, exercised, vested, unvested and outstanding have been adjusted for this split/sub-division of shares.

** Price per equity share is with effect of split/ sub-division of shares.

Proposed Allottees in the Issue

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made at the sole discretion of our Company in consultation with the BRLM to Eligible QIBs. The names of the proposed Allottees and the percentage of the

post-Issue Equity Share capital that may be held by them will be included in the Placement Document, in the section titled “*Details of Proposed Allottees*” on page 517.

Pre-Issue and post-Issue Equity Shareholding Pattern

The following table provides the pre-Issue shareholding pattern as of September 30, 2024, and the post-Issue shareholding pattern:

S. No.	Category	Pre-Issue (as on September 30, 2024) [#]		Post-Issue [*]	
		Number of Equity Shares held	% of shareholding	Number of Equity Shares held	% of shareholding
A.	Promoters’ holding**				
1.	Indian				
	Individual	139,769,540	53.42	[•]	[•]
	Bodies corporate	-	-	[•]	[•]
	Sub-total	139,769,540	53.42	[•]	[•]
2.	Foreign promoters	-	-		
	Sub-total (A)	139,769,540	53.42	[•]	[•]
B	Non-Promoter holding				
1.	Institutional investors	25,641,436	9.80	[•]	[•]
2.	Non-Institutional investors				
	Private corporate bodies	6,345,360	2.43	[•]	[•]
	Directors and relatives	-	0	[•]	[•]
	Indian public	55,540,169	21.23	[•]	[•]
	Others including Non- resident Indians (NRIs)	33,841,069	12.93	[•]	[•]
	Sub-total (B)	121,368,034	46.39	[•]	[•]
C.	Non-Promoter-Non-Public holding				
	Employee Benefit Trust	496,866	0.19	[•]	[•]
	Sub-total (C)	496,866	0.19	[•]	[•]
	Grand Total (A+B+C)	261,634,440	100.00	[•]	[•]

* The post-Issue shareholding pattern has been intentionally left blank and will be filled in the Placement Document.

** Includes shareholding of the members of the Promoter Group.

Not adjusted for any capital issuances post September 30, 2024.

Other confirmations

- The Promoters, the Directors, the Key Managerial Personnel and members of the Senior Management of our Company do not intend to participate in the Issue. Since the Issue is only made to Eligible QIBs, our Promoters, Directors, Key Managerial Personnel or members of Senior Management are not eligible to subscribe in the Issue.
- There would be no change in control in our Company consequent to the Issue.
- Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of the Issue. Further, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottees for a period of one year from the date of Allotment, except on the Stock Exchanges.
- In terms of the Joint Venture Agreement entered into by our Company, Jaina Marketing & Associates (“JMA”), Jaina India Private Limited, and Goodworth Electronics Private Limited, dated July 13, 2024 (“JV Agreement”), our Company has agreed, at the discretion of the partners of JMA, to effect the conversion of the shares held by the partners of JMA in the joint venture, Goodworth Electronics Private Limited, into Equity Shares of our Company at any time after a period of three years from the date of execution of the JV Agreement, being July 13, 2023, subject to the terms and conditions as specified in the JV Agreement. Except as disclosed herein, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of this Preliminary Placement Document.
- Our Equity Shares have been listed for a period of at least one year prior to the date of the issuance of the notice of the extraordinary general meeting of our Shareholders dated November 13, 2024, for approving the Issue.

DIVIDENDS

The declaration and payment of dividends by our Company is governed by applicable provisions of the Companies Act and our Articles of Association. Our Board has approved and adopted a formal dividend distribution policy on May 25, 2021, in terms of Regulation 43A of the SEBI Listing Regulations. For further information, please see the section titled “*Description of the Equity Shares*” on page 272.

The quantum of dividend, if any, and our ability to pay dividends will depend on a number of factors, including, but not limited to, profits earned during the year, present and future capital requirements of the existing businesses; brand or business acquisitions; expansion/ modernization of existing businesses; fresh investments into external businesses; or any other factor as deemed fit by the Board. The details of dividend on the Equity Shares declared and paid by our Company from October 1, 2024, until the date of filing of this Preliminary Placement Document, and the last three Fiscals, is given below:

(in ₹ million)

Particulars	October 1, 2024 till the date of this Preliminary Placement Document ^{*##}	April 1, 2024 to September 30, 2024	Financial performance (For the Financial Year)		
			Fiscal 2024	Fiscal 2023	Fiscal 2022
Number of equity shares	261,634,440	261,634,440	26,026,245	22,742,617	21,224,866
Face value per equity share (in ₹)	1	1	10	10	10
Amount Dividend (in ₹)	Nil	Nil	52.33	Nil	Nil
Dividend per equity share (in ₹)	Nil	Nil	0.20	Nil	Nil
Rate of dividend (%)	Nil	Nil	20	Nil	Nil
Mode of payment of Dividend	Nil	Nil	Refer Note	Nil	Nil
Dividend Tax (%)	Nil	Nil	Nil	Nil	Nil

^{*} Final dividend of Fiscal 2024 declared of ₹ 0.20 per equity share of face value of ₹ 1.00 each (after effect of sub-division of paid-up capital of the Company) has been paid to our shareholders subsequent to approval of such dividend payout at the annual general meeting.

[#] Shareholders have to bear the dividend tax.

[§] Pursuant to a resolution of our Board dated May 22, 2024, and a resolution of our Shareholders dated June 26, 2024, equity shares of our Company having face value of ₹10 each were sub-divided into equity shares of face value of ₹1 each with effect from the record date of July 10, 2024.

Future Dividends

The amounts paid as dividends in the past are not necessarily indicative of the dividend distribution policy of our Company or dividend amounts, if any, in the future. The form, frequency and amount of future dividends declared by our Company will depend on a number of internal and external factors, including, but not limited to, capital requirements, earnings, contractual restrictions, availability of adequate profits, investments in subsidiaries, associates and joint-ventures, business expansion plans, diversification of business, requirement of long-term capital and overall financial position of our Company, uncertainty in the economic conditions, change in provision of income-tax or other applicable taxes, volatility in the capital markets and applicable statutory and legal restrictions and any other relevant factors that the Board may deem fit to consider before declaring dividend.

The Equity Shares to be issued in connection with this Issue shall qualify for all dividends, including interim dividend, if any, that is declared in respect of the fiscal in which they have been allotted.

Please also see the sections titled “*Risk Factors*” on page 47.

Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with our Audited Financial Statements and the Unaudited Condensed Interim Consolidated Financial Statements. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are to the 12-month period ended March 31 of that year. Financial information for the six months ended September 30, 2024, is not annualized and not indicative of full year results, and is not comparable with annual financial statements presented in this Preliminary Placement Document. Our Audited Financial Statements and Unaudited Condensed Interim Consolidated Financial Statements have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013, read with the Rule 3 of the Companies (India Accounting Standards) Rules, 2015. Ind AS differs in certain respects from IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. Accordingly, the degree to which financial statements included in this Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited.

This discussion contains forward – looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under “Forward – looking Statements” and “Risk Factors” on pages 15 and 47, respectively.

Industry and market data used in this section are derived from the F&S Report, which was commissioned by our Company exclusively for the purpose of this Issue. Our Company has commissioned and paid for the F&S Report pursuant to the engagement letter dated November 12, 2024. Frost & Sullivan is not related in any manner to our Company, its Subsidiaries, Directors, Key Managerial Personnel, members of Senior Management or the Promoters. For more details, see “Industry and Market Data” beginning on page 14. For risks in relation to F&S Report, see “Risk Factors – This Placement Document contains information from industry sources including the industry report commissioned by the Company from Frost & Sullivan.” on page 73.

Overview

We are an established original design manufacturer (“ODM”) and contract manufacturer (“CM”), for the consumer durables industry in India, with primary focus on manufacture of room air conditioners (“RACs”), washing machines and plastic moulding. We provide end – to – end solutions across the entire value chain of the products we supply to our customers, which include more than 19 leading domestic and international brands. This includes product conceptualisation, designing and prototyping, tool design and manufacturing, supply chain development and final assemblies for products like RACs, washing machines, LED TVs and air coolers. We consider our ability to evolve and address the needs of our marquee customer base as a key factor in the growth of our revenue from operations which grew at a CAGR of 57.5% from Fiscal 2021 to Fiscal 2024. We are the fastest growing B2C focused ODM players in India, having recorded the highest revenue CAGR amongst listed peers (Dixon Technologies (India) Limited, Amber Enterprises Limited and Elin Electronics Limited) over Fiscal 2022 – 2024 (Source: F&S Report).

We operate under four primary business verticals as set out below:

Products: We manufacture and assemble a wide array of products under two business models namely, CM and ODM. Under CM model, we manufacture and supply products basis designs developed by our customers, who then further distribute these products under their own brands. Under the ODM model, in addition to manufacturing, we conceptualize and design the products which are then supplied to our customers, who then further distribute these products under their own brands. We are the second largest player in terms of RAC finished goods sales to the OEMs / brands, basis Fiscal 2024 data. (Source: F&S Report). We act as ODM for RACs, washing machines and air coolers. Due to our constant efforts to strive for cost leadership and to be a reliable supply chain partner to our customers, in less than three years of manufacturing RAC complete built – up units (“CBUs”), we have manufactured RACs for 19 brands.

Additionally, November 2021 and March 2022, our Subsidiary, PG Technoplast, received approval under the PLI Scheme for certain identified eligible white good products such as control assemblies for IDU or ODU or remotes, plastic moulding components, sheet metal components, heat exchangers, cross flow fan and motor and display panels (LCD / LED). The PLI Scheme gives us a total potential cumulative benefit of ₹ 1,987.50 million over the five financial years starting from Fiscal 2023 – 2024, which we believe will allow us to provide a better value proposition to our customers. We are in the process of applying for an application for Fiscal 2023-24. For further details in this respect, see “Risk Factors – Our Subsidiary, PG Technoplast may not continue to enjoy the existing benefits under the PLI Scheme, which could have a materially adverse impact on our profitability” on page 67.

For further details, refer to ‘Business Operations – Our Business Verticals - Products’ on page 206.

Plastic Moulding ("PM"): We are the largest manufacturer of plastic moulding for consumer durables and consumer electronics industry, in terms of revenue in India, as on March 31, 2024 (*Source: F&S Report*). We manufacture small, medium and large sized, high – precision and surface critical injection moulded components for our customers, which are used further to manufacture a wide variety of automotive, electronic equipment and sanitaryware products such as in-wall tank assemblies and toilet seats and for fan parts painting. We offer a variety of post moulding operations such as ultrasonic welding, heat staking, hot stamping, pad printing and screen printing.

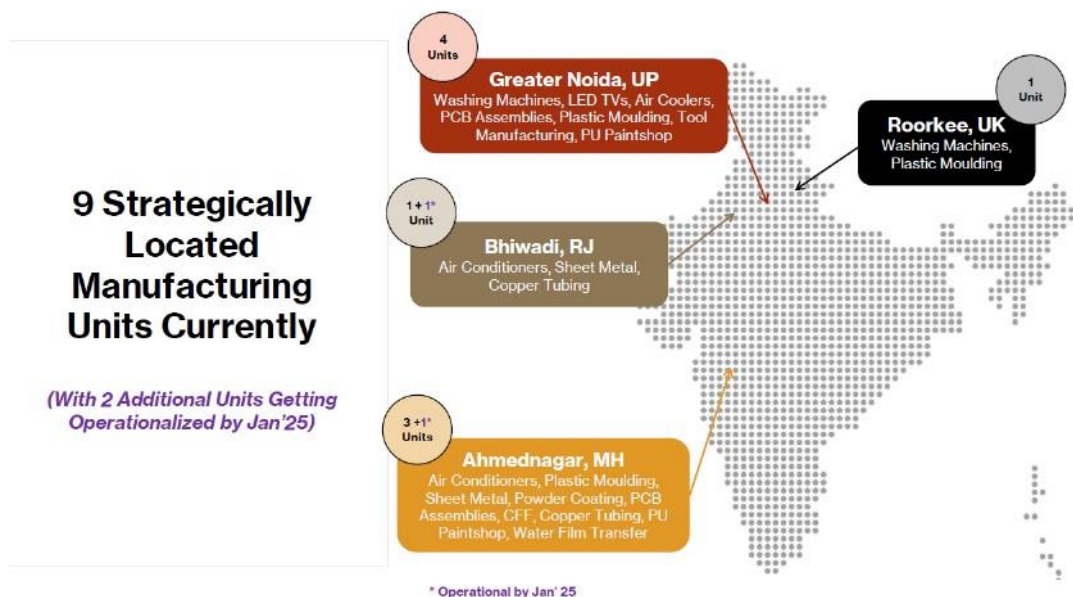
Electronics: Under this category, we contract manufacture LED TVs of various sizes. Further, we develop and manufacture printed circuit board assemblies for a range of applications on a turnkey basis (including procurement, surface mount technology ("SMT"), artificial intelligence ("AI"), metal illumination ("MI"), testing, packing and shipping).

Tool Manufacturing: We develop moulds for various applications, including automotive applications, white goods (such as refrigerators), home and kitchen appliances, lighting and electrical equipment. The complete range of services from tool design to tool manufacturing and injection moulding under one roof makes us a turnkey tooling solutions provider.

Since inception, we have continuously evolved our product portfolio to meet the needs of our customers and cater to the prevailing industry technologies. Post incorporation of our Company in 2003, we started manufacturing plastic moulded components. Thereafter, in 2014, we started focussing on the products business and commenced manufacturing of air coolers. We set up an in – house tool room for our tool manufacturing business vertical in 2016 and thereafter started manufacturing semi – automatic washing machines ("SAWM") in 2017. In 2018, we started manufacturing RAC indoor units ("IDUs") and subsequently RACs outdoor units ("ODUs") in 2021. Additionally, in 2021, we commenced manufacturing fully automatic top load washing machines ("FATL") and subsequently LED TVs in 2022. Our product portfolio includes complete RAC sets, washing machines, and electronics, all of which today contribute significantly to our revenue. In 2023, our Company has entered into the JV Agreement, with Jaina Marketing & Associates, Jaina India Private Limited (collectively referred to as the "**Jaina Group**") and Goodworth Electronics Private Limited pursuant to which Goodworth Electronics Private Limited ("**JV**"), has become a joint venture of the Company. In 2024, our Subsidiary, PG Technoplast Private Limited acquired 100% stake in Next Generation Manufacturers to grow and expand and become a preferred outsourcing vendor for consumer durables and electronics business. The JV has developed necessary infrastructure and manufactures LED televisions.

We have constantly sought to adapt to the changing industry landscapes, business environments and customer requirements. As a result, we have built long – standing relationships with a number of our key customers.

Presently, we operate nine manufacturing units located in Greater Noida, Uttar Pradesh; Roorkee, Uttarakhand; Bhiwadi at Rajasthan and Ahmednagar, Maharashtra. For further details, see "**Our Business– Property**" on page 215.



Our manufacturing units are equipped with high quality machinery, assembly lines and full power backup that enable us to meet the quality requirements of our customers in a timely manner.

We have obtained third party certifications for quality management systems, environmental management systems and occupational health and safety management systems at our manufacturing units. These include ISO 9001:2015, 14001:2015, ISO 45001:2018, UL E520496 and IATF 16949:2016 certifications. In line with our focus to develop better control on our supply chain and improve our margins, we consistently strive to strategically backward integrate our manufacturing processes. In this regard, we have backward integrated our RAC manufacturing processes by adding plastic moulding, sheet metal, powder coating paint – shops, heat exchangers, copper tubing, crossflow fans, printed circuit board assemblies, an NABL – accredited psychometric lab, and complete product assembly lines for RAC IDUs and ODUs. We are also seeking to reduce our environmental footprint by focussing on solar energy. In this respect, we have installed a 1.4 MW rooftop grid system solar panel at our Unit 2 – Subsidiary in Maharashtra, and a 0.65 MW solar plant at our Unit – 4 in Maharashtra. In addition, in 2022, we have also entered into a power purchase agreement with a company to obtain at least 3.1 MW of solar energy for our manufacturing unit at Uttar Pradesh for a period of 25 years.

We remain focussed on R&D and invest in product development. This enables us to offer end – to – end product development services across the lifecycle of product. We have an R&D team for our RAC, washing machine and LED TV product lines. As on September 30, 2024, our R&D team consisted of 57 employees.

Our Promoters, Vishal Gupta, Vikas Gupta and Anurag Gupta have significant experience in the manufacturing sector and our Senior Management include experts from the industry with wide experience. For further information, see “**Board of Directors and Senior Management**” on page 218. In 2021, our Company received private equity funding from Baring Private Equity India AIF, Ananta Capital and Mr. Ashokkumar Sobhamal Patni and Mr. Rajanikanta Gajendrakumar Patni. For details, refer to “**Capital Structure**” on page 107.

Set forth below are our key performance indicators for the periods indicated:

(₹ in million, unless otherwise stated)

Particulars	Fiscal 2022**	Fiscal 2023	Year on year growth (in %)	Fiscal 2024	Year on year growth (in %)	Six months ended September 30, 2024*#
Revenue from operations	11,116.35	21,599.48	94.30%	27,464.95	27.16%	19,919.79
EBITDA ⁽¹⁾	942.82	1,804.26	91.37%	2,748.04	52.31%	1,950.77
EBITDA margin (%) ⁽²⁾	8.48%	8.35%	N.A.	10.01%	N.A.	9.79%
Profit for the year (“PAT”)	374.16	774.69	107.05%	1,370.12	76.86%	1,043.95
PAT margin (%) ⁽³⁾	3.37%	3.59%	N.A.	4.99%	N.A.	5.24%
Return on Equity (“ROE”) (%) ⁽⁴⁾	14.82%	21.88%	N.A.	19.11%	N.A.	10.02%
Return on Capital Employed (“ROCE”) (%) ⁽⁵⁾	13.47%	17.80%	N.A.	19.53%	N.A.	12.02%
Net fixed asset turnover ⁽⁶⁾	3.12	4.25	N.A.	4.05	N.A.	2.89
Asset turnover ratio ⁽⁷⁾	1.35	1.68	N.A.	1.44	N.A.	0.97

N.A. – Not Applicable

* Not annualised.

** Government incentives from State Government (which includes PSI Incentive 2007 from Maharashtra Government) aggregating to ₹ 139.17 million was classified as other non operating income until Fiscal 2022 which was re-classified as other operating income from Fiscal 2023. Accordingly, the financial information for Fiscal 2022 has been disclosed after considering the above as “Other Operating Income” and has been extracted from the comparative financial information for Fiscal 2022 included in the audited financial statements of Fiscal 2023.

Ratios are calculated for trailing twelve months by taking average of balance sheet data of September 30, 2023, and September 30, 2024.

(1) EBITDA is calculated as profit for the period / year, plus tax expenses (consisting of current tax, deferred tax and current taxes relating to earlier years), finance costs and depreciation and amortisation expenses,

(2) EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations.

(3) PAT Margin is calculated as profit for the period / year as a percentage of revenue from operations.

(4) ROE (Return on Equity) is calculated as profit after tax for the period/year divided by average total equity.

(5) ROCE (Return on Capital Employed) is calculated as profit before tax plus finance costs divided by average net worth and average total debt.

- (6) Net fixed asset turnover is calculated as revenue from operations divided by average net fixed assets for the respective financial year.
(7) Asset turnover ratio is calculated as revenue from operations divided by average of the total assets of the period / year.

Significant Factors Affecting Our Financial Condition and Results of Operations

Our results of operations have been, and will continue to be, affected by a number of events and actions, some of which are beyond our control. However, there are some specific items that we believe have impacted our results of operations and, in some cases, will continue to impact our results. We believe that the following factors, amongst others, have, or could have, an impact on these results, the manner in which we generate income and incur the expenses associated with generating this income. For further details of such factors, please see the sections titled “*Our Business*” and “*Risk Factors*” on pages 195 and 47, respectively.

Revenue from our Key Customers

We depend on certain customers who have contributed to a substantial portion of our total revenues. Set out below is the revenue generated from our top customer, top five customers and top 10 customers for the respective period / years:

Top Customers*	Six months ended September 30, 2024**		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	In ₹ million	% of revenue from operations	In ₹ million	% of revenue from operations	In ₹ million	% of revenue from operations	In ₹ million	% of revenue from operations
Top customer	1,931.38	9.70%	3,250.15	11.83%	2,426.38	11.23%	1,866.98	16.79%
Top 5 customers	8,134.72	40.84%	11,960.83	43.55%	10,019.53	46.39%	5,339.37	48.03%
Top 10 customers	13,474.71	67.64%	17,839.49	64.95%	15,146.52	70.12%	7,519.40	67.64%

* The top customers have been identified for each specific year / period based on the revenue contribution of each such customer in the relevant year / period.

** Not annualised

Our customers provide us with purchase orders which typically include precise terms for lead time for delivery of products, delivery schedule in terms of quantities for certain months. There can be no assurance that we will retain the business of our existing key customers or maintain the current level of business with each of these customers. Moreover, as on the date of this Placement Document, we do not have any long-term contracts or commitment arrangements with our key customers.

Seasonality

Our products vertical, specifically for manufacturing of RACs, washing machines and air coolers, is subject to seasonality of demand. A significant portion of our sales from our products business, is from the ODM model. Set forth below is our revenue from operations under ODM, CM and PM business models, for the respective periods:

Particulars	Six months ended September 30, 2024*		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	In ₹ million	% contribution to products business	In ₹ million	% contribution to products business	In ₹ million	% contribution to products business	In ₹ million	% contribution to products business
ODM	12,707.97	94.05%	14,839.30	90.47%	10,441.39	78.02%	2,654.15	55.88%
CM	803.72	5.95%	1,562.61	9.53%	2,942.33	21.98%	2,095.83	44.12%
Total	13,511.69	100.00%	16,401.91	100.00%	13,383.72	100.00%	4,749.98	100.00%

* Not annualised

Specifically, RACs and air coolers in the product vertical sell a higher number of products in the summer months due to the weather conditions, and considerably lower number of products during the monsoon and winter months. Bad weather conditions, including disturbed summers or untimely rains during the peak sales season of summer, may adversely affect our sales volumes, revenue from operations, results of operations and financial condition, and could therefore have a disproportionate impact on our results of operations in the relevant year. We typically do not observe or anticipate any seasonality in other verticals.

Indian and global economic conditions affecting demand

A decline in the level of consumer discretionary spends and the worsening of general economic conditions could adversely affect our results of operations. Our operations are substantially affected and will continue to be affected, by Indian and global macroeconomic conditions as well as emerging industry trends. Demand for our products is directly related to the strength of the global economy and consumer confidence, including overall growth levels. Today's global technology market is driven by demand for products with shorter life cycles, which requires continuous innovation, cost reduction and better customer service. The demand for our products is affected by the level of business activity of our major customers, which is jointly influenced by the level of economic activity in the business categories in India and other countries where they operate. A decline in the industries we operate in or an economic downturn in the country that our customers operate in could adversely affect the performance of our customers and the demand of our products in turn.

Capacity utilization and capacity expansion

Capacity utilization is affected by our product mix and the demand and supply balance, which in turn affects our gross profit margin. Our ability to maintain our profitability depends on our ability to optimize the product mix to support specialty products and products with consistent long term demand; and the demand and supply balance of our products in the principal and target markets. Efficient capacity utilization allows us to spread our fixed costs, resulting in cost optimization. Manufacturing levels are affected by the number of lost days due to scheduled and unscheduled plant shutdowns. Our actual production levels and utilization rates may differ from the estimated manufacturing capacities of our units. For details of our capacity utilization of all our manufacturing units, calculated on the basis of total installed production capacity and actual production, please see "***Our Business – Our Business Verticals – Manufacturing Units***" on page 212.

Competition

We operate in a competitive industry. Electronic manufacturing services ("**EMS**") companies are steadily shifting towards ODM models, giving full turnkey solutions for items from design, product development to reverse logistics. Also, due to increased competition, EMS companies are striving to diversify their product offerings. EMS providers have the expertise to procure and manufacture at faster turnaround times. Indian RAC market is highly fragmented with varied set of players – global, indigenous and importers – selling a wide range of products in the market. In the total EMS market, contract manufacturing (CM) accounts for approximately 79%, while original design manufacturing (ODM) accounts for the remaining 21% in FY24. Also, due to increased competition, EMS companies are striving to diversify their product offerings. There are nearly 700 electronic manufacturing services ("**EMS**") companies in the market, ranging from large, medium-sized, to small players. Major global companies are Bharat FIH, Flex, Wistron, Pegatron, Jabil; large Indian companies include Dixon, Amber, EPack Durables, PG Electroplast, SFO Technologies, Syrma, Elin, Avalon Technologies etc. Leading EMS players operating in Indian washing machine market include Dixon, PG Electroplast, MIRC Electronics, GEM, Vimal among others (*Source: F&S Report*).

Any increase in competition can adversely affect our market share, which may lead to price reductions. Any of these events could have a material adverse effect on our financial condition, results of operations and prospects.

Significant Accounting Policies

a) Basis of preparation and presentation

i. Compliance with Ind AS

These consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III). These consolidated financial statements are presented in INR and all values are rounded to the nearest lakhs, except when otherwise indicated.

ii. Historical cost convention

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or

liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 Inventories or value in use in Ind AS 36 Impairment of Assets.

iii. The Group has prepared the consolidated financial statements on the basis that it will continue to operate as going concern.

b) Basis of Consolidation

The consolidated financial statements comprises the financial statement of the PG Electroplast Limited ('the Parent company') and subsidiaries (collectively "the Group") as at March 31, 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- i. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- ii. Exposure, or rights, to variable returns from its involvement with the investee, and
- iii. The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including

- i. The contractual arrangement with the other vote holders of the investee
- ii. Rights arising from other contractual arrangements
- iii. The Group's voting rights and potential voting right
- iv. The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31. When the end of the reporting period of the parent company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent company to enable the parent company to consolidate the financial information of the subsidiary, unless it is impracticable to do so or there are no significant transaction or event between the date of those financial statement and date of financial statement of parent company.

c) Consolidation Procedures – Subsidiary

- i. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.
- ii. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

- iii. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS - 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for noncontrolling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the Group recognises the gain directly in equity as capital reserve, without routing the same through OCI."

d) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle

e) Foreign currencies

i. Functional and presentation currency

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

ii. Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses average rate if the average approximates the actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

iii. Foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within exceptional items.

iv. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

f) Revenue recognition

Revenues from contract with customers is recognized when controls of the goods or services transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange of goods or services. Revenue is stated net of Goods and Service tax and net of returns, trade allowances and discounts.

i. Sale of goods

Revenue from sale of goods is recognized on transfer of control of goods to the customers, which is usually on dispatch of goods to customers premises.

Variable Consideration

The Group recognizes revenue from the sale of goods measured at the standalone selling price of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

ii. Sale of services

Revenue from services represents the job work services and repairing of moulds performed by the Group for its customers, Revenue from services is recognized as per the terms of the contract with the customer over the period of time when the control of services is transferred to the customers.

iii. Contract balance

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract assets are in the nature of unbilled receivables, which arises when Group satisfies a performance obligation but does not have an unconditional rights to consideration. A receivables represents the Group's right to an amount of consideration that is unconditional. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (Financial instruments – initial recognition and subsequent measurement).

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract

liabilities are recognized as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

A trade receivable is recognized if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration

is due). Refer to accounting policies of financial assets in section (Financial instruments – initial recognition and subsequent measurement).

iv. Other Income

Other income comprise interest income, rental income, liabilities no longer required written back, refund of electricity duty, government incentive and others.

Interest income is accrued on a timely basis, by reference to the principal outstanding and recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. When calculating the EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Rental income arising from operating lease is accounted on a straight line basis over the lease term.

In respect of others, Group recognized income when the right to receive is established.

g) Government grants

Grants from the government are recognised where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

h) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Income Tax expense for the year comprises of current tax and deferred tax.

i. Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date where the Group operates and generates taxable income.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

ii. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally

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

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

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

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or direct in equity.

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

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

i) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

Group as a lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of lowvalue assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right-of-Use assets (ROU)

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The Group classifies ROU assets as part of Property, plant and equipment in Balance Sheet and lease liability in "Financial Liability".

ii. Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Variable lease payments that depend on sales are recognized in profit or loss in the period in which the condition that triggers those payments occurs.

iii. Short term leases and leases of low-value of assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value.

Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Group as a lessor

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

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

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

j) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

k) Earnings Per Share (EPS)

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) if any that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

l) Property, plant and equipment

Property, plant and equipment are tangible items that are held for use in the production or supply for goods and services, rental to others or for administrative purposes and are expected to be used during more than one period. The cost of an item of property, plant and equipment shall be recognised as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items and are net of recoverable taxes /duty. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

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

Depreciation methods, estimated useful lives and residual value

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

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

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

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

m) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

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

Estimated useful lives of the intangible assets are as follows:

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

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

Research and development costs

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

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

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

n) Inventories

Inventories are valued at the lower of cost and net realisable value. However, materials and other items held for use in the 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. The comparison of cost and net realizable value is made on an item-by-item basis

- i. Inventories of raw materials, components, stores and spares are valued at lower of cost (net of recoverable taxes) and net realizable value. Cost for the purpose of valuation of such inventories is determined using the first-in, first-out (FIFO) method. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.
- ii. Finished goods and work-in-progress are valued at lower of cost and net realizable value. The cost of finished goods and work-in-progress includes raw material costs (net of recoverable taxes), direct cost of conversion and proportionate allocation of indirect costs incurred in bringing the inventories to their present location and condition.
- iii. Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- iv. The provision for inventory obsolescence is assessed regularly based on estimated usage and shelf life of inventory.

o) Provisions and Contingent liabilities, Contingent assets

i. Provision

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Warranty Provision

Provision for warranty-related costs are recognized when the product is sold or service is provided to customer. Initial recognition is based on historical experience. The Group periodically reviews the adequacy of product warranties and adjust warranty percentage and warranty provisions for actual experience, if necessary.

ii. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

iii. Contingent assets

Contingent assets are not recognized. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

p) Employee benefits

i. Short-term obligations

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

ii. Other long-term employee benefit obligations

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

Earned leaves

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

iii. Post-employment obligations

The Group operates the following post employment schemes:

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

Defined benefit plans

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

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

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

in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Defined contribution plans

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

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

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

- **Employee State Insurance**

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

- **Leave Encashment**

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

Actuarial gains and losses arising from adjustments and changes in actuarial assumptions are charged or credited to the Statement of profit and loss in the year in which such gains or losses arise.

q) Share-based payment

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity Settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. Further details are given in Note 33.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through statement of profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

r) Financial Instruments

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

i. Financial assets

- **Initial Recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

➤ Subsequent Measurement

- **Financial assets carried at amortised cost**

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

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

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

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

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

- **Impairment of financial assets**

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. For impairment purposes significant financial assets are tested on an individual basis, other financial assets are assessed collectively in groups that share similar credit risk characteristics. The Group recognises life-time expected losses for all trade receivables. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss. The Group follows 'simplified approach' for the recognition of impairment loss allowance on trade and other receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on life-

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

ii. Financial liabilities

• Initial Recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

• Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories: • Financial liabilities at fair value through profit or loss • Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities at amortised cost (Loans and borrowings) This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

• Derecognition

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

• Offsetting of financial instruments

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

• Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the group either begins or ceases to perform an activity that is significant to its operations. If the group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

s) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

t) Critical accounting estimates, assumptions and judgements

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to Group's exposure to risk and uncertainties includes;

Capital Management Note 39.

Financial risk management objective and policies Note 37.

Sensitivity analysis disclosures note 37.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

i. Property, plant and equipment

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

ii. Intangibles

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

iii. Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates

are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed in notes to accounts.

iv. Share based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 33.

v. Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Further details about gratuity obligations are given in Note 32.

vi. Leases- Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group ‘would have to pay’, which requires estimation when no observable rates are available. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

u) Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary and business comprises the

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any asset or liability resulting from a contingent consideration arrangement.
- identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. Acquisition-related costs are expensed as incurred. The excess of the:
 - Consideration transferred
 - Amount of any non-controlling interest in the acquired entity
 - acquisition-date fair value of any previous equity interest in the acquired entity

Over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Principal Components of Income and Expenditure

Income

Our total income comprises (i) revenue from operations, and (ii) other income.

Revenue from operations

Our revenue from operations primarily includes sales of finished goods, sales of raw materials and components, sale of services, government grants and sales of scrap.

Other income

Our other income primarily includes interest income from fixed deposits, security deposits, rental income, profit on sale of fixed assets and lease accounting gains.

Expenses

Our total expenses include the below mentioned expenses:

Cost of materials consumed

Our cost of raw materials and components primarily include opening stock at the beginning of the year, add-all types of purchases of raw materials, components, bought out parts, packing items, consumable stores, less discounts received from vendors and less closing stocks at the end of the year, less stocks destroyed due to fire and recoverable from insurance company, less sale of as such of raw materials, spare parts and components and packing material.

Purchase of traded goods

Our cost of purchase of traded goods primarily includes cost of raw materials, components, BOP items and packing materials of sold items.

Changes in inventories of finished goods and work-in-progress

Our cost of changes in inventories of finished goods and work – in – progress primarily include all type of finished goods ready for despatch, semi-finished goods and raw materials, components and BOP items lying at production floor and issued by store.

Employee Benefit Expense

Our employee benefit expense primarily includes salary and wages, bonus and ex – gratia, director remuneration, contribution to employee provident fund, ESIC, gratuity and leave expenses, staff welfare, medical expenses and share based expenses.

Finance Costs

Our finance costs primarily include interest paid on cash credit limits, over draft limits, working capital demand limits, vehicles loans, term loans, guaranteed emergency credit lines, delayed payments to vendors, processing fees, bank charges, letter of credit charges, letter of credit discounting charges and bill discounting charges.

Depreciation and Amortization Expense

Our depreciation and amortization primarily include depreciation on all property, plant and equipment, amortisation cost on all intangible assets and right to use.

Other Expenses

Our other expenses primarily include stores, spares and tools consumed, power and fuel expenses, sub-contracting expenses, rent, rate and taxes, insurance expenses, all types of repair and maintenance expenses, travelling and conveyance expenses, vehicles running and maintenance, communication cost, printing and stationary expenses, security expenses, legal and professional expenses, provision for doubtful debts, provision for slow and non-moving inventories, written off bad debts, payment to auditors, director sitting fees, loss on sale of fixed assets, and late delivery charges.

Tax Expense

Our tax expenses primarily include current year income tax payable and deferred tax.

Profit for the Year

Profit for the year represents profit after tax.

Non – GAAP Measures

In addition to our results determined in accordance with Ind AS, we believe the following non-GAAP financial measures are useful to our Company and our investors as a means of assessing and evaluating our operating performance in comparison to prior periods: EBITDA, EBITDA margin, PAT, PAT margin, ROE, ROCE, net asset fixed turnover and asset turnover ratio. We classify a financial measure as being a non – GAAP financial measure if that financial measure excludes or includes amounts, or is subject to adjustments that have the effect of excluding or including amounts, that are not included or excluded in the most directly comparable measure calculated and presented in accordance with Ind-AS as in effect from time to time in our financial statements. The non-GAAP financial measures are supplemental measures that are not required by, or are not presented in accordance with, Ind-AS. Non-GAAP financial measures do not include operating, other statistical measures or ratios calculated using exclusively financial measures calculated in accordance with Ind-AS. Moreover, the way we calculate the non-GAAP financial measures may differ from that of other companies reporting measures with similar names, which may limit these measures' usefulness as a comparative measure. Our management believes these non-GAAP financial measures are useful to compare general operating performance from period to period and to make certain related management decisions. We believe that non-GAAP financial information, when taken collectively with financial measures prepared in accordance with Ind AS, may be helpful to investors because it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance. However, our management does not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with Ind AS.

Non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with Ind AS. Non-GAAP financial information are not recognized under Ind AS and do not have standardized meanings prescribed by IND AS. In addition, non-GAAP financial measures used by us may differ from similarly titled non-GAAP measures used by other companies. The principal limitation of these non-GAAP financial measures is that they exclude significant expenses and income that are required by Ind AS to be recorded in our financial statements, as further detailed below. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by management about which expenses and income are excluded or included in determining these non-GAAP financial measures. A reconciliation is provided below for each non-GAAP financial measure to the most directly comparable financial measure prepared in accordance with Ind AS. Investors are encouraged to review the related Ind AS financial measures and the reconciliation of non-GAAP financial measures to their most directly comparable Ind AS financial measures included below and to not rely on any single financial measure to evaluate our business.

Results of Operations Based on Financial Statements

The following table sets forth select financial data from our statement of profit and loss for six months ended September 30, 2024 and for September 30, 2023 and for Fiscals 2024, 2023 and 2022, the components of which are also expressed as a percentage of total income for such periods.

Particulars	Six months ended September 30, 2024		Six months ended September 30, 2023		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	(₹in million)	(% of Total Income)	(₹in million)	(% of Total Income)	(₹in million)	(% of Total Income)	(₹in million)	(% of Total Income)	(₹in million)	(% of Total Income)
Revenue from Operations	19,919.79	99.60%	11,380.38	99.60%	27,464.95	99.53%	21,599.48	99.80%	11,116.35	99.61
Other income	80.47	0.40%	45.83	0.40%	130.14	0.47%	42.69	0.20%	43.24	0.39%
Total Income	20,000.26	100.00%	11,426.21	100.00%	27,595.09	100.00%	21,642.17	100.00%	11,159.59	100.00%
Cost of materials consumed	14,797.42	73.99%	8,442.40	73.89%	21,686.24	78.59%	16,046.14	74.14%	7,314.98	65.55%
Purchase of traded goods	975.99	4.88%	511.50	4.48%	1,103.62	4.00%	1,881.57	8.69%	1,816.18	16.27%

Particulars	Six months ended September 30, 2024		Six months ended September 30, 2023		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	(₹in million)	(% of Total Income)	(₹in million)	(% of Total Income)	(₹in million)	(% of Total Income)	(₹in million)	(% of Total Income)	(₹in million)	(% of Total Income)
Changes in inventories of finished goods and work-in-progress	281.44	1.41%	250.21	2.19%	(727.18)	(2.64)%	(282.63)	(1.31)%	(290.81)	(2.61)%
Employee Benefits Expenses	1,126.42	5.63%	717.69	6.28%	1,662.70	6.03%	1,228.55	5.68%	778.54	6.98%
Finance costs	333.59	1.67%	262.42	2.30%	517.26	1.87%	479.32	2.21%	231.26	2.07%
Depreciation and Amortization Expenses	305.23	1.53%	217.59	1.90%	466.12	1.69%	349.51	1.61%	221.13	1.98%
Other Expenses	868.22	4.34%	424.83	3.72%	1,121.66	4.06%	964.26	4.46%	607.19	5.44%
Total Expenses	18,688.31	93.44%	10,826.64	94.75%	25,830.42	93.61%	20,666.73	95.49%	10,678.47	95.69%
Profit before Tax & Exceptional	1,311.95	6.56%	599.59	5.25%	1,764.67	6.39%	975.43	4.51%	481.12	4.31%
Exceptional Item	0.00	0.00%	-	-	-	-	-	-	(9.31)	(0.08)%
Profit before tax	1,311.95	6.56%	599.59	5.25%	1,764.67	6.39%	975.43	4.51%	490.42	4.39%
Current Tax	248.76	1.24%	136.59	1.20%	379.90	1.38%	84.55	0.39%	-	-
Earlier Year Tax	0.00	0.00%	0.00	0.00%	0.45	0.00%	-	-	-	-
Deferred Tax	19.25	0.10%	1.09	0.01%	14.20	0.05%	116.20	0.54%	116.27	1.04%
Profit for the year	1,043.94	5.22%	461.91	4.04%	1,370.12	4.97%	774.69	3.58%	374.16	3.35%
Profit/(Loss) for the period in Joint venture company	(13.72)	(0.07)%	(0.21)	(0.00)%	(21.12)	(0.08)%	-	-	-	-
Profit / (Loss) for the period after Profit/(Loss) of joint venture company	1,030.22	5.15%	461.70	4.04%	1,349.00	4.89%	-	-	-	-
Other comprehensive income	(2.47)	(0.01)%	(3.67)	(0.03)%	(1.99)	(0.01)%	(0.30)	0.00%	4.70	0.04%
Total comprehensive income	1,027.75	5.14%	458.03	4.01%	1,347.01	4.88%	774.39	3.58%	378.86	3.39%

SIX MONTHS ENDED SEPTEMBER 30, 2024, COMPARED TO SIX MONTHS ENDED SEPTEMBER 30, 2023

Income

Our total income increased by 75.04% to ₹ 20,000.26 million for the six months ended September 30, 2024, from ₹ 11,426.21 million for the six months ended September 30, 2023, on account of the factors discussed below.

Revenue from operations

Our revenue from operations increased by 75.04% to ₹ 19,919.79 million for the six months ended September 30, 2024, from ₹11,380.38 million for the six months ended September 30, 2023, primarily due to growth in the sale of our products driven by the growth in the sale of RACs on account of the summer season by 144.03% to ₹11,145.39 million for the six months ended September 30, 2024 from ₹4,567.17 million for the six months ended September 30, 2023.

Other income

Our other income increased by 75.57% to ₹ 80.47 million for the six months ended September 30, 2024 from ₹ 45.83 million for the six months ended September 30, 2023, primarily due to higher interest income on cash and fixed deposits in the bank.

Expenses

Our total expenses increased by 72.61% to ₹ 18,688.31 million for the six months ended September 30, 2024 from ₹ 10,826.64 million for the six months ended September 30, 2023, on account of the factors discussed below.

Cost of materials consumed

Our cost of material consumed increased by 75.28% to ₹ 14,797.42 million for the six months ended September 30, 2024 from ₹ 8,442.40 million for the six months ended September 30, 2023, primarily due to growth in sale of RACs to ₹11,145.39 million for the six months ended September 30, 2024 from ₹ 4,567.17 million for the six months ended September 30, 2023.

Purchase of traded goods

Our cost of purchase of traded goods increased by 90.81% to ₹ 975.99 million for the six months ended September 30, 2024 from ₹ 511.50 million for the six months ended September 30, 2023, primarily due to increase in the outsourcing of plastic moulding and sheet metal components on account of the growth in the RAC business resulting in insufficient internal capacity.

Changes in inventories of finished goods and work – in – progress

Our cost of changes in inventories of finished goods and work – in – progress increased by 12.48% to ₹ 281.44 million for the six months ended September 30, 2024 from ₹ 250.21 million for the six months ended September 30, 2023, primarily due to increase in work in progress inventory to ₹ 542.76 million for the six months ended September 30, 2024 from ₹ 279.35 million for the six months ended September 30, 2023 on account of the Company's growth resulting in a higher production rate, leading to an increase in work-in-progress inventory on the shop floor.

Employee Benefit Expense

Our employee benefit expense increased by 56.95% to ₹ 1,126.42 million for the six months ended September 30, 2024 from ₹ 717.69 million for the six months ended September 30, 2023, primarily due to increase in the number of employees to 6,184 for the six months ended September 30, 2024 from 5,268 for the six months ended September 30, 2023 and corresponding increase in the costs such as bonus, wages and salaries.

Finance Costs

Our finance costs increased by 27.12% to ₹ 333.59 million for the six months ended September 30, 2024 from ₹ 262.42 million for the six months ended September 30, 2023, primarily due to increase in the discounting charges and other bank processing fees. On account of the growth in the products business vertical, the discounting charges of receivables, letter of credit and other banking service charges were higher for the period.

Depreciation and Amortization Expense

Our depreciation and amortization expenses increased by 40.28% to ₹ 305.23 million for the six months ended September 30, 2024 from ₹ 217.59 million for the six months ended September 30, 2023, primarily due to increase in the gross fixed assets including ROU during Fiscal 2024 of ₹2,476.96 million and during six months ended September 30, 2024 of ₹401.17 million.

Other Expenses

Our other expenses increased by 104.37% to ₹ 868.22 million for the six months ended September 30, 2024 from ₹ 424.83 million for the six months ended September 30, 2023, primarily due to (i) growth in the spares and tools consumed at ₹274.19 million for six months ended September 30, 2024 and ₹84.88 million for six months ended September 30, 2023; and (ii) higher freight charges at ₹116.13 million for six months ended September 30, 2024 and ₹42.72 million for six months ended September 30, 2023.

Tax Expense

Our tax expenses increased by 94.67% to ₹ 268.01 million for the six months ended September 30, 2024 from ₹ 137.68 million for the six months ended September 30, 2023, primarily due to corresponding increase in the profit before tax.

Profit for the Year

As a result of the foregoing factors, our profit increased by 123.13% to ₹ 1,030.22 million for the six months ended September 30, 2024 from ₹ 461.70 million for the six months ended September 30, 2023.

Other comprehensive income / (loss) for the year

Our other comprehensive loss for the period decreased by 32.75% to ₹ (2.47) million for the six months ended September 30, 2024 from ₹ (3.67) million for the six months ended September 30, 2023, primarily due to change in the actuarial liabilities on account of change in the interest rate.

Total comprehensive income for the year

On account of the above, our total comprehensive income for the period increased by 124.38% to ₹ 1,027.75 million for the six months ended September 30, 2024 from ₹ 458.03 million for the six months ended September 30, 2023.

FISCAL 2024 COMPARED TO FISCAL 2023

Income

Our total income increased by 27.51% to ₹ 27,595.09 million for the Fiscal 2024 from ₹ 21,642.17 million for the Fiscal 2023, on account of the factors discussed below.

Revenue from operations

Our revenue from operations increased by 27.16% to ₹ 27,464.95 million for Fiscal 2024 from ₹ 21,599.48 million for Fiscal 2023, primarily due to growth (i) in the electronics business to ₹ 3,524.06 million for Fiscal 2024 from ₹ 1,571.84 million for Fiscal 2023; and (ii) in the products business to ₹ 16,401.91 million for Fiscal 2024 from ₹ 13,383.72 million for Fiscal 2023.

Other income

Our other income increased by 204.83% to ₹ 130.14 million for Fiscal 2024 from ₹ 42.69 million for Fiscal 2023, primarily due to higher interest income of ₹84.30 million for Fiscal 2024 than ₹12.82 million for Fiscal 2023. This was primarily due to the increase in the fixed deposits, as the Company raised ₹500 million through a qualified institutions placement in Fiscal 2024 and maintained high liquidity in the form of fixed deposits during the second half of Fiscal 2024, as reflected in the balance sheet.

Expenses

Our total expenses increased by 24.99% to ₹25,830.42 million for the Fiscal 2024 from ₹ 20,666.73 million for the Fiscal 2023, on account of the factors discussed below.

Cost of materials consumed

Our cost of material consumed increased by 35.15% to ₹ 21,686.24 million for Fiscal 2024 from ₹16,046.14 million for Fiscal 2023, primarily due to increase in the products and electronics business verticals of our Company. The increase in the products business vertical was driven by higher sales of the RACs, which increased by 24.63% to ₹ 12,977.34 million in Fiscal 2024 from ₹ 10,412.73 million in Fiscal 2023. Further, the electronics business vertical grew to ₹ 3,524.06 million for Fiscal 2024 from ₹ 1,571.84 million for Fiscal 2023.

Purchase of traded goods

Our cost of purchase of traded goods decreased by 41.35% to ₹1,103.62 million for Fiscal 2024 from ₹ 1,881.57 million for Fiscal 2023, primarily due to decrease in the outsourcing of plastic and sheet metal components for RACs as the Company increased its in – house capacity during Fiscal 2024.

Changes in inventories of finished goods and work – in – progress

Our cost of changes in inventories of finished goods and work – in – progress increased by 157.29% to ₹(727.18) million for Fiscal 2024 from ₹(282.63) million for Fiscal 2023, primarily due to an increase in the finished goods and work-in-progress inventory. This was on account of the shipping of finished goods being slower than the production during the period due to unseasonal monsoon in February and March 2024 affecting weaker buyer sentiment for RACs in its shipments.

Employee Benefit Expense

Our employee benefit expense increased by 35.34% to ₹ 1,662.70 million for the Fiscal 2024 from ₹1,228.55 million for the Fiscal 2023, primarily due to an increase in employee strength to 7,255 as of March 31, 2024 from 6,232 as of March 31, 2023 and due to corresponding increase in the wages, salaries and bonus for such employees.

Finance Costs

Our finance costs increased by 7.92% to ₹ 517.26 million for Fiscal 2024 from ₹ 479.32 million for Fiscal 2023, primarily due to increase in the average borrowings cost for Fiscal 2024 from Fiscal 2023. The gross borrowings at the end of Fiscal 2024 decreased to ₹3,605.62 million, compared to ₹5,425.25 million at the end of Fiscal 2023 on account of use of funds raised through qualified institutions placement for working capital requirements and repayment of certain loans.

Depreciation and Amortization Expense

Our depreciation and amortization expenses increased by 33.36% to ₹ 466.12 million for Fiscal 2024 from ₹ 349.51 million for Fiscal 2023, primarily due to the increase in the gross fixed assets during Fiscal 2024 of ₹2,476.96 million.

Other Expenses

Our other expenses increased by 16.32% to ₹ 1,121.66 million for Fiscal 2024 from ₹ 964.28 million for Fiscal 2023, primarily due to increase in the foreign exchange gains of ₹82.10 million in Fiscal 2024 from ₹(23.26) million in Fiscal 2023.

Tax Expense

Our tax expenses increased by 96.54% to ₹ 394.55 million for the Fiscal 2024 from ₹ 200.75 million for Fiscal 2023, primarily due to corresponding increase in the profit before tax.

Profit for the Year

As a result of the foregoing factors, our profit for the year increased by 76.86% to ₹ 1,370.12 million for Fiscal 2024 from ₹ 774.69 million for Fiscal 2023.

Other comprehensive income / (loss) for the year

Our other comprehensive income for the year increased by 554.24% to ₹(1.99) million for Fiscal 2024 from ₹ (0.30) million for Fiscal 2023 due to difference in the actuarial liabilities on account of change in the interest rate.

Total comprehensive income for the year

On account of the above, our total comprehensive income increased by 73.94% to ₹ 1,346.99 million for Fiscal 2024 from ₹ 774.38 million for Fiscal 2023.

FISCAL 2023 COMPARED TO FISCAL 2022

Income

Our total income increased by 93.94% to ₹ 21,642.17 million for Fiscal 2023 from ₹11,159.59 million for Fiscal 2022, on account of the factors discussed below.

Revenue from operations

Our revenue from operations increased by 94.30% to ₹ 21,599.48 million for Fiscal 2023 from ₹ 11,116.35 million for Fiscal 2022, primarily due to growth in our sales of the product business by ₹ 8,633.74 million driven by growth in sales of RACs and washing machines. Our sale of RACs and washing machines increased by ₹ 7,475.98 million and ₹ 924.17 million, respectively, for Fiscal 2023 from Fiscal 2022.

Other income

Our other income decreased by 1.27% to ₹42.69 million for Fiscal 2023 from ₹43.24 million for Fiscal 2022, primarily due to increase in the interest income on deposits with banks and others.

Expenses

Our total expenses increased by 93.55% to ₹ 20,666.73 million for Fiscal 2023 from ₹ 10,678.47 million for Fiscal 2022, on account of the factors discussed below.

Cost of materials consumed

Our cost of material consumed increased by 119.36% to ₹ 16,046.14 million for Fiscal 2023 from ₹ 7,314.98 million for Fiscal 2022, primarily due to increase in the sale of all the business verticals of our Company. Our Company witnessed a growth (i) in the sales of the product business by ₹ 8,633.74 million, driven by growth in sales of RACs and washing machines by ₹ 7,475.98 million and ₹ 924.17 million, (ii) sales of plastic moulding components by ₹ 929.23 million, (iii) sales of the electronics by ₹ 877.30 million, and (iv) sales of tool manufacturing by ₹ 42.85 million, to Fiscal 2023 from Fiscal 2022.

Purchase of traded goods

Our cost of purchase of traded goods increased by 3.60% to ₹1,881.57 million for Fiscal 2023 from ₹1,816.18 million for Fiscal 2022, primarily due to increase in the outsourcing of plastic moulding and sheet metal components.

Changes in inventories of finished goods and work – in – progress

Our cost of changes in inventories of finished goods and work – in – progress was ₹(282.63) million for Fiscal 2023 and was ₹(290.81) million for Fiscal 2022, primarily due to delay in shipping of the manufactured products and increase in inventory finished goods.

Employee Benefit Expense

Our employee benefit expense increased by 57.80% to ₹1,228.55 million for Fiscal 2023 from ₹778.53 million for Fiscal 2022, primarily due to increase in our products business vertical. Our products business vertical witnessed a growth of ₹ 8,633.74 million which resulted in increase in the manpower. Consequently, our expenses increased towards salaries and wages of the employees to ₹1,082.06 million for March 31, 2023 from ₹681.47 million for March 31, 2022. Further this led to increase in the employee cost in line with our increase in employee strength to 4,939 as at March 31, 2023 from 3,902 as at March 31, 2022.

Finance Costs

Our finance costs increased by 107.26% to ₹479.32 million for Fiscal 2023 from ₹231.26 million for Fiscal 2022, primarily due to increase in the gross borrowings and the interest rates on these borrowings. Our average gross borrowings increased to ₹ 4,631.88 million as at March 31, 2023 from ₹ 2,835.76 million as at March 31, 2022.

Depreciation and Amortization Expense

Our depreciation and amortization expenses increased by 58.06% to ₹349.51 million for Fiscal 2023 from ₹221.13 million for Fiscal 2022, primarily due to addition of property, plant and equipment amounting to ₹1,499.10 million for Fiscal 2023 from ₹1,716.10 million for Fiscal 2022.

Other Expenses

Our other expenses increased by 58.81% to ₹964.28 million for Fiscal 2023 from ₹607.19 million for Fiscal 2022, primarily due to increase in (i) the size of our operations on account of increase in the manufacturing capacity of RAC unit in Supa, Ahmednagar, and (ii) commissioning of our washing machine facility at our existing manufacturing unit at Greater Noida, Uttar Pradesh. Consequently, this led to increase in our power and fuel expenses and expense of factory overheads.

Tax Expense

Our tax expenses increased by 72.66% to ₹200.75 million for Fiscal 2023 from ₹116.27 million for Fiscal 2022, primarily due to increase in profit before tax.

Profit for the Year

As a result of the foregoing factors, our profit for the year increased by 107.05% to ₹774.69 million for Fiscal 2023 from ₹374.16 million for Fiscal 2022.

Other comprehensive income / (loss) for the year

Our other comprehensive income for the year decreased to ₹(0.30) million for Fiscal 2023 from ₹4.70 million for Fiscal 2022 due to difference in the actuarial liabilities on account of change in the interest rate.

Total comprehensive income for the year

On account of the above, our total comprehensive income increased by 104.40% to ₹774.39 million for Fiscal 2023 from ₹378.86 million for Fiscal 2022.

CERTAIN ITEMS IN THE STATEMENT OF ASSETS AND LIABILITIES

Property, plant and equipment

Our property, plant and equipment increased to ₹7,921.09 million as at September 30, 2024 from ₹7,813.32 million as at March 31, 2024, primarily due to expansion of manufacturing capacities in RACs business. Further, during second half of Fiscal 2024, our Company acquired Next Generation Manufacturing Limited and subsequently the property, plant and equipment of this company consolidated with our Company with effect from March 31, 2024. Our property, plant and equipment increased to ₹5,765.70 million as at March 31, 2023 from ₹4,402.88 million as at March 31, 2022, primarily due to expansion of RACs and washing machine business capacity during the year.

Capital work – in – progress

Our capital work – in progress increased to ₹1,423.50 million as at September 30, 2024 from ₹632.40 million as at March 31, 2024, primarily due to on-going expansion in RAC business at our manufacturing units at Bhiwadi and Supa. Our capital work – in progress decreased to ₹19.75 million as at March 31, 2023 from ₹48.90 million as at March 31, 2022, primarily due to the completion of RAC unit expansion.

Trade receivables

Our trade receivables decreased to ₹4,708.37 million as at September 30, 2024 from ₹5,530.27 million as at March 31, 2024 primarily on account of the decline in revenues in 2QFY2025 versus 4QFY2024, as receivables at quarter end depend upon quarterly run rate of business. Our trade receivables increased to ₹4,378.74 million as at March 31, 2023 from ₹2,133.27 million as at March 31, 2022, primarily due to growth in the revenue from operations to ₹21,599.48 million in Fiscal 2023 from ₹11,116.35 million in Fiscal 2022.

Inventories

Our inventories increased to ₹5,953.02 million as at September 30, 2024, from ₹5,433.94 million as at March 31, 2024. This increase was primarily driven by strong revenue for the six months ended September 30, 2024 and the stocked up critical components in preparation for the upcoming RAC season. Our inventories increased to ₹3,533.81 million as at March 31, 2023 from ₹2,860.33 million as at March 31, 2022, primarily due to increase in the operations on account of higher orders for RACs in Fiscal 2023.

Borrowings

Our overall borrowings increased to ₹3,837.92 million as at September 30, 2024 from ₹3,605.62 million as at March 31, 2024, primarily due to Increase in short term borrowing for working capital to ₹1,988.60 million as at September 30, 2024 from ₹1,735.34 million as at March 31, 2024 due growth in sales of the Company. Our overall borrowings increased to ₹5,425.25 million as at March 31, 2023 from ₹3,838.51 million as at March 31, 2022, primarily due to availing term loans for expanding RAC and washing machine capacities and availing working capital facilities for increased operations during Fiscal 2023.

Trade payables

Our trade payables decreased to ₹6,326.19 million as at September 30, 2024 from ₹6,464.10 million as at March 31, 2024, primarily due to higher payment to vendors and suppliers than the supplies delivered by them during the period as RAC business season ended in August 2024. Our trade payables increased to ₹3,899.51 million as at March 31, 2023 from ₹2,692.07 million as at March 31, 2022, primarily due to increase in the operations driven by higher operating revenues to ₹21,599.48 million for Fiscal 2023 from ₹11,116.35 million for Fiscal 2022, leading to higher raw material and component supplies from vendors and suppliers.

LIQUIDITY AND CAPITAL RESOURCES

Historically, our primary liquidity requirements have been to finance our working capital needs for our operations. We have met these requirements through cash flows from operations, equity infusions from shareholders and borrowings. As at September 30,

2024, we had ₹419.23 million in cash and cash equivalents, ₹1,051.61 million as bank balances, ₹1,988.60 million in short term borrowings and current maturities and ₹1,849.32 million in term loans from banks. We believe that, after taking into account the expected cash to be generated from operations, our borrowings and the proceeds from the Issue, we will have sufficient liquidity for our present requirements and anticipated requirements for capital expenditure and working capital for 12 months following the date of this Placement Document.

CASH FLOWS

The table below summarizes the statement of cash flows, as per our cash flow statements, for the periods indicated:

(in ₹million)

	Six months ended September 30, 2024*	Fiscal		
		2024	2023	2022
Net cash generated from operating activities	1,449.85	1,884.61	457.38	(788.03)
Net cash (used in)/generated from investing activities	(1,287.25)	(4,013.29)	(1,729.69)	(1,610.02)
Net cash (used in)/generated from financing activities	(45.19)	2,343.82	1,120.47	2,562.38
Cash and cash equivalents at the end of the year	117.41	215.12	(151.84)	164.33

* Not annualised

Operating Activities

Net cash flows from operating activities were ₹1,449.85 million for the six months ended September 30, 2024. While our profit before tax was ₹1,298.23 million, we had cashflow before changes in working capital of ₹1,967.22 million primarily due to depreciation and amortisation expense of ₹305.23 million, finance cost of ₹303.35 million, and employee stock-based compensation of ₹79.90 million. Our working capital adjustments for the six months ended September 30, 2024 primarily consisted of decrease in trade receivables of ₹821.82 million, increase in inventories of ₹534.21 million, decrease in trade payables of ₹137.83 million, increase in other current assets of ₹914.55 million, decrease in other finance assets of ₹43.39 million. Our cash generated from operations was ₹1,683.09 million.

Net cash flows from operating activities were ₹2,075.35 million for the six months ended September 30, 2023. While our profit before tax was ₹599.38 million, we had cashflow before changes in working capital of ₹1,122.79 million primarily due to depreciation and amortisation expense of ₹217.59 million, finance cost of ₹247.63 million, and employee stock-based compensation of ₹73.83 million. Our working capital adjustments for the six months ended September 30, 2023 primarily consisted of decrease in trade receivables of ₹2,475.75 million, increase in inventories of ₹1.63 million, decrease in trade payables of ₹1,251.67 million, decrease in other current assets of ₹78.15 million, increase in other financial assets of ₹8.28 million. Our cash generated from operations was ₹2,165.78 million.

Net cash flows from operating activities were ₹ 1,884.61 million for Fiscal 2024. While our profit before tax was ₹1,764.67 million, we had cashflow before changes in working capital of ₹ 2,836.83 million primarily due to depreciation and amortisation expense of ₹466.12 million, loss on sale of fixed assets of ₹7.76 million, finance cost of ₹479.99 million, and employee stock-based compensation of ₹154.01 million. Our working capital adjustments for Fiscal 2024 primarily consisted of increase in trade receivables of ₹1,152.06 million, increase in inventories of ₹1,943.13 million, increase in trade payables of ₹2,565.13 million, increase in other current assets of ₹392.12 million and increase in other financial assets of ₹126.56 million. Our cash generated from operations was ₹ 2,188.10 million.

Net cash flows from operating activities were ₹457.38 million for Fiscal 2023. While our profit before tax was ₹975.44 million, we had cashflow before changes in working capital of ₹1,831.57 million primarily due to depreciation and amortisation expense of ₹349.51 million, loss on sale of fixed assets of ₹2.35 million, finance cost of ₹461.09 million, and employee stock-based compensation of ₹33.94 million. Our working capital adjustments for Fiscal 2023 primarily consisted of increase in trade receivables of ₹2,268.68 million, increase in inventories of ₹675.01 million, increase in trade payables of ₹1,208.91 million, decrease in other current assets of ₹64.28 million and increase in other financial assets of ₹24.07 million. Our cash generated from operations was ₹550.97 million.

Net cash flows from operating activities were ₹(788.03) million for Fiscal 2022. While our profit before tax was ₹490.42 million, we had cashflow before changes in working capital of ₹986.68 million primarily due to depreciation and amortisation expense of ₹221.13 million, loss on sale of fixed assets of ₹0.43 million, finance cost of ₹223.78 million, and employee stock-based

compensation of ₹20.68 million. Our working capital adjustments for Fiscal 2022 primarily consisted of increase in trade receivables of ₹695.25 million, increase in inventories of ₹1,936.17 million, increase in trade payables of ₹1,161.41 million, increase in other current assets of ₹217.56 million and increase in other financial assets of ₹153.33 million. Our cash generated from operations was ₹(762.63) million.

Investing Activities

Net cash flows used in investing activities were ₹1,287.25 million for the six months ended September 30, 2024, primarily comprising of purchase of property, plant and equipment including capital work – in – progress and intangible assets of ₹1,741.46 million and maturity of bank deposits of ₹447.81 million.

Net cash flows used in investing activities were ₹2525.27 million for the six months ended September 30, 2023, primarily comprising of purchase of property, plant and equipment including capital work – in – progress and intangible assets of ₹934.62 million and new fixed deposits of ₹1,557.03 million.

Net cash flows used in investing activities were ₹ 4,013.29 million for Fiscal 2024, primarily comprising of purchase of property, plant and equipment including capital work – in – progress and intangible assets of ₹2,268.14 million, acquisition of a subsidiary of ₹450.10 million and investment in bank deposits of ₹1,276.55 million.

Net cash flows used in investing activities were ₹1,729.69 million for Fiscal 2023, primarily comprising of purchase of property, plant and equipment including capital work – in – progress and intangible assets of ₹1,545.66 million.

Net cash flows used in investing activities were ₹1,610.01 million for Fiscal 2022, primarily comprising of purchase of property, plant and equipment including capital work – in – progress and intangible assets of ₹1,571.02 million.

Financing Activities

Net cash flows from financing activities were ₹(45.19) million for the six months ended September 30, 2024, primarily comprising availing of long term borrowing of ₹327.62 million and repayment of long term borrowings of ₹369.19 million.

Net cash flows from financing activities were ₹1,908.85 million for the six months ended September 30, 2023, primarily comprising of issuance of equity capital of ₹4,917.12 million, net repayment of short term borrowings of ₹2,322.54 million and repayment of long term borrowings of ₹695.69 million.

Net cash flows from financing activities were ₹2,343.82 million for Fiscal 2024 primarily comprising of issuance of equity capital of ₹4,919.52 million, repayment of short term borrowings of ₹1,330.36 million and repayment of long term borrowings of ₹1,117.29 million.

Net cash flows from financing activities were ₹1,120.47 million for Fiscal 2023 primarily comprising proceeds from long term borrowings of ₹1,154.32 million.

Net cash flows generated from financing activities were ₹2,562.38 million for Fiscal 2022, primarily comprising proceeds from long term borrowings of ₹1,260.74 million and proceeds from short term borrowings of ₹1,090.97 million.

INDEBTEDNESS

As at September 30, 2024, we had total borrowings (consisting of long-term borrowings and short-term borrowings) of ₹3,837.92 million of which ₹1,849.32 million was long term borrowings and ₹1,988.60 million was short term borrowings and current maturities. Our debt – to – equity ratio was 0.34 as at March 31, 2024. Some of our financing agreements include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. We cannot assure you that we will be able to obtain these consents and any failure to obtain these consents could have significant adverse consequences for our business.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Except as stated below, we do not have any commitments as at September 30, 2024:

Particulars	As at September 30, 2024
	(₹in million)
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,833.61

Particulars	As at September 30, 2024
	(₹ in million)
Joint venture Company's capital commitments	1.01
Total	1,834.62

CONTINGENT LIABILITIES AND OFF – BALANCE SHEET ARRANGEMENTS

The following table sets forth the principal components of our contingent liabilities as at September 30, 2024:

Particulars	As at September 30, 2024
	(₹ in million)
Claims against the group not acknowledged as debts (excluding interest and penalty)	
- Central Excise (FY 2008-09 to 2011-12)	76.57
- Anti-Dumping duty on Import	73.85
- Claims by third party	4.58
Total	150.00

RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties. For further information, please see the section titled, “*Related Party Transactions*” on page 46.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk

It is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, foreign currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, foreign currency hedging instruments such as forward contracts and options. We have put in place appropriate risk management policies to limit the impact of these risks on its financial performance. The company ensures optimization of cash through fund planning and robust cash management practices.

Client Business Model Risk

Our primary clients are OEM players, who outsource some of the products manufacturing or process to us to reduce their costs and achieve scale. Our business model would be impacted, in case of any change in their location of business or change in business model of OEMs.

Client Concentration Risk

We are dependent on a limited number of clients for a majority share of the revenue. This poses a risk to our Company as losing any of its key customers or any disruption in the customer's business may affect the Company as well.

Operational Risk

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

Peer Risk

Our Company operates in a highly competitive market and is subject to high competition from its peers.

Technology Risk

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

Interest Rate Risk

Most of the borrowings availed by our Company are subject to interest on floating rate of basis linked to the base rate or MCLR (marginal cost of fund based lending rate). In view of the fact that the total borrowings of our Company are quite substantial, our Company is exposed to interest rate risk. The above strategy of our Company to opt for floating interest rates is helpful in declining interest scenario. Further, most of the loans and borrowings have a prepayment clause through which the loans could be prepaid with or without payment of a pre-payment premium. The said clause helps our Company to arrange debt substitution to bring down the interest costs or to prepay the loans out of the surplus funds held. While adverse interest rate fluctuations could increase the finance cost, the total impact, in respect of borrowings on floating interest rate basis.

Foreign Currency Risk

Foreign exchange risks for our Company arise from the payment obligations arising from import of raw materials / capital goods etc. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Our Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). Our Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Liquidity Risk

Liquidity risk is defined as the risk that our Company will not be able to settle or meet its obligations on time or at reasonable price. Our Company uses liquidity forecast tools to manage its liquidity and is able to organise liquidity through own funds and through working capital loans. Our Company has good relationship with its lenders, as a result of which it does not experience any difficulty in arranging funds from its lenders.

Credit Risk

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to our Company. Our Company is exposed to credit risk from its operating activities, primarily trade receivables. The credit risks in respect of deposits with the banks, foreign exchange transactions and other financial instruments are only nominal. The customer credit risk is managed subject to our Company's established policy, procedure and controls relating to customer credit risk management. In order to contain the business risk, prior to acceptance of an order from a customer, the creditworthiness of the customer is ensured through scrutiny of its financials, if required, market reports and reference checks. Our Company remains vigilant and regularly assesses the financial position of customers during execution of contracts with a view to limit risks of delays and default. Further, in most of the cases, our Company typically allows credit period ranging from 15 to 90 days to all customers which vary from customer to customer except mould and dies business. In case of mould and dies business, advance payment is taken before start of execution of the order. In view of the industry practice and being in a position to prescribe the desired commercial terms, credit risks from receivables are well contained on an overall basis.

CAPITAL EXPENDITURES

Our historical capital expenditures were, and we expect our future capital expenditures to be, primarily for the purchase of plant and equipment. For the six months ended September 30, 2024 and in Fiscals 2024, 2023 and 2022, our capital expenditures (comprising of payments for acquisition of property, plant and equipment, intangibles and capital work in progress including capital advances) were ₹ 1,741.46 million, ₹ 2,268.14 million, ₹ 1,545.66 million and ₹ 1,571.02 million, respectively.

SIGNIFICANT ECONOMIC CHANGES

Other than as described above under the heading titled “– *Significant Factors Affecting Our Financial Condition and Results of Operations*,” to the knowledge of our management, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

UNUSUAL OR INFREQUENT EVENTS OF TRANSACTIONS

Except as described in this Placement Document, there have been no other events or transactions that, to our knowledge, may be described as “unusual” or “infrequent”.

KNOWN TRENDS OR UNCERTAINTIES

Our business has been affected and we expect will continue to be affected by the trends identified above in the heading titled “– *Significant Factors Affecting Our Financial Condition and Results of Operations*” and the uncertainties described in the section

titled “**Risk Factors**” on page 47. To our knowledge, except as described or anticipated in this Placement Document, there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

FUTURE RELATIONSHIP BETWEEN COST AND INCOME

Other than as described in this Placement Document, to the knowledge of our management, there are no known factors that might affect the future relationship between costs and revenues.

NEW PRODUCTS OR BUSINESS SEGMENTS

Other than as described in the section titled, “**Our Business**” on page 195, there are no new products or business segments in which we operate.

SEASONALITY OF BUSINESS

Our business operations and the air conditioner industry in general may be affected by the seasonality of trends in the Indian economy. Generally, we witness an increase in sales in the first half of the calendar year. Sales generally decline during the monsoon and winter seasons. Any significant event such as unforeseen floods, earthquakes, political instabilities, epidemics, pandemics or economic slowdowns during this peak season may adversely affect our results of operations. In these periods, we may continue to incur operating expenses, but our income from operations may be delayed or reduced. For further information, please see the sections titled, “**Industry Overview**”, “**Our Business**” and “**Risk Factors**” on pages 145, 195 and 47, respectively.

SUPPLIERS OR CUSTOMER CONCENTRATION

Except as disclosed in “**Risk Factors – We are highly dependent on a limited number of customers for a majority portion of our revenue from operations. The loss of relationship or a significant reduction in purchases by such customers could have a material adverse impact on our business, financial condition, results of operations and future prospects**” on page 48, we are not dependent on major customers or suppliers for a significant portion of our revenue.

RESERVATIONS, QUALIFICATIONS OR ADVERSE REMARKS INCLUDED BY AUDITORS

There are no qualifications, reservations or adverse remarks included in the audited financial statements of our Company or the relevant reports thereon, for Fiscals 2020, 2021, 2022, 2023 and 2024.

For details of certain observations in the CARO Reports as at and for Fiscals 2022, 2023 and 2024, please see “**Risk Factors – Our respective previous statutory auditors for the relevant periods have included remarks in connection with the Companies (Auditor’s Report) Order, 2020 / Companies (Auditor’s Report) Order, 2016 (together, the “CARO Reports”)**” on page 65.

INTEREST COVERAGE RATIO

Set forth below is the interest coverage ratio for the period / years indicated:

(in ₹ million, unless otherwise stated)

	For the six months ended September 30, 2024*	For the six months ended September 30, 2023*	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
(A) Net Profit for the year	1,043.94	461.91	1,370.12	774.69	374.16
Add:					
(B) Provision for tax	268.00	137.67	394.54	200.75	116.27
(C) Depreciation	305.23	217.59	466.12	349.51	221.13
(D) Finance costs	333.59	262.42	517.26	479.32	231.26
(E) Earnings before Interest, Tax and Depreciation (A+B+C+D)	1,950.76	1,079.59	2,748.84	1,804.27	942.82
(F) Interest coverage Ratio (E/D)	5.85	4.11	5.31	3.76	4.08

* Not annualised

SIGNIFICANT DEVELOPMENTS AFTER SEPTEMBER 30, 2024

Except as stated in the section titled '*Capital Structure*' and '*Organisational Structure of our Company*' on pages 107 and 231, respectively, to our knowledge no circumstances have arisen since September 30, 2024, that could materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

INDUSTRY OVERVIEW

MACROECONOMIC SCENARIO OF INDIA

India macroeconomic overview

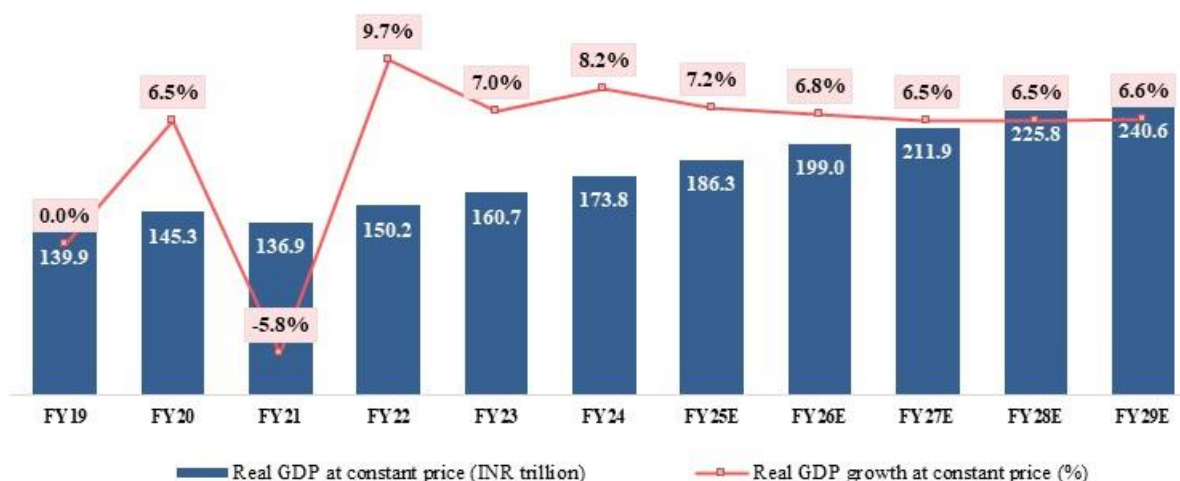
Indian economic growth in FY24, outperformed many other major economies, and least impacted by the inflationary pressures globally. The government has been promoting structural reforms such as a focus on disinvestment and higher FDI limits, while also working on a national logistics policy to promote India's economic growth post - pandemic. India's FY2025 budget emphasizes nine key priorities aimed at achieving 'Viksit Bharat' or a 'Developed India'. These priorities include a) enhancing productivity and resilience in agriculture, b) fostering employment and skilling, c) promoting inclusive human resource development and social justice, d) boosting the manufacturing and services sectors, e) advancing urban development, f) ensuring energy security, g) investments in infrastructure, h) innovation, research and development, and i) implementation of next-generation reforms. These priorities further underscore the government's vision for sustainable growth and development across multiple sectors.

In CY2019, the Indian government set a target of becoming a USD 5 trillion economy and a global powerhouse by FY25. As a result of the COVID pandemic, the government revised the original timeline by 18–24 months. India crossed USD 3 trillion mark in FY2022 and is likely to surpass USD 4 trillion mark in FY2025. In a realistic scenario, India needs another 2-3 years to cross the USD 5 trillion mark.

A. Review and outlook of GDP growth in India

Since FY10, India's GDP growth has oscillated between the positive and negative growth trends that continued until FY20. Prior to the pandemic, real GDP growth was strong, and fundamentals were stable. During the pandemic in FY21, the government implemented corrective measures, and the effect was visible in FY22 which ended on a high note. Continuing on that growth trajectory the Indian economy witnessed a growth of 8.2% (real GDP) and 9.6% (nominal GDP) in FY24.

Chart 1.1: India - Real GDP and real GDP growth (annual percentage change), value in INR trillion, growth in %, FY19-FY29E



Note: E refers to Estimate; Source: MoSPI (Annual estimates of GDP at constant price, 2011-12 series), RBI, IMF, Frost & Sullivan Analysis

As per early estimates, the Indian economy is expected to achieve a growth of 7.2% (real GDP) and 8.2% (nominal GDP) in FY25. The outlook for FY25 – FY29 looks positive, with growth of 6.6% (real GDP) and 8.0% (nominal GDP) in FY29. The government has implemented a slew of measures to get the economy expanding. Through various policy initiatives such as Atmanirbhar Bharat, PLI schemes and so on, there is a strong emphasis on the growth of the domestic manufacturing sector. These initiatives will assist the economy in achieving medium-term stable growth (CAGR) of approximately 6.6% (real GDP) and 8.1% (nominal GDP) between FY25 and FY29.

The privatisation of a few public sector undertakings is expected to boost private sector participation in the industry. Favourable business environment, liberal FDI norms, constantly improving 'Ease of Doing Business' rankings, enormous consumer base and rapidly improving digital infrastructure are some of the key factors that will drive investment in India in the coming years.

Chart 1.2: India - Nominal GDP and nominal GDP growth (annual percentage change), value in INR trillion, growth in %, FY19-FY29E

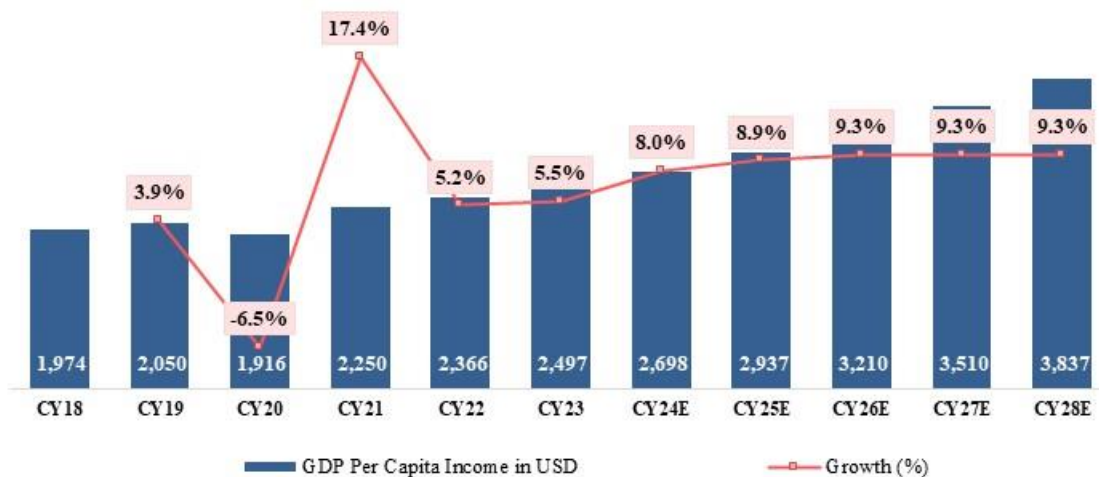


Note: E refers to Estimate; Source: MoSPI (Annual estimates of GDP at constant price), Worldometer, Frost & Sullivan Analysis

B. Per capita income growth in India

Per capita income is a broad indicator of the prosperity of an economy. Consumer confidence and discretionary consumption improve with the rising per capita income. India’s per capita income was ~USD 2,500 in CY2023, classifying it as lower middle-income country. The country’s per capita income needs to grow to USD 6,100 for middle-income status for which equitable access to healthcare, quality educations and availability of jobs would be critical. India has significant expansion of middle-class households in the last one decade due to robust economic development, relatively slower aging, rising income levels, and urbanization – the trend is expected to continue and nearly 400 million additional middle-class and high-income population is expected to be added to the country’s economy by FY2031 – this in turn would boost the per capita income of the country.

Chart 1.3: India – GDP Per capita income on current prices and growth (annual percentage change), value in INR, growth in %, CY18-CY28E



Source: IMF October 2024 Outlook, Frost & Sullivan Analysis

C. Private Final Consumption Expenditure (% of GDP)

India’s Private Final Consumption Expenditure (PFCE) has increased by 6.7% in FY24. India experienced a significant rise in disposable income in the last one decade that reshaped the consumer behaviour and expectations, with Indian consumers now more willing to spend on a wide range of products and services, including clothing, electronics, and health and wellness products. While Indian consumers remain price-sensitive, their preferences are gradually shifting toward higher-quality offerings. This shift is fuelled by accelerated urbanization, increased use of e-commerce platforms, and aspirations for an improved quality of life, influenced by global trends and exposure to digital media. Businesses are adapting to these changing market dynamics and the rise

in consumerism as they seek to meet the evolving demands of this growing consumer base. In the next few years, the PFCE is expected to be stable at around 53-54% of the real GDP in the medium term. The PFCE is expected to grow at a CAGR of 5.3% between FY25 and FY29.

Chart 1.4: India - Private Final Consumption Expenditure at constant prices, value in INR trillion, contribution to real GDP in %, FY19-FY29E



Note: E refers to Estimate; Source: MoSPI, Frost & Sullivan Analysis

D. Population and Urbanization in India

As per World Bank, India is the world's most populous country having surpassed China, with 1.43 billion people in CY23, or 17.7% of the world's total population. India's population is expected to grow at an average of 0.9% between CY24 and CY28. India is in the midst of a massive urbanisation wave. There has been a drastic increase in urban towns and cities in the country over the past few years. A better standard of living and increasing opportunities in the cities have led to urbanization, which has further increased the requirement for infrastructure and housing in these cities, which in turn creates demand for consumer durables.

Chart 1.5: India - Population vs Urbanization, Split in %, Population in millions, CY18-CY28E



Note: E refers to Estimate; Source: IMF, Frost & Sullivan Analysis

Employment opportunities and the opportunity for income generation across newly urbanised towns create a positive outlook for the consumption of electronic products. High-end technology adoption also contributes to the growth of consumer electronic devices. The introduction of significant technological transitions such as the Internet of Things (IoT) and 4G/LTE networks is rapidly increasing consumer electronics (room air conditioners, washing machine, refrigerators, television, air coolers and others)

adoption. Also, rural markets will likely see increased demand for consumer electronics as the government aims to invest heavily in rural electrification.

E. Consumer Price Index (CPI) and Inflation Rate

Chart 1.6: India - Consumer price index (CPI) and annual inflation rate, index in number, rate in %, FY19-FY29E



Note: E refers to Estimate; Source: MoSPI, RBI, CMIE, Frost & Sullivan Analysis

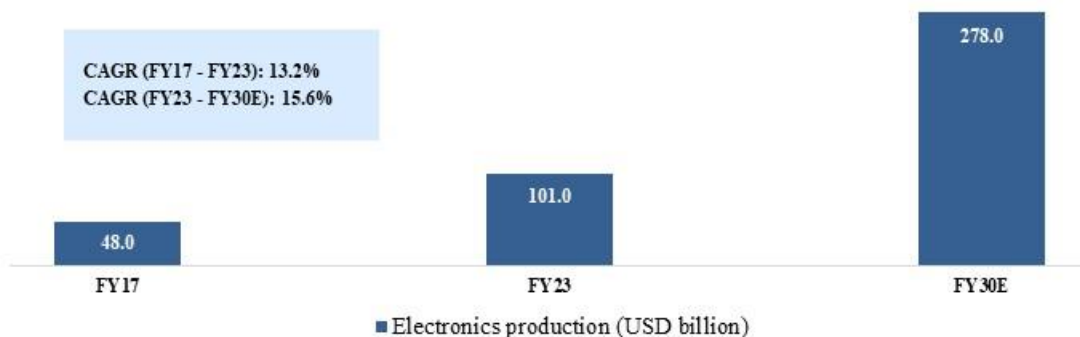
Inflation was lower in FY19, a positive sign for the consumption economy since customers can then afford to purchase more products, providing the necessary fuel to the manufacturing sector. However, inflation rate in FY24 has increased to 5.4%. Rising inflation has emerged as a key macroeconomic concern in the recent months with prices of almost every commodity has touched new heights. Going forward, the trajectory of inflation will be governed by multiple factors such as global commodity prices, crude oil prices etc.

However, in line with the global trend, the inflation in India moderated to 5.4% in FY2024 due to a drop in commodity prices and actions taken by RBI. The RBI left its inflation forecast for FY2025 unchanged at 4.5% even though spike in crude oil prices and persisting worries about supply chain due to the Red Sea crisis. In the medium term, RBI expects the inflation to be stabilized at around 4% by FY2029.

India as a favourable destination for Manufacturing

India has established itself as a prominent contender in the global electronics manufacturing sector, attracting significant interest from multinational corporations and investors. With the world increasingly recognizing the need for diversified supply chains, India’s unique advantages, coupled with favourable government policies, positions it as an attractive alternative to traditional manufacturing powerhouses like China and emerging markets like Vietnam. Several key factors underscore India’s growing appeal in the electronics manufacturing landscape.

Chart 1.7: India’s electronics production market size, value in USD billion, rate in %, FY17, FY23 & FY30



Source: Niti Aayog’s report on “Electronics: Powering India’s Participation in Global Value Chains, July 2024

Chart 1.8: India’s electronics production market size segmented into finished goods and components, value in USD billion, rate in %, FY23 & FY30



Source: Niti Aayog’s report on “Electronics: Powering India’s Participation in Global Value Chains, July 2024

India's business environment improved significantly in the last five years as is evident from ‘Ease of Doing Business (EoDB)’ rank – from 142 in 2014 to 63 in 2019. Numerous measures across multiple economic sectors have converged towards this favourable EoDB trajectory. The Goods and Services Tax Network (GSTN) unified the country’s states and UTs under one intra-national economic market system by integrating many fragmented tax systems.

Besides, to boost trade activities, significant investments have been made towards increasing the capacities of India’s ports, airports, freight, railways and other critical aspects of trade-related logistics. Apart from improving the physical infrastructure, various measures like electronic sealing of containers, electronic submission of supporting documents with digital signatures, etc. have been taken to improve port operations and reduce turnaround times. Additionally, India is investing in digital infrastructure to match the logistics and telecom infrastructure of more advanced peers like China.

The ‘Make in India’ scheme has paid significant dividends to India’s export and employment outlook. The PLI schemes in strategic industries are incentivising the expansion of Indian manufacturing and production and making the nation globally competitive. Significant growth has been observed in sectors like pharmaceuticals, heavy chemicals, and electronics. This resulted in India being the fastest growing manufacturing market globally along with Vietnam.

Trend of global companies setting up manufacturing in India

The table below reflects a robust electronics manufacturing ecosystem in India, with leading global brands like LG, Samsung, Panasonic, Hitachi, Haier, and Whirlpool having established manufacturing facilities across the country. Besides, majority of these companies have strong manufacturing capability expansion plans for India. This indicates that India is becoming a key manufacturing hub for consumer electronics and home appliances products, aligning with the government's ‘Make in India’ initiative.

Chart 1.9: Select global companies that have set up consumer electronics manufacturing facility in India

Company	Mfg. started in	Locations	Products Manufactured
LG Electronics	2004	Ranjangaon, Pune	Side-by-side, Double-door and Single-door refrigerators, LED TVs, Washing machines, Acs, and Monitors
	1998	Greater Noida	LED TVs, Air conditioners, Washing machines, Refrigerators, and Monitors
Samsung Electronics	1997	Noida	Mobile phones, refrigerators, Flat-panel TVs
	2007	Sriprerumbudur	QLED TVs & lifestyle TVs, Washing machines, Air conditioners and Refrigerators
Panasonic	2012	Jhajjar, Haryana	Air conditioners, Refrigerators, Washing machiens, Welding equipment
Whirlpool	1996	Ranjangain, Pune	Single-door and Double-door refrigerators

Company	Mfg. started in	Locations	Products Manufactured
	-	Pondicherry	Washing machines
	1995	Faridabad, Haryana	Single-door refrigerators
Haier	2022	Greater Noida	Air conditioners, Washing machines and Refrigerators
	2007	Ranjangain, Pune	Refrigerators, Air conditioners, Washing machines, LED TVs, Water heaters, Deep freezers
Hitachi	2009	Kadi, Gujarat	Commercial and room air conditioners, Air purifiers

Source: Company websites; Frost & Sullivan Analysis

China + 1 strategy of global companies

At present, China is the world's second-largest economy and accounts for approximately 29% of the global manufacturing output. China has been the manufacturing hub of the world for decades, but the country has been gradually losing its position due to several factors. Ageing manufacturing hubs that rely on cheap labour are no longer working for China. A shrinking and ageing workforce in China implies that the country's labour-driven manufacturing expertise is fading and is facing stiff competition from other South Asian and Southeast Asian nations including India. Besides, escalating trade tensions between China and the United States have forced many global companies to diversify their supply chain and opt for the China+1 strategy. For instance, companies like Apple have aggressively expanded their operations in India – a path that many large manufacturing companies are expected to follow in the coming years.

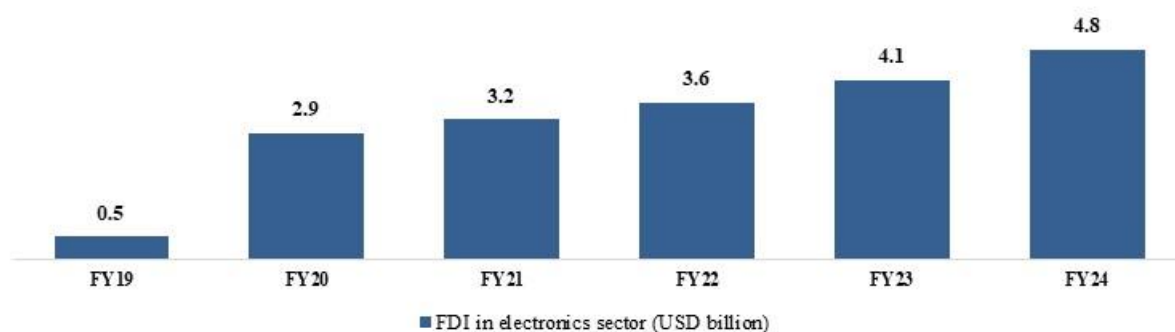
On the other hand, India emerged as a key alternative to traditional manufacturing hubs, particularly under the global "China+1" strategy, where companies are seeking to diversify their supply chains beyond China. With its robust economic growth, increasing industrial output, and government-backed initiatives like 'Make in India' and 'Production Linked Incentive' (PLI) schemes, India presents an attractive alternative for manufacturing to the global investors. Additionally, the country offers a competitive labor market, growing domestic demand, and a large pool of skilled workforce. The strategic focus on sectors like electronics, pharmaceuticals, renewable energy components, and automotive manufacturing further reinforces India's potential as a leading global manufacturing hub.

FDI inflow in Electronics sector

India's electronics sector has witnessed a significant resurgence in FDI inflows since FY2019, driven by a combination of factors. Government initiatives like the National Electronics Policy and Production-Linked Incentive scheme, coupled with economic factors such as global demand and domestic market growth, have created a favourable environment for investment. Improvements in infrastructure and increased investor confidence have further fuelled this positive trend. These combined factors have made India a more attractive destination for electronics manufacturers seeking to capitalize on the growing global demand for electronic products.

In FY2015, FDI inflows in the Indian electronics sector were relatively modest at USD 1.5 billion. The next couple of years saw FDI growing gradually to USD 1.7 billion before falling steeply to USD 0.2 billion and USD 0.5 billion in the next two financial years owing to a combination of economic and policy factors. Economic factors, such as a global economic downturn and domestic economic challenges, may have made investors more cautious. Policy factors, including the introduction of GST, regulatory changes, infrastructure constraints, and geopolitical tensions, could have created a less favourable investment environment. However, driven by Govt.'s vision for the Electronics sector and attractive policies, FDI in Indian Electronics sector surged to USD 2.9 billion in FY2020, signalling renewed investor interest and confidence in India's electronics sector. The positive trend continued into FY2022, FY2023 and FY2024, with inflows rising to USD 3.2 billion, USD 3.6 billion, and USD 4.8 billion respectively.

Chart 1.10: India - FDI inflow in the Electronics sector, value in USD billion, FY19-FY24



Source: Department of Promotion of Industry and Internal Trade (DPIIT), Frost & Sullivan Analysis

Other driving factors

- **Large domestic consumption base:** India boasts a rapidly expanding domestic market driven by a burgeoning middle class with increasing consumption of electronic goods. This growing demand presents a substantial opportunity for manufacturers looking to tap into new markets. In contrast, China is experiencing market saturation in certain segments, while Vietnam's overall market size is comparatively smaller. India's vast domestic market, combined with its position as a gateway to other South Asian markets, enhances its attractiveness for electronics manufacturers.
- **Trade agreements and global relations:** India is actively pursuing bilateral and multilateral trade agreements that enhance its global trade relationships. Some notable examples include the India-Australia Comprehensive Economic Cooperation Agreement (IACEA), the India-United Kingdom Free Trade Agreement (UKFTA), and the India-Mauritius Comprehensive Economic Cooperation Agreement (IMCECCA). Additionally, India is a member of the Regional Comprehensive Economic Partnership (RCEP) and the World Trade Organization (WTO). These agreements aim to reduce tariffs, improve market access, attract foreign investment, and promote economic growth. India's strategic approach to trade positions it favourably in the global landscape, making it an attractive option for companies seeking to diversify their supply chains.
- **Innovation and R&D Ecosystem:** Ancient India was the land for innovations and today, modern India, acting as 'Vishwa Mitra', is leveraging technology to bridge the gaps and reach new heights. Destined to be 'Viksit Bharat' by 2047, India aims to make research, innovation, and entrepreneurship the key drivers of its transformation. This emphasis on continuous improvement, coupled with India's vast pool of skilled talent, positions the country as a frontrunner in the global innovation landscape. Various programmes that are driving the innovation ecosystem of the country are Startup India, Atal Innovation Mission (AIM), The National Innovation Foundation – India (NIF), Innovation in Science Pursuit for Inspire Research (INSPIRE), Deep Tech Start-ups Ecosystem, National Education Polity 2020 (NEP 2020), etc. Due to this, many renowned global corporations are increasingly establishing Research and Development (R&D) teams and Global Technology Centers (GTCs) within the country. This is a win-win situation as Global corporations gain access to India's skilled workforce and cost advantages, while India benefits from exposure to cutting-edge research, fosters innovation within its economy, and creates high-quality jobs for its talented workforce. In conclusion, India's emergence as a hub for R&D and GTCs is a testament to the country's growing importance in the global innovation landscape.

Key government policies and schemes driving electronics manufacturing in India

The Government of India is encouraging domestic manufacturing through supporting policies and initiatives that are likely to lead to overall development in the ecosystem and will open up gates of opportunities for companies, vendors, and distributors in the market. Incentives for local manufacturing, demand side support through Government procurement, import barriers via duties and favourable steps like GST that reduced complexity of operations, are pull factors for both MNCs as well as domestic manufacturers to invest in India. Some of the key initiatives/ schemes/ programs introduced by the government in boosting the electronics industry in India include:



Atmanirbhar Bharat (Make in India initiative): In 2014, the government of India announced this initiative to make India a global manufacturing hub, by facilitating both domestic as well as international companies to set-up manufacturing bases in India. India has the potential to be one of the most attractive manufacturing destinations and support the objective of ‘Make in India for the World.’ As per the scheme, the government released special funds to boost the local manufacturing of mobile phones and electronic components, and later the PLI scheme was extended to room air conditioners. However, the domestic manufacturers are awaiting the PLI

scheme to be expanded to other consumer electronic products such as washing machines, television and refrigerators. The scheme has also introduced multiple new initiatives, including promoting foreign direct investment, implementing intellectual property rights, and developing the manufacturing sector.

Atmanirbhar Bharat Abhiyaan, or Self-reliant India campaign, entails a variety of measures across sectors, with larger focus on the CAPEX and R&D. The Make in India initiative, a part of the ‘Atmanirbhar Bharat Abhiyan,’ would provide an additional boost to country’s business operations by encouraging substitution of imports of low-technology products from other countries and generating demand for local manufacturing. Atmanirbhar Bharat Abhiyan is planned to get carried out in two phases:

- Phase 1: The emphasis will be on segments like medical, textiles, electronics, plastics and toys.
- Phase 2: For products like gems and jewellery, pharmaceutical and steel, etc.

The programme will usher in a new era in electronics manufacturing by providing a globally competitive incentive package to companies in semiconductors and display manufacturing as well as design.

Phased Manufacturing Programme (PMP): In order to promote indigenous manufacturing of electronic products, the government has introduced this program. Indian electronics manufacturers are heavily dependent on imports for raw materials sourcing. The phased manufacturing programme of the Government of India involves a mix of local assembly import levies and incentives. Initially introduced for mobile phones, the program is gradually extended to other electronic products. According to the PMP, the government offers various incentives, including differential duty exemptions such as countervailing duty (CVD) on imports and excise duty without input tax credit. For example, one of the key raw materials is plastics and plastic components are driven by international prices and there is no noticeable disadvantage for Indian producers. As a large number of electronic manufacturing units are anticipated to undertake greater value addition, the plastic component cost is likely to go down over the next 3 to 4 years. Various PLI schemes across sectors are expected to address this challenge by bridging the cost gap between India and China.

The government is willing to look at the PMP for the Air Conditioning industry to reduce imports and increase the local value addition and employment along with increasing exports. The industry response to the Production Linked Incentive (PLI) scheme for the white goods has been tremendous and manufacturing units in over 50 locations across different parts of India stand to make benefit from it in the component chain of Air Conditioner and LED. The Government is considering options to increase the Basic Customs Duty on AC to 30% from 20%, on Compressors to 20% from 12.5% and on other items (PCB controller, motor, cross flow fan, evaporator, metal, plastic parts) to 20% from 10% to further encourage local manufacturing.

The DPIIT will make sure that all the investments coming in under the PLI scheme for white goods get approvals from the Central and the State government authorities on fast track so that the targets set can be achieved on time. The government is currently in the process of fast tracking the national single window clearance system which is being aimed at ease of doing business where all the applications can be filed and tracked online.

The PMP, which is already in implementation phase for the mobile phone industry, could also be an important scheme to promote the domestic manufacturing of AC components and reduce imports from China and Thailand.

Under PMP scheme Tariff structure is rationalized for Televisions (TVs) and parts/ sub-parts thereof, as under:

- TVs attract Basic Customs Duty of 20%.
- Panels of TVs attract Basic Customs Duty of 15%.
- Specified parts of Panels of TV including Plate diffuser, Film diffuser, Reflector sheet, etc. attract Basic Customs Duty of 10%.
- Open Cell and its specified inputs/ parts attract Basic Customs Duty of 5%.

Production Linked Incentive (PLI) Scheme: Keeping in view India’s vision of becoming ‘Atmanirbhar’, PLI schemes for 15 key sectors / product baskets with an incentive outlay of INR 2,130 billion are under implementation to enhance India’s manufacturing

capabilities and exports. PLI scheme across these key specific sectors started to make Indian manufacturers globally competitive, attract investment in the areas of core competency and cutting-edge technology, ensure efficiencies, create economies of scale, enhance exports and make India an integral part of the global value chain.

Based on a report from PIB, PLI schemes witnessed over INR 1,030 billion investment till November 2023, which led to production / sales of INR 8,610 billion and employment generation (direct & indirect) of over 678 thousand. PLI Schemes have witnessed exports surpassing INR 3,200 billion, with significant contributions from sectors such as Large-Scale Electronics Manufacturing, Pharmaceuticals, Food Processing, and Telecom & Networking products.

Chart 1.11: Approved financial outlay under Production Linked Incentive (PLI) scheme

Sectors	Implementing Ministry/ Department	Approved financial outlay over a five-year period (INR billion)
Large Scale Electronics Manufacturing	Ministry of Electronics and Information Technology	386.5
Automobiles & Auto Components	Department of Heavy Industries	259.4
High Efficiency Solar PV Modules	Ministry of New and Renewable Energy	240.0
Green Hydrogen and Electrolyzer	Ministry of New and Renewable Energy	174.9
Advance Chemistry Cell Batteries	NITI Aayog and Department of Heavy Industries	181.0
IT Hardware	Ministry of Electronics and Information Technology	170.0
Pharmaceuticals	Department of Pharmaceuticals	150.0
Telecom & Netrowing Products	Department of Telecom	122.0
Food Processing	Department of Food Processing Industries	109.0
Textile Products	Ministry of Textiles	106.8
Key Starting Materials/ Drugs Intermediaries, APIs	Department of Pharmaceuticals	69.4
Speciality Steel	Ministry of Steel	63.2
White Goods (Acs and LED Lights)	Department of Promotion of Industry and Internal Trade	62.4
Medical Devices	Department of Pharmaceuticals	34.2
Drone and Drone Components	Department of Civil Aviation	1.2
	TOTAL	2,130.0

Source: DPIIT, Invest India, Frost & Sullivan Analysis

PLI Scheme for White Goods: This was launched by the Department of Promotion of Industry and Internal Trade for ACs and LED lights. The central government approved the PLI Scheme for White Goods (Air Conditioners and LED lights) to be implemented over FY22 to FY29 with an outlay of INR 6,238 crore on 7th April 2021. Thus far, 66 applicants with a committed investment of INR 6,962 crore have been approved as beneficiaries and the major companies associated with ACs are Daikin, Voltas, Hindalco, Amber, PG Technoplast, Epack Durables, Mettube, LG, Blue Star, Johnson Hitachi, Panasonic, Haier, Midea, Havells, IFB, Nidec, Lucas, Swaminathan, And Triton Valves etc.

The scheme has recently completed its 3rd window of applications in October 2024 and around 38 companies have applied in this window with a net investment commitment of INR 4,121 crores. Of this around INR 3,679 crores is for manufacturing AC components and the remaining is for LED light components. In ACs segment, several investments have been proposed to manufacture high value intermediates of ACs i.e. copper tubes (plain / grooved), aluminium stock for foils or fins for heat exchangers and compressors which account for almost 50% of Bill of material (BoM) for RACs. In addition to that applicants have

proposed to manufacture control assemblies for IDU or ODU, heat exchangers, motors, sheet metal components and plastic moulded goods etc.

Chart 1.12: Top ten applicants selected in the first two rounds of PLI Scheme for white goods (air conditioners) in terms of investment value, FY24

Applicant	Products to be manufactured	Committed investment (INR crore)
Hindalco Industries Ltd	<ul style="list-style-type: none"> • Copper tube (plain/ grooved) • Aluminium stock for foils or fins for heat exchangers 	539.00
Daikin Airconditioning India Private Limited	<ul style="list-style-type: none"> • Compressors • Control assemblies for IDU or ODU or remotes • Motors • Cross flow fan (CFF) • Heat exchangers • Sheet metal components • Plastic moulding components 	538.70
Amber Enterprises India Limited	<ul style="list-style-type: none"> • Control assemblies for IDU or ODU or remotes • Motors • Cross flow fan (CFF) • Heat exchangers • Sheet metal components • Plastic moulding components 	460.18
Adani Copper Tubes Limited	<ul style="list-style-type: none"> • Copper tube (plain/ grooved) 	408.00
PG Technoplast Private Limited	<ul style="list-style-type: none"> • Control assemblies for IDU or ODU or remotes • Cross flow fan (CFF) • Heat exchangers • Sheet metal components • Plastic moulding components 	321.00
Mettube India Private Limited	<ul style="list-style-type: none"> • Copper tube (plain/ grooved) 	300.21
Epack Durables Limited	<ul style="list-style-type: none"> • Control assemblies for IDU or ODU or remotes • Motors • Cross flow fan (CFF) • Heat exchangers • Sheet metal components • Plastic moulding components • Display panels (LCD/LED) 	300.00
LG Electronics India Private Limited	<ul style="list-style-type: none"> • Compressors • Control assemblies for IDU or ODU or remotes • Motors • Heat exchangers • Plastic moulding components 	300.00
IL Jin Electronics India Private Limited	<ul style="list-style-type: none"> • Control assemblies for IDU or ODU or remotes • Motors • Cross flow fan (CFF) 	167.33
Blue Star Climatech Limited	<ul style="list-style-type: none"> • Heat exchangers • Sheet metal components 	156.00

Source: Department for Promotion of Industry and Internal Trade, IFCI Limited

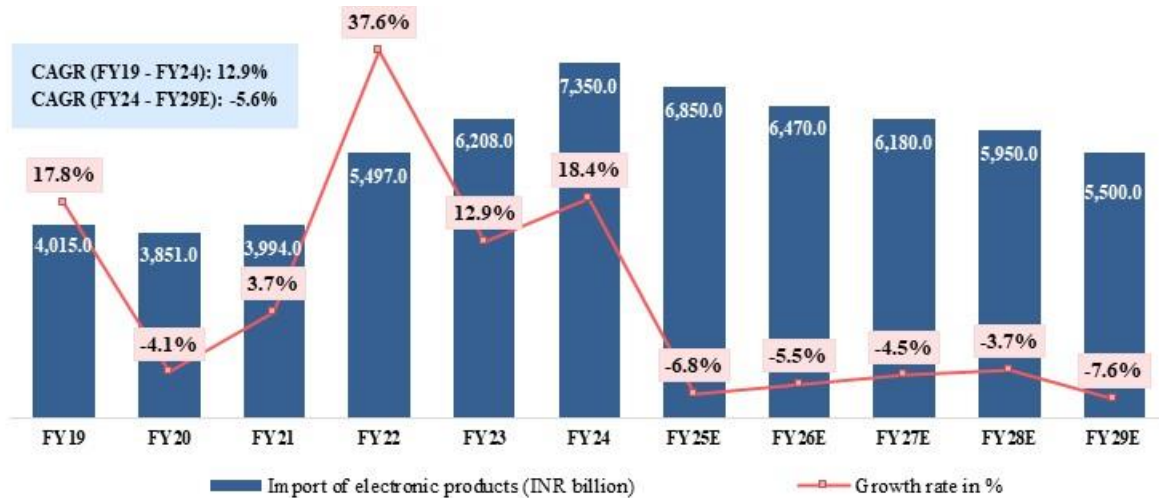
Import substitution

India's electronics imports (finished good, electronics assembly and components, solar and storage products) remained rangebound at approximate INR 4,000 billion between FY2019 and FY2021, however, surged sharply in FY2022, reaching INR 5,497 billion, largely due to the global semiconductor shortage that disrupted domestic production and increased reliance on imports. The imports further increased to INR 6,208 billion in FY2023 to support the strong growth in domestic electronics production through imports of electronics assembly and components. Imports in FY2024 is expected to grow at more than 18% to INR 7,350 billion, as import of solar components significantly increased at the latter half of FY2024 before the implementation of ALMM from April 1, 2024.

In order to reduce dependence on imports, the government introduced PLI schemes and is developing Electronics Manufacturing Clusters (EMCs) across the country (at locations such as Mundra, Adityapur, Mysore, etc.), providing world-class infrastructure to boost domestic production. The Govt. is also using various means to curb imports such as ‘Phased Manufacturing Programmes’ and subsequent penalties, mandatory BIS certifications, import duty and anti-dumping duties, etc. For example, Government published a long list of more than 65 products including Television, Laptops, LEDs etc. that require mandatory BIS certification, effectively restricting the import. The government also prohibited the import of air conditioners (both split and window models with refrigerants), which were previously under the ‘free’ import category, shifting them to the ‘prohibited’ category to further support domestic production. As a result, imports of electronics into the country are expected to decline from FY2025 onwards and is expected to drop to INR 5,500 billion by FY2029.

In a move to promote domestic manufacturing of televisions, the government of India made an announcement in July 2020 to license the import of fully built television sets by placing them on a restricted list. Also, in October 2020, the government announced the prohibition of the imports of air conditioners (both split and window ACs with refrigerants). Their imports were free until that time period. The import policy of air conditioners with refrigerants was amended from ‘free’ to ‘prohibited’ category.

Chart 1.13: Import of electronic products, INR billion, India, FY19-FY29E



Note: E refers to Estimate; MeitY is yet to publish import statistics for FY2024 – estimate is based on import data analysis and stakeholder inputs.
Source: MeitY Annual Report, Frost & Sullivan Analysis

Importing electronics and IT products without the BIS registration is now prohibited in India. Under its 'Make in India' initiative, India is tightening quality controls for electronic products in order to limit the rising import of low-cost electronic products, particularly from China, and to boost domestic manufacturing. According to the DGFT notification, every business importing and selling electronic products such as mobile phones, LED lights, etc. in India is required to register with the BIS for government clearance; failing to do so, the imported goods would be re-exported back to their origin. Earlier, the government had started the Electronics and Information Technology Goods Order in 2012 and mandated that 15 electronic products under this category have the BIS certification, which incorporated laptops, televisions, and notebooks, among others. The order now encompasses each imported electronic and IT product up for sale in the open market. The new rules have wider implications on the future imports of electronic items to India, which imports close to 50% of its entire electronic product sold in the market. Given India's enormous appetite for the imported electronic products, it is very important for the importers and the foreign manufacturers to get every aspect of the compliance right. Failing to do so can actually prove to be very expensive and can also damage the business credibility.

The top products contributing to the highest electronics imports are the Engine Control Unit, FPD (Flat Panel Display) TV, Refrigerator, Set Top Box, Machine Tools, CCTV Camera, Notebooks, Servers, Storage Devices, Home Automation Modules, Mobile Phones, Media Gateways, Enterprise Routers, Defence, Medical Devices Smart Cards & Readers, low voltage power switchgear segment, among others. Long run mission of the government is to reduce dependency on imported electronics products and services through ‘Atmanirbhar Bharat’ and developing local electronics manufacturing ecosystem with the help of various incentives and policies.

ASSESSMENT OF ELECTRONICS MANUFACTURING SERVICES (EMS) IN INDIA

Indian EMS industry

Market overview of EMS industry in India

Chart 2.1: Industry structure of EMS market in India, FY24



Source: Frost & Sullivan Analysis

There are nearly 700 EMS companies in the market, ranging from large, medium-sized, to small players. Major global companies are Bharat FIH, Flex, Wistron, Pegatron, Jabil; large Indian companies include Dixon, Amber, EPack Durables, PG Electroplast, SFO Technologies, Syrma, Elin, Avalon Technologies etc. Ambitious expansion plans and capacity augmentation of indigenous EMS players to capitalise on favourable policy initiatives ensure that the EMS sector in India will witness heightened growth in coming years.

Chart 2.2: Indian EMS market, value in INR billion, growth in %, FY19-FY29E



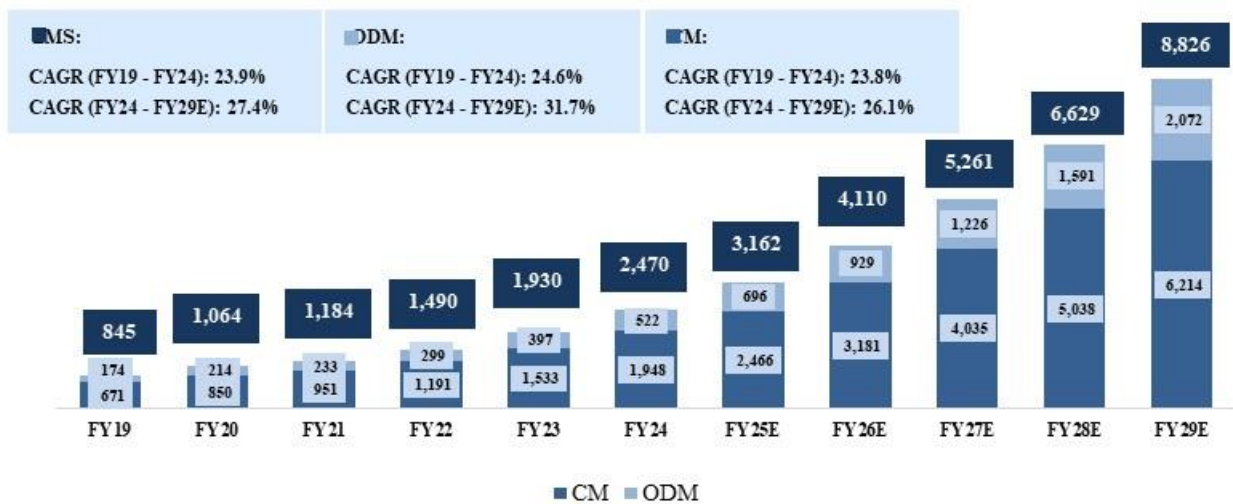
Note: E refers to Estimate; Source: MeitY, ELCINA, Frost & Sullivan Analysis

The EMS market in India was valued at INR 2,470 billion in FY24 and is expected to grow at a CAGR of 27.4% to reach a value of INR 8,286 billion in FY29. Indian EMS industry is part of the larger Electronics ecosystem of the country. A systematic approach has been followed to separate various components of the Indian Electronics market and derive the size and potential for the EMS business in India. The Indian EMS market comprises various tiers of companies, including global EMS companies with operations in India and large, mid-sized, and small Indian EMS companies.

Mobile Phones, Consumer Electronics, Telecom and Industrial Electronics contribute to more than 84% of the total EMS market in India in FY24. Few EMS providers are slowly evolving to offer complete design services apart from contract manufacturing. This acts as a win-win situation for both EMS players as well as OEMs; EMS players obtain higher margins through this model, and OEMs benefit by outsourcing manufacturing and design activities, enabling them to focus on other activities. High volumes will influence EMS companies to establish the component ecosystem locally and enhance domestic capabilities for component sourcing, making the ecosystem stronger.

EMS market segmentation by CM and ODM

Chart 2.3: Indian EMS market - Split by CM and ODM, value in INR billion, growth in %, FY19-FY29E

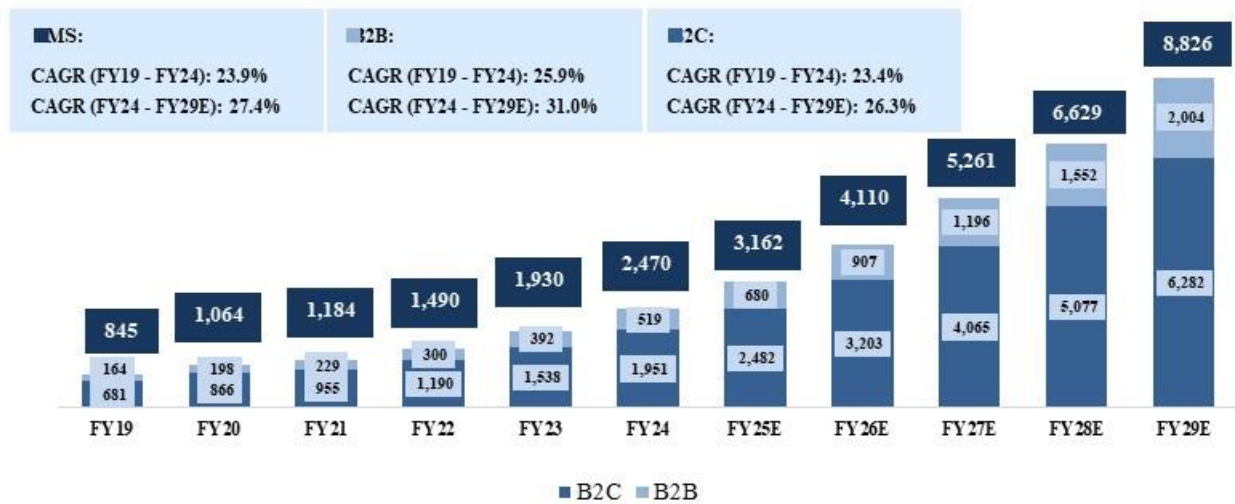


Note: E refers to Estimate; Source: MeitY, ELCINA, Frost & Sullivan Analysis

In the total EMS market, contract manufacturing (CM) accounts for approximately 79%, while original design manufacturing (ODM) accounts for the remaining 21% in FY24. As reference designs and specifications are provided primarily by the OEMs to EMS providers, there is not much scope for product differentiation. In the Indian industry landscape, there is a dependency on ODMs primarily to manufacture the entry-level products. These products have low differentiation, and the main features for ODMs ends up being their quality, cost and delivery. EMS companies are steadily shifting towards ODM models, providing full turnkey solutions for items from design, product development to reverse logistics. Also, due to increased competition, EMS companies are striving to diversify their product offerings. EMS providers have the expertise to procure and manufacture at faster turnaround times. In the ODM industry, innovation is critical to success. While cost reduction remains the major driver of EMS outsourcing, other factors such as improved design skills have contributed to ODM capabilities. PGEL is a leading, diversified Indian Manufacturing Services provider and is among the few companies in India specialising in Original Design Manufacturing (ODM), Original Equipment Manufacturing (OEM) and Plastic Injection Moulding for the consumer durables industry, thereby providing one stop, end-to-end solutions to consumer durable brands.

EMS market segmentation by B2B and B2C

Chart 2.4: Indian EMS market - Split by B2B vs B2C, value in INR billion, growth in %, FY19-FY29E



Note: E refers to Estimate; Source: MeitY, ELCINA, Frost & Sullivan Analysis

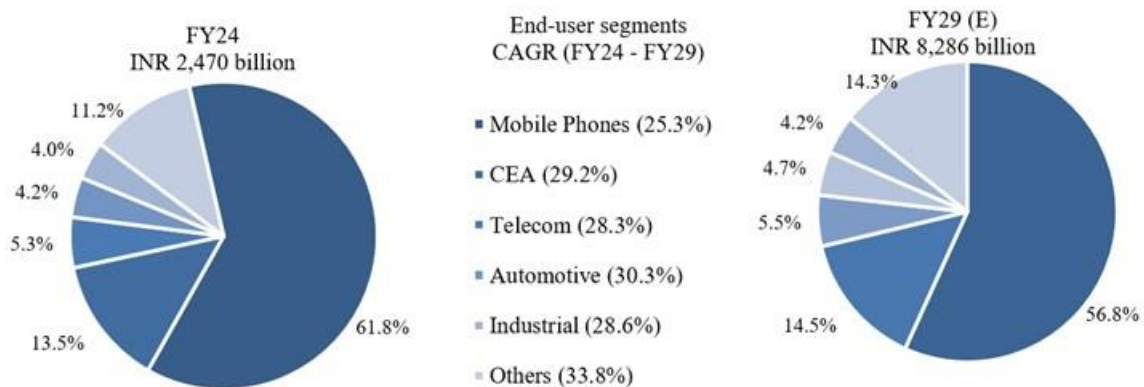
EMS market is also segmented into B2B and B2C segments. Mobile phones and Consumer Electronics and Appliances (CEA), which are high volume are entirely B2C, whereas segments such as automotive, aerospace and defence, industrial and telecom fall under the purview of the pure-play B2B segment.

In India, the B2C market was valued at INR 1,951 billion in FY24 and is expected to maintain its dominance, reaching INR 6,282 billion in FY29, while the B2B market is far behind. In FY24, the B2B market was valued at INR 519 billion, and it is expected to grow to INR 2,004 billion by FY29. PG Electroplast is the fastest growing B2C focused ODM player in India, having recorded the highest revenue CAGR amongst listed peers (Dixon, Amber, EPack Durables and Elin) over FY22-FY24.

EMS market segmentation by key end use industries

The expansion of India's EMS industry is being fuelled by a variety of factors. Significant reasons driving the growth are raising labour costs in other parts of the world and a trend among large OEMs to outsource manufacturing rather than invest in their own infrastructure. Due to the size, complexity, and high level of competition in the Indian market, OEMs are focusing more on marketing and aftermarket activities, leaving the production to contract manufacturers.

Chart 2.5: Indian EMS market - Split by end-user segments, India, value in INR billion, FY19-FY29E



CEA – Consumer electronics and appliances (includes products of interest – air conditioners, washing machines, television, air cooler, refrigerators and others) Others includes IT, Lighting, Aerospace & Defense, Energy, Medical etc.

Note: E refers to Estimate; Source: MeitY, ELCINA, Frost & Sullivan Analysis

Mobile Phones: Mobile phones manufacturing is the largest segment within EMS and is growing at a robust pace. India is the world's second-largest manufacturing hub and market, accounting for 15.5% of global smartphones shipments in Q3 of FY2024. . While 3G technology enabled smartphones had limited bandwidth, succeeding technologies such as 4G, 4G+, VOLTE and 5G, are defining the mobility in terms of data in the country. 4G technology has largely been responsible for enhancing the Internet access and increasing the data usage in the Indian Market.

Consumer Electronics & Appliances (CEA) (includes room air conditioners, washing machines, television, air cooler, refrigerator and others): In India, CEA has the largest market share after mobile phones. Sales are driven by rising income levels and technological innovation, since users tend to adapt to new technologies through early replacement. Untapped markets have been brought to the attention of consumer electronics companies due to digital technology and enabling connectivity infrastructure. Small and kitchen appliances account for a significant portion of the market size. With rise in demand of components, it is very likely that EMS and Tier-1 players would take steps to build a component base within the country.

Automotive: Automotive electronics sales are expected to go up, driven by rising income levels, and an increasing level of in-vehicle digital experience. Rising awareness among people about advanced safety and communication services, coupled with more embedded connectivity service offerings by automakers, is also one of the drivers for this market.

Industrial: Industrial electronics play a vital role in improving the efficiency and productivity of industries and are anticipated to grow in industries like energy, transportation, petroleum, chemical, semiconductor, mining, agriculture, and others. Current emphasis is also placed on a branch of power conditioning dealing with power electronic switches, sensors, actuators, meters, intelligent electronic devices (IEDs), automation equipment, semiconductors, nanotechnology, etc., using power semiconductor devices in modernizing industry technology.

Emerging trends, Growth drivers and Market restraints of EMS industry in India

Emerging trends in EMS industry in India

Faster replacement cycle and high demand for emerging technologies: Electronic products have shorter life cycles as a result of rapid technological improvement and newer products with enhanced technology. Customers are also replacing their electronics with newer products with constantly changing customer views and expectations.

This growing preference for advanced technology products has driven rapid innovation in the consumer electronics business. Emerging technologies, for example, IoT, AI, 5G, and the introduction of robotics and analytics in the industrial and strategic electronics segment, have all led to the overall development of numerous electronic products, which has boosted the local demand.

Demand from emerging applications in electronics industry: The EV market is gaining traction, owing to the governments various initiatives to promote EV sales in India. As the EV segment is reliant on the electronics sector for a range of components, the EMS market is projected to gain impetus in the near future. The electronics market in Telecom and Networking Products segment is increasingly adopting 5G technology for enhanced mobile broadband and ultra-reliable low latency connectivity. Wearable technology and flexible displays (TV segment) are two emerging electronic applications that are gaining wide acceptance globally.

EMS companies offering design services: EMS companies are moving up the value chain and Indian design companies work on end-to-end product development, right from concept design to development to prototype testing. Advanced product development focusing on miniaturisation, IoT, automation, AI, and defence applications is likely to be one of the biggest trends in electronics design. Electronic Design Automation (EDA) is a category of software tools which drives the design of Integrated Circuits and PCBs. Until recently, EDA software tools were used to cater mainly to the semiconductor business. However, the fast rise of AI, ML, deployment of 5G communication, edge and cloud computing have created the need for invention in hardware, as an outcome such software tools are in very high demand.

Component miniaturization: During the complete production cycle, an electronic device is being handled by a variety of manufacturing equipment. The ever-increasing complexity of electronic assemblies, as well as component miniaturization, has increased demand for advanced and dependable manufacturing equipment. The choice of PCB is dictated by three major factors from the product perspective, which is complexity of operation, form factor, and level of miniaturization.

After sales service as part of offerings of the EMS companies: Repair and rework are no longer seen as non-value-added services in electronic manufacturing industry. It is increasingly becoming part of OEM and EMS/ODM service offerings. Repairing and reworking equipment allows electronic manufacturers to save valuable electronic components and semiconductors instead of discarding them. It is also being accepted in the electronics industry due to the development of precise SMT (Surface Mount

Technology) repair and rework equipment. Complex, high density PCBA are simply too valuable to scrap. Due to the tight production runs of Just-In-Time manufacturing, even smaller boards with fewer components would need to be repaired.

Key growth drivers for the industry

Strong push towards Make in India: India is witnessing a major drive by the government of India to push for the domestic manufacturing of Electronics especially in segments such as Mobile Phones, Televisions, and Medical & Strategic Electronics. The Government of India's "Aatmanirbhar Bharat Abhiyaan" or Self-Reliant India campaign provides an increasing range of incentives to attract and localize manufacturing and production in India. These incentives promote manufacturing and exporting products in various industries.

New regulations like BS VI for Automotive, Digital India program, Digital Payments and Smart Cities program are going to drive more usage of electronics in India and therefore will lead to a far greater thrust on Make in India than it was seen before.

Influx of new electronic applications going forward: New emerging opportunities like Electric Vehicles, IoT, and Electronic Security Systems (Cameras or Storage) are opening up new electronics market for India and these industries will also be driven by the Make in India program.

Increased electrification through various initiatives: Electricity consumption is one of the most important indices that determines the development level of a particular nation. The Indian government is committed to enhancing the quality of life of its citizens by increasing electricity consumption. The objective of the government is to provide each household with access to round-the-clock electricity. The "Power for All" program is a significant step in this direction, which is a joint initiative of the Government of India and state governments with the primary goal of making 24x7 power available to all households, industries, commercial businesses, public needs, and any other entity that consumes electricity.

Importance of the Digital India initiative: "Digital India" is a government initiative aimed at preparing India for a knowledge-based future. The primary objective of the launch of the "Digital India Mission" is to transform India into a digitally empowered society and knowledge-based economy. The Digital India Mission has the vision to provide each resident of the country with a digital identity card. In the case of electronics manufacturing, the Digital India initiative is offering tax incentives in focus areas like FABS, fabless design, set-top boxes, VSATs, mobiles, consumer and medical electronics, smart energy meters, smart cards, and micro-ATMs.

Changing geopolitical situation post COVID: Post Covid, alignments in the global markets has shown that there is a far greater resistance to rely on China as their key manufacturing source. There are discussions in numerous forums to diversify their manufacturing operations to counties other than China. India is seen as one of the possible diversification areas along with Vietnam and other Southeast Asian nations.

Increasing financing options and no-cost EMI schemes: The growth of Indian electronics market is driven by technological advancements and rising disposable incomes. The Indian consumer market has been cautious, with a mix in purchase of small and large consumer appliances. In recent years, due to the availability of no-cost EMI as a payment method, the purchase behaviour of Indian consumers has shifted significantly. In addition, trends such as digitalization and new business models have enabled India's financial institutions to reach consumers in rural and semi-urban areas and meet their growing demand. Various brands are also partnering with consumer finance firms, which not only benefits consumers but also increases brand visibility in smaller markets.

Key market restraints for the industry

Inefficient supply chain for the required electronics: India has a limited component supplier base; most of the high-value and critical components including include ICs, PCBs, etc. are imported. As supply-chain resilience and localization are becoming more significant, India must take the necessary steps to improve the domestic value chain capability for long-term benefits. The introduction of the PLI scheme to promote component sourcing; FDI policies relaxing companies' ability to set up bases in India; and the establishment of dedicated freight corridors that help in the advancement of transportation technology and increase in productivity are some of these steps.

Lack of manufacturing ecosystem: In India, there is lack of a stable component ecosystem. Moreover, FTAs (Free Trade Agreements) with ASEAN countries makes imports less expensive than domestic production, thereby intensifying the situation. Tax disputes, a scarcity of skilled engineers, and a sparse network of local component manufacturers are all significant factors impeding the growth of India's mobile component manufacturing industry.

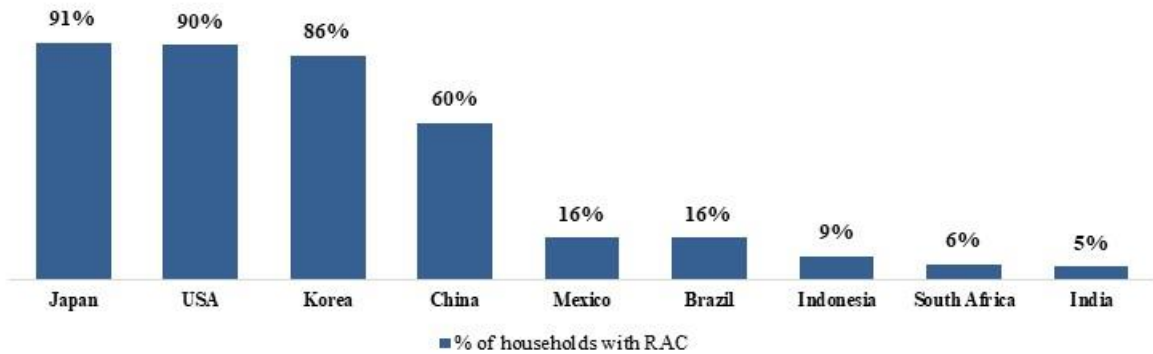
Skilled labour shortage: There is substantial competition for R&D personnel, qualified technical experts, sales and marketing professionals and post-sales services providers.

ASSESSMENT OF ROOM AIR CONDITIONERS MARKET IN INDIA

Market overview

Indian Room Air Conditioners (RAC) market is driven by the increase in disposable income, urbanization, electrification, and easy consumer financing. Tightening of energy efficiency norms has led to the introduction of inverter technology, resulting in reduction of operating costs. This has resulted in more consumers opting for RACs. Penetration of RACs in Indian households is slightly higher than 5%, implying that there is considerable scope for growth.

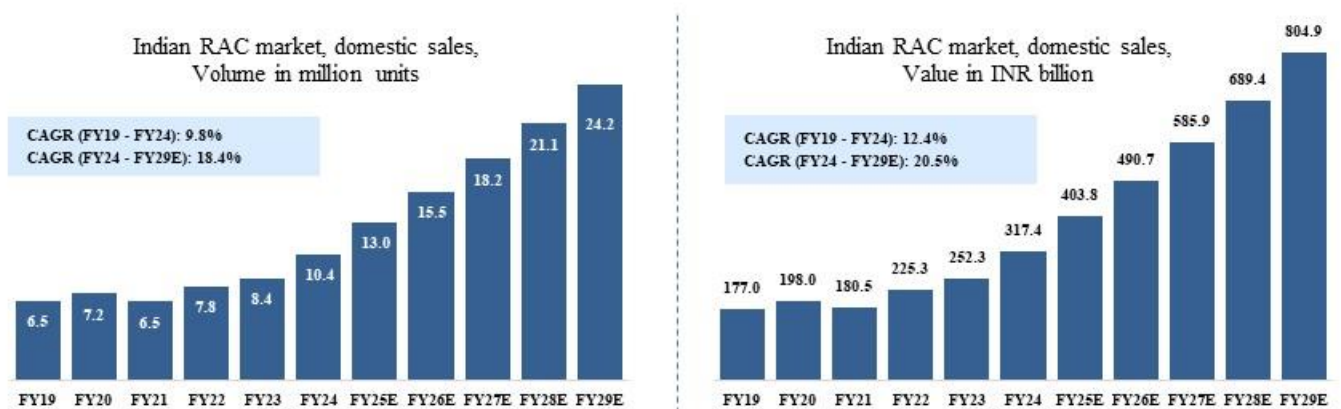
Chart 3.1: RAC penetration rate in %, across major countries in the world, FY23



Source: International Energy Agency's report on The Future of Cooling, 2018

The constant change in consumer preferences leads manufacturers to bring in new innovative and value-added products. New product features and technological advancements have added to the increase in replacement demand. The overall market size for RAC in FY24 was 10.4 million units and it is expected to grow at a CAGR of 18.4% up to FY29. Future demand for RACs in urban areas will be driven by cost competitiveness, better features, and energy efficiency.

Chart 3.2: Indian RAC market, volume in million units, value in INR billion, growth in %, FY19 – FY29E



Note: E refers to estimate; Source: Frost & Sullivan Analysis

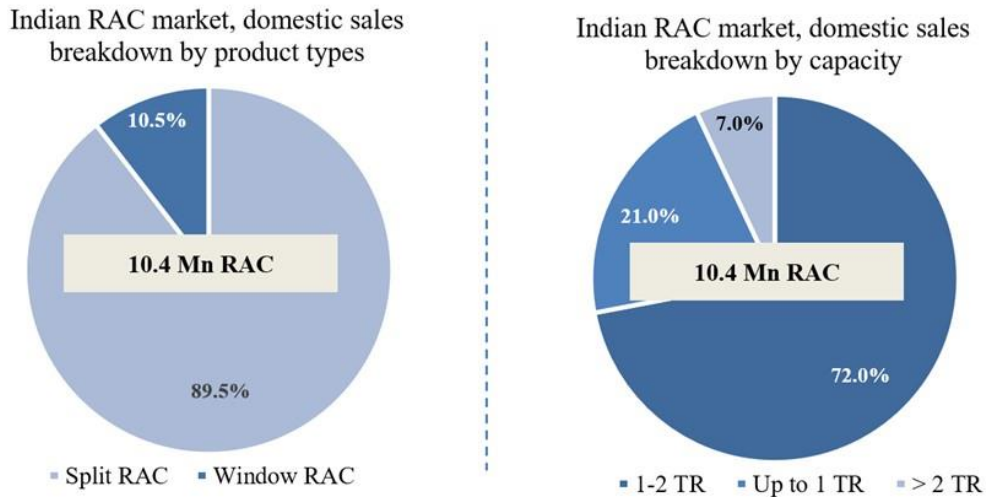
In value terms, the domestic sales of RACs were estimated to be INR 317.4 billion in FY24. The revenue market is forecast to grow at a CAGR of 20.5% to reach INR 804.9 billion in FY29.

Market segmentation by product types

Key factors determining the selection between Split and Window RAC are the capacities, design, cost, aesthetics, and operational efficiency. Split RAC dominate the Indian market with a share of 89.5% of the total market in FY24. These systems have gained popularity owing to advantages such as easy installation anywhere, aesthetics, low-noise operations, innovations such as inverter technology, and ability to cool larger rooms more efficiently.

RAC manufacturers have also been offering a strong product portfolio in terms of split RAC and these products are available on easy monthly EMIs. Window RAC accounts for 10.5% of the total market in FY24 and have specific conditions for installation and have lower servicing costs but are very noisy. Households living in rental houses prefer Window RAC as the disassembling and installation costs are lower and the window RAC can be easily relocated compared to Split RAC. The demand for Window RAC is expected to remain stagnant at around 10-11.0% of the total market in the forecast period.

Chart 3.3: Indian RAC market, domestic sales percent breakdown by product types and capacity, volume in millions, FY24



Source: Frost & Sullivan Analysis

Market segmentation by capacity

The main factors for determining the right capacity of RAC are the size of the room and whether the room is situated on the ground floor or at a higher level, as the cooling level depends on how much sun exposure a room has. The average room size in an Indian household is about 150 - 250 square feet and this requires about 1.0 to 2.0 TR RAC. This is the most sold RAC, with a market share of 72.0% of the total market in FY24. This is followed by the less than 1.0 TR segment with a market share of 21.0%, which is mainly used for rooms up to 150 square feet. More than 2 TR RACs are used for room size from 250 - 450 square feet and this segment accounts for the remaining 7.0% of the market.

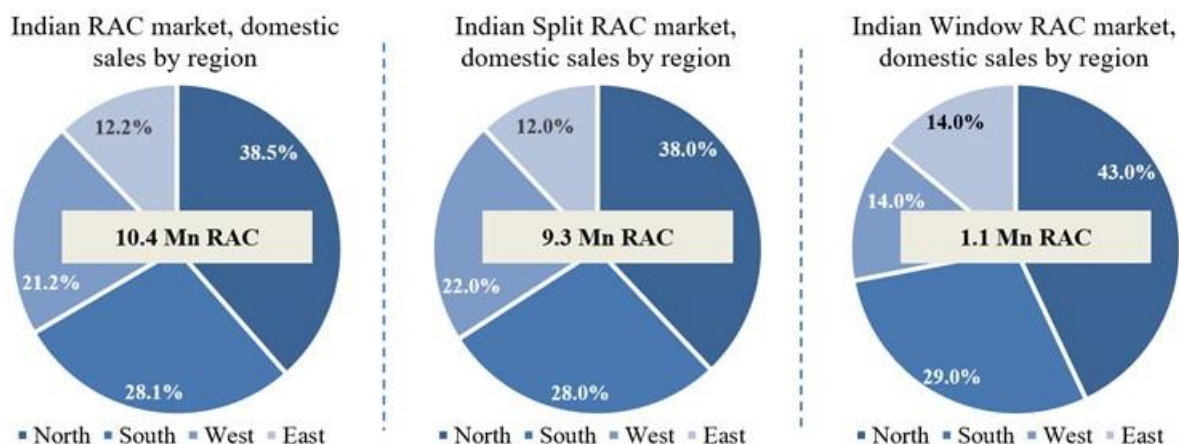
Market segmentation by star rating

Star ratings given by the Bureau of Energy Efficiency (BEE), denotes the energy efficiency of the RAC. 3-star rated RAC is the most popular model and accounted for 68.0% of the total market in FY24, followed by 4&5 star with 25.0% and 1&2 star contributing to 7.0%. The major driver for the demand for 3-star rated products is the consumption hours and the price; in India, majority of the household use RAC only for a few hours in a day. The BEE revised the star ratings recently and with new star-rating system, the 4-star and 5-star rated RAC are expected to cost more compared to older star-rated models. Some of the industry experts opined that the demand for 4-star and 5-star rated RAC may see a slight decline in sales in short-term due to the increase in costs. Efficient compressors and bigger components to meet the BEE requirements would be the key reasons for the increase in prices. An average of 10-12% additional power savings is expected from the products complying to the new star rating system.

Market segmentation by region

North region is the major market for RAC contributing 38.5% of the total market in FY24, followed by South region with a share of 28.1%. West and East region together account for the remaining 33.4% of the market. Weather patterns and urbanization determine the demand trends by regions. In terms of regional demand by product types, North region again dominates demand for both Split RAC and Window RAC.

Chart 3.4: Indian RAC market, domestic sales percent breakdown by region, volume in millions, FY24

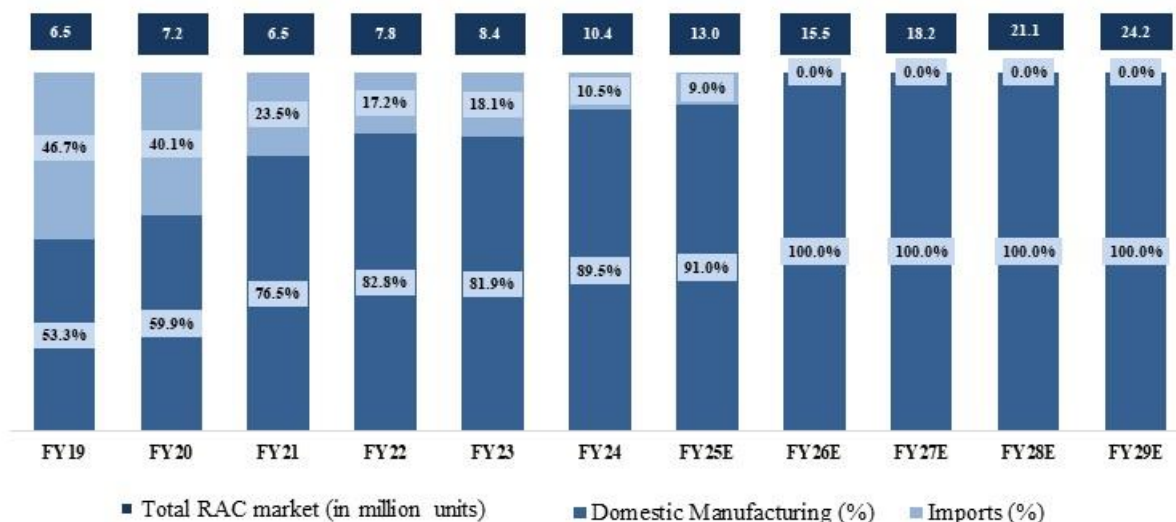


Source: Frost & Sullivan Analysis

Market segmentation by origin

Domestic manufacturing accounted for 89.5% of the total market, while imports account for 10.5% share in FY24. The share of imports has been declining over the past years with the push from the government to promote local manufacturing in India. Make in India and PLI schemes are some of the initiatives to promote local manufacturing. Government has banned imports of completely built units of RAC and moved RAC with refrigerants, both window and split RAC to the ‘restricted’ category from ‘free’ category. Importers need license from the government to import RACs today. The share of imports is expected to continue to decline rapidly in the forecast period.

Chart 3.5: Indian RAC market, breakdown by domestic manufacturing and imports, volume in millions, split by %, FY19-FY29E



Note: The chart represents the imports of finished goods only and not components. E refers to Estimate; Source: Tradestat, Frost & Sullivan Analysis

The domestic manufacturing of RAC has witnessed strong growth in the recent years, supported by government policies. Components such as compressors, motors and refrigerants are imported while IDUs and ODU are manufactured in India. The total domestic manufacturing of RAC in India stood at 9.8 million units in FY24 and of that 94.9% was sold in India and the balance 5.1% was exported.

Government initiatives have been promoting domestic manufacturing of RACs in India. Despite that most of the components such as compressors and motors are being imported. The government has made Bureau of Indian Standards (BIS) certifications

mandatory even for the imported components and recently the BIS has not recertified/ renewed the certificates for companies in China and Vietnam. While this is expected to create opportunities for local production of these components in the long-term, the industry is expected to see a potential shortage of raw material/components inventory in RACs in the short-term.

Chart 3.6: Indian RAC market, split of domestic manufacturing market by domestic sales and exports, volume in millions, share in %, FY24

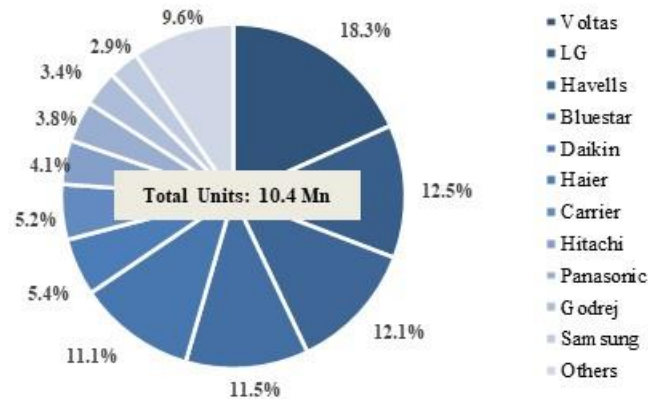


Source: Frost & Sullivan Analysis

Competition and market share analysis

Indian RAC market is highly fragmented with varied set of players – global, indigenous and importers – selling a wide range of products in the market. Voltas and LG are front runners and have a long-standing presence in India. As the Indian RAC market is growing, retail giants such as Reliance, Croma, Flipkart, etc. and other small brands like Onida, Cruise, etc. are creating their own labels and trying to capture a slice of this growing business. Indian customers are highly brand conscious, and word-of-mouth plays a major role in purchase decisions. RAC brands spend substantially on advertising and brand building to exploit the potential from the underpenetrated Indian market. High demand for RACs is expected to come from Tier 2 and 3 cities, which make distribution and service network an important factor for availability and product support.

Chart 3.7: Indian RAC market share by competition, volume in Million, share in %, FY24



Others include Videocon, Onida, Mitsubishi, Reliance and others.

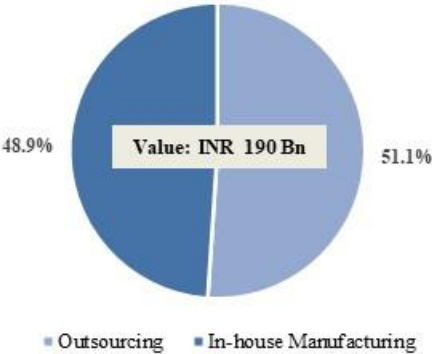
Source: Frost & Sullivan Analysis

Domestic manufacturing market: In-house versus outsourcing

In the expansive manufacturing landscape, the original equipment sector constitutes about INR 190.0 billion in FY24. This is derived from the total market revenues for RAC including OEM costs which is 58 - 60% of the total market in FY24. The balance 40-42% is the cost associated with branding and marketing. Of this original equipment market size, the Original Design Manufacturers (ODMs) and Components from Contract Manufacturers (CMs), together amount to INR 97 billion, which indicates a substantial outsourcing practice in the RAC market in India.

Government’s focus on “Atmanirbhar Bharat” has led to special focus on the RAC business. While all import business may not immediately shift to local players, the move is well thought out. Some RAC manufacturers have enhanced in-house manufacturing capacity, but many marginal players do not have local manufacturing facilities till now. Under PMP, the government plans to limit imports of components/equipment in the 1st phase by increasing duties and introducing import restrictions on motors, PCBs, compressors etc. to 20 to 30% over a 5- year time period. Under Phase 2, raw materials like copper and aluminium will be indigenised. The government seeks to create wide-scale production infrastructure for RAC components in India, which would help curb imports and provide export opportunities.

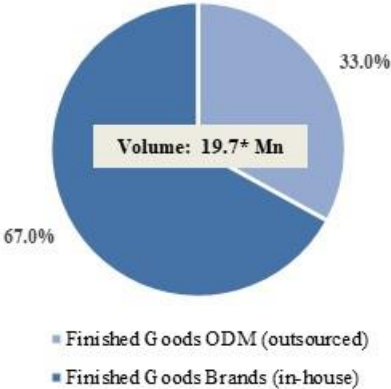
Chart 3.8(a): Indian RAC market, in-house manufacturing vs. outsourcing, value in INR billion, FY24



The outsourcing market does not include the purchase of compressors. Source: Frost & Sullivan Analysis

In FY24, the finished goods portion of the Original Design Manufacturer (ODM) market was about 6.5 million units in total.

Chart 3.8(b): Indian RAC market, in-house manufacturing vs. outsourcing, volume in million, FY24



* Includes IDU + ODU + WAC (9.3 + 9.3+ 1.1 = 19.7 Mn units). Imports are considered in Finished Goods Brands. Source: Frost & Sullivan Analysis

If we look at the bigger picture, the whole market has a big total of 19.7 million units. This includes 18.6 million units of Indoor and Outdoor units, and another 1.1 million Windows AC units. At a component level, there are about 9 to 10 levels of components (sheet metal, copper tubing, heat exchanger, plastic molding, cross flow fan, motor etc.) that varies between companies drastically, hence it will not be possible to assign volume to components.

Leading EMS players operating in Indian RAC market includes Amber Enterprises, PG Electroplast, EPack Durables, Virtuoso Optoelectronics, among others. PG Electroplast’s facility in Ahmednagar, Maharashtra is one of the largest and most backward integrated AC manufacturing plant at a single location in India.

Domestic manufacturing outsourcing: CM versus ODM

Indian ODM players have also invested in expanding and building newer capabilities to serve the overall white goods market. R&D, design and engineering were substantially negligible revenue generating activities in the overall portfolio of services offered to RAC brands five years back. With increasing dependence of RAC brands on ODM companies, priority has been given to strengthen R&D, design and engineering capabilities that are high-value activities among all services. Different Model Different Channel (DMDC) sales strategy have opened more doors for ODM players. Also, ODM projects have higher margins compared to pure play contract manufacturing. PG Electroplast is the second largest player in terms of RAC finished goods sales to the OEMs/brands in FY24. Finished goods include fully built IDUs, ODUs, and WACs and do not include ODU Kits as some of the key components such as compressor, gas, or heat exchanger are not fitted in the ODU Kits.

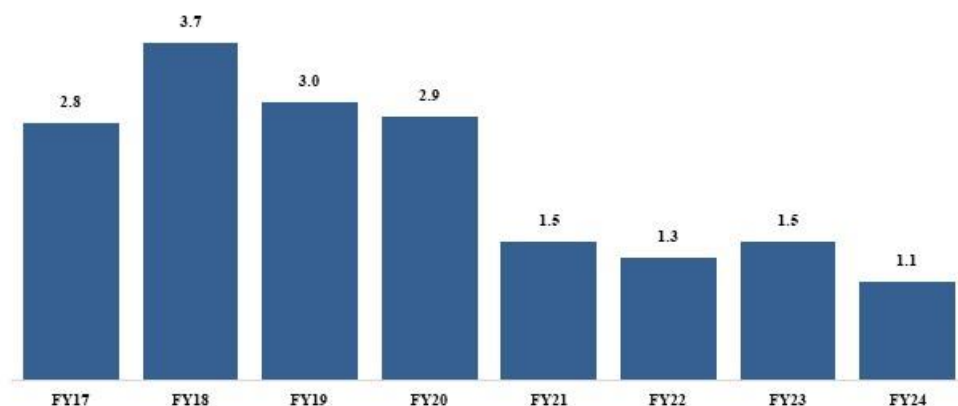
RAC market: Trends, drivers, and challenges

Market trends

Government support including PLI schemes: The Indian government has introduced a PLI scheme specifically for the white goods sector, which includes air conditioners. This scheme offers financial incentives to boost domestic manufacturing, reduce imports, and promote self-reliance in components like compressors and other AC parts. PG Electroplast, through its wholly owned subsidiary PG Technoplast, has one of the largest allocations of the PLI scheme for white goods (air conditioners) and has the fifth largest investment commitment since the PLI scheme in FY22. The top five companies in terms of investment commitment are Hindalco Industries, Daikin, Amber Enterprises, Adani Copper Tubes and PG Technoplast with a combined value of INR 2,266.88 crores. PG Technoplast has an investment commitment of INR 321 crores.

Decline in imports of RAC components indicate an evolving domestic manufacturing ecosystem: Post the ban of importing RAC with refrigerants and fully assembled RAC, the volume of imports into the country have been steadily declining. This has curbed fringe manufacturers from simply importing RAC and reselling it. Policy changes along with incentives have enabled the development of the domestic manufacturing set-up in India.

Chart 3.9: Indian RAC market, imports trend, volume in millions, FY17 – FY24



Source: Tradestat, Frost & Sullivan Analysis

Smart Air Conditioners on the Rise: Internet of Things (IoT) integration is rapidly becoming a norm in the Indian RAC market. Wi-Fi-enabled, smart air conditioners that can be controlled remotely via apps are growing in demand, particularly among tech-savvy urban customers. Voice-command integration through Alexa and Google Home has also added value to these products.

Sustainable Refrigerants Adoption: RAC manufacturers are now actively transitioning to eco-friendly refrigerants, such as R32 and R290, in compliance with the government’s push toward environmental sustainability. This trend is likely to further accelerate as climate change concerns gain more prominence.

Market drivers

Climate Change and Rising Temperatures: India has been experiencing rising average temperatures due to climate change. With the frequency of heat wave increasing, air conditioners have become a necessity rather than a luxury in many regions, especially during the prolonged summer months.

Increasing Urbanization and Real Estate Development: Urbanization continues at a rapid pace in India, resulting in the construction of new homes, apartments, and commercial complexes. This expansion of urban centers boosts the demand for RACs in the long-term. Residential real estate segment is a key contributor to the growth of RACs in India. The Q4 FY24 witnessed close to 75,000 residential unit sales in India; during the same period, more than 79,000 new units were launched across Pune, Bengaluru, Mumbai, Hyderabad and others. This strong supply pipeline is expected to create demand for RAC in the short-to-medium term.

Expanding Middle-Class and Aspirational Consumers: With an expanding middle class and aspirational consumer behavior, more Indian households are upgrading from traditional cooling devices like fans and coolers to RACs, particularly split AC units.

Shift Towards Sustainable Cooling: Growing awareness around energy conservation and sustainable living has led to higher demand for energy-efficient AC units. Consumers are increasingly inclined to buy inverter ACs, which use less energy and have lower long-term operating costs.

Increased Focus on Indoor Air Quality: Post-pandemic, there is a heightened focus on health and indoor air quality. RACs with built-in air purification systems, anti-bacterial filters, and dehumidifiers are gaining popularity, catering to consumers who are increasingly concerned about indoor air pollution.

Boost in E-commerce Sales: The shift toward online shopping, accelerated by the pandemic, has also transformed the sales channels for air conditioners. With competitive pricing, EMI options, and doorstep delivery, e-commerce platforms are now significant drivers of RAC sales, especially in tier-2 and tier-3 cities.

Growth in Micro, Small and Medium Enterprises (MSME): The MSME sector is a critical contributor to India's GDP; the sector accounted for 40.8% of the manufacturing GVA in FY22. The MSME sector has more than 63 million entities in FY24 as per the Ministry of Micro, Small, and Medium Enterprises annual report FY24. The sector is projected to grow to USD 1 trillion by 2028 in India, creating demand for workspaces, which in turn would create demand for RACs.

Growing Purchasing Power: India's per capita PPP is steadily growing, which is an important enabling factor for buying RAC systems. India's per capita income was at USD 1,916 in CY20 and reached USD 2,497 in CY23. This growth in per capita income would support the growth of the RAC market in the long-term.

Challenges

Import dependency on components: There is a lack domestic manufacturing capacity/ capability for critical components such as compressors and motors.

Price volatility: The price rise of the key raw material has been impacted by sharp commodity price inflation over the past few years. It is affected by the price volatility of certain commodities such as steel, copper and ABS plastics, and ocean freight are also on the rise and, therefore, companies pass on the price increase to consumers.

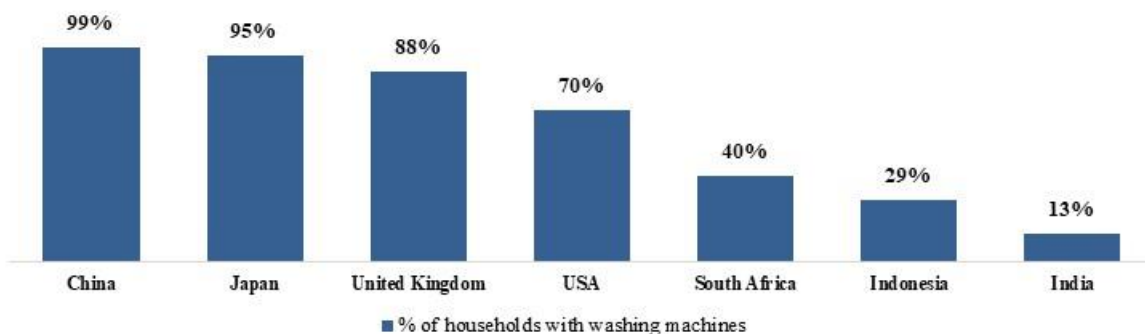
Seasonality in demand: RAC demand increases in summer months and reduces during monsoon and winter months. Sales from February to June contributes to roughly about 60% of the yearly sales for RAC companies.

ASSESSMENT OF WASHING MACHINES MARKET IN INDIA

Market overview

Indian washing machines industry has been witnessing sustained and stable growth. Dual income families, growing disposable incomes, and paucity of time have been instrumental in driving the demand for washing machines. Penetration of washing machines in India is currently 13 - 14% implying high scope for growth.

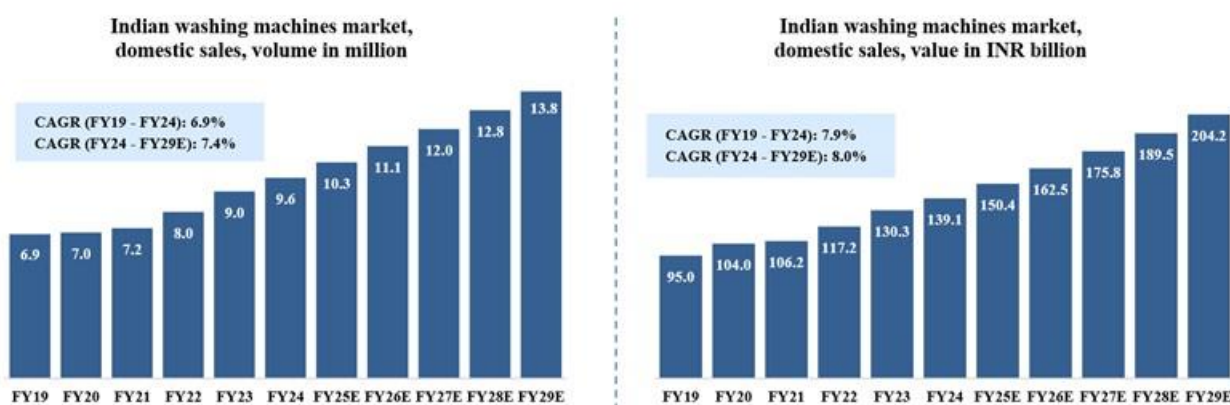
Chart 4.1: Washing machines penetration rate in %, across major countries in the world, FY23



Source: Statista, Frost & Sullivan Research

Increasing appreciation for the value that the product delivers, affordable pricing, and innovative products has aided the strong growth of washing machines in India. The volume market size for domestic sales of washing machines is 9.6 million units for FY24 and it is expected to grow at a CAGR of 7.4% till FY29.

Chart 4.2: Indian washing machines market, volumes in million, value in INR billion growth in %, FY19– FY29E



Note: E refers to Estimate; Source: Frost & Sullivan Analysis

In terms of value, the washing machine market is estimated at INR 139.1 billion in FY24 and is projected to grow at a CAGR of 8.0% from FY24 to FY29 to reach INR 204.2 billion.

Market segmentation by product types

The fully automatic systems of washing machines dominate the market with a volume share of 57.9% of the total market and the remaining 42.1% is with semi-automatic systems in FY24. The highest growth is expected in the fully automatic front-load washing machines during the forecast period. Fully automatic systems are efficient because of its tumble motion, higher revolution per minute and in-built water heater which facilitates better stain removal without harming the fabric. Fully automatic washing machines also use less water and consume lesser power when compared with semi-automatic washing machines. Within the fully automatic washing machines, top-loading machines dominate the market over front-loading machines as the price differential between the two is very high. The penetration of fully automatic washing machines in the rural markets are also expected to contribute to the growth of this segment in the forecast period. Semi-automatic washing machine sales are expected to be driven by the price points and energy and water efficiency.

Chart 4.3: Indian washing machines market, by product types, volume in millions, share in %, FY24

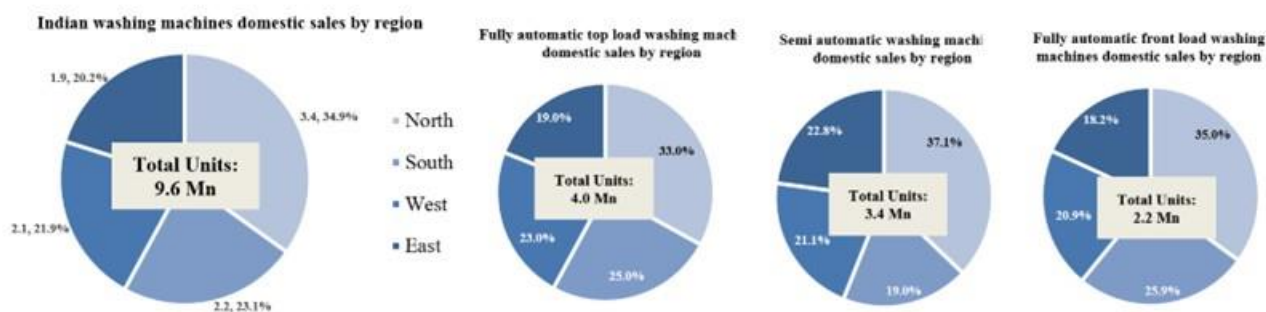


Source: Frost & Sullivan Analysis

Market segmentation by region

North and South region are the major markets for washing machines with a combined share of 58.0% of the total market in FY24. Semi-automatic machines are sold predominantly in North region, and in rural markets across India currently. But the fully automatic models are catching-up in the rural markets and is expected to gain market share during the forecast period.

Chart 4.4: Indian washing machines market, by region, volume in millions, share in %, FY24



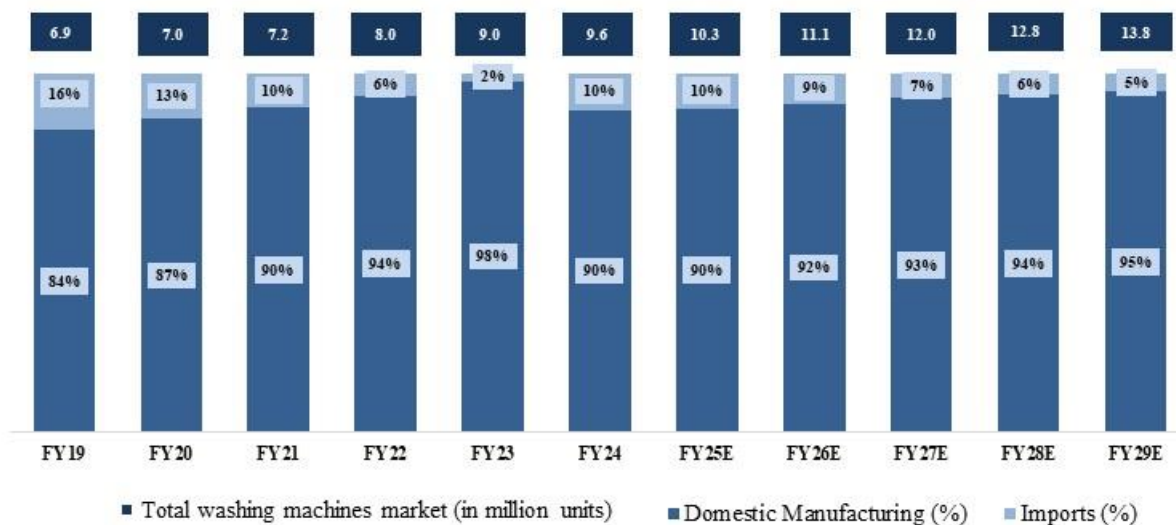
Source: Frost & Sullivan Analysis

Market segmentation by origin

The industry has strong manufacturing capabilities with a low dependence on imports. Semi-automatic washing machines are majorly manufactured in India with very minimal component dependence on imports. Since the electronic content in semi-automatic washing machines are low, the local value addition in this segment is very high.

The shifting demand to >10 kilogram washing machines from FY23 onwards resulted in a spike in imports volumes in FY24. This trend is expected to continue in FY25, but later expected to decrease as the local manufacturing capacities for >10-kilogram segment is currently being ramped-up in India.

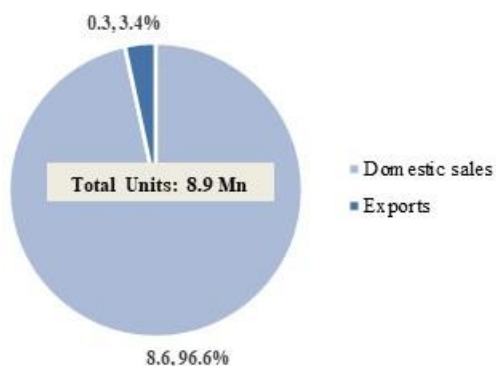
Chart 4.5: Indian washing machines market, domestic sales percent breakdown by domestic manufacturing and imports, volume in millions, split by %, FY19-289E



Note: E refers to Estimate; Source: Tradestat, Chamber of Commerce and Frost & Sullivan Analysis

Domestic manufacturing of washing machines in India stood at 8.9 million units in FY24. Exports was very low at 3.4% in FY24, and the key export destinations are Middle East, SAARC and Southeast Asia.

Chart 4.6: Indian washing machines market, split of domestic manufacturing market by domestic sales and exports, volume in millions, share in %, FY24



Source: Frost & Sullivan Analysis

Competition and market share analysis

Indian washing machines market is highly competitive with different brands leading in fully automatic and semi-automatic segment. LG and Samsung are the top two companies with a combined market share of 50.7% in FY24. Other prominent companies are Whirlpool, Voltas Beko, Godrej, IFB, Panasonic, Videocon, Haier, Lloyd, Hitachi, etc. Energy labels and energy-efficiency policies have made manufacturers to focus on the development of energy-efficient products. Manufacturers are now focusing on new product development, advancement in technologies, and increasing their manufacturing capacity. Domestic players have turned their focus towards rural areas as urban markets are dominated by international companies.

Chart 4.7: Indian washing machines market, split by competition, volume in millions, share in %, FY24

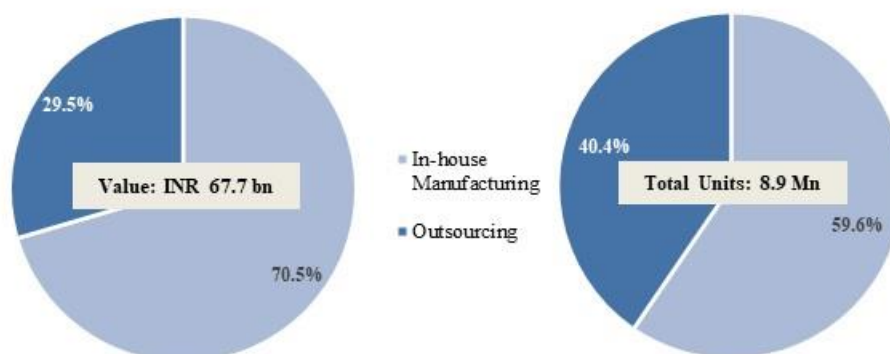


Others include Haier, IFB, Bosch, Panasonic, Videocon, Lloyd, Hitachi, among others; Source: Frost & Sullivan Analysis

Domestic manufacturing market: In-house manufacturing versus outsourcing

The Indian washing machine market comprises of in-house brand manufacturing (with 59.6% by volume) and outsourced manufacturing (40.4% by volume). While underlying washing machine volumes are posting a strong growth, the outsourced portion is not likely to grow that fast as the share of outsourcing continues to remain steady and constant, as companies rely more on in-house manufacturing in this space.

Chart 4.8: Indian Washing Machine market, in-house manufacturing vs. outsourcing, volume in millions, share in %, FY24



Source: Frost & Sullivan Analysis

The principal raw materials and components used in the production of washing machines are mechanical and electrical items like gears, timers and motors which are being imported primarily from China. Leading EMS players operating in Indian washing machine market include Dixon, PG Electroplast, MIRC Electronics, GEM, Vimal among others.

Domestic manufacturing outsourcing: CM versus ODM

The total domestic manufacturing outsourcing market for washing machines is estimated at 3.6 million units in FY24, which is further split into two categories CM & ODM. Contract manufacturing has the highest market share and contributes nearly 73% of the total outsourced market. ODM’s contribution is relatively less in the current market and contributes to 27% of the outsourced market.

Dixon Technologies is currently the market leader and has an edge in this category as many global MNCs may not be having a semi-automatic product in their global portfolio and hence need to rely on ODM solutions offered by Dixon Technologies. PG Electroplast, which provides end-to-end assembly solutions for final products, is the second largest ODM player for washing machines in India in terms of volume of units sold as of March 31, 2024. Apart from semi-automatic models, PG Electroplast

forayed into manufacturing fully automatic top-loading washing machines in FY21 and began commercial production for its customers.

Washing machines market: Trends, drivers, and challenges

Market trends:

Building brand loyalty: To distinguish their products from their peers, marketing teams of giant players are concentrating on building their brand and increasing customer loyalty. These companies are trying to connect emotionally with the consumers and emphasize their fancy design elements of the washing machines. By building the brand loyalty, manufacturers are eyeing to gain market share.

Design dominates functionality: Nowadays, consumers treat appliances as a part of furniture. The functionality of the washing machines can be nearly similar. The consumers are trying to blend the washing machines into their living spaces. When the functionality is similar, the design that impacts the consumer sentiments is the best-selling one in the market. These design features act as a growth driver to the washing machine industry.

Increasing innovations: Washing machine manufacturers are integrating innovations into their products to advance development technically. In the Indian washing machine market, LG and Samsung have launched first digitally enabled washing machines with AI and WI-FI connectivity. The new LG ThinQ front-load washing machine comprises an Artificial Intelligence Direct Drive motor, which takes it beyond the boundaries of conventional washing machines. Samsung has launched a bi-lingual washing machine with an English and Hindi user interface powered by AI. This new generation of fully automatic front load washing machines is claimed to be made for India.

Water and energy efficiency: There is a growing demand for energy-efficient and water-efficient washing machines, particularly as consumers are becoming eco-conscious. Several brands now offer machines with features like "eco-wash" cycles, inverters, and water-saving technologies.

Market drivers:

Increasing purchasing power will fuel the market growth: The collective purchasing power of the Indian middle-class families would develop into one of the world's most vital markets; this budding segment of the population and its improved spending capacity might fuel creativity and create jobs, enhancing economic growth. The growth of people's purchasing power in India is the essential driver of the Indian washing machine market.

Urbanization: The demand for the washing machines is normally in urban areas, which account for a major percentage of total sales. In India, the use of washing machines is fast increasing. Increasing family incomes, improved technologies, an upsurge in the number of nuclear families, rising personnel expenditures, a growing tendency of working women, and the convenience of consumer credit in urban areas are all factors adding to this growth. Consumers are anticipated to be drawn to smart washing machines by lifestyle changes and rapid urbanization. The rising urban population in the country, which is characterised by high-income individuals, will fuel washing machine demand over the projection period.

Women participation in workforce: India is witnessing a steady growth of women participation in workforce. The labour force participation rate for female reached 37.0% in FY23 from 23.3% in FY18 as per the Economic Survey FY24 report. This consistent growth in female workforce is also creating demand for washing machines in India.

Dual income families: Increasing female labour participation is leading to the increase in dual income households in India. This leads to growth in disposable incomes, which in turn improves purchasing power and creates demand for washing machines.

Improving infrastructure: Expanding electricity access and improved infrastructure for tap water access in rural areas are opening up new markets for washing machines. Rural households are expected to invest in washing machines as they become more accessible and affordable.

Challenges:

Online laundry services: Emerging business models such as the online laundry services provide complete laundry services including washing, drying, and ironing. This could dampen the market growth for residential washing machines, as households might prefer to outsource the laundry.

Increasing cost of electricity: Washing machines consumes a large amount of electricity and with the rising prices of electricity in India, washing machines will cause additional financial stress on daily usage for the people who have to pay for the electricity bill.

Price sensitivity: While there is growing demand for advanced/smart washing machines, price sensitivity remains an issue, especially in rural and lower-middle-class segments.

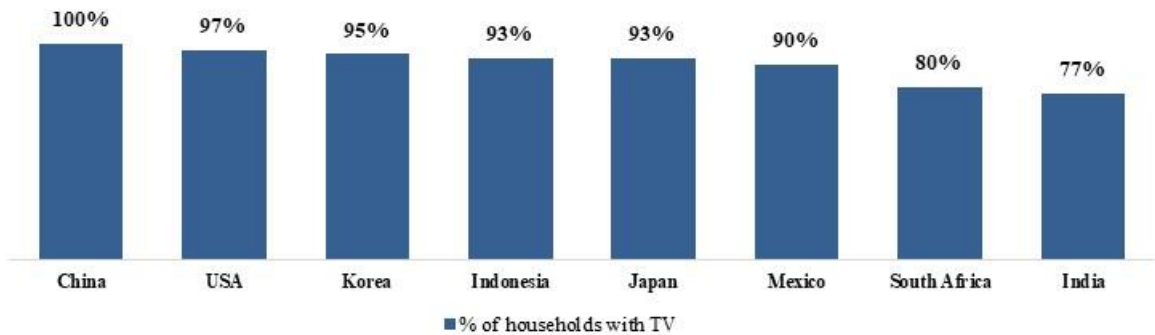
After-Sales Service: Availability of good after-sales service support and repair networks is crucial for washing machine suppliers to increase customer satisfaction.

ASSESSMENT OF LED TELEVISIONS MARKET IN INDIA

Market overview

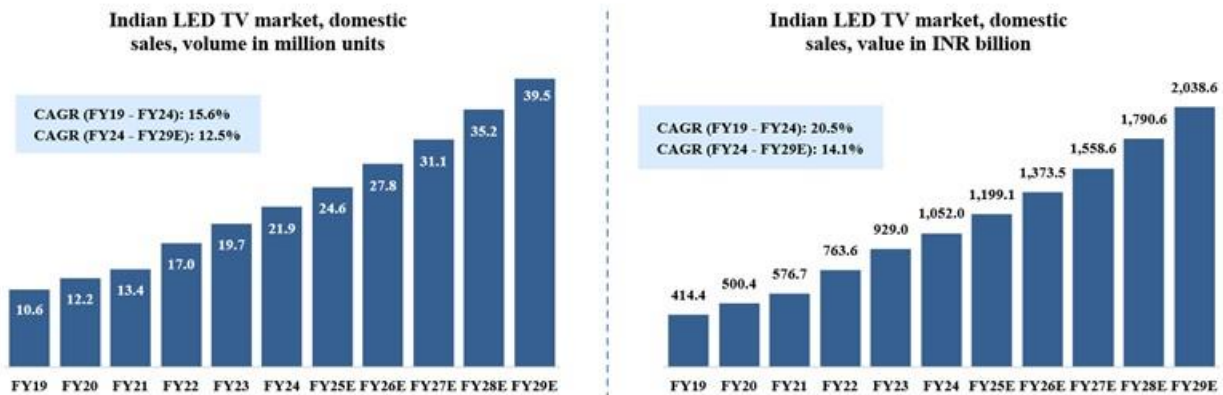
The Television (TV) industry has witnessed dramatic technological advancements over the last decade, with the introduction of panel televisions resulting in the phasing-out of Cathode Ray Tube (CRT) televisions. TV penetration in India is approximately 77%, which is the highest among the consumer electronics products. Television is one of India's fastest growing consumer electronics products.

Chart 5.1: Television penetration rate in %, across major countries in the world, FY23



Source: Statista, Frost & Sullivan Research

Chart 5.2: Indian LED TV market, volumes in million, value in INR billion, growth in %, FY19 – FY29E



Note: E refers to Estimate; Source: Frost & Sullivan Analysis

In FY24, the Indian overall TV market was estimated to be 24.9 million units by sales volume. The Indian TV market is composed of sets equipped with Light-Emitting Diode (LED) or Liquid Crystal Display (LCD) technologies. Consumers are preferring Smart TV currently and are being driven by the rapid growth of OTT platforms, the availability of high-definition content, and high-speed broadband. LED TV domestic sales in FY24 is estimated at 21.9 million units, at a penetration rate of 88% of the total TV sales in India. Additionally, government initiatives to improve infrastructure in Tier 2 and Tier 3 cities are expected to bolster the growth of the LED TV market in the forecast period.

TV's increasing penetration in Indian households is due to lower manufacturing costs and increased customer affordability. Households in India are on the verge of a transformation, with a shift in choice away from conventional TV sets toward Smart TV sets. The middle-class population's lifestyle is changing because of rising income levels, increased awareness, acceptance of new technology, and increased internet coverage. Increasing penetration of LED TVs and increase in average prices are expected to drive the value market, which was estimated to be INR 1,052.00 billion in FY24.

Market segmentation by operating system

Android TV is the major operating system (OS) with a share of around 34-35% of the Smart TV market. Growth in subscriptions to streaming apps such as Netflix, Amazon Prime, Disney Hotstar etc. are driving the demand for Android OS. Android OS along with Google Assistant provides various types of voice inputs for instructions and universal searches across numerous service providers. This enables the penetration of Android OS in LED TV market. Android OS service providers are regularly enhancing the product features and user experiences.

Other popular OS in India is Roku and is one of the fastest-growing OS due to the rising popularity of Roku TVs in India. Key enablers for this OS are easier interface that provides access to a number of free and paid streaming channels and technology advancements such as fast search across top channels coupled with voice compatibility for Siri, Alexa, and Google Assistant.

Market segmentation by screen size

Chart 5.3: Indian LED TV market, split by screen size and screen type, volume in millions, share in %, FY24



Source: Frost & Sullivan Analysis

Consumers across India are seeking enhanced specifications in LED TVs to get the best viewing experiences, such as larger screen sizes and sound system improvements. This has encouraged LED TV manufacturers to develop products with superior specifications.

The 32 to 45 inches screen size segment is the major contributor with a share of 63.0% of the total LED TV market in FY24. Competitive prices offered by companies in this segment to attract middle- and lower-income households are a major growth driver. Within this segment, 32 and 43 inches are popular due to their affordability and attractive product features. Above 65 inches segment is expected to see strong demand in the long-term due to shifting preferences for large-screen televisions coupled with the rising spending capacity and favourable financial payment methods such as EMIs.

Market segmentation by screen type

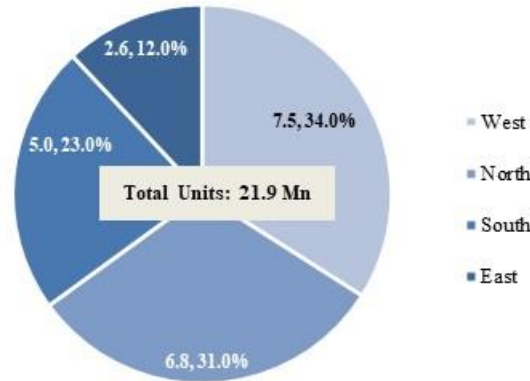
The flat screen LED TVs dominated the market in FY24 with a share of 95.0% of the total market. Major factors driving the demand for flat screen LED TVs are customer preferences driven by lower prices, easy installation and introduction of small entry-size LED TV models.

Curved LED TVs accounted for 5.0% of the total market in FY24 and cater to luxury, premium and top-end customers. They offer added depth experience to the viewer and remove the deprivation of pictures that occur when watching the images or videos from the off-centre axis. Key factors driving the demand are more comfortable and immersive viewing customer experience.

Market segmentation by region

West region is the major contributor to the sales with a share of 34.0% of the total market followed by North region with 31% share. South and West regions accounted for the remaining 35% of the market in FY24.

Chart 5.4: Indian LED TV market, split by region, volume in millions, share in %, FY24

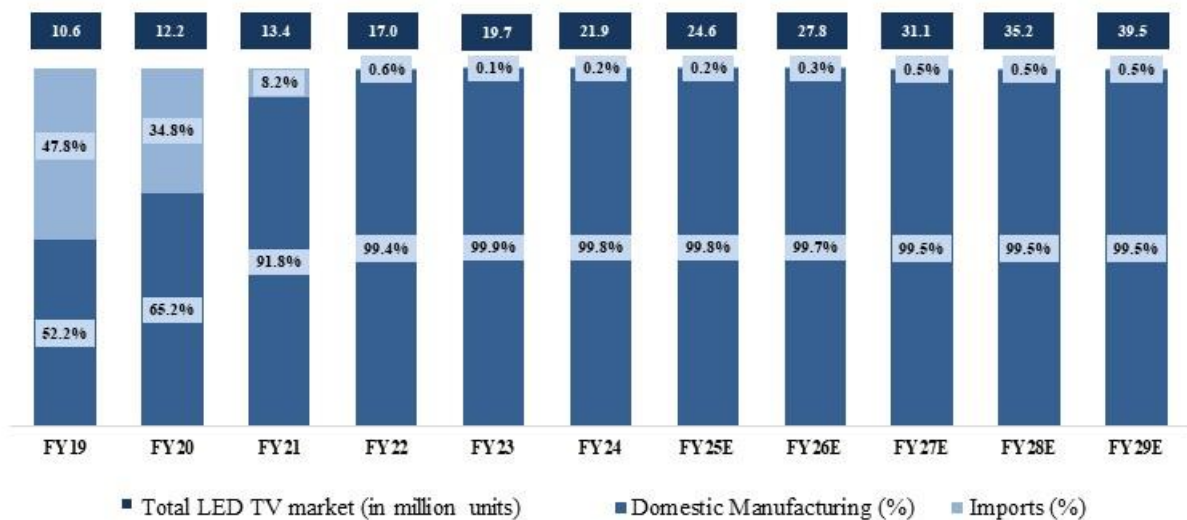


Source: Frost & Sullivan Analysis

Market segmentation by origin

Domestic manufacturing is a low value-added activity in India as TV panels are imported, and the final assembly is performed locally. Lack of a supporting ecosystem, high panel manufacturing costs, and the technology-intensive nature of panel manufacturing have contributed to an assembly-intensive industry in India. Almost all the LED TVs sold in the domestic market are assembled in India, with a share of 99.8% of the total market in FY24. The remaining 0.2% of the sales is through imports.

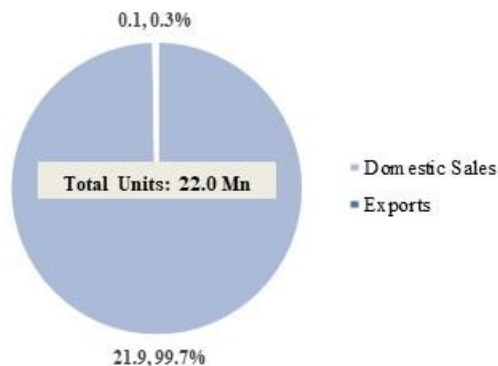
Chart 5.5: Indian LED TV market, split by domestic manufacturing and imports, volume in millions, split in %, FY19-FY29E



Note: E refers to Estimate; Source: Tradestat, Frost & Sullivan Analysis

Exports is very limited and accounted for just 0.3% of the total market in FY24. Most of the domestically manufactured LED TVs are sold in the local market only.

Chart 5.6: Indian LED TV market, split by domestic sales and exports, volume in millions, share in %, FY24

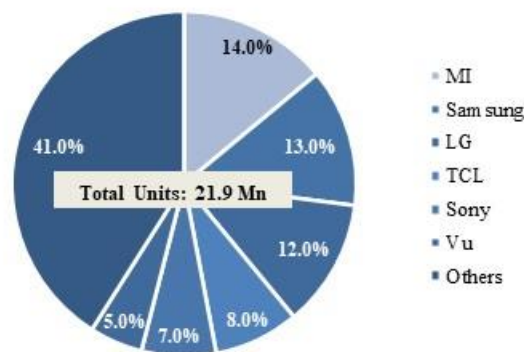


Source: Frost & Sullivan Analysis

Competition and market share analysis

The Indian LED TV market is highly competitive and is dominated by a few players such as MI, Samsung, LG, TCL, and Sony. These companies had a combined market share of 54.0% of the market in FY24. Panasonic, Videocon, Haier, Micromax, Intex, and Lloyd are the other significant players in the market. In the “Others” category, there were many brands such as Nokia, BPL, Kodak and Blaupunkt, etc. which were able to make a mark through portfolio expansion.

Chart 5.7: Indian LED TV market, split by competition, volume in millions, share in %, FY24



Others includes Nokia, BPL, Kodak and Blaupunkt etc.

Source: Frost & Sullivan Analysis

The well-known players offer multiple options under each TV technology while smaller players tend to have a limited range and mainly focus on the LED TV and UHD TV types. The last five years has witnessed the entry of new brands making the industry highly competitive. While innovation and technology remain the focus of all players, industry is also moving from being only a hardware product to providing content (such as Netflix, Hotstar, Eros, etc.) with the product to gain a competitive edge.

Domestic manufacturing market: In-house manufacturing versus outsourcing

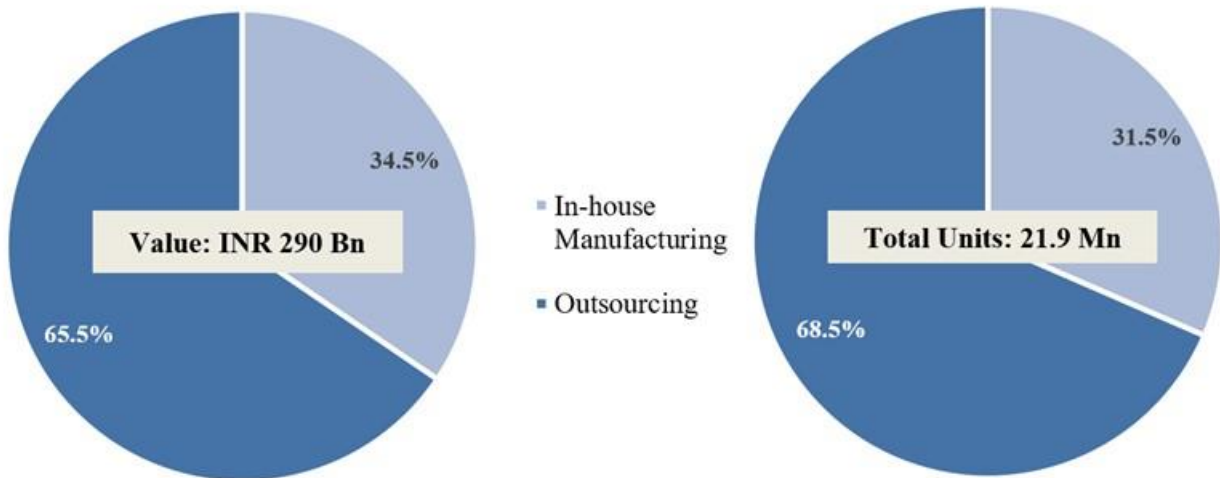
Television manufacturing is currently a more lucrative business than it has ever been. Domestic and global manufacturers have started to focus more on this segment because of the "Make-in-India" initiative. The industry's most popular manufacturing method is open-cell production, which involves manufacturing directly from the panel stage. Some of the value-added items in TV manufacturing include packing boxes, cabinets, and bezels. Domestic OEMs and EMS providers are focusing on both domestic demand and exports to neighbouring countries.

Leading OEMs such as LG, Samsung, Haier, and Sony have their own production facilities in India. However, OEMs are increasingly seeking EMS providers to outsource manufacturing. Dixon, Videotex, Bhagwati, and Radiant are among the leading EMS players in the Indian TV market. Bharat FIH partnered with Vu to produce televisions, which is one of the key players in the premium television and 4K televisions in India; similarly, Sony partnered with Foxconn to manufacture televisions locally, while

Panasonic partnered with Dixon. These trends point to a shift toward outsourced manufacturing as a result of increased trust and confidence in EMS players.

Domestic manufacturing was further divided into in-house manufacturing and outsourcing, and the respective shares were 31.5% and 68.5% by volume in FY24.

Chart 5.8: Indian LED TV market, in-house manufacturing vs. outsourcing, volume in millions, FY24



Source: Frost & Sullivan Analysis

Domestic manufacturing outsourcing: CM versus ODM

Outsourced manufacturing of LED TV in India was around 15.0 million units by volume in FY24. Within this 15 million units, Contract manufacturing had the highest market share contributing to 80% of the total outsourced market. ODM share is relatively less in current market and contributed to 20% of the total outsourced manufacturing market.

Videotex International, one of the biggest TV ODM and OEM players in India, was the first company in India to become webOS Hub ODM in the year 2021, with the launch of webOS Hub 2.0; Videotex has now become the strategic ODM partner of webOS Hub, and has by now onboarded over 15 top Smart TV brands which includes Lloyd, BPL, Akai, Hyundai, Vise, Compaq, Daiwa and others for manufacturing TVs operated with webOS Hub. PG Electroplast has recently added the LED TV to its product portfolio. PG Electroplast formed a joint venture named Goodworth Electronics, with Jaina Group in 2023 to undertake ODM manufacturing of Google certified LED televisions. 50% of the JV is owned by PG Electroplast and the other 50% by Jaina Group. Goodworth Electronics was the third company in India after Super Plastronics and Dixon to have access to a Google ODM license. Although the segment is highly competitive, it is a high growth and a promising segment for PG Electroplast going forward.

Television market: Trends, drivers, and challenges

Market trends:

Increasing adoption of smart and connected devices: Smart TVs have evolved into a one-stop destination for all entertainment needs. It assists consumers by suggesting them to watch what’s next on online to avoid repeated contents. The penetration of Smart TVs is expected to increase during the forecast period, as the sharing of content between televisions and mobile devices via Wi-Fi, Bluetooth, and Near Field Communication (NFC) is accelerating. Apart from powering on and off and adjusting the volume, Smart TVs enable voice commands to search for and change channels.

Adoption of advanced technologies: The increasing internet penetration in India can also be viewed as a contributing factor to the widespread adoption of Smart TVs. Additionally, the development of advanced technologies such as augmented reality, virtual reality, and artificial intelligence (AI) is boosting the significance of 3D features in Smart TVs. OLED and 4K technologies are two of the most recent developments in TV industry. In addition to providing a high-quality video experience, OLED panels combined with 4K technology have lower power consumption and greater durability when compared to LCD and QLED screens.

Increase in R&D expenses: Growing technological advancements in television market has resulted in increased R&D spending among major market players, which are coming up with new technologies such as curved panel display, OLEDs & 3D televisions in the market.

Market drivers:

Advanced Smart TV models in varied price ranges: Sale of Smart TV is sparked by affordability, as the brands are launching several combinations of features and price points. The rising resolution of televisions (from HD to 4K and beyond) increases average sales prices (ASPs) of TVs. A 32-inch Smart TV costs on average between INR 10,000 and INR 35,000, depending on the available features. Customers have also shown interest in UHD models which has also boosted the TV unit sales.

Penetration in rural market: Rising literacy rates, improved infrastructure, affordable pricing and mass-media influence have all contributed to the growth of LED TVs in rural markets and these factors expected to intensify in the forecast period, creating demand for LED TVs.

Growth in television broadcast content: Smart TV market is predicted to rise across segments because of the increasing broadcasting material from OTT platforms such as Netflix, Amazon Prime and others. OTT platforms offer a wide variety of content across Indian languages that can be watched on multiple devices at the same time, and this business model is influencing households to invest in multiple TVs in their homes, therefore creating demand for LED TVs.

Rise in disposable income and easy financing schemes: Increased discretionary income and easy financing have resulted in shorter product replacement cycles and evolving lifestyles in which consumer electronics, such as televisions, are viewed as utility items rather than luxury items. In comparison to metro cities, non-metro markets, have grown rapidly in terms of consumption, establishing themselves as key target markets and posing a massive opportunity to transform themselves into new business hubs.

Digitization of DTH: The Indian government's digital transformation initiatives, such as the digitization of cable television and Direct-to-Home (DTH) services, are promoting the adoption of LED TVs in the country. The Internet Protocol television (IPTV) landscape in India is changing because of the advent of the telecom network service providers, which offers its customers free IPTV live subscriptions.

Preference for home theatre systems: The integration of home theatre systems in luxury homes is a niche market segment that drives the demand for premium quality, ultra-large screen televisions with high-quality audio systems to provide an immersive cinematic experience to users. This is a high-profit segment currently and the major brands are investing in technology to capture this segment and increase their revenues and market share.

Challenges:

Availability of alternative devices: Entertainment content is available on several devices such as mobile phones, laptops and tablets today. These devices provide the option of viewing the content anywhere and anytime. This growth may impact the demand for televisions, especially among the younger generation in the long-term.

Import and regulatory challenges: Dependency on imports for critical parts is the major risk to business. Regulatory restrictions were there earlier but currently it has been eased out to a certain extent in order to promote this business locally.

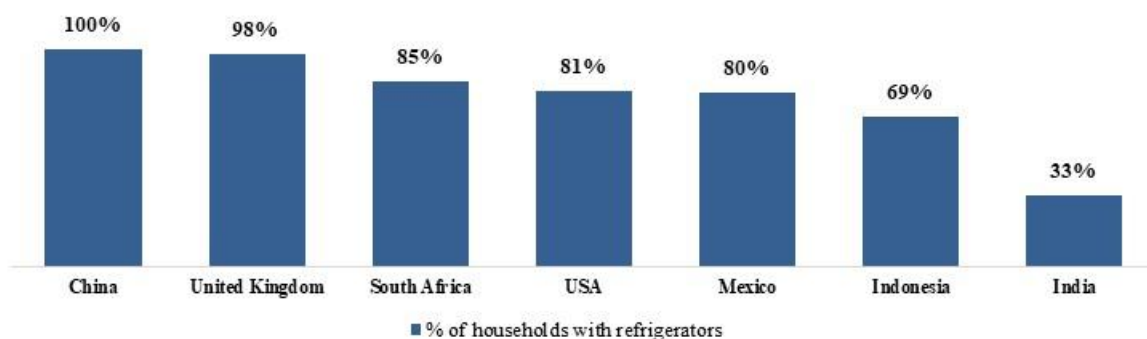
Price sensitivity: The market is still very price-sensitive, especially in rural areas. While LED TVs are becoming more affordable, there is still a significant demand for low-cost, basic models, which limits the growth of premium features like 4K resolution or OLED technology. This price sensitivity can hinder the adoption of higher-end products.

CHAPTER 6 - ASSESSMENT OF REFRIGERATORS MARKET IN INDIA

Market overview

Growth of the Refrigerator market in India is driven by several factors including rise in number of nuclear families, easy availability of credit, evolving lifestyle, introduction of new models, uninterrupted electricity availability, technology advancements and increasing consumer awareness. Penetration of refrigerators in Indian household is currently around 33.0%, implying sufficient head room for growth.

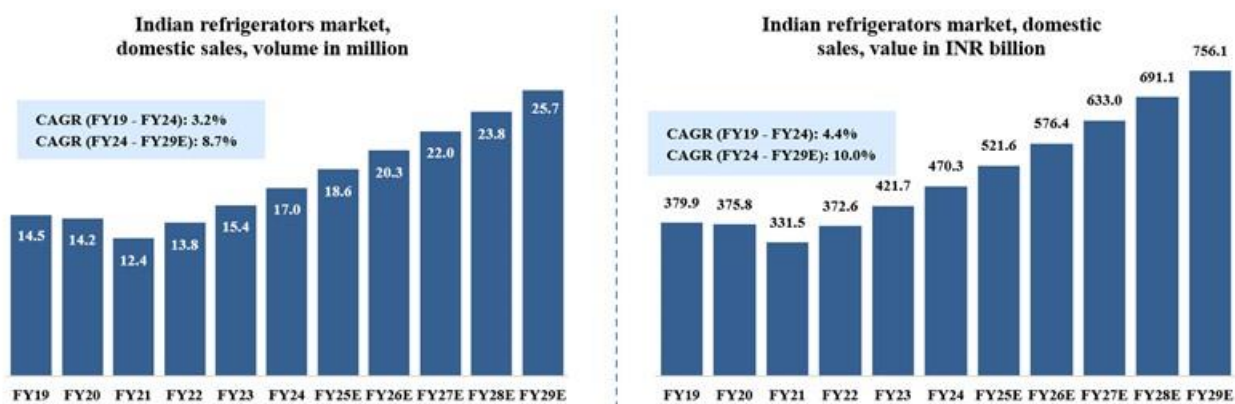
Chart 6.1: Refrigerators penetration rate in %, across major countries in the world, FY23



Source: Statista, Frost & Sullivan Analysis

The overall market size of refrigerators in India for FY24 was 17.0 million units and it is expected to grow at a CAGR of 8.7% up to FY29 to reach 25.7 million units. Low household penetration of refrigerator in India provides ample opportunities for companies to expand their sales. In addition to traditional market drivers such as growth in nuclear families, increase in disposable incomes, urbanization and changing lifestyles, expansion of modern retail channels including e-commerce and exclusive company outlets across regions are also expected to spur the volume growth. In terms of revenues, the market size was valued at INR 470.3 billion in FY24 and projected to reach INR 756.1 billion in FY29, recording a CAGR of 10.0%.

Chart 6.2: Indian refrigerator market, domestic sales, growth in %, FY19 – FY29E



Note: E refers to Estimate; Source: Frost & Sullivan Analysis

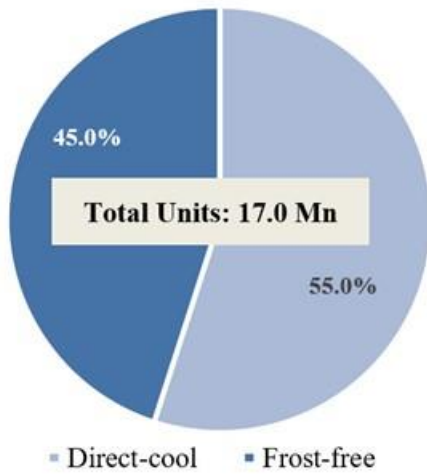
Market segmentation by product types

Technology types: There are two predominant technologies in use – direct-cool and frost-free refrigerators. Direct-cool refrigerators produce the cooling effect through a natural convection process. It aids in the cooling of the air and the uneven distribution of cool air within the refrigerator, where the temperature cannot be controlled. Frost-free refrigerators evenly distribute cool air throughout all compartments using the convection process and electric fans, therefore aid in monitoring and controlling the temperature. Direct-cool refrigerators dominated the market with a share of 55.0% of the total market in FY24 due to their low cost and ease of maintenance. Frost-free refrigerators accounted for 45.0% of the total market in FY24 and is expected to witness high growth over the next five years due to its energy saving capabilities and improved cooling efficiency.

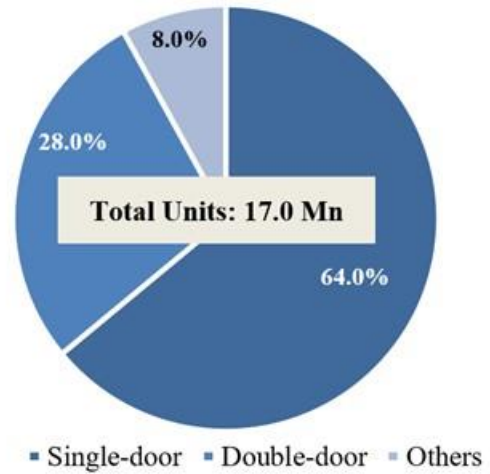
Door types: Single-door refrigerators dominate the market with a share of 64.0% of the total sales in FY24. Simplicity and affordability are the key factors driving the demand for single-door refrigerators. Demand for larger storage space and priority given to aesthetics are driving the preference for double-door refrigerators, which currently accounts for 28.0% of the total market in FY24. The remaining 8.0% of the market comprises of multi-door refrigerators.

Chart 6.3: Indian refrigerators market, split by product types (by technology and door types), volume in millions, split in %, FY24

Indian refrigerators market, domestic sales breakdown by technology



Indian refrigerators market, domestic sales breakdown by door types



Source: Frost & Sullivan Analysis

Market segmentation by star ratings

Refrigerators fall under the mandatory Standards and Labelling Program of the Bureau of Energy Efficiency (BEE) under the Ministry of Power. The focus on energy efficiency has a growing influence on the refrigeration applications. 3-star rated refrigerators dominate the market with a share of 59.0% of the total market, followed by 4 & 5-star rated refrigerators with 36.0% and the remaining 5% with 1 & 2-star rated products in FY24.

Chart 6.4: Indian refrigerators market, split by star rating, volume in millions, share in %, FY24

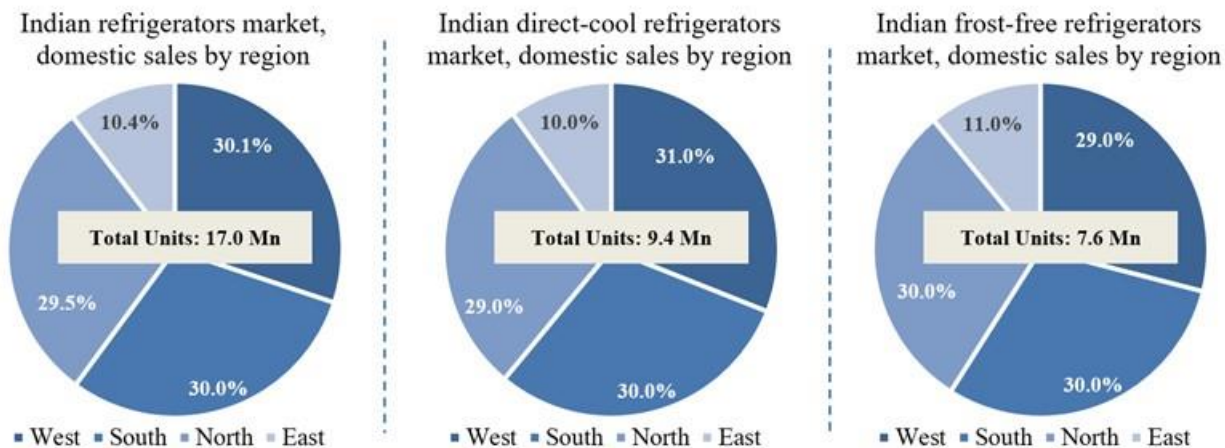


Source: Frost & Sullivan Analysis

Market segmentation by region

West and South regions are the major demand centres for refrigerators, with a combined share of 60.1% of the total market in FY24. South region is a crucial market, which is driven by the higher rate of urbanization and summer weather conditions for most part of the year. Robust retail infrastructure, distribution networks that include well-established shopping malls, multi-brand retail outlets, single-brand retail outlets, and speciality retail stores facilitate easy access to a wide range of refrigerators. These factors are expected to drive the market growth through the forecast period.

Chart 6.5: Indian refrigerators market, split by region, volume in millions, share in %, FY24

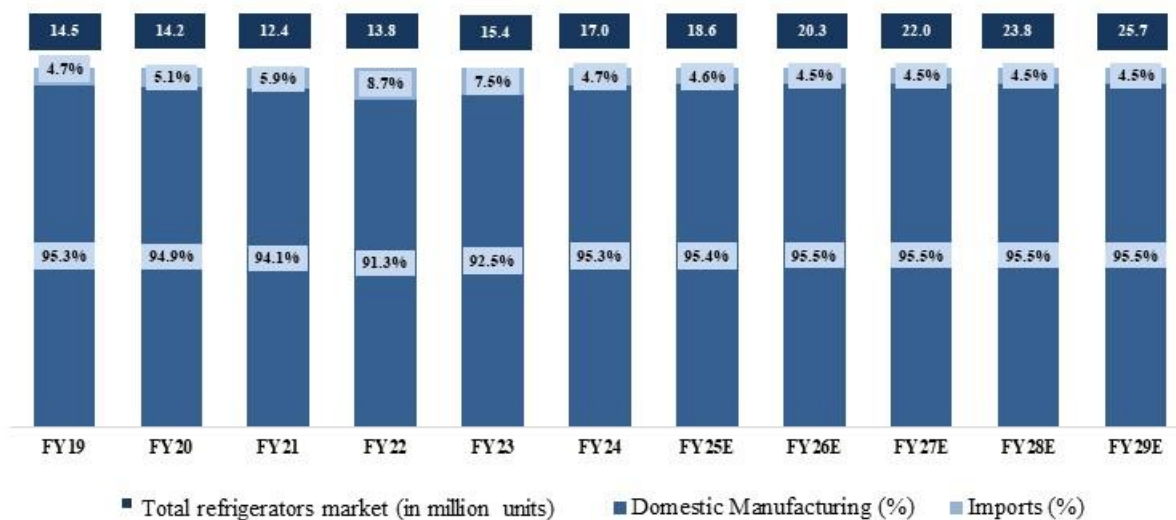


Source: Frost & Sullivan Analysis

Market segmentation by origin

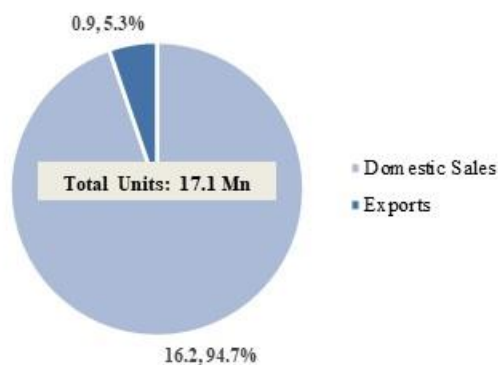
Of the total domestic sales, domestic manufacturing accounts for 95.3% of the sales and the balance 4.7% was imports in FY24. Large and high-end refrigerators are imported currently and the demand for these products are growing rapidly. Currently refrigerators are imported through free import regime from Bangladesh, Thailand, Indonesia, and South Korea.

Chart 6.6: Indian refrigerators market, split by domestic manufacturing and imports, volume in millions, split by %, FY19 – FY29E



Note: E refers to Estimate; Source: Tradestat, Frost & Sullivan Analysis

Chart 6.7: Indian refrigerators market, domestic manufacturing split by domestic sales and exports, volume in millions, FY24



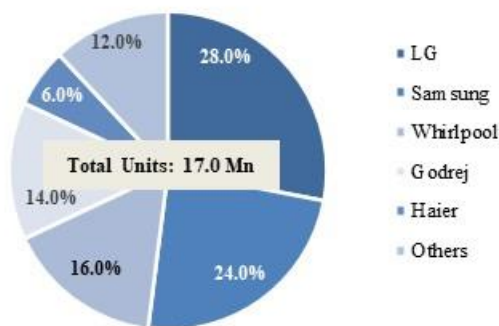
Source: Frost & Sullivan Analysis

Domestic manufacturing of refrigerators was estimated to be 17.1 million units in FY24. Of this, around 94.7% is domestic sales and the remaining 5.3% was exported in FY24. Local value addition activities are likely to go further up in the medium- and long-term, owing to the government initiatives such as Make-in-India and PLI Schemes for domestic manufacturing.

Competition and market share analysis

The refrigerator market is less fragmented than the other consumer durable products in India; LG, Samsung and Whirlpool are the leading refrigerator brands. LG and Samsung had a combined market share of 52.0% of the total domestic sales in FY24. Most front-runners provide latest technology refrigerators with different capacities, colour and designs, and energy ratings. Strong brand equity and a wide product range differentiates the leading brands from the others. To gain a competitive advantage, brands are focusing on introducing new designs, developing advanced product features such as water dispensers, automatic ice makers, and temperature control systems.

Chart 6.8: Indian refrigerators market, split by competition, volume in millions, share in %, FY24

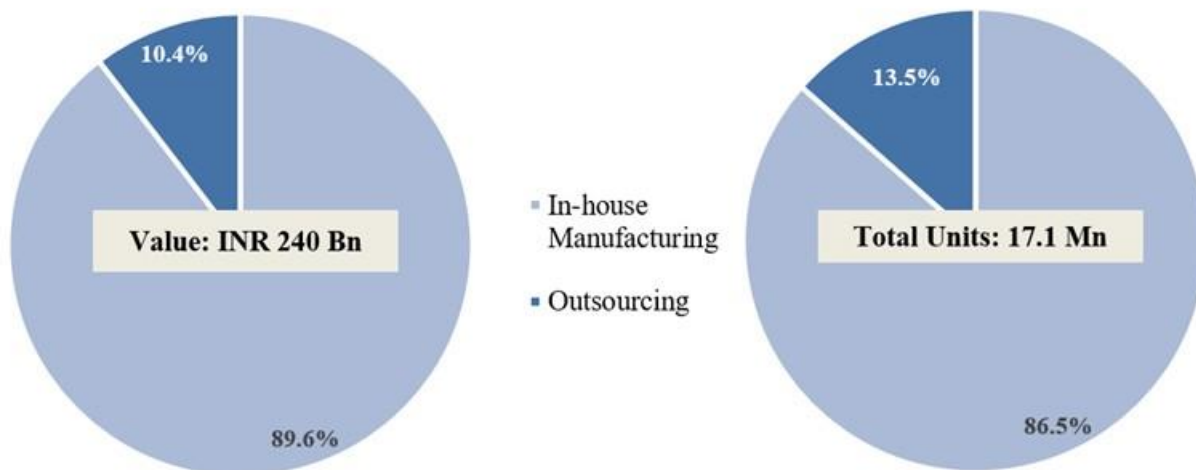


Others include Bosch, Siemens, Videocon etc. Source: Frost & Sullivan Analysis

Domestic manufacturing market: In-house manufacturing versus outsourcing

Refrigerator manufacturers in India have gone on a localization drive as a result of the disruptions caused by the pandemic and the government contemplating ban on import of refrigerators with refrigerants added. In the past five years, major players have made investments to increase local manufacturing capacities. The government’s improved duty structure has also encouraged the backward integration of the component production among manufacturers, with a stronger push towards domestic manufacturing.

Chart 6.9: Indian refrigerator market, in-house manufacturing vs. outsourcing, volume in millions, value in billions, % FY24



Source: Frost & Sullivan Analysis

Large OEMs are currently manufacturing refrigerators in-house; Direct-cool and frost-free refrigerators of capacity up to 300 litres are all indigenized. Even compressors, fabrication, and other key products all are made in India. Only few components like glass doors are currently imported. But premium refrigerators, such as side-by-side and higher capacity frost-free models are imported. Key outsourcing manufacturers such as GEM Appliances and MIRC Electronics among others have a limited presence in India. In-house manufacturing accounted for 86.5% of the total refrigerator market in India in FY24, while outsourcing accounted for the remaining 13.5% by volume. Large OEMs such as Panasonic and Haier are not only into in-house manufacturing but also do contract manufacturing for other large OEMs. In terms of value, 89.6% was domestic manufacturing and the rest 10.4% was outsourced in FY24.

Domestic manufacturing outsourcing: CM versus ODM

Outsourced market is further classified into two types: CM and ODM. CM commands the largest market share, accounting for 80% of the total outsourced market, while the ODM accounts for the remaining 20% in FY24.

Contract manufacturing segment is expected to increase their market footprint by adding frost-free refrigerators to their portfolio, supplying to white label and small brands. Refrigerators also have huge exports potential in the next 2 to 3 years. Export potential and various government initiatives are expected to drive the EMS companies to further expand their businesses in the Refrigerator market in India. For example, Dixon Technologies inaugurated a refrigerator manufacturing plant in Noida in H1 CY2024, with a capacity of 1.2 million per annum for 175 litres and 235 litres capacity range.

Refrigerators market: Trends, drivers, and challenges

Market trends:

Smart and connected refrigerators: Market is witnessing a growing preference for smart refrigerators due to the growing popularity of IoT. There is also an increasing demand for multi-door refrigerators, driven by the larger storage space and efficient cooling. Value-add features such as periodic reminders to users of food kept in the refrigerators and predictive maintenance by analysing the data related to refrigerator operations are also expected to boost the demand for smart refrigerators in the long-term.

Growing preference for energy efficient and sustainable refrigerators: There is a growing emphasis on energy efficiency and sustainability among consumers in India. With rising electricity costs and environmental consciousness, there is an increasing demand for refrigerators that minimize energy consumption without compromising quality. This has led to the incorporation of inverter compressors, improved insulation materials, and smart cooling systems in refrigerators.

Market drivers:

Improving standard of living and rising disposable incomes: Growth in disposable income of Indian households is a key factor driving the demand for refrigerators. Passive income leads to improved living standards and the requirement for comfort is a key growth enabler for refrigerator sales. Increase in passive income is also leading to families upgrading their current refrigerators to higher capacity appliance or advanced versions.

Growing urbanization is driving the market for refrigerators: The demand for the refrigerators in India is mainly from the urban areas which account for the bulk of the sales volume. Individuals who live in urban areas have very diverse consumption patterns than inhabitants in the rural areas. The penetration of the refrigerators is gradually growing in the country. This growth can be largely attributed to the rising household incomes, rapid urbanization, improved technologies, and environmental changes. Rapid growth in the urbanization and change in the lifestyle is expected to attract consumers to buy a smart refrigerator.

Increasing electrification of rural areas: Backed by the government investments in rural electrification programs, the demand for refrigerators in rural areas are expected to increase in the long-term.

Challenges:

Price sensitivity: A large segment of Indian consumers is price-sensitive, seeking affordable options that give value for money. This price sensitivity is particularly high in middle-class and low-class segments and the consumers in these segments prioritize basic functionality and affordability over advanced features and brand value.

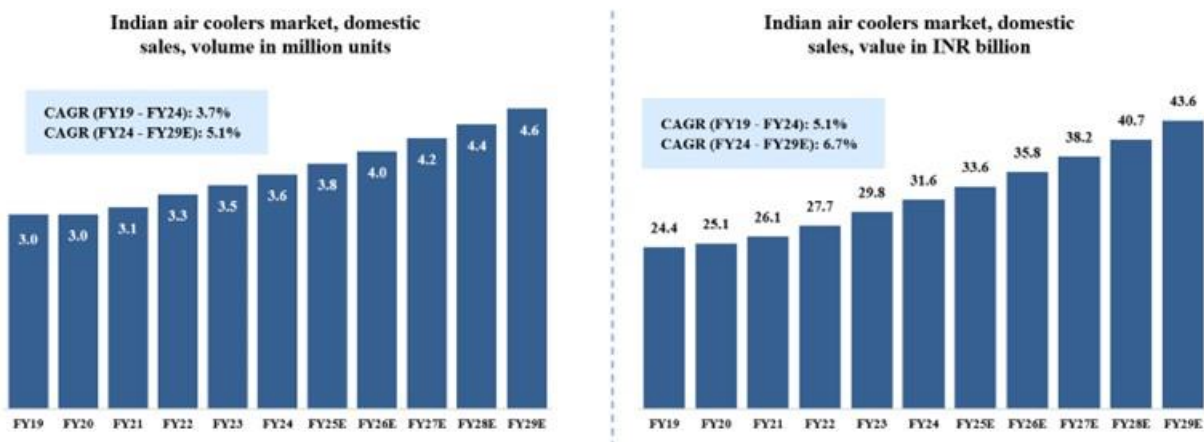
Impact on environment: Freon, the most common refrigerant gas contains halocarbons that has chlorine, which is also known as ozone-depleting substances (ODS). The chlorine in halocarbons reacts with the ozone layer, which negatively impacts ozone concentrations. Increasing refrigeration use causes a vicious cycle, which affects the ozone layer. Therefore, environmental consciousness is a key challenge that needs to be addressed by refrigerator manufacturers.

ASSESSMENT OF AIR COOLERS MARKET IN INDIA

Market overview

Air coolers market in India is driven by increasing disposable incomes, rise in middle-class households and rural electrification programs across the country. Hot weather conditions and long summer months from April through to October end, create the demand for air coolers. The cost of ownership and the electricity consumed by the air coolers are much less than the RACs, making them affordable for consumers. Initiatives to take electricity to remote locations of the country and the development of the rural areas are expected to fuel the demand for air coolers in the long-term. Growth in retail formats such as the online sales and technology innovations such as connected systems are expected to create growth opportunities for air cooler companies. The organized air coolers market was valued at 3.6 million units in FY24. The organized market is forecast to reach 4.6 million units by FY29, growing at a CAGR of 5.1%. In terms of revenues, the market is estimated at INR 31.6 billion in FY24 and is forecast to grow at a CAGR of 6.7% to reach INR 43.6 billion in FY29.

Chart 7.1: Indian air coolers (organized) market, domestic sales volumes in millions, value in INR billion, growth in %, FY19 – FY29E



Note: E refers to Estimate; Source: Frost & Sullivan Analysis

Market segmentation by product types

Desert air coolers dominate the market currently and account for 52.0% of the total sales in FY24. These products are expected to dominate the market in the forecast period. Second largest is the window air coolers with a share of 20% of the total market. Tower air coolers are space saving and aesthetically good, therefore witnessing growing customer preference and have a market share of 15.0% in FY24. The remaining 13.0% of the market is with personal air coolers.

Chart 7.2: Indian air coolers market, split by product types, volume in millions, share in %, FY24

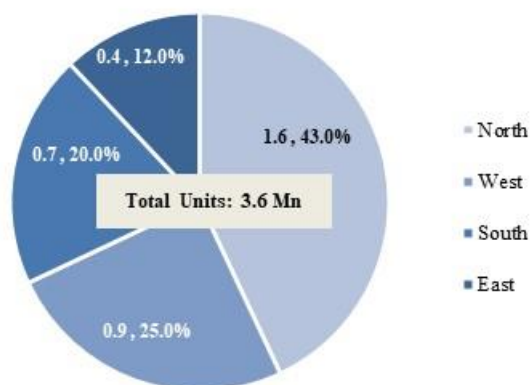


Source: Frost & Sullivan Analysis

Market segmentation by region

North and west region are the major demand centres for air coolers in India with a combined share of 68.0% of the total market in FY24. Extreme climate conditions in these regions are the key enablers for air coolers demand and is expected to dominate the market in the forecast period.

Chart 7.3: Indian air coolers market, split by region, volume in millions, share in %, FY24



Source: Frost & Sullivan Analysis

Market segmentation by origin

Almost all of the air coolers sold in India are manufactured locally. Imports are very limited and account for 3.9% of the total market in FY24 and is forecast to be in the range of 3.0-5.0% up to FY29.

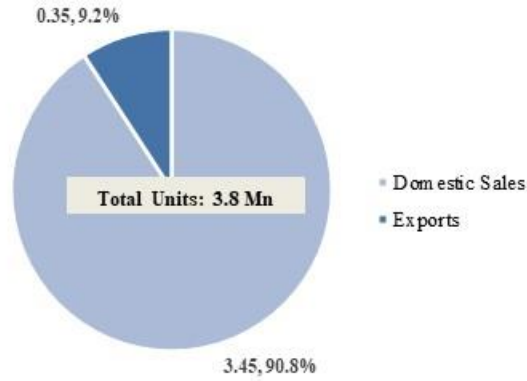
Chart 7.4: Indian air coolers market, split by domestic manufacturing and imports, volume in millions, split by %, FY19-FY29E



Note: E refers to Estimate; Source: Tradestat, Frost & Sullivan Analysis

Of the total domestic manufacturing, which is estimated to be 3.8 million units in FY24, 90.8% was sold in the Indian market and the balance 9.2% were exported. With all major companies eyeing export markets, the share of exports in local manufacturing is expected to increase in the long-term.

Chart 7.5: Indian air coolers manufacturing, split by domestic sales and exports, volume in millions, share in %, FY24

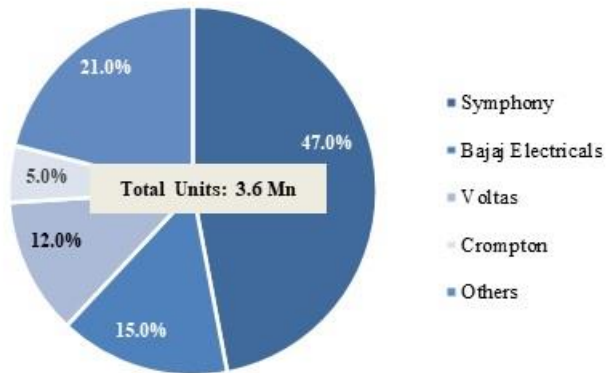


Source: Frost & Sullivan Analysis

Competition and market share analysis

The major companies in this market are Symphony, Voltas, Bajaj Electricals, and Crompton. Symphony is the market leader with a share of 47.0% of the total volumes market in FY24 followed by Bajaj Electricals with a share of 15.0%. Product innovation and a wide range of product portfolio to meet diverse customer needs are the key differentiators in this fragmented market.

Chart 7.6: Indian air coolers market, split by competition, volume in millions, share in %, FY24

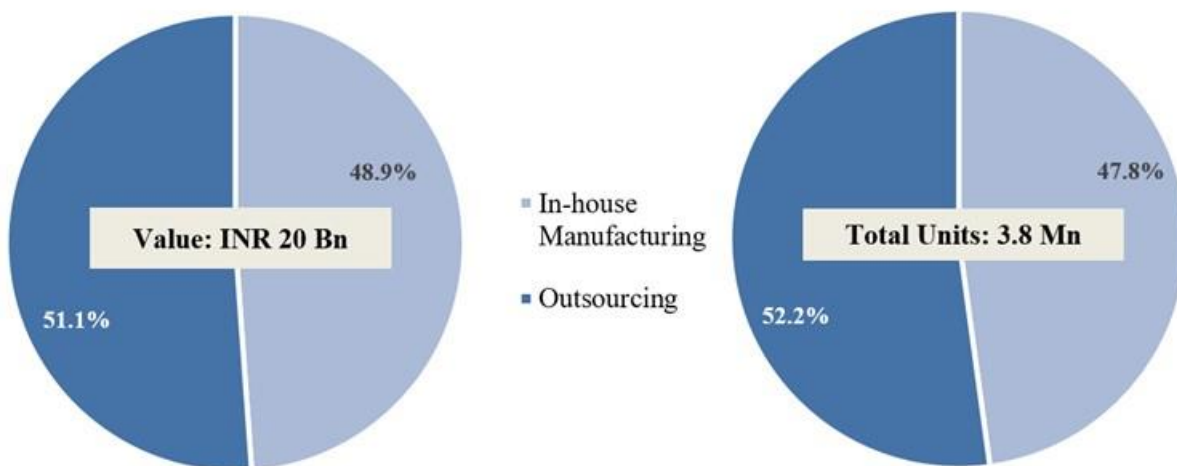


Others include Usha International, Ken Lifestyles, Orient, Ram Coolers etc.; Source: Frost & Sullivan Analysis

Domestic manufacturing market: In-housing versus outsourcing

Higher temperatures are increasing the need for cooling solutions in India. With rising incomes, cooling solutions are becoming more important. With more than half of Indian households living in hot and dry climates, air cooler’s affordability enables market penetration, creating a massive opportunity for growth. Furthermore, around 70% of the air cooler industry is unorganized, which makes the market potential for organized players even bigger. Although air conditioners are preferred for their better cooling, its higher prices and power consumption is a restraint for the low-mid income level population in India, forcing them to opt for air coolers.

Chart 7.7: Indian air cooler market, in-house manufacturing vs. outsourcing, volume in millions, value in INR billion, share in %, FY24



Source: Frost & Sullivan Analysis

In-house manufacturing of air coolers accounted for 47.8% of the Indian air cooler industry, while outsourced manufacturing accounted for 52.2% by volume in FY24. In value terms, 51.1% of the total market was outsourced in FY24 while the remaining 48.9% was in-housing manufacturing.

Genus, Starion, Viera Group, Vimal Moulds, and PG Electroplast are among the leading EMS players in the Indian air cooler market. Symphony, Bajaj, Kenstar, Havells, and Usha are among the leading brands that have their own manufacturing facilities.

Domestic manufacturing outsourcing: CM versus ODM

Outsourcing is further segmented into two categories CM and ODM. Contract manufacturing contributed to 79% of the total outsourced market in FY24. ODM percentage is relatively less in the current market and contributed 21% of the outsourced market in FY24. PG Electroplast is an established player in the Air Cooler manufacturing services, from product designing to tooling and mass production. The company delivers both ODM and OEM solutions to their clients and offers a complete range of air coolers ranging between 30 litres to 100 litres in both mechanical and electronic platforms.

Air coolers market: Trends, drivers, and challenges

Market trends:

Shift towards organized segment: Air coolers market in India is dominated by unorganized players, accounting for nearly 65 - 70% of the volume market in FY24. But this share is expected to reduce during the forecast period and would be driven by product innovation and consumer preference for branded products.

Technological Advancements: Technology innovations in Air Coolers have resulted in increasingly efficient and feature-rich air cooler models entering the market. Features such as fan design, evaporative cooling technology, integration of intelligent features such as remote control and programmable settings, are collectively enhancing the overall user experience. Evolving customer preferences such as energy efficiency, portability, space-saving design, quiet operations, air quality improvements etc. are being addressed by these technological advancements, which enable market growth. Integrated intelligent technologies opens up opportunities for connectivity and interoperability with other smart devices, further enhancing the appeal and adoption of air coolers among tech-savvy younger consumers.

Market drivers:

Affordability of air coolers: India witnesses long summer months in most places, and this creates demand for cooling solutions. Air coolers are an affordable alternative to RAC, and this is a key enabler for the growth of air coolers in India. Air coolers consume 90% less electricity and are less expensive than the RACs. Air coolers can be used in open spaces, are environment friendly, and act as humidifiers in dry weather conditions; such product features make them an attractive alternative to RACs and drive growth.

Emergence of wall mounted air coolers to fuel the market growth: As air coolers take up good amount of space and impact the decor of a room, consumers are hesitant to choose them. This is a problem that numerous manufacturers have recognized and are working to address by producing air coolers which are more compact, streamlined, and trendy. Wall-mounted air coolers are the solutions introduced by the manufacturers. In terms of appearance, split ACs and wall-mounted air coolers are very comparable. This innovation complements the interiors of a room along with remote control functionality, which enhances user experience. Thus, advent of wall mounted air coolers with smart features are expected to increase market demand in the long-term.

Challenges:

Seasonality in demand: Air cooler sales are seasonal and almost 85.0% of the sales happen from January to June in a year. This cyclic demand impacts market growth.

High competition from unorganized segment: Around 65-70% of the volumes market is unorganized in India. Unbranded products are 30-35% less expensive than the branded products. This impedes business opportunities for organized companies.

PLASTIC MOULDING FOR B2C FOCUSED ELECTRONICS

Overview of plastic moulding market in India

In India, the plastics industry had a promising start in the early 1950s, and since then it has grown and diversified rapidly. Nearly 30,000 processing units are located in India, with more than 80% of them being small and medium-sized businesses. In FY24, the overall plastic industry in India was estimated to be worth around INR 3 lakh crore. Consumer durables account for approximately 9% of the total plastics industry in India.

The plastic moulding industry for consumer durables contributes significantly to economic development and growth. Due to the "Make in India" initiative, electronic manufacturers in India are increasing their production capacity and sourcing domestic components. In the consumer durables sector, where aesthetics, consistency, and quality are of the utmost importance, manufacturers place a strong emphasis on precision. Injection moulding is a well-established and widespread manufacturing technique, especially for the mass production of high-quality plastic components. Modern innovations aimed at lowering the production defect rate have increased the significance of plastic moulding in the mass production of intricate plastic models. A significant shift in the consumer durables industry's preference for high-quality plastics over metals is anticipated to increase future demand for plastic moulding components. The Indian plastic moulding component industry is extremely promising in terms of capacity, infrastructure, and skilled labour force.

In-house manufacturing vs EMS

Historically, OEMs have outsourced plastic moulding to EMS or other third-party service providers. In line with the objective of EMS companies to provide end-to-end product solutions, these companies are focusing on backward integration in manufacturing processes by developing plastic moulding capabilities in-house. This improves the EMS company's cost-effectiveness, reduces its reliance on third-party suppliers, and grants greater control over the production time and quality of critical components.

Some of the key EMS players having injection moulding capabilities for consumer durable segment includes Dixon Technologies, PG Electroplast, Amber Enterprises, Elin Electronics, Kaynes Technologies and others. PG Electroplast is the largest manufacturer of plastic injection moulding components for consumer durables and consumer electronics industry, in terms of revenue in India, as on March 31, 2024.

Plastic moulding for B2C focused electronics: Trends, drivers, and challenges

Market trends

Eco-consciousness and sustainability: The adoption of alternative resins may emerge as a future trend in the plastic injection moulding industry. Bioplastics derived from resources such as sugar, starches, and soy are gaining ground in injection moulding. The characteristics of these resin-based alternatives are similar to those of traditional injection moulding materials.

Improved efficiency with 3D printing and technology: Automation and 3D printing techniques are examples of cutting-edge technologies that can help increase productivity and reduce manufacturing costs. In addition, the implementation of robotic technology reduces carbon footprints, increases speed, simplifies the production process, and can promote viable solutions for relinking global supply chains.

Market drivers

Growing consumer electronics market: Plastic injection moulds are critical in the consumer electronics market due to their durability, temperature resistance, and low cost. Taking into consideration, factors such as brand penetration, growing demand, government policies and license rules associated with the manufacturing sector, India will witness increased consumer spending and thereby growth in the electronics and home appliances segment.

Challenges

Environmental concern and high investment costs: The production, disposal and non - biodegradability aspect of plastics may hinder the market growth of injection moulded plastics. Further, the high initial investment required for the equipment used in the injection moulded plastics may restrain the market growth.

COMPETITIVE LANDSCAPE IN B2C EMS AND RELEVANT APPLICATIONS

Profiling of B2C focused EMS and OEMs

Chart 9.1: Background of B2C focused EMS and OEMs, India, FY24

Name of the company	EMS/OEM	Head Office	Company background
PG Electroplast Ltd	EMS	Noida	PG Electroplast, a flagship company of PG Group started its journey in 1977, is a leading diversified EMS provider. The company specializes in ODM, OEM and plastic injection moulding providing a one stop solution.
Dixon Technologies India Ltd	EMS	Noida	Dixon Technologies, founded in 1993, is a leading EMS provider, offers design-focused solutions in consumer durables, home appliances, lights, mobile phones, and security systems.
Amber Enterprises India Ltd	EMS	Gurugram	Amber Enterprises, established in 1990, is a prominent solution provider for Air conditioner OEM/ODM Industry in India. It has a leading presence in complete RAC units and also deals in major RAC components.
Epac Durables Ltd	EMS	Noida	Epac Durables is a major ODM/ OEM solutions provider for RAC and small domestic appliances. The company designs, develops and manufactures complete RAC, induction cooktops, mixer-grinders and water dispensers.
Bharat FIH Ltd	EMS	Chennai	Bharat FIH, the subsidiary of the FIH Mobile Ltd (a Foxconn Technology Group Company), is currently India's leader in manufacturing and services of handset and the wireless communication.
Elin Electronics Ltd	EMS	Kolkata	Elin Electronics, founded in 1969, is the flagship company of the Elin Group. Initially focused on switches and relays, later forayed into backward integration, producing motors and small appliances.
Voltas Ltd	OEM	Mumbai	Incorporated in 1954, Voltas Ltd is a part of the Indian MNC, the TATA group. The company is India's largest air conditioning brand with a strong presence offering engineering solutions in B2C segments.
Blue Star Ltd	OEM	Mumbai	Blue Star is a leading HVAC&R company fulfilling the heating, cooling and ventilation requirements of a large corporate, commercial and process applications, as well as the comfort needs of residential customers.
Crompton Greaves Consumer Electricals Ltd	OEM	Mumbai	Crompton Greaves is a leading consumer company in India with a 90+ years old brand legacy. The company is having presence in lighting and consumer durables including fans and air coolers.
Whirlpool of India Ltd	OEM	Kolkata	Established in 1949, Whirlpool of India is a part of the world's renowned Whirlpool Group of Companies and is one of the leading manufacturers and marketers of major home appliances in the country.

Source: Company websites; Frost & Sullivan Analysis

Chart 9.2: Comparison of presence of B2C focused EMS and OEMs across product segments, India, FY24

	RAC	Washing Machine	LED TV	Refrigerator	Air Cooler	Moulded Plastics	Others
PG Electroplast Ltd	✓	✓	✓		✓	✓	Automotive components and sanitaryware
Dixon Technologies India Ltd		✓	✓	✓		✓	Mobile phones, wearables, hearables, home appliances, lighting solutions, security surveillance systems, etc.
Amber Enterprises India Ltd	✓					✓	Motors, mobile air conditioners, electronics such as PCB assembly
Epac Durables Ltd	✓				✓	✓	Induction cooktop, mixer grinder, water dispenser etc.
Bharat FIH Ltd			✓			✓	Mobile phones
Elin Electronics Ltd						✓	Motors, fans, automotive components, LED lighting, medical diagnostic cartridges etc.
Voltas Ltd	✓	✓		✓	✓		Air purifiers, AC stabilizers, water coolers, water dispensers, water heaters, dishwasher, microwave etc.
Blue Star Ltd	✓				✓		Air purifiers, refrigeration solutions such as deep freezers, vizi coolers etc. and bottles water dispensers
Crompton Greaves Consumer Electricals Ltd					✓		Fans, lights, water heaters, home appliances, kitchen appliances, pumps etc.
Whirlpool of India Ltd	✓	✓		✓			Microwaves, dishwashers, built-in appliances such as hoods and hobs

Source: Company websites; Frost & Sullivan Research

Chart 9.3: PG Electroplast's share across product segments, India, FY24

Preoduct Segment	Overall market volume in million units	% share of PG Electroplast (FY24)	EMS market, volume in million units	% share of PG Electroplast (FY24)
Room Air Conditioner (RAC)	19.7 (IDU + ODU + WAC)	7.0%	6.5 (IDU + ODU + WAC)	21.4%
Washing Machines	9.6	5.9%	3.6	15.9%
LED Television	21.9	1.6%	15.0	2.4%
Air Coolers	3.6	2.6%	2.0	4.7%

Source: Frost & Sullivan Analysis

Financial benchmarking of PGEL with B2C focused EMS and OEMs

Chart 9.4: Operating Revenue and Gross Profit comparison of peers, India, Value in INR Million, Growth in %, FY22 – FY24

Company Name	Revenue from Operations ¹ (INR million)					Gross Profit ² (INR million)				
	FY22	FY23	FY24	H1FY25	CAGR*	FY22	FY23	FY24	H1FY25	CAGR*
PG Electroplast	11,116.40	21,599.50	27,464.95	19,919.79	57.18%	2,276.00	3,954.40	5,402.30	3,864.95	54.06%
Dixon Technologies	1,06,970.80	1,21,920.10	1,76,909.00	1,81,138.80	28.60%	9,178.40	11,712.70	16,519.50	14,364.70	34.16%
Amber Enterprises	42,064.00	69,271.00	67,292.69	40,859.91	26.48%	6,767.30	10,593.30	12,293.40	7,661.14	34.78%
Epac Durables	9,241.62	15,388.32	14,195.58	11,507.84	23.94%	1,298.21	2,147.50	2,296.20	1,631.50	32.99%
Bharat FIH	1,81,492.00	1,19,493.56	NA	NA	NA	12,887.60	7,520.18	NA	NA	NA
Elin Electronics	10,937.50	10,754.30	10,417.17	5,981.44	-2.41%	2,780.00	2,787.00	2,711.00	1,532.15	-1.25%
Volta	79,344.50	94,987.00	1,24,812.10	75,401.30	25.42%	20,337.90	21,205.20	26,671.70	17,057.90	14.52%
Blue Star	60,455.80	79,773.20	96,853.60	51,413.30	26.57%	13,309.00	17,956.90	22,933.90	12,789.80	31.27%
Crompton Greaves	53,941.10	68,696.00	73,128.10	40,337.00	16.43%	16,923.30	21,892.70	23,125.00	13,019.80	16.90%
Whirlpool of India	61,965.70	66,676.00	68,297.90	42,098.50	4.99%	20,047.30	20,840.00	22,541.20	14,127.20	6.04%

Source: Annual reports of companies published in RoC, MCA, Frost & Sullivan Analysis

NA – Data not available

* CAGR represents FY22 to FY24

All data refers to consolidated financial statements

¹Revenue from operations = As stated in profit and loss statement (excluding other income)

²Gross Profit = Revenue from operations – Cost of goods sold (COGS)

- COGS = Sum of purchases, changes in inventory and cost of materials consumed

The company's (PG Electroplast Ltd) revenue from operations grew at a CAGR of 57.18% from Fiscal 2022 to Fiscal 2024, which is the highest amongst the listed peers. The company also recorded the highest growth in Gross Profits, at 54.06% from FY22 to FY24.

Chart 9.5: EBITDA and PAT comparison of peers, India, Value in INR Million, Growth in %, FY22 – FY24

Company Name	EBITDA ³ (INR million)					PAT ⁴ (INR million)				
	FY22	FY23	FY24	H1FY25	CAGR*	FY22	FY23	FY24	H1FY25	CAGR*
PG Electroplast	890.3	1,761.56	2,617.90	1,870.31	71.48%	374.2	774.686	1,370.12	1,030.23	91.35%
Dixon Technologies	3,790.50	5,143.70	7,078.70	6,843.10	36.66%	1,903.30	2,550.80	3,749.20	5,514.00	40.35%
Amber Enterprises	2,753.80	4,179.33	4,895.37	3,016.40	33.33%	1,113.20	1,637.76	1,394.67	956.82	11.93%
Epac Durables	688	1,017.13	1,146.80	606.07	29.11%	174.3	319.724	353.734	149.156	42.46%
Bharat FIH	4,927.80	27.24	NA	NA	NA	1,950.60	-327.561	NA	NA	NA
Elin Electronics	790.2	651.08	405.41	245.58	-28.37%	391.5	268.03	138.74	107.00	-40.47%
Volta	5,712.40	4,517.20	3,360.10	5,244.00	-23.31%	5,060.00	1,362.20	2,481.10	4,678.30	-29.98%
Blue Star	3,475.60	4,931.80	6,654.30	3,869.30	38.37%	1,680.00	4,006.90	4,143.10	2,648.20	57.04%
Crompton Greaves	7,694.50	7,704.70	7,136.90	4,357.90	-3.69%	5,783.80	4,764.00	4,417.80	2,804.20	-12.60%
Whirlpool of India	4,156.60	3,703.40	4,029.90	2,979.50	-1.54%	5,673.70	2,240.10	2,243.00	1,987.80	-37.12%

Source: Annual reports of companies published in RoC, MCA, Frost & Sullivan Analysis

NA – Data not available

*CAGR represents FY22 to FY24

All data refers to consolidated financial statements

³EBITDA (earnings before interest, tax, depreciation & amortization) = Profit before tax and exceptional items + Finance cost + Depreciation & amortization – Other income

⁴PAT (Profit after tax) = Total profit for the period

PG Electroplast Ltd's EBITDA and PAT grew at a CAGR of 71.48% and 91.35% respectively, from Fiscal 2022 to Fiscal 2024, which is the highest amongst the listed peers.

Chart 9.6: Gross margin, EBITDA margin and PAT margin of peers, India, Ratio in %, FY22 – FY24

Company Name	Gross margin ⁵ (%)				EBITDA margin (%)				PAT margin ⁷ (%)			
	FY22	FY23	FY24	H1FY25	FY22	FY23	FY24	H1FY25	FY22	FY23	FY24	H1FY25
PG Electroplast	14.20%	18.31%	19.67%	19.40%	6.80%	8.16%	9.53%	9.39%	3.40%	3.58%	4.97%	5.15%
Dixon Technologies	8.60%	9.61%	9.34%	7.93%	3.50%	4.22%	4.00%	3.78%	1.80%	2.09%	2.12%	3.04%
Amber Enterprises	16.10%	15.29%	18.27%	18.75%	6.50%	6.03%	7.27%	7.38%	2.60%	2.35%	2.06%	2.32%
Epac Durables	14.00%	13.96%	16.18%	14.18%	7.40%	6.61%	8.08%	5.27%	1.90%	2.08%	2.48%	1.28%
Bharat FIH	7.10%	6.29%	NA	NA	2.70%	0.02%	NA	NA	1.10%	-0.27%	NA	NA
Elin Electronics	25.40%	25.91%	26.02%	25.62%	7.20%	6.05%	3.89%	4.11%	3.60%	2.487%	1.32%	1.77%
Voltas	25.70%	22.32%	21.37%	22.62%	7.20%	4.76%	2.69%	6.95%	6.20%	1.41%	1.95%	6.06%
Blue Star	22.00%	22.51%	23.68%	24.88%	5.70%	6.18%	6.87%	7.53%	2.80%	5.00%	4.26%	5.11%
Crompton Greaves	31.40%	31.87%	31.62%	32.28%	14.30%	11.22%	9.76%	10.80%	10.60%	6.87%	5.99%	6.88%
Whirlpool of India	32.40%	31.26%	33.00%	33.56%	6.70%	5.55%	5.90%	7.08%	9.10%	3.30%	3.21%	4.61%

Source: Annual reports of companies published in RoC, MCA, Frost & Sullivan Analysis
NA – Data not available

⁵Gross margin = Gross profit / Revenue from operations

⁶EBITDA margin = EBITDA / Revenue from operations

⁷PAT margin = PAT / Total income

PG Electroplast Ltd's Gross Margins were the highest in FY23, FY24 and H1FY25 among the listed EMS companies such as Dixon Technologies, Amber Enterprises, and Epac Durables. EBITDA and PAT margins were also the highest in FY23, FY24 and H1FY25 for PG Electroplast among the listed EMS companies.

Chart 9.7: RoE, RoCE, Gross Fixed Asset Turnover Ratio and Cash conversion Cycle of peers, India, Ratio in %, FY22 - FY24

Company Name	RoE ⁸ (%)			RoCE ⁹ (%)			Gross Fixed Asset Turnover Ratio ¹⁰			Cash Conversion Cycle ¹¹		
	FY22	FY23	FY24	FY22	FY23	FY24	FY22	FY23	FY24	FY22	FY23	FY24
PG Electroplast	12.00%	19.57%	13.20%	13.60%	20.95%	16.97%	2.10	3.11	2.92	77.50	66.43	56.45
Dixon Technologies	19.10%	19.86%	21.77%	19.40%	23.32%	25.16%	11.40	10.18	8.81	3.10	1.88	-5.99
Amber Enterprises	6.30%	8.38%	6.59%	8.80%	11.86%	10.83%	3.00	3.31	2.67	25.00	17.47	-2.90
Epac Durables	14.31%	10.19%	3.96%	25.12%	16.40%	8.68%	3.40	4.08	2.29	114.66	87.34	43.12
Bharat FIH	6.40%	-1.07%	NA	9.00%	-0.54%	NA	13.10	7.79	NA	25.50	37.10	NA
Elin Electronics	12.90%	5.44%	2.76%	18.90%	8.96%	5.40%	3.40	2.86	2.71	68.40	65.41	70.83
Voltas	9.10%	2.48%	4.24%	12.70%	10.26%	8.63%	16.30	14.89	18.16	17.80	13.94	10.09
Blue Star	16.50%	30.04%	15.86%	22.10%	27.19%	22.47%	10.80	8.05	7.39	2.40	7.23	13.87
Crompton Greaves	17.90%	15.33%	12.81%	23.30%	18.41%	16.23%	11.30	13.45	13.61	12.40	12.89	0.65
Whirlpool of India	16.20%	6.11%	5.84%	8.40%	7.69%	8.16%	4.60	4.14	4.10	136.20	13.17	3.37

Source: Annual reports of companies published in RoC, MCA, Frost & Sullivan Analysis
NA – NA for peers refers to the data not being publicly available

⁸RoE (Return on equity) = PAT / Closing Total Share Equity

⁹RoCE (Return on capital employed) = EBIT / Closing capital employed

- EBIT = Profit before tax and exceptional items + Finance cost
- Closing capital employed = Total assets – Current liabilities

¹⁰Gross fixed asset turnover ratio = Revenue from operations / Gross property, plant and equipment (as included in notes to financial statements)

¹¹Cash conversion cycle = Days receivable + Inventory days – Days payable

- Days receivable = (Trade receivables / Revenue from operations) * 365
- Inventory days = (Inventory / COGS) * 365
- Days payable = (Trade payables / COGS) * 365

OUR BUSINESS

*This Preliminary Placement Document contains forward-looking statements that involve risk and uncertainties. Some of the information contained in the following discussion, including information with respect to our plans and strategies, contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below in “**Forward-Looking Statements**” on page 15, and elsewhere in this Preliminary Placement Document. You should read “**Forward-Looking Statements**” beginning on page 15 for a discussion of the risks and uncertainties related to those statements and also “**Risk Factors**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 47 and 112, respectively, for a discussion and analysis of factors that may affect our business, financial condition, results of operations or cash flows.*

Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. In this section, unless the context otherwise requires, a reference to “our Company” is a reference to PG Electroplast Limited on a standalone basis, while any reference to “we”, “us”, “our” or “our Group” is a reference to the Company on a consolidated basis.

*Industry and market data used in this section are derived from the F&S Report, which was exclusively prepared for the purpose of the Issue. Our Company commissioned and paid for the F&S Report pursuant to the engagement letter dated November 12, 2024. Frost & Sullivan is not related in any manner to our Company, its Subsidiaries, Directors, Key Managerial Personnel, members of Senior Management or the Promoters. For more details, see “**Industry and Market Data**” on page 14. For risks in relation to F&S Report, see “**Risk Factors - This Preliminary Placement Document contains information from industry sources including the industry report commissioned by the Company from Frost & Sullivan.**” on page 73.*

Overview

We are an established original design manufacturer (“**ODM**”) and contract manufacturer (“**CM**”), for the consumer durables industry in India, with primary focus on manufacture of room air conditioners (“**RACs**”), washing machines and plastic moulding. We provide end – to – end solutions across the entire value chain of the products we supply to our customers, which include more than 19 leading domestic and international brands. This includes product conceptualisation, designing and prototyping, tool design and manufacturing, supply chain development and final assemblies for products like RACs, washing machines, LED TVs and air coolers. We consider our ability to evolve and address the needs of our marquee customer base as a key factor in the growth of our revenue from operations which grew at a CAGR of 57.5% from Fiscal 2022 to Fiscal 2024. We are the fastest growing B2C focused ODM players in India, having recorded the highest revenue CAGR amongst listed peers (Dixon Technologies (India) Limited, Amber Enterprises Limited and Elin Electronics Limited) over Fiscal 2022 – 2024 (*Source: F&S Report*).

We operate under four primary business verticals as set out below:

Products: We manufacture and assemble a wide array of products under two business models namely, CM and ODM. Under CM model, we manufacture and supply products basis designs developed by our customers, who then further distribute these products under their own brands. Under the ODM model, in addition to manufacturing, we conceptualize and design the products which are then supplied to our customers, who then further distribute these products under their own brands. We are the second largest player in terms of RAC finished goods sales to the OEMs / brands, basis Fiscal 2024 data. (*Source: F&S Report*). We act as ODM for RACs, washing machines and air coolers. Due to our constant efforts to strive for cost leadership and to be a reliable supply chain partner to our customers, in less than three years of manufacturing RAC complete built – up units (“**CBUs**”), we have manufactured RACs for 19 brands.

Additionally, November 2021 and March 2022, our Subsidiary, PG Technoplast, received approval under the PLI Scheme for certain identified eligible white good products such as control assemblies for IDU or ODU or remotes, plastic moulding components, sheet metal components, heat exchangers, cross flow fan and motor and display panels (LCD / LED). The PLI Scheme gives us a total potential cumulative benefit of ₹ 1,987.50 million over the five financial years starting from Fiscal 2023 – 2024, which we believe will allow us to provide a better value proposition to our customers. We are in the process of applying for an application for Fiscal 2023-24. For further details in this respect, see “**Risk Factors – Our Subsidiary, PG Technoplast may not continue to enjoy the existing benefits under the PLI Scheme, which could have a materially adverse impact on our profitability**” on page 67.

For further details, refer to ‘**Business Operations – Our Business Verticals – Products**’ on page 206.

Plastic Moulding (“PM”): We are the largest manufacturer of plastic moulding for consumer durables and consumer electronics industry, in terms of revenue in India, as on March 31, 2024 (*Source: F&S Report*). We manufacture small, medium and large sized, high – precision and surface critical injection moulded components for our customers, which are used further to manufacture a wide

variety of automotive, electronic equipment and sanitaryware products such as in-wall tank assemblies and toilet seats and for fan parts painting. We offer a variety of post moulding operations such as ultrasonic welding, heat staking, hot stamping, pad printing and screen printing.

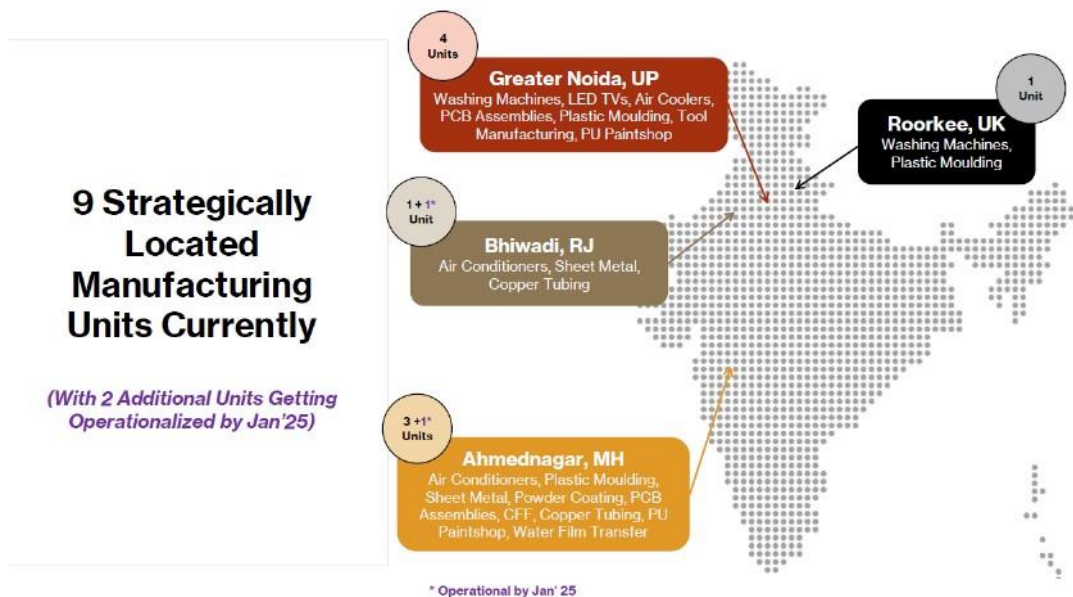
Electronics: Under this category, we contract manufacture LED TVs of various sizes. Further, we develop and manufacture printed circuit board assemblies for a range of applications on a turnkey basis (including procurement, surface mount technology (“SMT”), artificial intelligence (“AI”), metal illumination (“MI”), testing, packing and shipping).

Tool Manufacturing: We develop moulds for various applications, including automotive applications, white goods (such as refrigerators), home and kitchen appliances, lighting and electrical equipment. The complete range of services from tool design to tool manufacturing and injection moulding under one roof makes us a turnkey tooling solutions provider.

Since inception, we have continuously evolved our product portfolio to meet the needs of our customers and cater to the prevailing industry technologies. Post incorporation of our Company in 2003, we started manufacturing plastic moulded components. Thereafter, in 2014, we started focussing on the products business and commenced manufacturing of air coolers. We set up an in-house tool room for our tool manufacturing business vertical in 2016 and thereafter started manufacturing semi-automatic washing machines (“SAWM”) in 2017. In 2018, we started manufacturing RAC indoor units (“IDUs”) and subsequently RACs outdoor units (“ODUs”) in 2021. Additionally, in 2021, we commenced manufacturing fully automatic top load washing machines (“FATL”) and subsequently LED TVs in 2022. Our product portfolio includes complete RAC sets, washing machines, and electronics, all of which today contribute significantly to our revenue. In 2023, our Company has entered into the JV Agreement, with Jaina Marketing & Associates, Jaina India Private Limited (collectively referred to as the “Jaina Group”) and Goodworth Electronics Private Limited pursuant to which Goodworth Electronics Private Limited (“JV”), has become a joint venture of the Company. In 2024, our Subsidiary, PG Technoplast Private Limited acquired 100% stake in Next Generation Manufacturers to grow and expand and become a preferred outsourcing vendor for consumer durables and electronics business. The JV has developed necessary infrastructure and manufactures LED televisions.

We have constantly sought to adapt to the changing industry landscapes, business environments and customer requirements. As a result, we have built long-standing relationships with a number of our key customers.

Presently, we operate nine manufacturing units located in Greater Noida, Uttar Pradesh; Roorkee, Uttarakhand; Bhiwadi in Rajasthan and Ahmednagar, Maharashtra. For further details, see “- Property” on page 215.



Our manufacturing units are equipped with high quality machinery, assembly lines and full power backup that enable us to meet the quality requirements of our customers in a timely manner.

We have obtained third party certifications for quality management systems, environmental management systems and occupational health and safety management systems at our manufacturing units. These include ISO 9001:2015, 14001:2015, ISO 45001:2018, UL E520496 and IATF 16949:2016 certifications. In line with our focus to develop better control on our supply chain and improve

our margins, we consistently strive to strategically backward integrate our manufacturing processes. In this regard, we have backward integrated our RAC manufacturing processes by adding plastic moulding, sheet metal, powder coating paint – shops, heat exchangers, copper tubing, crossflow fans, printed circuit board assemblies, an NABL – accredited psychometric lab, and complete product assembly lines for RAC IDUs and ODUs. We are also seeking to reduce our environmental footprint by focussing on solar energy. In this respect, we have installed a 1.4 MW rooftop grid system solar panel at our Unit 2 – Subsidiary in Maharashtra, and a 0.65 MW solar plant at our Unit – 4 in Maharashtra. In addition, in 2022, we have also entered into a power purchase agreement with a company to obtain at least 3.1 MW of solar energy for our manufacturing unit at Uttar Pradesh for a period of 25 years.

We remain focussed on R&D and invest in product development. This enables us to offer end – to – end product development services across the lifecycle of product. We have an R&D team for our RAC, washing machine and LED TV product lines. As on September 30, 2024, our R&D team consisted of 57 employees.

Our Promoters, Vishal Gupta, Vikas Gupta and Anurag Gupta have significant experience in the manufacturing sector and our Senior Management include experts from the industry with wide experience. For further information, see “**Board of Directors and Senior Management**” on page 218. In 2021, our Company received private equity funding from Baring Private Equity India AIF, Ananta Capital and Mr. Ashokkumar Sobhamal Patni and Mr. Rajanikanta Gajendrakumar Patni. For details, refer to “**Capital Structure**” on page 107.

Set forth below are our key performance indicators for the periods indicated:

(₹ in million, unless otherwise stated)

Particulars	Fiscal 2022**	Fiscal 2023	Year on year growth (in %)	Fiscal 2024	Year on year growth (in %)	Six months ended September 30, 2024*#
Revenue from operations	11,116.35	21,599.48	94.30%	27,464.95	27.16%	19,919.79
EBITDA ⁽¹⁾	942.82	1,804.26	91.37%	2,748.04	52.31%	1,950.77
EBITDA margin (%) ⁽²⁾	8.48%	8.35%	N.A.	10.01%	N.A.	9.79%
Profit for the year (“PAT”)	374.16	774.69	107.05%	1,370.12	76.86%	1,043.95
PAT margin (%) ⁽³⁾	3.37%	3.59%	N.A.	4.99%	N.A.	5.24%
Return on Equity (“ROE”) (%) ⁽⁴⁾	14.82%	21.88%	N.A.	19.11%	N.A.	10.02%
Return on Capital Employed (“ROCE”) (%) ⁽⁵⁾	13.47%	17.80%	N.A.	19.53%	N.A.	12.02%
Net fixed asset turnover ⁽⁶⁾	3.12	4.25	N.A.	4.05	N.A.	2.89
Asset turnover ratio ⁽⁷⁾	1.35	1.68	N.A.	1.44	N.A.	0.97

N.A. – Not Applicable

* Not Annualised.

** Government incentives from State Government (which includes PSI Incentive 2007 from Maharashtra Government) aggregating to ₹ 139.17 million was classified as other non operating income until Fiscal 2022 which was re-classified as other operating income from Fiscal 2023. Accordingly, the financial information for Fiscal 2022 has been disclosed after considering the above as “Other Operating Income” and has been extracted from the comparative financial information for Fiscal 2022 included in the audited financial statements of Fiscal 2023.

Ratios are calculated for trailing twelve months by taking average of balance sheet data of September 30, 2023, and September 30, 2024.

(1) EBITDA is calculated as profit for the period / year, plus tax expenses (consisting of current tax, deferred tax and current taxes relating to earlier years), finance costs and depreciation and amortisation expenses,

(2) EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations.

(3) PAT Margin is calculated as profit for the period / year as a percentage of revenue from operations.

(4) ROE (Return on Equity) is calculated as profit after tax for the period/year divided by average total equity.

(5) ROCE (Return on Capital Employed) is calculated as profit before tax plus finance costs divided by average net worth and average total debt.

(6) Net fixed asset turnover is calculated as revenue from operations divided by average net fixed assets for the respective financial year.

(7) Asset turnover ratio is calculated as revenue from operations divided by average of the total assets of the period / year.

Our Competitive Strengths

Our key competitive strengths are set out below:

Established ODM player and contract manufacturer with leading market position in our focus verticals such as RACs, washing machines and plastic moulding

Since inception, we have continuously evolved our product portfolio to meet the needs of our customers and cater to the prevailing industry technologies. Post incorporation of our Company in 2003, we started manufacturing plastic moulded components. Thereafter, in 2014, we started focussing on the products business and commenced manufacturing of air coolers. We set up an in-house tool room for our tool manufacturing business vertical in 2016 and thereafter started manufacturing semi-automatic washing machines in 2017. In 2018, we started manufacturing RAC IDUs and subsequently RAC s ODU s in 2021. Additionally, in 2021, we commenced manufacturing FATL and subsequently LED TVs in 2022. Presently, our product portfolio includes complete RAC sets, washing machines, and Coolers, all of which today contribute significantly to our revenue.

We have been manufacturing RAC IDUs since 2018 and RAC ODU s since 2021. We offer RACs CBU in the capacity ranging from 0.7T to 2T in both fixed speed and inverter categories for various star ratings. We are the second largest player in terms of RAC finished goods sales to the OEMs / brands, basis Fiscal 2024 data (*Source: F&S Report*).

We are the largest manufacturer of plastic injection moulding components for consumer durables and consumer electronics industry, in terms of revenue in India, as on March 31, 2024 (*Source: F&S Report*). Through our plastic moulding business, we offer a wide range of products including small, medium and large sized, high-precision, surface critical injection moulded components for consumer durables and the consumer electronics industry.

We provide end-to-end assembly solutions for final products and are the second largest ODM player for washing machines in India in terms of volume of units sold as of March 31, 2024 (*Source: F&S Report*). We commenced manufacturing semi-automatic washing machines in 2017 and presently offer semi-automatic and fully automatic washing machines in capacities ranging from 6-14 kg and 6.5-8.5 kg, respectively.

We are an end-to-end solutions provider across the entire value chain of the products we supply to our customers. We serve across varied industries such as air conditioners, washing machines, LED TVs, air coolers, automotive components, bathroom fittings and consumer electronics. We believe we owe our leadership position to our experience in the development and manufacturing of RACs and components and our ability to deliver cost leadership, meet stringent customer quality standards, deliver consistently, and evolve our technology to meet customer needs. Additionally, in November 2021 and March 2022, our Subsidiary, PG Technoplast, received approval under the PLI Scheme for certain identified eligible white good products such as control assemblies for IDU or ODU or remotes, plastic moulding components, sheet metal components, heat exchangers, cross flow fan and motor and display panels (LCD / LED). The PLI Scheme gives us a total potential cumulative benefit of ₹ 1,987.50 million over the five financial years starting from Fiscal 2023-2024, which we believe will allow us to provide a better value proposition to our customers. We are in the process of applying for an application for Fiscal 2023-24. For further details in this respect, see ***“Risk Factors – Our Subsidiary, PG Technoplast may not continue to enjoy the existing benefits under the PLI Scheme, which could have a materially adverse impact on our profitability”*** on page 67.

The domestic manufacturing of RAC has witnessed strong growth in the recent years, supported by government policies. Components such as compressors, motors and refrigerants are imported while IDUs and ODU s are manufactured in India. The overall market size for domestic sales for RAC in FY24 is 10.4 million units and it is expected to grow at a CAGR of 18.4% up to FY29. Government’s focus on ***“Atma Nirbhar Bharat”*** has led to special focus on the RAC business. While all import business may not immediately shift to local players, the move is well thought out. Some RAC manufacturers have enhanced in-house manufacturing capacity, but many marginal players do not have local manufacturing facilities till now. Under Phased Plan Manufacturing Programme, the Government plans to limit imports of components/equipment in the 1st phase by increasing duties and introducing import restrictions on motors, PCBs, compressors etc. from 20% to 30% over a 5-year time period. Under phase 2, raw materials like copper and aluminium will be indigenised. The Government seeks to create wide-scale production infrastructure for RAC components in India, which would help curb imports and provide export opportunities (*Source: F&S Report*).

Ability to provide end-to-end product development capabilities leading to strong relationships with marquee customer base

We are a leading, diversified Indian manufacturing services provider and among the few companies in India specialising in original design manufacturing, original equipment manufacturing and plastic injection moulding for the consumer durables industry, thereby providing one stop and end to end solutions to consumer durable brands (*Source: F&S Report*). Our key manufacturing capabilities include product assemblies, plastic moulding, sheet metal components, PCB assemblies, specialized AC components, PU & Powder paint shops and tool manufacturing

We are involved in the life cycle of the product from conceptualisation, designing and prototyping, till the final assemblies of products under ODM model. We believe that our in-house manufacturing capabilities of development of various components required for the products, process knowledge and our network of suppliers enables us to provide end-to-end solutions for all

products manufactured by us. Further, we believe that having the benefit of providing such end-to-end solutions under one roof enables us to provide value added offerings such as specialised RAC components, PCB assemblies and sheet metal components.

In the Indian industry landscape, ODMs are currently being depended on primarily to manufacture the entry – level products. These products have low differentiation, and the main features for ODMs ends up being their quality, cost and delivery (*Source: F&S Report*). We believe our reliability, delivery and our service are the main differentiating factors that have helped us develop strong customer relationships.

As on September 30, 2024, we have a qualified and experienced R&D team with 57 employees. We have launched 795 SKUs since April 1, 2020 until September 30, 2024. For Fiscals 2022, 2023, 2024 and for six months ended September 30, 2024, our revenue from products vertical was ₹ 4,749.98million, ₹ 13,383.72 million, ₹16,401.91million and ₹ 13,511.69 million, which represented 42.73%, 61.96%, 59.72% and 67.83%, of our revenue from operations, respectively.

Set forth below is our revenue from product business under the ODM and CM business models, for the respective periods:

Particulars	Six months ended September 30, 2024*		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	In ₹ million	% contribution to products business	In ₹ million	% contribution to products business	In ₹ Million	% contribution to products business	In ₹ million	% contribution to products business
ODM	12,707.97	94.05%	14,839.30	90.47%	10,441.39	78.02%	2,654.15	55.88%
CM	803.72	5.95%	1,562.61	9.53%	2,942.33	21.98%	2,095.83	44.12%
Total	13,511.69	100.00%	16,401.91	100.00%	13,383.72	100.00%	4,749.98	100.00%

* Not annualised

Given the spectrum of our portfolio, we have established and will continue to focus on strengthening our longstanding relationships with our key domestic and multi-national customers across our product verticals. Set forth below is the aggregate number of customers served by us as of the respective dates indicated below:

Particulars	As of September 30, 2024	As of March 31, 2024	As of March 31, 2023	As of March 31, 2022
Number of customers served	94	110	93	72

We believe we have been able to maintain long-term relationships with such customers by maintaining expected standards of manufacturing quality of products in a timely manner as well as our efforts to become a one-stop solution for their manufacturing requirements. This is substantiated by way of the following case studies below:

<u>Case Studies</u>
<p><i>Case Study A</i></p> <p>An example of our capabilities includes an instance where a customer had approached us to manufacture air coolers for them in 2016. We manufactured the product, which was approved by the customer. Subsequently, we commenced manufacturing RAC IDUs in 2018, RAC ODUs in 2022 and are manufacturing semi – automatic washing machines in 2023 for such customer.</p>
<p><i>Case Study B</i></p> <p>An example of our capabilities includes an instance where a customer had approached us to manufacture plastic injection moulded components in 2017. We manufactured the components, which was approved by the customer. Subsequently, we commenced manufacturing RAC CBUs and blow moulded plastic components in 2022, and semi – automatic washing machines in 2023 for such customer over a period of time.</p>

We believe our strong relationships with our customers have not only been instrumental in our success to date, but will also be a strong driver of our future growth and help expand our market share.

Well – established, de – risked business model

We derive our revenue by supplying products for usage in multiple industries. Further, as of September 30, 2024, our portfolio under the products vertical included 600 SKUs. In addition, we served 94 customers, as of September 30, 2024. We believe, our varied product offerings and continuous product development efforts have enabled us to cater to multiple industries and customers, and to enhance our ability to attract new customers. We have also been able to develop designs which are customised to customer specific requirements through our ODM capabilities, which positions us as a strategic supplier. As of March 31, 2022, we had 72 customers, 93 in Fiscals 2023 and 110 in Fiscals 2024.

Set out below is the revenue from operations from our business verticals during six months ended September 30, 2024 and Fiscals 2024, 2023 and 2022:

Business Verticals	Six months ended September 30, 2024*		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	In ₹ million	% of contribution	In ₹ Million	% of contribution	In ₹ million	% of contribution	In ₹ million	% of contribution
RAC	11,145.39	55.95%	12,977.34	47.25%	10,412.73	48.21%	2,936.75	26.42%
Washing machine	2,138.62	10.74%	3,041.86	11.08%	2,588.50	11.98%	1,664.33	14.97%
Air cooler	227.67	1.14%	382.71	1.39%	382.49	1.77%	148.9	1.34%
Sub - total (products segment)	13,511.69	67.83%	16,401.91	59.72%	13,383.72	61.96%	4,749.98	42.73%
Electronics	2,143.32	10.76%	3,524.06	12.83%	1,571.84	7.28%	694.54	6.25%
Plastic moulding	4,208.32	21.13%	7,422.65	27.03%	6,541.08	30.28%	5,611.84	50.48%
Tool Manufacturing	56.46	0.28%	116.33	0.42%	102.84	0.48%	59.99	0.54%
Total	19,919.79	100.0%	27,464.95	100.0%	21,599.47	100.00%	11,116.35	100.00%

* Not annualised

** Government Incentives from State Government (which includes PSI Incentive 2007 from Maharashtra Government) aggregating to ₹ 139.17 million was classified as other non operating income until Fiscal 2022 which was re-classified as other operating income from Fiscal 2023. Accordingly, the financial information for Fiscal 2022 has been disclosed after considering the above as "Other Operating Income" and has been extracted from the comparative financial information for Fiscal 2022 included in the audited financial statements of Fiscal 2023.

Our diverse product portfolio enables us to balance out any impact or risk incurred with respect to any single product, product vertical or customer. The contribution from the plastic moulding business has decreased from 30.28% in Fiscal 2023, to 27.03% in Fiscal 2024, and to 21.13% in the six months ended September 30, 2024.

Similarly, our diversified customer base enables us to balance out any risk associated with the customer concentration. We have over time been able to successfully reduce concentration from our top customers. Set forth below is the revenue contribution of our top customer, top five customers and top 10 customers for the respective periods:

Top Customers*	Six months ended September 30, 2024		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	In ₹ million	% of revenue from operations	In ₹ Million	% of revenue from operations	In ₹ million	% of revenue from operations	In ₹ million	% of revenue from operations
Top customer	1,931.38	9.70%	3,250.15	11.83%	2,426.38	11.23%	1,866.98	16.79%
Top 5 customers	8,134.72	40.84%	11,960.83	43.55%	10,019.53	46.39%	5,339.37	48.03%
Top 10 customers	13,474.71	67.64%	17,839.49	64.95%	15,146.52	70.12%	7,519.40	67.64%

* The top customers have been identified for each specific year / period based on the revenue contribution of each such customer in the relevant year / period.

Backward integrated manufacturing infrastructure

We have manufacturing units equipped with high quality machinery, assembly lines and full power backup which are strategically located in the states of Uttar Pradesh, Uttarakhand, Rajasthan, and Maharashtra giving us close proximity to our key customers.

Our unit in Ahmednagar, Maharashtra is one of the largest and most backward integrated AC manufacturing plants at a single location in India (*Source: F&S Report*). Our unit in Bhiwadi, Rajasthan will be our new integrated manufacturing facility for RACs.

Our manufacturing units are subject to periodic audits by our customers, which ensures that our customers are able to confirm the continuance of quality of our facility and processes. In addition to such audits by our customers from time to time, we also conduct our in-house quality testing of our products to ensure that the quality and standard of products remains in compliance with our customer's expectations. Our quality control process has resulted in certifications and approval such as ISO 9001:2015, 14001:2015, ISO 45001: 2018 UL E520496 and IATF 16949:2016. For Fiscals 2022, 2023 and 2024 and for six months ended September 30, 2024, our sales return accounted for only 0.74%, 0.27%, 0.09% and 0.08%, respectively.

In line with the objective of electronic manufacturing services (“EMS”) companies to provide end – to – end product solutions, companies are focusing on backward integration in manufacturing processes by developing plastic moulding capabilities in – house. This improves the EMS company's cost-effectiveness, reduces its reliance on third-party suppliers, and grants greater control over the production time and quality of critical components (*Source: F&S Report*). Our manufacturing units are backward integrated. We have backward integrated our RAC manufacturing processes by adding plastic moulding, sheet metal, powder coating paint-shops, heat exchangers, copper tubing, crossflow fans, printed circuit board assemblies, and complete product assembly lines for RAC IDUs and ODUs. We have built capacity to manufacture 2,40,000 IDUs per month and 1,54,000 ODUs per month as on September 30, 2024. We have developed four platforms for RACs IDUs and ODUs so far and have in-house NABL-accredited psychometric lab, safety and reliability labs and performance testing labs. Further, we have six platforms and two platforms, comprising tooling abilities and offering different kinds of products with specifications catering to customers, for manufacturing SAWM and FATL, respectively with a capacity to manufacture 1,25,000 SAWM and 25,000 FATL machines every month. Furthermore, we have increased our capacity from 1,00,000 units per month to 1,25,000 units per month for our SAWM platforms, as on September 30, 2024. We have the capacity to offer product development and manufacturing solutions from designing, tooling to final assembling and testing. Most of our operations are backward-integrated and the processes are carried out in-house. Backward integration gives us the flexibility to control our manufacturing processes and reduces dependence on external suppliers, which we believe helps to make us a consistent and reliable ODM supplier and contract manufacturer.

Unit 1



Unit 2



Unit 5



Unit 2 - Subsidiary



The Government of India has been proactively building a base for electronics manufacturing in India and it has launched numerous incentive schemes, which have allowed manufacturing growth, reduced dependence on the imports, and promoted the exports. The increased demand for electronic goods such as mobile phones and consumer electronics (which includes room air conditioners, washing machine, refrigerators, television, air coolers and others) has resulted in the segment attracting the greatest amount of foreign direct investment (“FDI”) in recent years. We believe that our reputation, coupled with future plans for our companies with a focus on integrated manufacturing, will enable us to be well – positioned to capture the growing demand.

Skilled, experienced and qualified workforce and senior management

Our Company has an experienced management team with experience across sectors such as industrial, mechanical engineering and manufacturing sectors. We also have a leadership team of experienced professionals, having relevant functional expertise across different industries and who are instrumental in implementing our business strategies. The leadership team is assisted by a strong Senior Management team of nine executives, heading various functions and units of our business. These include the following:

Sr. No.	Name	Designation
1.	Pranav Gupta	Business Manager
2.	Vinod Siwach	Manufacturing Head
3.	Ashwani Kumar Tyagi	Head, Business Development, Northern India
4.	Vikas Koul	Head, Business Development, Western India
5.	Mahabir Prasad Shivhare	Factory Head
6.	Nirbhay Kant Rai	Factory Head
7.	Bharat Bhushan Batra	Factory Head
8.	Bishwanath Mukherjee	Factory Head
9.	Rajesh Hari Sujan	Factory Head

For details, refer to ‘**Board of Directors and Senior Management**’ on page 218.

Our management team has been able to create value through organic growth, including new business opportunities through existing channels, as well as our strong customer relationships. The operational and management experience of our management team has enabled us to cater to the customized requirements of customers and proactively plan and execute our projects. We have a robust corporate governance system in place to monitor, guide and support our operations, with oversight by an experienced Board of Directors.

We believe our highly experienced and professional management team provides us with a key competitive advantage. Most members of our senior management have extensive experience in the precision components manufacturing industry, including in operations, business development, quality assurance, customer relationships. For further details, please see the section titled, “**Board of Directors and Senior Management**” on page 218. This results in effective operational coordination and continuity of business strategies. Our management team has led our organisation through a multi-pronged diversification of the business and development of new systems and products over the last several years.

Consistent and strong financial performance

As a result of our focus on business expansion and capital efficiency, we have been able to achieve sustained growth with respect to various financial indicators. We consider our ability to evolve and address the needs of our marquee customer base as a key factor in the growth of our revenue from operations, which grew at a CAGR of 57.5% from Fiscal 2022 to Fiscal 2024. We are the fastest growing B2C focused ODM players in India, having recorded the highest revenue CAGR amongst listed peers (Dixon Technologies (India) Limited, Amber Enterprises Limited and Elin Electronics Limited) over Fiscal 2022 – 2024 (*Source: F&S Report*).

The table below sets forth some of the key financial indicators for the Fiscals 2022, 2023 and 2024 and six months ended September 30, 2024:

(₹ in million)							
Particulars	Fiscal 2022**	Fiscal 2023	Year on year growth (in %)	Fiscal 2024	Year on year growth (in %)	Six months ended September 30, 2024*#	
Revenue from operations	11,116.35	21,599.48	94.30%	27,464.95	27.16%	19,919.79	
EBITDA ⁽¹⁾	942.82	1,804.26	91.37%	2,748.04	52.31%	1,950.77	

EBITDA margin (%) ⁽²⁾	8.48%	8.35%	N.A.	10.01%	N.A.	9.79%
Profit for the year (“PAT”)	374.16	774.69	107.05%	1,370.12	76.86%	1,043.95
PAT margin (%) ⁽³⁾	3.37%	3.59%	N.A.	4.99%	N.A.	5.24%
Return on Equity (“ROE”) (%) ⁽⁴⁾	14.82%	21.88%	N.A.	19.11%	N.A.	10.02%
Return on Capital Employed (“ROCE”) (%) ⁽⁵⁾	13.47%	17.80%	N.A.	19.53%	N.A.	12.02%
Net fixed asset turnover ⁽⁶⁾	3.12	4.25	N.A.	4.05	N.A.	2.89
Asset turnover ratio ⁽⁷⁾	1.35	1.68	N.A.	1.44	N.A.	0.97

N.A. – Not Applicable

* Not Annualised

** Government incentives from State Government (which includes PSI Incentive 2007 from Maharashtra Government) aggregating to ₹ 139.17 million was classified as other non operating income until Fiscal 2022 which was re-classified as other operating income from Fiscal 2023. Accordingly, the financial information for Fiscal 2022 has been disclosed after considering the above as "Other Operating Income" and has been extracted from the comparative financial information for Fiscal 2022 included in the audited financial statements of Fiscal 2023.

Ratios are calculated for trailing twelve months by taking average of balance sheet data of September 30, 2023, and September 30 2024.

(1) EBITDA is calculated as profit for the period / year, plus tax expenses (consisting of current tax, deferred tax and current taxes relating to earlier years), finance costs and depreciation and amortisation expenses,

(2) EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations.

(3) PAT Margin is calculated as profit for the period / year as a percentage of revenue from operations.

(4) ROE (Return on Equity) is calculated as profit after tax for the period/year divided by average total equity.

(5) ROCE (Return on Capital Employed) is calculated as profit before tax plus finance costs divided by average net worth and average total debt.

(6) Net fixed asset turnover is calculated as revenue from operations divided by average net fixed assets for the respective financial year.

(7) Asset turnover ratio is calculated as revenue from operations divided by average of the total assets of the period / year.

We strive to maintain a robust financial position with emphasis on having a strong balance sheet and increased profitability. With increasing focus on and contribution from our products business, we have been able to improve our ROCE from 13.47% in Fiscal 2022, to 19.53% in Fiscal 2024. Further, our net fixed asset turnover has improved from 3.12 in Fiscal 2022 to 4.05 in Fiscal 2024. Our strong balance sheet enables us to pursue opportunities for growth and better manage unanticipated cash flow variations. For further details on a comparative analysis of our financial position and revenue from operations, see the “**Management’s Discussion and Analysis of Financial Position and Results of Operations**” on page 112.

Competitive Strategies

We believe that the following are our principal strategies:

Expand capacities and offering in existing product vertical

The manufacturing scenario in India has changed a lot in the last few years. According to the World Bank, India ranked 63rd out of 190 countries in ‘Ease of Doing Business’ in 2021, an improvement of 79 positions between 2014 and 2021. With the recognition of electronics sector as one of the key growth drivers for the Indian economy, the sector has received significant attention from the government in the last few years through various policies, schemes, and incentives. The National Policy on Electronics emphasised local value addition and created an enabling environment. As the cost structure of Chinese electronics contract manufacturing keeps going up, especially with the changing geopolitical situation, tariff issues and the supply chain disruptions, there is an urgency by the OEMs to investigate realistic alternatives to manufacturing in China. Due to the above factors, OEMs are considering adding another country for increased production rather than replacing China entirely, and are looking into production locations like India, Vietnam, and Indonesia. India is well positioned to benefit from global OEM’s strategy towards “China plus one” for supply chain diversification. The Government of India has been proactively building a base for electronics manufacturing in India and it has launched numerous incentive schemes, which have allowed manufacturing growth, reduced dependence on the imports, and promoted the exports. The increased demand for electronic goods such as mobile phones and consumer electronics (which includes room air conditioners, washing machine, refrigerators, television, air coolers and others) has resulted in the segment attracting the greatest amount of foreign direct investment (“FDI”) in recent years.

To cater to such projected increase in demand, we propose to expand our manufacturing capacities by increasing the capacity of our units. For details, refer to ‘Use of Proceeds – – Details of the Objects Investment in our Subsidiary, PG Technoplast – Funding the capital expenditure requirements of our Subsidiary’ on page 90. In this regard, we, through our Subsidiary PG Technoplast,

have entered into memorandum of understanding with the Government of Maharashtra. Pursuant to the memorandum of understanding dated May 23, 2022 entered into with the Government of Maharashtra, the state government had agreed to facilitate PG Technoplast to obtain such approvals/ incentives, as may be necessary, for its proposed project having 2022 as the year of commencement. For details in relation to the capacity utilization, refer to ‘– *Manufacturing Units*’ on page 212.

We are an innovation led company with a dedicated focus on developing products, customized to the specific needs of our customers. Some of our key R&D undertakings in the past have included manufacturing of air coolers, semi – automatic washing machines, RACs, and LED TVs. We will continue to periodically review the functioning of our in-house product development strategy, identify scope for expansion and undertake projects to increase our production capabilities.

Expansion of addressable market through development of new products

We will continue to leverage our ability to launch new products in order to increase our revenues and market share in our target markets. With the ever-evolving consumer needs and preferences, we intend to continuously work towards launching new products and categories at various price points with an aim to increase our market share and our share of the wallets of our consumers. In this regard, we intend to further improve our product offerings and are looking at opportunities in similar product categories.

We cater to our customers across multiple industries. We believe that the repeated business we have received from our customers is an indicator of our position as a preferred supplier. We intend to tap into the market share of existing customers for other products as well as the corresponding market and supply chain for other products. As of September 30, 2024, we had a portfolio of 600 SKUs, which enabled us to cater to existing and new customers and markets. We believe that our continuing R&D endeavours for quality will help increase our overall market share for product groups. We have built long – standing relationships with our customers by capitalizing on our diversified product portfolio and services we offer.

Going forward, we intend to continue to leverage our diversified product portfolio and our industry standing to establish relationships with new export and local customers and expand our customer base.

Continue to explore adjacent applications for our robust capabilities in plastic moulding

We are the largest manufacturer of plastic injection moulding components for consumer durables and consumer electronics industry, in terms of revenue in India, as on March 31, 2024 (*Source: F&S Report*). Our Company has over 300 moulding machines, ranging from 50T to 2100T across eight manufacturing units in Greater Noida, Roorkee and Ahmednagar. Our Company specialises in developing small, medium and large sized, high-precision, surface critical plastic moulded components which are used to manufacture a wide variety of automotive and electronic equipment. We have capacities for various specialised moulding operations such as vertical injection moulding, plastic blow moulding and thermoset moulding and also offer a number of specialised post-moulding operations to meet customer needs.

While our product portfolio includes RACs, washing machines, and electronics, we have also diversified into engineered plastics for sanitaryware, automotive and other specialized applications. We intend to explore further applications for our plastic moulding capabilities, sheet metal capacities and PCB assembly lines, to further grow our component business.

Take advantage of a growing industry with strong tailwinds

In terms of the F&S Report, the Government of India is encouraging domestic manufacturing through supporting policies and initiatives that are likely to lead to overall development in the ecosystem and will open up gates of opportunities for companies, vendors, and distributors in the market. Incentives for local manufacturing, demand side support through Government procurement, import barriers via duties and favourable steps like GST that reduced complexity of operations, are pull factors for both multi – national companies as well as domestic manufacturers to invest in India. Some of the key initiatives/ schemes/ programs introduced by the Government in boosting the electronics industry in India include:

- *Atmanirbhar Bharat (Make in India initiative)* wherein the Government of India announced this initiative to make India a global manufacturing hub, by facilitating both domestic as well as international companies to set - up manufacturing bases in India and it has released special funds to boost the local manufacturing of mobile phones and electronic components.
- *Phased Manufacturing Plan Programme (PMP)* to promote indigenous manufacturing of electronic products. Initially introduced for mobile phones, the program is gradually extended to other electronic products. According to the PMP, the government offers various incentives, including differential duty exemptions such as countervailing duty (CVD) on imports and excise duty without input tax credit.
- *Production Linked Incentive (PLI) Scheme* - the scheme was initially announced in the year 2019 by the Government of India considering the incremental investment and sales of manufactured goods specifically to mobile phones and

components market in India. It is expected to promote exports in the next few years. The scheme is worth INR 62bn which is announced for ACs and LED Lighting which can help in boosting domestic manufacturing as well as addressing 'China+1' strategy of global RAC brands.

Our Company, through its wholly owned subsidiary PG Technoplast, has one of the largest allocations of the PLI Scheme for white goods (air conditioners), being the fifth largest investment commitment since the PLI scheme in FY 2022 (*Source: F&S Report*).

In November 2021 and March 2022, our Subsidiary, PG Technoplast, received approval under the PLI Scheme for certain identified eligible white good products such as control assemblies for IDU or ODU or remotes, plastic moulding components, sheet metal components, heat exchangers, cross flow fan and motor and display panels (LCD / LED). The PLI Scheme gives us a total potential cumulative benefit of ₹ 1,987.50 million over the five financial years starting from Fiscal 2023 – 2024, which we believe will allow us to provide a better value proposition to our customers. We are in the process of applying for an application for Fiscal 2023-24. For further details in this respect, see “*Risk Factors – Our Subsidiary, PG Technoplast may not continue to enjoy the existing benefits under the PLI Scheme, which could have a materially adverse impact on our profitability*” on page 67.

Continue improving financial performance through focus on operational and functional efficiencies

Optimisation and reduction of costs remains our key focus area and we continue to work towards attaining cost efficiencies, whether it be in the supply chain management or during the production process.

Further, we are also seeking to reduce our environmental footprint by focussing on solar energy. In this respect, we have installed a 1.4 MW rooftop grid system solar panel at our Unit 2 – Subsidiary in Maharashtra, and a 0.65 MW solar plant at our Unit – 4 in Maharashtra. In addition, in 2022, we have also entered into a power purchase agreement with a company to obtain at least 3.1 MW of solar energy for our manufacturing unit at Uttar Pradesh for a period of 25 years. Going forward, we will continue to evaluate and undertake such initiatives which would improve our functional efficiencies. We will also seek to ensure that our future manufacturing units are strategically located to demand zones, as identified at the relevant time.

Business Operations

Our Business Verticals

We categorise our business in four verticals, being (i) products; (ii) plastic moulding; (iii) electronics; and (iv) tool manufacturing.

Products

Under this business vertical, we manufacture RACs, washing machines and air coolers.

RACs

We offer RACs IDU, ODU and CBU in the capacity ranging from 0.7T to 2T in both fixed speed and inverter categories for various star ratings. The capacities currently stand at 2,880,000 IDUs and 1,848,000 ODUs per annum. Our ODM and contract manufacturing offering in this vertical is capable of meeting customer related needs and requirements.





Washing Machines

We started manufacturing complete SAWM in 2017 and offer SAWM in capacities ranging from 6 kg to 14 kg. We also offer FATL in capacities ranging from 6.5 kg to 8.5 kg. Thereafter, we launched our own SAWM platforms, offering a range of models and customisation options for our clients.

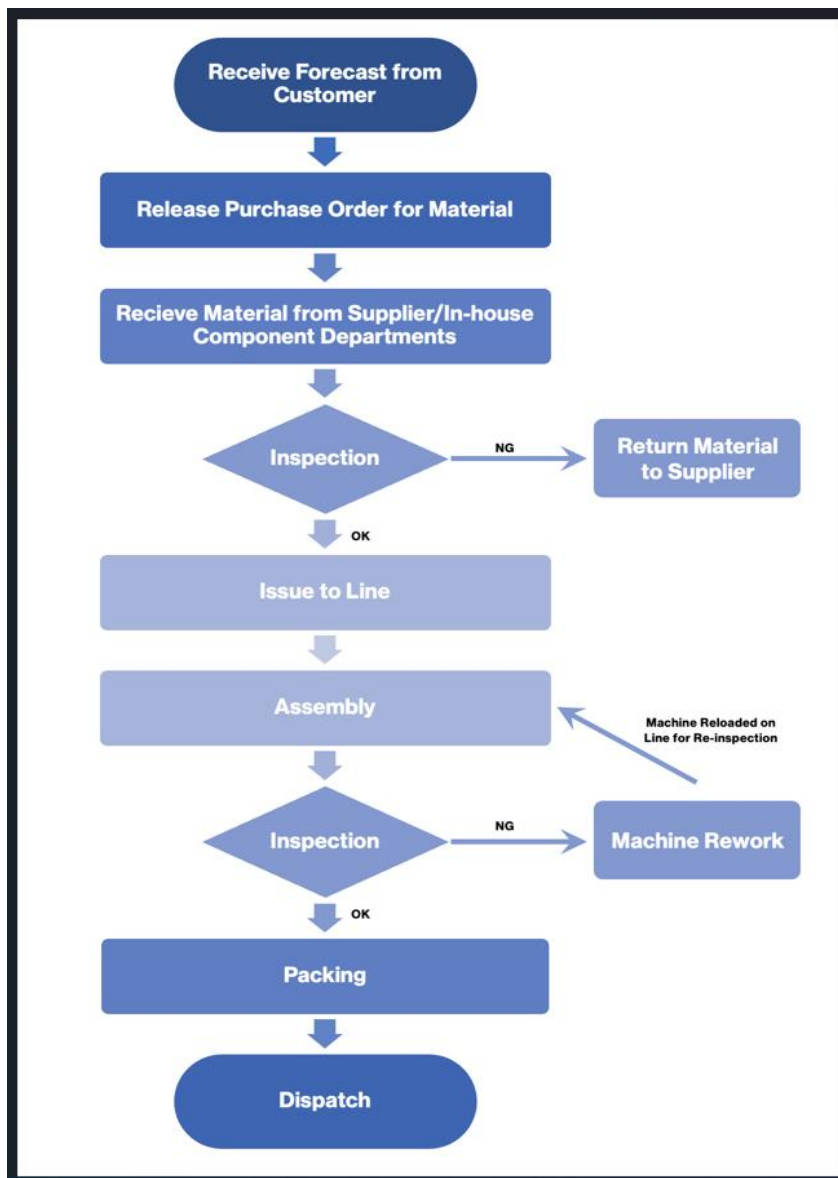


Air coolers

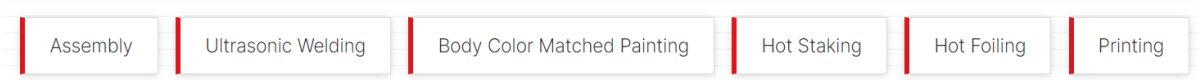
We started manufacturing air coolers in 2014. We offer a complete range of air coolers ranging from 60 litres to 107 litres in both mechanical and electronic platforms, offering features such as inverter-compatibility, turbo air flow, humidity controllers, eco-mode and remote control. Our dedicated air cooler manufacturing unit can produce up to 600,000 air coolers annually.



Set forth below is the process followed for manufacturing of our products:



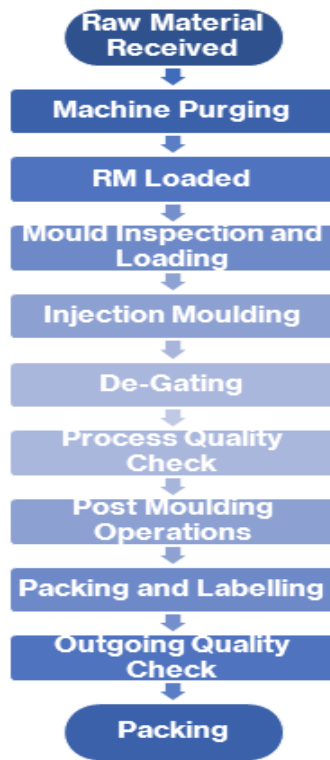
We have over 300 moulding machines ranging from 50 T to 2100 T, across our manufacturing units. We work using customers' moulds and designs and manufacture small, medium and large sized, high-precision and surface critical injection moulded components which are used to manufacture a wide variety of automotive, electronic equipment and sanitaryware products such as in-wall tank assemblies and toilet seats and for fan parts painting. Our post-moulding process comprises the following:



We have capacity to manufacture specialised moulding operations such as vertical injection moulding, plastic blow moulding and thermoset moulding as well as post-moulding operations.



Set forth below is the process followed for manufacturing of plastic moulding components:



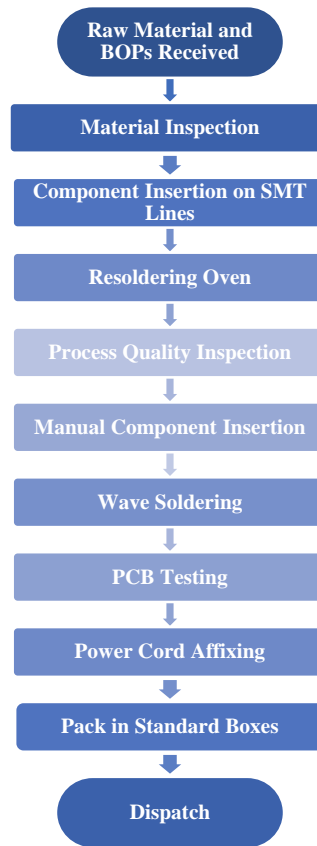
Electronics

We manufacture LED TVs in screen sizes ranging from 24 inches to 70 inches. We have installed SMT process, PCB assembly, open-cell panel assembly, final product assembly and testing processes. Further, we develop and manufacture printed circuit board assemblies for a range of applications on a turnkey basis (including procurement, SMT, AI, MI, testing, packing and shipping).





Set forth below is the process followed for manufacturing of electronic equipment:



Tool Manufacturing

We develop moulds for various applications, including automotive applications, white goods (such as refrigerators), home and kitchen appliances, lighting and electrical equipment. The complete range of services from tool design to tool manufacturing and injection moulding under one roof makes the Company a turnkey tooling solutions provider.



Set forth below is the process followed for manufacturing of tool manufacturing:



Manufacturing Units

Presently, we operate nine manufacturing units located in Greater Noida, Uttar Pradesh; Roorkee, Uttarakhand; Bhiwadi, Rajasthan and Ahmednagar, Maharashtra.

Set out below is the consolidated product-wise capacity utilisation details for the manufacturing facilities, as certified by Shrey Engineering Services, Chartered Engineers, by way of their certificate dated December 4, 2024:

PRODUCT	UOM	As of, and for year ended September 30, 2024*				As of, and for year ended March 31, 2024				As of, and for year ended March 31, 2023				As of, and for year ended March 31, 2022			
		Authorized Capacity	Installed Capacity	Actual Production	Capacity Utilization (%)	Authorized Capacity	Installed Capacity	Actual Production	Capacity Utilization (%)	Authorized Capacity	Installed Capacity	Actual Production	Capacity Utilization (%)	Authorized Capacity	Installed Capacity	Actual Production	Capacity Utilization (%)
Electronics																	
PCB Assembly for LED TV	Nos	4,000,000	2,000,000	1,420,515	71.76%	4,000,000	4,000,000	2,209,111	55.23%	1,000,000	500,000	187,771	37.55%	1,000,000	500,000	98,480	19.70%
Set-Top Box	Nos			-				-				-				-	
Camera Assy.	Nos			14,635				-				-				-	
Assly. PCB for Electric Sound Amplifier Parts	Nos			-				-				-				-	
LED TV	Nos	1,000,000	1,000,000	13,722	1.37%	1,000,000	500,000	351,296	70.26%	1,000,000	120,000	108,839	90.70%	1,000,000	120,000	47,358	39.47%
Products																	
Washing Machine	Nos	2,200,000	900,000	392,425	43.60%	2,200,000	1,800,000	571,786	31.77%	1,500,000	541,667	456,817	84.34%	1,500,000	360,000	306,833	85.23%
IDU and ODU	Nos	5,430,000	2,365,000	1,300,713	55.00%	5,430,000	3,155,000	1,597,452	50.63%	2,500,000	2,000,000	1,341,036	67.05%	2,500,000	825,000	450,769	54.64%
Window AC	Nos	240,000	120,000	27,541	22.95%	240,000	40,000	5,077	12.69%	-	-	-	0.00%	-	-	-	0.00%
Air Cooler	Nos	1,500,000	300,000	54,422	18.14%	1,500,000	200,000	109,628	54.81%	1,500,000	100,000	78,207	78.21%	1,500,000	50,000	21,214	42.43%
Other Products																	
FAN Parts Painting	Nos	1,000,000	500,000	445,109	89.02%	1,000,000	1,000,000	836,957	83.70%	1,000,000	1,000,000	616,186	61.62%	1,000,000	750,000	307,217	40.96%
Heat Exchangers	Nos	3,200,000	1,600,000	1,028,254	64.27%	3,200,000	2,200,000	1,368,107	62.19%	-	-	-	0.00%	-	-	-	0.00%
Tool Manufacturing																	
Moulds	Nos	200	100	60	60.00%	200	200	110	55.00%	200	200	178	89.00%	150	150	115	76.67%
Total Capacity in Nos	Nos	18,57,020	8,785,100	4,697,396	53.47%	18,57,020	12,895,200	7,049,524	54.67%	8,500,200	4,261,867	2,789,034	65.44%	8,500,150	2,605,150	1,231,986	47.29%
Sheet Metal																	
Sheet Metal	Tons	35,000	11,000	3,452	31.39%	35,000	13,667	8,183	59.88%	-	-	-	0.00%	-	-	-	0.00%
Plastic Molding																	
Plastic Molded Parts	Tons	80,000	23,000	15,418	67.03%	80,000	46,000	30,214	65.68%	80,000	44,000	26,870	61.07%	80,000	38,500	20,844	54.14%
Total Capacity in Tons	Tons	115,000	34,000	18,870	55.50%	115,000	59,667	38,397	64.35%	80,000	44,000	26,870	61.07%	80,000	38,500	20,844	54.14%

*Not annualized.

#Installed capacity as on September 30, 2024 has been computed as installed capacity available for the year/period divided by 12x6.

Inventory Management and Procurement of Raw Materials

The primary raw materials used in the manufacture of our products include, aluminium, copper, sheet metal (steel), refrigerant, compressor, plastic resins and motors. We procure raw materials from multiple domestic suppliers and import from China, Vietnam and Malaysia. For six months ended September 30, 2024 and Fiscals 2024, 2023 and 2022, cost of materials consumed represented 74.29%, 78.96%, 74.29% and 65.80% respectively, of our revenue from operations.

The raw materials are primarily transported by the road and sea. We typically purchase raw materials based on the actual sales orders in hand and the anticipated production requirements taking into consideration any expected fluctuation in raw material prices and delivery delay. Raw materials sourced from the domestic market are directly purchased from manufacturers and traders and supplied to the respective manufacturing locations. We enjoy a long-standing relationship with our key raw material suppliers, which enables a timely manufacturing and delivery of components. We keep an array of suppliers with us, to ensure that there is no delay in manufacturing and delivery of the component to the customer due to the delay or failure to supply a critical raw material by any supplier. Our dependence on the raw material suppliers for the materials differs on a case-to-case basis based depending on the assignment and the specific process requirements.

Our finished products are stored on-site at our manufacturing units. The inventory days are approximately 49.51 days for raw materials and the finished goods as of September 30, 2024. We plan our inventory based on monthly forecasts which is based on current trends in sales along with feedback from our sales and marketing teams and regular interaction with our teams at the manufacturing units.

Logistics

Once the products are finished, we package our products to the customers as per their specifications and branding requirements.

Brand Building and Marketing

We have a dedicated marketing team. Our team approaches potential customers to showcase our capabilities to bring in new business, and also communicates with existing customers on a regular basis to get additional / new products or product category manufactured.

Information Technology

The key functions of our IT team include establishing and maintaining enterprise resource planning systems and infrastructure services to support our business requirements, maintaining secure enterprise operations through, among others, risk assessment and identifying emerging technologies which may be beneficial to our operations. We are currently using a third-party enterprise resource planning solution, which assists us with various functions including production administration control, sales, maintaining the chart of accounts records for finance and IT departments and maintaining vendor master records, among others.

Competition

Indian RAC market is highly fragmented with varied set of players – global, indigenous and importers – selling a wide range of products in the market. In the total EMS market, contract manufacturing (CM) accounts for approximately 80%, while original design manufacturing (ODM) accounts for the remaining 20%. Also, due to increased competition, EMS companies are striving to diversify their product offerings. There are nearly 700 electronic manufacturing services (“EMS”) companies in the market, ranging from large, medium-sized, to small players. Major global companies are Bharat FIH, Flex, Wistron, Pegatron, Jabil; large Indian companies include Dixon, Amber, SFO Technologies, Syrma, Elin, Avalon Technologies etc. (*Source: F&S Report*).

We believe that our ability to offer end-to-end solutions to our customers, to meet our customers’ varying requirements, differentiate us from our competition.

Quality Control and Assurance

We believe that maintaining a high standard of quality of our products is critical for our business, adhering to client specifications and continued growth. We have implemented quality control systems that cover all areas of our business processes, which include manufacturing, supply chain to product delivery, in order to ensure consistent quality, efficacy and safety of the products.

As part of our quality control process, we monitor stages of product manufacturing. We have implemented checks and testing systems in place, from the procurement of raw materials to the manufactured product, to ensure the quality of our products and to ensure that the products that we manufacture do not deviate from our customers’ specifications. Various in-process quality checks are undertaken to monitor product quality. Finished products are tested against the pre-determined quality specifications prior to

delivery and with respect to their application. In addition to our in-house quality testing of our products, certain customers conduct periodic quality audits of our manufacturing units to verify and ascertain effective implementation of quality management systems. Our quality control process has resulted in certifications and approvals such as ISO 9001:2015, 14001:2015, ISO 45001: 2018, UL E520496 and IATF 16949:2016.

Health and Safety

Our activities are subject to various environmental laws and regulations which govern, among other matters, air emissions, waste water discharges, the handling, storage and disposal of hazardous substances and wastes, the remediation of contaminated sites, natural resource damages, and employee health and employee safety. We have obtained, or are in the process of obtaining or renewing, all material environmental consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business. For further details, please see ***“Risk Factors – We are required to obtain, renew or maintain statutory and regulatory permits, licenses and approvals to operate our business and our manufacturing units, and any delay or inability in obtaining, renewing or maintaining such permits, licenses and approvals could result in an adverse effect on our results of operations. We are also required to be in compliance with various laws that are applicable to us and any non-compliance may have a material adverse effect on our business, financial condition or results of operation.”*** on page 69.

In addition to various laws and regulations, we also have a health and safety policy that we have established internally. We also have an emergency evacuation plans in place for our units. We also conduct training programs and mock drills, to educate and prepare our employees for emergency and evacuation situation.

Insurance

In order to manage the risk of losses from potentially harmful events, we have purchased insurance policies covering fire, damage to buildings, plant and machinery, stocks (raw materials and finished goods), vehicles; (ii) burglary and theft; (iii) workmen compensation policy; and (iv) personal accident and medi-claim policy of employees. These insurance policies are renewed periodically to ensure that the coverage is adequate. For further details, please see ***“Risk Factors – Our insurance cover may be inadequate to protect us from losses that may occur in the course of our business, which could have an adverse impact of on our business and financial performance ”*** on page 65.

Employees

Our work force is a critical factor in maintaining quality and safety standards and that good relations with our workforce are critical in strengthening our competitive position.

As of September 30, 2024, we had 6,184 employees working in our manufacturing units of which 57 are employed in the R&D staff representing 0.92% of our total employees. In addition, from time to time, we engage contract labour for certain services at our manufacturing and other facilities, including for loading/unloading of goods and/or shifting of materials at our premises. The number of contract labourers varies from time to time based on the nature and extent of work.

Intellectual Property



We have registered our logo under classes 9 and 11 of the Trademarks Act, as on the date of this Preliminary Placement Document. For further details, please see ***“Risk Factors – Our intellectual property rights may not be adequately protected against third party infringement. This could have a material adverse effect on our business which in turn adversely affect results of operations.”*** on page 63.

Property

Our Registered Office is located at DTJ-209, 2nd Floor, DLF Tower B-Jasola, Plot 11 Non – Hierarchical Commercial Centre, Jasola New Delhi, South Delhi-110 025 Delhi, India and our Corporate Office is located at P-4/2 to 4/6, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida, Dist. Gautam Budh Nagar-201 306, Uttar Pradesh, India, both of which are leased to us. Recently, in addition, as on the date of this Preliminary Placement Document, our manufacturing units and warehouses have been set up on premises leased by us. For further details, please see ***“Risk Factors - Our Registered Office, manufacturing units and warehouses, from where we operate, are not owned by us. The land and premises of our manufacturing units are held by us under lease agreements. Further, some of our manufacturing units are located on industrial lands allocated by Maharashtra Industrial Development Corporation (“MIDC”) and Uttar Pradesh State Industrial Development Corporation (“UPSIDC”). Failure to comply with the conditions of use of such land could result in an adverse impact on our business and financial condition”***.

The table below provides details of the premises on which our manufacturing units are situated:

Unit No.	Address of the manufacturing units	Owned / Leased	Term	Balance Term of Lease Period
Company				
Unit 1	Plot 4/2 to Plot 4/4, UPSIDC Industrial Area, Surajpur, Site-B, Greater Noida, Uttar Pradesh	Leased	90 years	68 years 2 months
	Plot 4/5 and Plot 4/6, UPSIDC Industrial Area, Surajpur, Site – B, Greater Noida, Uttar Pradesh	Leased	90 years	68 years 7 months
	Plot 4/6, UPSIDC Industrial Area, Surajpur, Site-B, Greater Noida, Uttar Pradesh	Leased	90 years	68 years 2 months
Unit 2	Khasra No 268, 15 th Milestore, Village Raipur, Bhagwanpur, Roorkee, Uttarakhand	Leased	30 years	14 years 11 months
	Khasra No 275, 15 th Milestore, Village Raipur, Bhagwanpur, Roorkee, Uttarakhand	Leased	30 years	14 years 11 months
Unit 3	Plot No E-14, E-15, Surajpur, Site-B UPSIDC Industrial Area, Greater Noida, Uttar Pradesh	Leased	83 years	68 years 7 months
	Plot No. F – 20, Site – B, UPSIDC Industrial Area, Greater Noida, Uttar Pradesh	Leased	90 years	51 years 8 months
Unit 4	Plot A – 20 / 2 Supa Parner, MIDC Industrial Area, Taluka Parner, District Ahmednagar, Maharashtra	Leased	95 years	77 years 6 months
	C-11, Supa Parner, MIDC Industrial Area, Taluka Parner, District Ahmednagar, Maharashtra	Leased	95 years	68 years 2 months
Unit 5	I 26 and I 27 Site – C, UPSIDC Industrial Area, Surajpur, Greater Noida, Uttar Pradesh	Leased	64 years	55 years 2 months
	I 15 and I 16 Site – C, UPSIDC Industrial Area, Surajpur, Greater Noida, Uttar Pradesh	Leased	36 months	2 years 6 months
Subsidiary (PG Technoplast)				
Unit Subsidiary 1-	Plot No. 76, Sector – Echotech – 12, Greater Noida, Gautam Budh Nagar, Uttar Pradesh, covering 61,545 sq. ft	Leased	120 months	6 years, 8 months
	Plot No. 76, Sector – Echotech – 12, Greater Noida, Gautam Budh Nagar, Uttar Pradesh, covering 80,700 sq. ft	Leased	120 months	8 years
Unit Subsidiary 2-	Plot A – 18 Supa Parner MIDC Industrial Area, Taluka Parner, Ahmednagar, Maharashtra	Leased	95 years	70 years 2 months
Unit Subsidiary 3-	Gat No. 822/2, Hanga Tal. Parner, Dist. Ahmednagar, Maharashtra - 414001	Leased	5 years	2 years 8 months
Unit Subsidiary 4-	Plot no A 100 – 103 and 118 – 121, Rajasthan State Industrial Development and Corporation Limited Industrial Area, Bhiwadi, Alwar, Rajasthan	Leased	9 years	7 years 8 months

The table below provides leased details of our warehouses:

Sr. No.	Address of the warehouses	Owned / Leased	Term	Balance Term of Lease Period
Company				
1	Part of shed no. 4, No. 66, Udyog Vihar, Old Kasna Road, Greater Noida, Uttar Pradesh – 201306, covering 69,300 sq. ft. area.	Leased	9 years	7 years 8 months
2	E-10, Area Site-C, UPSIDA Industrial Area, Surajpur, Dist. Gautam Budh Nagar, Uttar Pradesh 201306, covering 5400 sq. ft. area	Leased	11 months	5 months
3	Plot No. 7, Khasra No. 34/1, 10/1, Alfa Campus area, Fariadabad, Haryana, covering 6300 sq. ft. area	Leased	24 months	7 months
Subsidiary (PG Technoplast)				
4	D-111, Supa MIDC, Taluka Parner, Dist Ahmednagar.	Leased	60 months	2 years 3 months
5	Gat NO. 246, Pombardi, Taluka Bhore, Distt. Pune Maharashtra 412206.	Leased	11 months	6 months
6	Plot no 4/5, 2 nd Floor and Plot no 4/6, 1 st Floor, Surajpur Industrial Area, Greater Noida, Uttar Pradesh 201306, covering around 31500 sq. ft. area	Leased	11 months	4 months

Sr. No.	Address of the warehouses	Owned / Leased	Term	Balance Term of Lease Period
7	Plot no. 3, Ecotech, Sector-16, Greater Noida, Uttar Pradesh 201306, admeasuring 66,987 sq. ft.	Leased	11 months	10 months
8	Eastern wing, SP3A, RIICO Industrial Area, Kahrani, Rajasthan	Leased	11 months	8 months
9	Plot no. E-44 B1, RIICO Industrial Area Khushkhera (Bhiwadi), Alwar, Rajasthan 301707, covering around 15,000 sq. Ft. area	Leased	11 months	3 months

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The composition of the Board is governed by the provisions of the Companies Act, 2013, the rules prescribed thereunder, the SEBI Listing Regulations and the Articles. In accordance with the Articles, our Company shall not have less than three Directors and more than 12 Directors. As of the date of this Preliminary Placement Document, our Company has eight Directors, of which three are Executive Directors, one is a Non-Executive Non-Independent Director and four are Independent Directors.

Pursuant to the provisions of the Companies Act, 2013, at least two-thirds of the total number of Directors, excluding the Independent Directors, are liable to retire by rotation, with one-third of such number retiring at each annual general meeting. A retiring Director is eligible for re-election. Further, pursuant to the Companies Act, 2013, the Independent Directors may be appointed for a maximum of two consecutive terms of up to five consecutive years each and thereafter have a cooling off period of three years prior to re-appointment. Any re-appointment of Independent Directors shall be on the basis of, *inter alia*, the performance evaluation report and approval by the shareholders of our Company, by way of a special resolution.

The following table sets forth details regarding our Board as of the date of this Preliminary Placement Document:

Name, Address, Occupation, Nationality Term and DIN	Age	Designation
<p>Anurag Gupta</p> <p><i>Date of Birth:</i> May 27, 1969</p> <p><i>Address:</i> B-15, Kalindi Colony, Opp. Maharani Bagh, New Delhi – 110065, India</p> <p><i>Occupation:</i> Business</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Three years with effect from July 15, 2022, liable to retire by rotation.</p> <p><i>DIN:</i> 00184361</p>	55 years	Executive Chairman and Whole-time Director
<p>Vishal Gupta</p> <p><i>Date of Birth:</i> September 25, 1972</p> <p><i>Address:</i> B-15, Kalindi Colony, Opp. Maharani Bagh, New Delhi – 110065, India</p> <p><i>Occupation:</i> Business</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Three years with effect from April 1, 2024, liable to retire by rotation.</p> <p><i>DIN:</i> 00184809</p>	52 years	Managing Director - Finance
<p>Vikas Gupta</p> <p><i>Date of Birth:</i> September 25, 1972</p> <p><i>Address:</i> B-15, Kalindi Colony, Opp. Maharani Bagh, New Delhi – 110065, India</p> <p><i>Occupation:</i> Business</p> <p><i>Nationality:</i> Indian</p>	52 years	Managing Director - Operations

Name, Address, Occupation, Nationality Term and DIN	Age	Designation
<p>Term: Three years with effect from April 1, 2024, liable to retire by rotation.</p> <p>DIN: 00182241</p>		
<p>Ram Dayal Modi</p> <p>Date of Birth: June 30, 1951</p> <p>Address: House No. 18, Gokul Nagar, Ayad (Rural), Shastri Circle, Udaipur – 313001, Rajasthan, India</p> <p>Occupation: Professional</p> <p>Nationality: Indian</p> <p>Term: Five years with effect from May 26, 2021</p> <p>DIN: 03047117</p>	73 years	Non-Executive Independent Director
<p>Mitali Chitre*</p> <p>Date of Birth: February 19, 1983</p> <p>Address: 403, Dwarkamai, Pannalal Ghosh Road, Malad West, Mumbai – 400064, Maharashtra, India</p> <p>Occupation: Service</p> <p>Nationality: Indian</p> <p>Term: Three years with effect from July 2, 2024</p> <p>DIN: 09040978</p>	41 years	Non-Executive Nominee Director
<p>Ruchika Bansal</p> <p>Date of Birth: July 26, 1980</p> <p>Address: H-1001, Prateek Stylome, Plot No. GH-04/B, Sector-45 Noida, Gautam Buddha Nagar – 201301, Uttar Pradesh, India</p> <p>Occupation: Professional</p> <p>Nationality: Indian</p> <p>Term: Five years with effect from August 14, 2021</p> <p>DIN: 06505221</p>	44 years	Non-Executive Independent Director
<p>Raman Uberoi</p> <p>Date of Birth: September 7, 1967</p> <p>Address: C-32, Kalindi Colony, Delhi - 110065</p> <p>Occupation: Professional</p> <p>Nationality: Indian</p>	57 years	Non-Executive Independent Director

Name, Address, Occupation, Nationality Term and DIN	Age	Designation
Term: Five years with effect from March 22, 2023 DIN: 03407353		
Krishnavatar Khandelwal Date of Birth: September 28, 1957 Address: House No. 686, Pocket E Mayur Vihar, Phase II, Near Canara Bank, Delhi - 110091 Occupation: Business Nationality: Indian Term: Five years with effect from September 30, 2024 DIN: 00075715	67 years	Non-Executive Independent Director

* *Appointed as a non-executive nominee director on behalf of Baring Private Equity India AIF pursuant to the Investment Agreement dated May 25, 2021.*

Biographies of our Directors

Anurag Gupta is the Executive Chairman and Whole-time Director of our Company. He holds a bachelor's degree of Electronics in Computer Engineering and Science from M.S. Ramaiah Institute of Technology, Bangalore University. He has over two decades of experience in the field of electronic manufacturing services. He is responsible for development and implementation of technical policies, quality assurance, technological advancement, plant and machinery monitoring and research and development.

Vishal Gupta is the Managing Director, Finance of our Company. He holds a master's degree in Business Administration from University of Pune and bachelor's degree in Commerce (Honours) from University of Delhi. He has over two decades of experience in the field of electronic manufacturing services. His core responsibilities include finance and administration, budgeting and planning process, government and customer relationships and overseeing monthly and quarterly assessments and forecasts of our Company's financial performance.

Vikas Gupta is the Managing Director, Operations of our Company. He holds a master's degree in Business Administration from University of Pune and bachelor's degree in Commerce (Honours) from University of Delhi. He has over two decades of experience in the field of electronic manufacturing services. He is responsible for business operations, strategy, industry relations and organization governance. He ensures to create and develop business opportunities and increasing the operational efficiencies with right product mix to achieve organizational growth and objectives.

Ram Dayal Modi is a Non-Executive Independent Director of our Company. He holds a masters' degree in Arts, Political Science from University of Udaipur, Rajasthan and has completed Part I of the Associate Examination of the Indian Institute of Bankers. He has over 38 years of experience in banking and financial services of the State Bank of India Group.

Mitali Chitre is a Non-Executive Non-Independent Director of our Company. She holds a bachelor's degree in Electronics Engineering from University of Mumbai and master's degree in Business Administration from Cardiff University, U.K. She is a Partner at Baring Private Equity Partners India. She has over 17 years of investment experience and leads deals across consumer durables, capital goods, building materials, logistics and energy sectors. She serves as the Chief Economist for Baring and heads the Deal Origination practice.

Ruchika Bansal is a Non-Executive Independent Director of our Company. She holds a bachelor's degree in Commerce from Sri Ram College of Commerce, Delhi University and Postgraduate Diploma in Management from Management Development Institute, Gurgaon. She has experience in financial services and advisory sector.

Raman Uberoi is a Non-Executive Independent Director of our Company. He is an Associate Member of the Institute of Chartered Accountants of India. He holds a bachelor's degree in Commerce (Honours) from Hans Raj College, Delhi University. He has experience in the field of credit ratings operations. He has previously worked as Director at Receivables Exchange of India Limited and Poonawalla Housing Finance Limited (formerly known as Magma Housing Finance Limited). He is currently a member of the

Market Data Advisory Committee of SEBI and has previously served as a member of the Expert Committee set up by the Tamil Nadu government on improving access of loans to entrepreneurs.

Krishnavatar Khandelwal is a Non-Executive Independent Director of our Company. He is a chartered accountant and a member of the Institute of Company Secretaries of India. He holds a bachelor's degree in commerce from Rajasthan University. He has experience in field of accounts, finance, system and ERP installation, legal, stores, human resources and secretarial matters. He has worked for manufacturing industries which includes textiles, steel, automobiles, sugar, cement, oil, television, plastic injection moulding and consumer goods.

Relationship with other Directors

Except for Anurag Gupta, Vishal Gupta and Vikas Gupta, who are brothers, none of our Directors are related to each other.

Borrowing powers of our Board

In accordance with the Articles of Association of our Company, our Board of Directors has been empowered to borrow funds in accordance with applicable law. Pursuant to the resolution dated September 29, 2020, passed by our Shareholders, our Board of Directors is authorized to borrow, for the purpose of the business of the Company, monies in excess of the aggregate of the paid up share capital, free reserves and securities premium to the extent that the maximum amount of monies so borrowed and outstanding shall not exceed ₹5,000.00 million, at any time. Our borrowing limits may be changed from time to time, subject to approval of the Board and our Shareholders.

Interests of the Directors

All the Directors may be deemed to be interested to the extent of their shareholding, remuneration and fees payable to them for attending meetings of our Board or committees thereof, as well as to the extent of reimbursement of expenses, and the Executive Directors of our Company may be deemed to be interested to the extent of remuneration paid to them for services rendered.

Except for Anurag Gupta, Vishal Gupta and Vikas Gupta who are Promoters of our Company, none of our Directors have any interest in the promotion of our Company.

All of the Directors may also be regarded as interested in any Equity Shares held by them and to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them. All Directors may also be regarded as interested in the Equity Shares held by, or subscribed by and allotted to, the companies, firms, HUFs, and trusts, in which they are interested as directors, members, partners, karta, trustees, etc.

Except as disclosed below, none of our Directors have any interest in any property acquired or proposed to be acquired of our Company or by our Company:

- (a) Our Director, Vishal Gupta has rented our Registered Office to our Company from January 1, 2024, for a period of 11 months, till November 30, 2025. Pursuant to rent agreement dated December 1, 2024, our Company is required to pay a monthly rent of ₹4,250.
- (b) Our Director, Vishal Gupta has leased Unit 2 to our Company from November 6, 2009, for a period of 30 years, till November 5, 2039. Pursuant to lease deed dated November 6, 2009, our Company is required to pay an annual rent of ₹15,000 inclusive of applicable stamp duty for the same.

No loans have been availed by our Directors from our Company.

Except as stated above and as provided in “*Related Party Transactions*” on page 46, our Company has not entered into any contract, agreement or arrangement during the six month period ended September 30, 2024 and the three Fiscals immediately preceding the date of this Preliminary Placement Document, in which any of the Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them.

Other than as disclosed in this Preliminary Placement Document, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which the Directors are interested.

Shareholding of Directors

As per our Articles, our Directors are not required to hold any qualification shares.

Except as disclosed below, none of our Directors hold Equity Shares in our Company as of the date of this Preliminary Placement Document.

Sr. No.	Name of the Director	Designation	Number of Equity Shares	Percentage (%) shareholding
1.	Anurag Gupta	Executive Chairman and Whole-time Director	2,99,12,010	11.43
2.	Vishal Gupta	Managing Director, Finance	5,11,08,270	19.53
3.	Vikas Gupta	Managing Director, Operations	5,07,35,310	19.39
4.	Mitali Chitre	Non-Executive Nominee Director	6,000	0.00

Terms of Appointment of Executive Directors*

Pursuant to the board resolutions dated March 20, 2024, and shareholders' resolution dated March 20, 2024 by way of a postal ballot, each of the Executive Directors our Company are entitled to the following remuneration and perquisites:

Vishal Gupta

Sr. No.	Particulars	Amount
i.	Salary	₹1,020,738 per month, with increments, as per the Company policy, from time to time, subject to ceiling of ₹2,300,000 per month.
ii.	Perquisites, allowances and bonus*	The value of all kinds of perquisites and allowances shall be ₹255,185 per month, with increments, as per the Company policy, from time to time, subject to ceiling of ₹600,000 per month.
iii.	Annual increment**	There shall be provision of annual increment to alter/enhance his salary as per the Company policy or approval of the Board from time to time including change in salary components within the ceiling approved by the shareholders through special resolution. The due date for the annual increment shall be governed by the Company policy or approval of our Board.
iv.	Provident fund, superannuation, annuity fund, gratuity and encashment of leave	The Company's contribution to provident fund, superannuation, annuity fund, gratuity payable and encashment of leave shall be as per the rules of the Company, in addition to remuneration specified in (i), (ii) and (iii).
v.	Performance-linked incentive	Any increment in salary, perquisites, allowances and remuneration by way of incentive / bonus / performance-linked incentive, shall be within the maximum limits of remuneration specified in (i), (ii) and (iii).
vi.	ESOPs	Any employee stock options granted, from time to time, if permitted under applicable law, shall not be considered a part of perquisites specified in (i), (ii) and (iii) and the perquisite value of employee stock options, shall be in addition to the remuneration specified in (i), (ii) and (iii).
vii.	Reimbursement of expenses	Any expenses incurred for travelling, boarding, lodging and attendant(s) during business trips, provision of car(s) for use on Company's business and communication expenses at the residence shall be reimbursed as actuals and shall not be considered as perquisites.
viii.	Minimum remuneration	Where in any financial year during the currency of the tenure of the Executive Directors, our Company has no profits, or its profits are inadequate, our Company will pay remuneration by way of salary, benefits, perquisites and allowances and commission / performance bonus as specified above considering the limit prescribed in Schedule V of the Companies Act 2013 and approval of our Shareholders by way of special resolution.

* It shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and/or allowances for utilisation of gas, electricity, water, furnishing and repairs, medical assistance, attendant allowance and leave travel concession for self and family including dependents and shall also include any other perquisites and allowances, by whatever name called.

** Pursuant to the Investment Agreement dated May 25, 2021, on and from April 1, 2022, the remuneration of the Executive Directors, may be increased annually up to a maximum of 20% of the annual cumulative remuneration, receivable by the Executive Directors, and such of their

relatives (“**Relevant Group**”) who are in the employment of our Company as per the current terms of employment, which was receivable by the Relevant Group in the immediately preceding financial year, subject to our Company having achieved a year-on-year EBITDA growth of at least 40% and ROE of at least 16% in the financial year prior to the financial year in which the annual increment is being determined.

Vikas Gupta

Sr. No.	Particulars	Amount
i.	Salary	₹1,021,170 per month, with increments, as per the Company policy, from time to time, subject to ceiling of ₹2,300,000 per month.
ii.	Perquisites, allowances and bonus*	The value of all kinds of perquisites and allowances shall be ₹255,293 per month, with increments, as per the Company policy, from time to time, subject to ceiling of ₹600,000 per month.
iii.	Annual increment**	There shall be provision of annual increment to alter/enhance his salary as per the Company policy or approval of the Board from time to time including change in salary components within the ceiling approved by the shareholders through special resolution. The due date for the annual increment shall be governed by the Company policy or approval of our Board.
iv.	Provident fund, superannuation, annuity fund, gratuity and encashment of leave	The Company’s contribution to provident fund, superannuation, annuity fund, gratuity payable and encashment of leave shall be as per the rules of the Company, in addition to remuneration specified in (i), (ii) and (iii).
v.	Performance-linked incentive	Any increment in salary, perquisites, allowances and remuneration by way of incentive / bonus / performance-linked incentive, shall be within the maximum limits of remuneration specified in (i), (ii) and (iii).
vi.	ESOPs	Any employee stock options granted, from time to time, if permitted under applicable law, shall not be considered a part of perquisites specified in (i), (ii) and (iii) and the perquisite value of employee stock options, shall be in addition to the remuneration specified in (i), (ii) and (iii).
vii.	Reimbursement of expenses	Any expenses incurred for travelling, boarding, lodging and attendant(s) during business trips, provision of car(s) for use on Company’s business and communication expenses at the residence shall be reimbursed as actuals and shall not be considered as perquisites.
viii.	Minimum remuneration	Where in any financial year during the currency of the tenure of the Executive Directors, our Company has no profits, or its profits are inadequate, our Company will pay remuneration by way of salary, benefits, perquisites and allowances and commission / performance bonus as specified above considering the limit prescribed in Schedule V of the Companies Act 2013 and approval of our Shareholders by way of special resolution.

* It shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and/or allowances for utilisation of gas, electricity, water, furnishing and repairs, medical assistance, attendant allowance and leave travel concession for self and family including dependents and shall also include any other perquisites and allowances, by whatever name called.

** Pursuant to the Investment Agreement dated May 25, 2021, on and from April 1, 2022, the remuneration of the Executive Directors, may be increased annually up to a maximum of 20% of the annual cumulative remuneration, receivable by the Executive Directors, and such of their relatives (“**Relevant Group**”) who are in the employment of our Company as per the current terms of employment, which was receivable by the Relevant Group in the immediately preceding financial year, subject to our Company having achieved a year-on-year EBITDA growth of at least 40% and ROE of at least 16% in the financial year prior to the financial year in which the annual increment is being determined.

Anurag Gupta

Sr. No.	Particulars	Amount
i.	Salary	₹573,570 per month, with increments, as per the Company policy, from time to time, subject to ceiling of ₹2,300,000 per month.
ii.	Perquisites, allowances and bonus*	The value of all kinds of perquisites and allowances shall be ₹143,438 per month, with increments, as per the Company policy, from time to time, subject to ceiling of ₹600,000 per month.
iii.	Annual increment**	There shall be provision of annual increment to alter/enhance his salary as per the Company policy or approval of the Board from time to time

Sr. No.	Particulars	Amount
		including change in salary components within the ceiling approved by the shareholders through special resolution. The due date for the annual increment shall be governed by the Company policy or approval of our Board.
iv.	Provident fund, superannuation, annuity fund, gratuity and encashment of leave	The Company's contribution to provident fund, superannuation, annuity fund, gratuity payable and encashment of leave shall be as per the rules of the Company, in addition to remuneration specified in (i), (ii) and (iii).
v.	Performance-linked incentive	Any increment in salary, perquisites, allowances and remuneration by way of incentive / bonus / performance-linked incentive, shall be within the maximum limits of remuneration specified in (i), (ii) and (iii).
vi.	ESOPs	Any employee stock options granted, from time to time, if permitted under applicable law, shall not be considered a part of perquisites specified in (i), (ii) and (iii) and the perquisite value of employee stock options, shall be in addition to the remuneration specified in (i), (ii) and (iii).
vii.	Reimbursement of expenses	Any expenses incurred for travelling, boarding, lodging and attendant(s) during business trips, provision of car(s) for use on Company's business and communication expenses at the residence shall be reimbursed as actuals and shall not be considered as perquisites.
viii.	Minimum remuneration	Where in any financial year during the currency of the tenure of the Executive Directors, our Company has no profits, or its profits are inadequate, our Company will pay remuneration by way of salary, benefits, perquisites and allowances and commission / performance bonus as specified above considering the limit prescribed in Schedule V of the Companies Act 2013 and approval of our Shareholders by way of special resolution.

* It shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and/or allowances for utilisation of gas, electricity, water, furnishing and repairs, medical assistance, attendant allowance and leave travel concession for self and family including dependents and shall also include any other perquisites and allowances, by whatever name called.

** Pursuant to the Investment Agreement dated May 25, 2021, on and from April 1, 2022, the remuneration of the Executive Directors, may be increased annually up to a maximum of 20% of the annual cumulative remuneration, receivable by the Executive Directors, and such of their relatives ("Relevant Group") who are in the employment of our Company as per the current terms of employment, which was receivable by the Relevant Group in the immediately preceding financial year, subject to our Company having achieved a year-on-year EBITDA growth of at least 40% and ROE of at least 16% in the financial year prior to the financial year in which the annual increment is being determined.

Remuneration of the Executive Directors

The following tables set forth the details of remuneration paid by our Company to the Executive Directors of our Company for from October 1, 2024 to November 30, 2024, the six months period ended September 30, 2024 and for Fiscals 2024, 2023 and 2022:

<i>(in ₹ million)</i>						
Sr. No.	Name of the Director	Remuneration from October 1, 2024, to November 30, 2024*	Remuneration for six-months ended September 30, 2024*	Remuneration for Fiscal 2024	Remuneration for Fiscal 2023	Remuneration for Fiscal 2022
1.	Anurag Gupta	1.80	5.00	9.56 ⁽⁷⁾	10.23 ⁽²⁾	10.61 ⁽¹⁾
2.	Vishal Gupta	4.47	11.80	18.14 ⁽⁸⁾	15.40 ⁽⁴⁾	13.75 ⁽³⁾
3.	Vikas Gupta	3.80	10.79	18.08 ⁽⁹⁾	15.38 ⁽⁶⁾	13.87 ⁽⁵⁾

(1) Inclusive of leave encashment of ₹ 1.12 million.

(2) Inclusive of leave encashment of ₹ 0.33 million.

(3) Inclusive of leave encashment of ₹ 1.46 million.

(4) Inclusive of leave encashment of ₹ 0.52 million.

(5) Inclusive of leave encashment of ₹ 1.44 million.

(6) Inclusive of leave encashment of ₹ 0.49 million.

(7) Inclusive of leave encashment of ₹ 0.42 million.

(8) Inclusive of leave encashment of ₹ 0.91 million.

(9) Inclusive of leave encashment of ₹ 0.83 million.

* No leave encashment was paid for this period

No remuneration has been paid by our Company to the Executive Directors from December 1, 2024, till the date of this Preliminary Placement Document.

Remuneration of the Non-Executive Directors

Our Non-Executive Independent Directors are entitled to receive sitting fees for attending meetings of our Board of Directors or any of its committee and reimbursements of expenses. Pursuant to the resolution passed by our Board of Directors dated May 22, 2024, our Independent Directors are entitled to sitting fees of ₹ 30,000 for attending each Board of Directors meeting and ₹ 15,000 for attending each meeting of committees of the Board.

The following tables set forth the details of remuneration paid by our Company to the Non-Executive Directors of our Company for from October 1, 2024 to November 30, 2024, the six months period ended September 30, 2024 and Fiscals 2024, 2023 and 2022:

(in ₹ million)

Sr. No.	Name of the Director	Remuneration from October 1, 2024, to November 30, 2024	Remuneration for six-months ended September 30, 2024	Remuneration for Fiscal 2024	Remuneration for Fiscal 2023	Remuneration for Fiscal 2022
1.	Ram Dayal Modi	0.09	0.17	0.27	0.24	0.19
2.	Mitali Chitre*	Nil	Nil	Nil	Nil	Nil
3.	Ruchika Bansal	0.09	0.12	0.21	0.22	0.12
4.	Raman Uberoi**	0.08	0.12	0.23	0.03	Nil
5.	Krishnavatar Khandelwal***	0.03	Nil	Nil	Nil	Nil

* The Investment Agreement dated May 25, 2021, pursuant to which Mitali Chitre was appointed as a Non-Executive Non-Independent Director, does not provide for any remuneration.

** Raman Uberoi was appointed as a Non-Executive Independent Director on March 22, 2023. Hence, he has not been paid any remuneration for 2022.

*** Krishnavatar Khandelwal was appointed as a Non – Executive Independent Director on September 30, 2024. Therefore, he has not been paid any remuneration for six months ended September 30, 2024 and for Fiscals 2024, 2023 and 2022

No remuneration has been paid by our Company to the Non-Executive Directors from December 1, 2024, till the date of this Preliminary Placement Document.

Prohibition by SEBI or Other Governmental Authorities

Neither our Company, nor our Directors or Promoters are debarred from accessing capital markets under any order or direction made by SEBI or any other governmental authority.

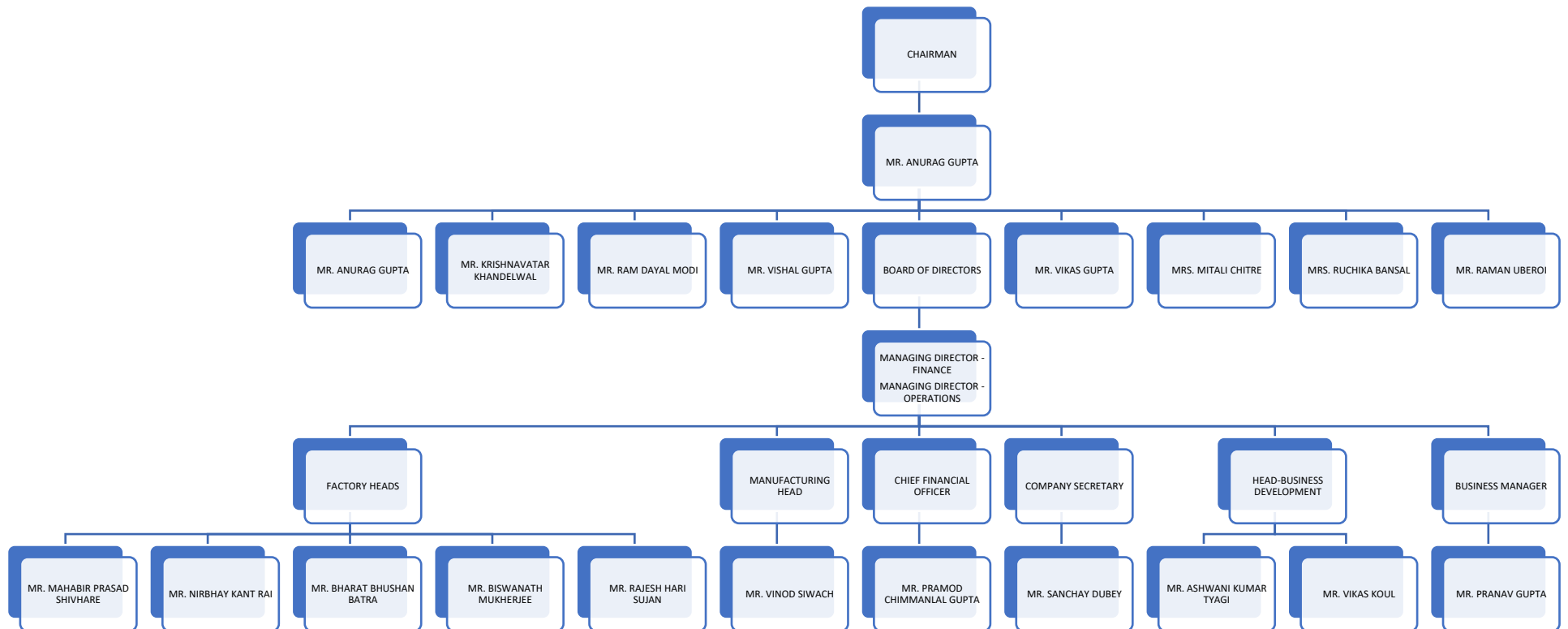
None of the Directors of the companies with which they are or were associated as promoters, directors or persons in control have been debarred from accessing the capital market under any order or direction passed by SEBI or any other governmental authority.

Key Managerial Personnel

The Key Managerial Personnel are permanent employees of our Company. In addition to the Executive Directors, the details of our other Key Managerial Personnel in terms of the Companies Act and the SEBI ICDR Regulations as on the date of this Preliminary Placement Document are set forth below:

Sr. No.	Name	Age	Designation
1.	Pramod Chimmanlal Gupta	50 years	Chief Financial Officer
2.	Sanchay Dubey	29 years	Company Secretary and Compliance Officer

Organisation Chart of our Company



Brief biographies of the Key Managerial Personnel

Pramod Chimmanlal Gupta is the Chief Financial Officer of our Company. He holds a postgraduate diploma in Management from Indian Institute of Management, Lucknow and bachelor's degree in Technology (Honours) in Electronics and Electrical Communication Engineering from Indian Institute of Technology, Kharagpur. He has experience in the Indian equity markets across brokerage firms, mutual funds and insurance companies. He is a Chartered Financial Analyst from the Association for Investment Management and Research, USA.

Sanchay Dubey is the Company Secretary and Compliance Officer of our Company. He is an associate member of Institute of Company Secretaries of India. He holds a bachelor's degree in commerce from Devi Ahilya Vishwavidyalaya, Indore. He has an experience of in the field of secretarial and legal affairs. He leads the secretarial, regulatory and corporate governance compliances of the Company.

Members of Senior Management

The members of Senior Management are permanent employees of our Company. In addition to Pramod Chimmanlal Gupta, the Chief Financial Officer of our Company and Sanchay Dubey, the Company Secretary and Compliance Officer of our Company, the details of our members of Senior Management, as on the date of this Preliminary Placement Document are set forth below:

Sr. No.	Name	Age	Designation
1.	Pranav Gupta	31	Business Manager
2.	Vinod Siwach	42	Head, Manufacturing
3.	Ashwani Kumar Tyagi	50	Head, Business Development, Northern India
4.	Vikas Koul	45	Head, Business Development, Western India
5.	Mahabir Prasad Shivhare	42	Factory Head
6.	Nirbhay Kant Rai	44	Factory Head
7.	Bharat Bhushan Batra	51	Factory Head
8.	Bishwanath Mukherjee	44	Factory Head
9.	Rajesh Hari Sujan	56	Factory Head

Biographies of members of Senior Management

Pranav Gupta is a Business Manager of our Company. He holds a master's degree in business administration in Marketing and Sales and a bachelor's degree in business administration from Amity University, Uttar Pradesh. He has an experience in the field of Electronic Manufacturing Services. He is responsible for overall administration, business development, planning process, customer relationships and day-to-day operations of our Company's Units situated at Greater Noida, Uttar Pradesh.

Vinod Siwach is the Head, Manufacturing of our Company. He holds a post-graduate diploma in business administration in Operations Management from Symbiosis Centre for Distance Learning, Pune and completed his bachelor's degree in Technology, Mechanical Engineering from Maharshi Dayanand University, Rohtak. He specializes in manufacturing and material procurement for consumer durables products and has experience in the field of manufacturing sector for consumer durables and electronics.

Ashwani Kumar Tyagi is the Head, Business Development, Northern India of our Company. He holds a master's degree in Science in Mathematics and bachelor's degree in Science from Bundelkhand University, Jhansi. He also holds a post graduate diploma in business administration in Operation Management from Symbiosis Centre for Distance Learning, Pune. He has experience in the field of business development and marketing in the B2B segment and new product development for different industries. He has vast experience in development of business and manufacturing in the fields of home and kitchen appliances, consumer electronics, lighting, automobile industry, two and four-wheeler automotive parts, electrical insulators, electrical goods, plastic components, and others.

Vikas Koul is the Head, Business Development, Western India of our Company. He holds a diploma in Plastics Mould Design and Plastics Mould Technology from the Central Institute of Plastics Engineering and Technology, Chennai. He also holds a diploma in Production Management from the All-India Institute of Management Studies. He has experience in the field of Electronic Manufacturing Services. Having vast knowledge and experience in the field of plastics, he is responsible for operations, business development, sales and marketing, and vendor development at our company.

Mahabir Prasad Shivhare is one of the Factory Heads of our Company, leading manufacturing operations. He holds a master's degree in business administration from Uttar Pradesh Technical University, Lucknow. He has experience in the field of manufacturing, business development and marketing in consumer durables.

Nirbhay Kant Rai is the one of the Factory Heads of our Company. He has experience in manufacturing sector for consumer durables.

Bharat Bhushan Batra is one of the Factory Heads of our Company. He holds a diploma in Mechanical Engineering from Govind Ballabh Pant Polytechnic, Delhi. He leads manufacturing operations and has experience in the field of manufacturing services.

Bishwanath Mukherjee is one of the Factory Heads of our Company, leading manufacturing operations. He holds a post graduate diploma in Plastics Processing and Testing from Central Institute of Plastics Engineering & Technology, Chennai and bachelor's degree in Science (Chemistry) from Jai Prakash University, Chapra. He has previously worked with Legrand India Private Limited as Officer, Mould Shop and with Acros Private Limited on various aspects of thermoforming process on different machines.

Rajesh Hari Sujan is one of the Factory Heads of our Company and other production-related activities. He holds a Bachelor degree in Engineering from Gujarat University. He has experience in multi-disciplinary fields handling various projects relating to Product Management, Product Engineering, Supply Chain and Facilities.

Shareholding of Key Managerial Personnel and members of Senior Management

Except for Anurag Gupta, Vikas Gupta, Vishal Gupta, Pramod Chimanlal Gupta, Sanchay Dubey, Ashwani Kumar Tyagi, Bharat Bhushan Batra, Mahabir Prasad Shivhare, Nirbhay Kant Rai, Rajesh Hari Sujan and Vikas Koul none of our Key Managerial Personnel and members of Senior Management hold any Equity Shares in our Company as of the date of this Preliminary Placement Document.

Relationship with other Key Managerial Personnel, Directors and members of Senior Management

Except for Anurag Gupta, Vikas Gupta and Vishal Gupta who are brothers, and Pranav Gupta and Anurag Gupta who are son and father, respectively, none of our Key Managerial Personnel or members of Senior Management are related to any of our Directors, Key Managerial Personnel or members of Senior Management.

Interests of Key Managerial Personnel and members of Senior Management

None of our Key Managerial Personnel and members of Senior Management have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them in the ordinary course of business and to the extent of the Equity Shares held by them directly or indirectly in our Company or stock options granted to them, if any, and any dividend payable to them and other distributions in respect of such Equity Shares.

Except for the Registered Office and Unit-2, which our Company has rented and leased, respectively from Vishal Gupta, our Managing Director, Finance, none of our Key Managerial Personnel and members of Senior Management have any interest in any property acquired or proposed to be acquired of our Company or by our Company. For details of interest of Vishal Gupta, please see, “ – *Interests of the Directors*” on page 221.

Except as provided in “*Financial Information*” on page 282, and except as disclosed in this Preliminary Placement Document, our Company has not entered into any contract, agreement or arrangement during the three Fiscals immediately preceding the date of this Preliminary Placement Document in which any of the Key Managerial Personnel and members of Senior Management other than the Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them.

Corporate Governance

Our Company is in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act, 2013 and the SEBI ICDR Regulations, in respect of corporate governance, including constitution of our Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of our Board's supervisory role from the executive management team and constitution of our Board committees, as required under law.

Our Board has been constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations. Our Board functions either as a full board or through various committees constituted to oversee specific functions. Our Company's executive management provides our Board detailed reports on its performance periodically.

Committees of our Board of Directors

Our Board has constituted statutory committees, which function in accordance with the relevant provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

The statutory committees of our Board are: (i) Audit Committee; (ii) Nomination and Remuneration Committee; (iii) Stakeholders' Relationship Committee; (iv) Risk Management Committee; and (v) Corporate Social Responsibility Committee.

The following table sets forth details of members of the aforesaid committees, as on the date of this Preliminary Placement Document:

Sr. No.	Committee	Name and Designation of Members
1.	Audit Committee	i. Ram Dayal Modi, Chairman ii. Vishal Gupta, Member iii. Krishnavatar Khandelwal, Member iv. Mitali Chitre, Member v. Ruchika Bansal, Member vi. Raman Uberoi, Member
2.	Nomination and Remuneration Committee	i. Ram Dayal Modi, Chairman ii. Krishnavatar Khandelwal, Member iii. Mitali Chitre, Member
3.	Stakeholders Relationship Committee	i. Ram Dayal Modi, Chairman ii. Anurag Gupta, Member iii. Vishal Gupta, Member
4.	Risk Management Committee	i. Vishal Gupta, Chairman ii. Ram Dayal Modi, Member iii. Mitali Chitre, Member
5.	Corporate Social Responsibility Committee	i. Ram Dayal Modi, Chairman ii. Vishal Gupta, Member iii. Anurag Gupta, Member

Other Confirmations

None of our Directors, Promoters or Key Managerial Personnel or members of Senior Management have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

Neither our Company, nor the Directors or Promoters are identified as wilful defaulters or fraudulent borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters and fraudulent borrowers issued by the RBI.

None of our Promoters or Directors are declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of the Directors, Promoters, Key Managerial Personnel or members of Senior Management of our Company intend to subscribe to the Issue.

No change in control in our Company will occur consequent to the Issue.

Policy on disclosures and internal procedure for prevention of insider trading

SEBI Insider Trading Regulations applies to our Company and our employees and requires our Company to implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and conduct for the prevention of insider trading. Our Company has implemented a code of practices and procedures for fair disclosure of unpublished price sensitive information in accordance with the SEBI Insider Trading Regulations.

Related Party Transactions

For details in relation to the related party transactions entered into by our Company during six months ended September 30, 2024 and for Fiscals 2024, 2023 and 2022, see “*Financial Information*” and “*Related Party Transactions*” beginning on pages 282 and 46, respectively.

ORGANISATIONAL STRUCTURE OF OUR COMPANY

Corporate History

Our Company was incorporated as ‘PG Electroplast Private Limited’ on March 17, 2003, as a private limited company under the Companies Act, 1956, as amended pursuant to a certificate of incorporation granted by the RoC. Subsequently, pursuant to a special resolution passed at the meeting of the shareholders of our Company at an extraordinary general meeting held on July 15, 2010, our Company became a public limited company and the name of our Company was changed to “PG Electroplast Limited” and consequently, a fresh certificate of incorporation, dated August 6, 2010, was issued by the RoC.

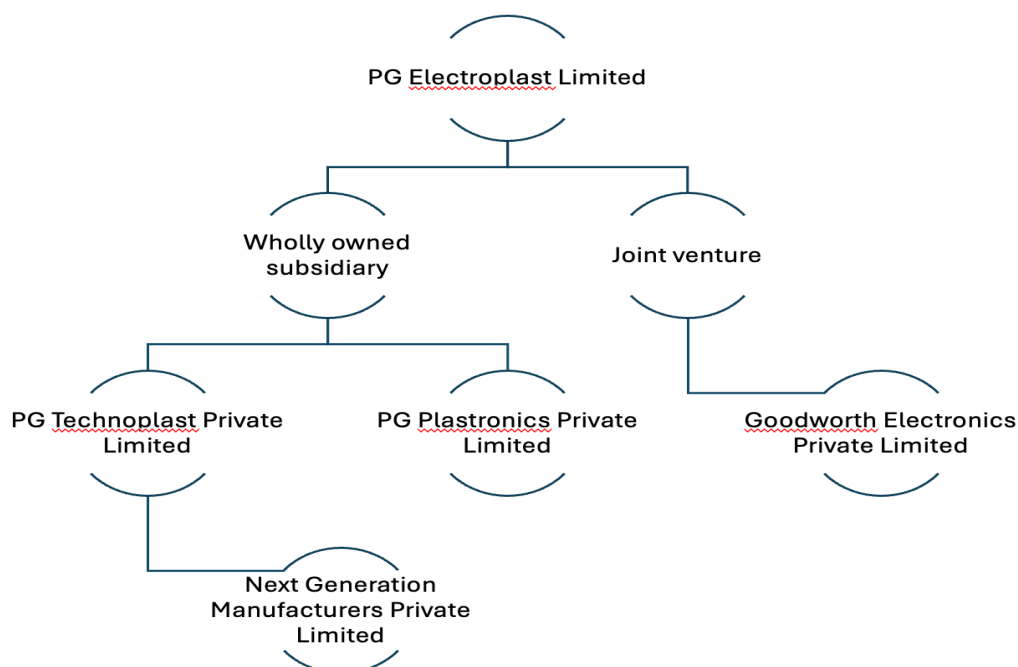
Our Company’s CIN is L32109DL2003PLC119416.

The registered office of our Company is located at DTJ-209, 2nd Floor, DLF Tower B-Jasola, Plot 11 Non-Hierarchical Commercial Centre, Jasola New Delhi, – 110 025 Delhi, India.

The corporate office of our Company is located at P-4/2 to 4/6, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida, Dist. Gautam Budh Nagar – 201 306, Uttar Pradesh, India.

Our Equity Shares are listed on BSE and NSE since September 26, 2011.

Organizational Structure



Associate Companies:

As of the date of this Preliminary Placement Document, our Company does not have any associate companies.

Subsidiaries:

As of the date of this Preliminary Placement Document, our Company has three Subsidiaries:

PG Technoplast Private Limited

PG Technoplast Private Limited was incorporated on October 8, 2020, under the Companies Act, 2013, pursuant to a certificate of incorporation issued by the Central Registration Centre, for and on behalf of the Jurisdictional Registrar of Companies. Its registered office is located at Plot No. A-20/2, MIDC Supa, Taluka Parner Ahmednagar – 414302, Maharashtra, India. Its CIN is

U29308PN2020PTC194777. Our Company, currently holds 948,571 equity shares of face value ₹10 each and 100,000,000 preference shares of face value ₹10 each, comprising 100% of the total issued and paid-up capital of PG Technoplast Private Limited.

PG Plastronics Private Limited

PG Plastronics Private Limited was incorporated on June 22, 2021, under the Companies Act, 2013, pursuant to a certificate of incorporation issued by the Central Registration Centre, for and on behalf of the Jurisdictional Registrar of Companies. Its registered office is located at E-14, E-15 and F-20, Site-B UPSIDC Industrial Area Surajpur, Greater Noida, Gautam Buddha Nagar - 201306, Uttar Pradesh, India. Its CIN is U29308UP2021PTC147578. Our Company, currently holds 19,999 equity shares of face value ₹10 each, comprising 99.99% of the total issued and paid-up capital of PG Plastronics Private Limited.

Next Generation Manufacturers Private Limited

Next Generation Manufacturers Private Limited was incorporated on November 04, 2019, under the Companies Act, 2013, pursuant to a certificate of incorporation issued by Central Registration Centre, for and on behalf of the Jurisdictional Registrar of Companies. Its registered office is located at Plot No. F-3, MIDC Supa, Ahmednagar - 414301, Maharashtra, India. Its CIN is U31904PN2019PTC187587. PG Technoplast Private Limited, currently holds 555,453 equity shares of face value ₹10 each, comprising 99.99% of the total issued and paid-up capital and Mr. Vikas Gupta, currently holds 1 equity share of face value ₹10, comprising 0.01% of the total issued and paid-up capital of Next General Manufacturers Private Limited.

Joint Venture:

As of the date of this Preliminary Placement Document, our Company has one joint venture:

Goodworth Electronics Private Limited

Goodworth Electronics Private Limited was incorporated on March 16, 2022, under the Companies Act, 2013, pursuant to a certificate of incorporation issued by the Central Registration Centre, for and on behalf of the Jurisdictional Registrar of Companies. Its registered office is located at DTJ-209, 2nd Floor, DLF Tower, B-Jasola, Plot. No. 11, Non-Hierarchical Commercial Centre, New Delhi – 110 025 Delhi, India. Its CIN is U32100DL2022PTC395143. Our Company on July 31, 2023, acquired and currently holds 10,750,000 equity shares of face value ₹10 each, comprising 50% of the total issued and paid-up capital of Goodworth Electronics Private Limited.

SHAREHOLDING PATTERN OF OUR COMPANY

Shareholding pattern of our Company as on September 30, 2024

The following table sets forth the details regarding the equity shareholding pattern of our Company as on September 30, 2024:

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities (IX)			Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)	
								Number of Voting Rights					Total as a % of (A+B+C)	Number (a)	As a % of total Shares held (b)	Number (a)		As a % of total Shares held (b)
								Class e.g.: Equity Shares	Class e.g.: Others	Total								
(A)	Promoters and Promoter Group	10	139,769,540	0	0	139,769,540	53.42%	139,769,540	0	139,769,540	53.42%	0	1,950,000	1.40%	0	0	139,769,540	
(B)	Public	103,584	121,368,034	0	0	121,368,034	46.39	121,368,034	0	121,368,034	46.39	0	0	0	0	0	0	121,368,034
(C)	Non-Promoter - Non Public																	
(C1)	Shares underlying depository receipts	1	496,866	0	0	496,866	0.19	496,866	0	496,866	0.19	0	0	0	0	0	0	496,866
(C2)	Shares held by employee trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total	103,595	261,634,440	0	0	261,634,440	100	261,634,440	0	261,634,440	100	0	1,950,000	0.75	0	0	0	261,634,440

Statement showing shareholding pattern of our Promoters and Promoter Group

The following table sets forth the details regarding the equity shareholding pattern of our Promoters and Promoter Group as on September 30, 2024:

Category	Category & Name of shareholder (I)	Entity type (II)	Number of Shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) = (IV)+(V) + (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities (IX)			Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)	
									Number of Voting Rights					Total as a % of (A+B+C)	Number (a)	As a % of total Shares held (b)	Number (a)		As a % of total Shares held (b)
									Class e.g.: Equity Shares	Class e.g.: Others	Total								
(1)	Indian																		
(a)	Individuals		9	139,769,540	0	0	139,769,540	53.42	139,769,540	0	139,769,540	53.42	0	53.42	1,950,000	1.40	0	0	139,769,540
(i)	Neelu Gupta	Promoter Group	1	5,133,710	0	0	5,133,710	1.96	5,133,710	0	5,133,710	1.96	0	1.96	0	0	0	0	5,133,710
(ii)	Vishal Gupta	Promoter	1	51,108,270	0	0	51,108,270	19.63	51,108,270	0	51,108,270	19.63	0	19.63	650,000	1.27	0	0	51,108,270
(iii)	Vikas Gupta	Promoter	1	50,735,310	0	0	50,735,310	19.39	50,735,310	0	50,735,310	19.39	0	19.39	650,000	1.28	0	0	50,735,310
(iv)	Anurag Gupta	Promoter	1	29,912,010	0	0	29,912,010	11.43	29,912,010	0	29,912,010	11.43	0	11.43	650,000	2.17	0	0	29,912,010
(v)	Sarika Gupta	Promoter Group	1	1,220,160	0	0	1,220,160	0.47	1,220,160	0	1,220,160	0.47	0	0.47	0	0	0	0	1,220,160
(vi)	Nitasha Gupta	Promoter Group	1	1,589,590	0	0	1,589,590	0.61	1,589,590	0	1,589,590	0.61	0	0.61	0	0	0	0	1,589,590
(vii)	Vatsal Gupta	Promoter Group	1	10,000	0	0	10,000	0	10,000	0	10,000	0	0	0	0	0	0	0	10,000

Category	Category & Name of shareholder (I)	Entity type (II)	Number of Shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) = (IV)+(V) + (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities (IX)			Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C 2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)	
									Number of Voting Rights		Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)		
									Class e.g.: Equity Shares	Class e.g.: Others									
(viii)	Pranav Gupta	Promoter Group	1	33,000	0	0	33,000	0.01	33,000	0	33,000	0	0	0	0	0	0	33,000	
(ix)	Aditya Gupta	Promoter Group	1	22,490	0	0	22,490	0.01	22,490	0	22,490	0.01	0	0	0	0	0	0	22,490
(b)	Central Government / State Government(s)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(c)	Financial Institutions / Bank		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d)	Any Other (specify)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub Total (A)(1)		9	139,769,540	0	0	139,769,540	53.42	139,769,540	0	139,769,540	53.42	0	0	1,950,000	1.4	0	0	139,769,540
(2)	Foreign		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Category	Category & Name of shareholder (I)	Entity type (II)	Number of Shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) = (IV)+(V) + (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities (IX)			Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
									Number of Voting Rights		Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
									Class e.g.: Equity Shares	Class e.g.: Others								
(b)	Government		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(c)	Institutions		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d)	Foreign Portfolio Investor		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(e)	Any Other (Specify)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub Total (A)(2)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Statement showing shareholding pattern of the Public Shareholders

The following table sets forth the details regarding the equity shareholding pattern of the Public Shareholders as on September 30, 2024:

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)	
								Number of Voting Rights			Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)		
								Class e.g.: Equity Shares	Classes e.g.: Others	Total									
1	Institutions (Domestic)																		
(a)	Mutual Funds	10	9,812,298	0	0	9,812,298	3.75	9,812,298	0	9,812,298	3.75	0	3.75	0	0	0	0	0	9,812,298
(b)	Venture Capital Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(c)	Alternative Investments Funds	14	13,273,604	0	0	13,273,604	5.07	13,273,604	0	13,273,604	5.07	0	5.07	0	0	0	0	0	13,273,604
	Barring Private Equity India AIF	1	4,115,420	0	0	4,115,420	1.57	4,115,420	0	4,115,420	1.57	0	1.57	0	0	0	0	0	4,115,420
(d)	Banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(e)	Insurance Companies	3	2,555,534	0	0	2,555,534	0.98	2,555,534	0	2,555,534	0.98	0	0.98	0	0	0	0	0	2,555,534
(f)	Provident Funds / Pension Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(g)	Asset Reconstruction Companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held = (IV)+(V)+(VI) (VII)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) (IX)	Number of Voting Rights held in each class of securities (IX)			Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)		
								Number of Voting Rights					Total as a % of (A+B+C)	Number (a)	As a % of total Shares held (b)	Number (a)		As a % of total Shares held (b)	
								Class e.g.: Equity Shares	Classes e.g.: Others	Total									
(h)	Sovereign Wealth Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
(i)	NBFCs registered with RBI	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(j)	Other Financial Institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(k)	Any Other (Specify)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total (B1)	27	25,641,436	0	0	25,641,436	9.8	25,641,436	0	25,641,436	9.8	0	9.8	0	0	0	0	0	25,641,436
2	Institutions (Foreign)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(a)	Foreign Direct Investment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(b)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(c)	Sovereign Wealth Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d)	Foreign Portfolio Investors Category-I	105	27,040,140	0	0	27,040,140	10.34	27,040,140	0	27,040,140	10.34	0	10.34	0	0	0	0	0	27,040,140

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								Number of Voting Rights			Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class e.g.: Equity Shares	Classes e.g.: Others	Total								
(e)	Foreign Portfolio Investors Category-II	10	904,728	0	0	904,728	0.35	904,728	0	904,728	0.35	0	0.35	0	0	0	0	904,728
(f)	Overseas Depositories (holding DRs)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(g)	Any Other (Specify)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total (B2)	115	27,944,868	0	0	27,944,868	10.68	27,944,868	0	27,944,868	10.68	0	10.68	0	0	0	0	27,944,868
3	Central Government / State Government (s)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-total (B3)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Non-Institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(a)	Subsidiaries	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(b)	Directors and their relatives (excluding independent directors and nominee directors)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								Number of Voting Rights			Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class e.g.: Equity Shares	Classes e.g.: Others	Total								
(c)	Key Managerial Personnel	2	365,450	0	0	365,450	0.14	365,450	0	365,450	0.14	0	0.14	0	0	0	0	365,450
(d)	Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(e)	Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee', 'beneficiary', or 'author of the trust'	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(f)	Investor Education	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held = (IV)+(V)+(VI) (VII)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) (C1)	Number of Voting Rights held in each class of securities (IX)			Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)	
								Number of Voting Rights					Total as a % of (A+B+C)	Number (a)	As a % of total Shares held (b)	Number (a)		As a % of total Shares held (b)
								Class e.g.: Equity Shares	Classes e.g.: Others	Total								
	and Protection Fund																	
(g)	Resident Individuals holding nominal share capital up to ₹2 lakhs	99,185	41,148,346	0	0	41,148,346	15.73	41,148,346	0	41,148,346	15.73	0	41,148,346	0	0	0	0	41,148,346
(h)	Resident Individuals holding nominal share capital in excess of ₹ 2 lakhs	22	14,026,373	0	0	14,026,373	5.36	14,026,373	0	14,026,373	5.36	0	14,026,373	0	0	0	0	14,026,373
(i)	Mahesh Dinkar Vaze	1	3,000,000	0	0	3,000,000	1.15	3,000,000	0	3,000,000	1.15	0	3,000,000	0	0	0	0	3,000,000
(i)	Non-Resident Indians	2,257	3,424,507	0	0	3,424,507	1.31	3,424,507	0	3,424,507	1.31	0	3,424,507	0	0	0	0	3,424,507
(j)	Foreign Nationals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(k)	Foreign Companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(l)	Bodies Corporate	663	6,345,360	0	0	6,345,360	2.43	6,345,360	0	6,345,360	2.43	0	6,345,360	0	0	0	0	6,345,360

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)		
								Number of Voting Rights					Total as a % of (A+B+C)	Number (a)	As a % of total Shares held (b)	Number (a)		As a % of total Shares held (b)	
								Class e.g.: Equity Shares	Classes e.g.: Others	Total									
(i)	Trust	6	2,110	0	0	2,110	0	2,110	0	2,110	0	0	0	0	0	0	0	0	
(m)	Any Other (Specify)	1,313	2,471,694	0	0	2,471,694	0.94	2,471,694	0	2,471,694	0.94	0	2,471,694	0	0	0	0	0	2,471,694
(i)	Hindu Undivided Family	1,297	2,467,731	0	0	2,467,731	0.94	2,467,731	0	2,467,731	0.94	0	2,467,731	0	0	0	0	0	2,467,731
(ii)	Clearing Members	10	1,853	0	0	1,853	1,853	1,853	0	1,853	0	0	1,853	0	0	0	0	0	1,853
	Sub-Total (B4)	103,442	67,781,730	0	0	67,781,730	25.91	67,781,730	0	67,781,730	25.91	0	67,781,730	0	0	0	0	0	67,781,730
	Total Public Shareholding (B=B1+B2+B3+B4)	103,584	121,368,034	0	0	121,368,034	46.39	121,368,034	0	121,368,034	46.39	0	121,368,034	0	0	0	0	0	121,368,034

Statement showing shareholding pattern of Non-Promoter-Non-Public Shareholders

The following table sets forth the details regarding the equity shareholding pattern of Non-Promoter-Non-Public Shareholders as on September 30, 2024:

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held = (IV)+(V) + (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities (IX)			Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)		
								Number of Voting Rights					Total as a % of (A+B + C)	Number (a)	As a % of total Shares held (b)	Number (a)		As a % of total Shares held (b)	
								Class e.g.: Equity Shares	Class e.g.: Others	Total									
1	Custodian / DR Holder	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2	Employee Benefit Trust	1	496,866	0	0	496,866	0.19	496,866	0	496,866	0.19	0	0.19	0	0	0	0	0	496,866
	Total Non-Promoter - Non Public Shareholding (C) = (C)(1) + (C)(2)	1	496,866	0	0	496,866	0.19	496,866	0	496,866	0.19	0	0.19	0	0	0	0	0	496,866

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the application, payment of Application Amount, Allocation and Allotment of the Equity Shares pursuant to the Issue. The procedure followed in the Issue may differ from the one mentioned below, and Bidders are assumed to have apprised themselves of the same from our Company or the BRLM.

Our Company, the BRLM and its directors, officers, agents, advisors, shareholders, employees, counsels, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Bidders are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Bidders are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations and other applicable laws.

Bidders are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. Bidders that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the BRLM and its directors, officers, agents, advisors, shareholders, employees, counsels, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the BRLM and its directors, officers, agents, advisors, shareholders, employees, counsels, affiliates, and representatives accept no responsibility or liability for advising any Bidder on whether such Bidder is eligible to acquire the Equity Shares. For further details, please see the sections titled “Selling Restrictions” and “Transfer Restrictions and Purchaser Representations” on pages 259 and 266 respectively.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBS ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

This Preliminary Placement Document has not been, and the Placement Document will not be, registered as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in accordance with Chapter VI of the SEBI ICDR Regulations, Section 42 and Section 62 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules thereunder, to the extent applicable, through the mechanism of a qualified institutions placement. Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, to the extent applicable, our Company, being a listed company in India may issue Equity Shares to Eligible QIBs, provided, inter alia that:

- a special resolution approving the qualified institutions placement has been passed by its shareholders. Such special resolution must specify (i) that the allotment of the securities is proposed to be made pursuant to the qualified institutions placement; and (ii) the relevant date for the qualified institutions placement;
- the explanatory statement to the notice to the shareholders for convening the general meeting must disclose, amongst others, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered, amount which the company intends to raise by way of such securities and the material terms of raising such securities, proposed issue schedule, the purpose or objects of offer, the contribution made by the promoters or directors either as part of the offer or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;
- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the equity shares of the same class of such issuer, which are proposed to be allotted through the qualified institutions placement or pursuant to conversion or exchange of eligible securities, are listed on a recognized stock exchange in India that has nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to pass the above-mentioned special resolution, except for Equity Shares allotted during the preceding one year from the date of this Preliminary Placement Document. For details, please see the section titled “*Capital Structure*” on page 107;
- issuance and allotment of Equity Shares shall be done in dematerialised form only;

- invitation to apply in the Issue must be made through a private placement offer-cum-application (i.e., this Preliminary Placement Document) and an application form serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law;
- our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue;
- our Company shall have completed allotments with respect to any offer or invitation made by our Company or has withdrawn or abandoned any such invitation or offer, however, our Company may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed;
- our Promoters and Directors are not fugitive economic offenders; and
- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum-application (i.e., this Preliminary Placement Document), our Company must prepare and record a list of Eligible QIBs to whom the offer will be made. The offer must be made only to such Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe;
- our Company acknowledges that the offering of securities by issue of public advertisements or utilization of any media, marketing or distribution channels or agents to inform the public about the Issue is prohibited; and
- At least 10% of the Equity Shares offered to Eligible QIBs shall be available for Allocation to Mutual Funds, provided that, if this portion or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise their Bids after downwards after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares offered under this Issue shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on the stock exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. The “Relevant Date” referred to above means the date of the meeting in which the Board decides to open the Issue and “stock exchange” means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. Further, in accordance with Regulation 176(1) of the SEBI ICDR Regulations and the resolution of our Board on October 19, 2024, , and the shareholders of our Company on November 13, 2024, our Company may offer a discount of not more than 5% on the Floor Price.

In accordance with Regulation 172(1)(a) of the SEBI ICDR Regulations, the Equity Shares will be Allotted within 365 days from the date of the shareholders’ resolution approving the Issue, being November 13, 2024, and within 60 days from the date of receipt of Bid Amount from the Successful Bidders.

The subscription to the Equity Shares offered pursuant to the Issue must be made by Eligible QIBs on the basis of this Preliminary Placement Document and the Placement Document shall contain all material information required under applicable law including the information specified in Schedule VII of SEBI ICDR Regulations and the requirements prescribed under Form PAS-4. This Preliminary Placement Document and the Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an offer to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of this Preliminary Placement Document addressed to you, you may not rely on this Preliminary Placement Document or Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue. Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

This Issue was authorized and approved by our Board of Directors by way of resolution dated October 19, 2024, and by our Shareholders through special resolution on November 13, 2024.

The minimum number of Allottees for each qualified institutions placement shall not be less than:

- two, where the Issue size is less than or equal to ₹ 2,500 million; and
- five, where the Issue size is greater than ₹ 2,500 million.

No single Allottee shall be Allotted more than 50% of the Issue Size. Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes “same group” or “common control”, see “*Issue Procedure - Bid Process —Application Form*” on page 250.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange. In addition, purchasers of the Equity Shares Allotted pursuant to the Issue shall comply with the resale restrictions set forth in the sections titled, “*Selling Restrictions*” and “*Transfer Restrictions and Purchaser Representations*” on pages 259 and 266, respectively.

We have applied for, and received, the in-principle approvals of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares on the Stock Exchanges on December 4, 2024 and December 4, 2024, respectively. We have filed a copy of this Preliminary Placement Document and will file a copy of the Placement Document with the Stock Exchanges.

We shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act and the PAS Rules, to the extent applicable.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

The Equity Shares offered hereby have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares offered in this Issue are being offered and sold outside the United States in “offshore transactions” as defined in, and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers, and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Issue Procedure

1. On the Issue Opening Date, our Company and the BRLM shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to identified Eligible QIBs and the Application Form will be specifically addressed to each such Eligible QIB. In terms of Section 42(3) of the Companies Act, 2013, our Company shall maintain complete records of the Eligible QIBs in the form and manner as prescribed under the PAS Rules, to the extent applicable, to whom the Preliminary Placement Document and the serially numbered Application Form will be dispatched. Our Company will make the requisite filings with the RoC within the stipulated time periods as required under the Companies Act, 2013 and the PAS Rules, if and to the extent applicable. The list of Eligible QIBs to whom the Preliminary Placement Document and Application Form is delivered will be determined by our Company in consultation with the BRLM, at its sole discretion.
2. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Bid Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to make an offer to subscribe shall be deemed to have been made to such Eligible QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.
3. Eligible QIBs may submit the Application Form, including any revisions thereof along with the Bid Amount transferred to the Escrow Account specified in the Application form and a copy of the PAN card or PAN allotment letter (as applicable) and/or any other documents mentioned in the Application Form, during the Issue Period to the BRLM. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Bid Amount is paid along with submission of the Application Form within the Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been

transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

4. Bidders will be required to indicate the following in the Application Form:

- full official name of the Eligible QIB to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN details (if applicable), contact number and bank account details;
- number of Equity Shares Bid for;
- price at which they are agreeable to subscribe for the Equity Shares and the aggregate Bid Amount for the number of Equity Shares Bid for;
- details of the depository / beneficiary account maintained by the Depository Participant to which the Equity Shares should be credited;
- Equity Shares held by the Eligible QIBs in our Company prior to the Issue; and
- a representation that it is outside the United States and has agreed to certain other representations set forth in the “**Representations by Investors**” on page 3 and “**Transfer Restrictions and Purchaser Representations**” on page 266 and certain other representations made in the Application Form.

Note: Eligible FPIs are required to indicate the SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.

5. Eligible QIBs shall be required to make the entire payment of the Bid Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of “*PG Electroplast Limited – QIP Escrow Account 2024*” with the Escrow Agent, within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Bid Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. Bid Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Pending Allotment, and the filing of return of Allotment by our Company with the RoC, or receipt of final listing and trading approvals from the Stock Exchanges, whichever is later, Application Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013. Notwithstanding the above, in the event (a) any Bidder is not Allocated Equity Shares in the Issue, (b) the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, (c) the Application Amount was in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to the Bidder and the Issue Price, or the Application Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but prior to the Issue Closing Date, the excess Application Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in “**Issue Procedure – Refunds**” on page 255.

6. Once a duly completed Application Form is submitted by a Bidder and the Bid Amount is transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

7. Upon receipt of the duly completed Application Form and the Bid Amount in the Escrow Account, after the Issue Closing Date, our Company shall, in consultation with the BRLM determine the final terms, including the Issue Price of the Equity Shares to be offered pursuant to the Issue and Allocation. Upon such determination, the BRLM will send the serially numbered CAN to the Eligible QIBs who have been Allocated the Equity Shares. The dispatch of a CAN, and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. **Please note that the Allocation will be at the absolute discretion of our Company and will be in consultation with the BRLM.**
8. The Bidder acknowledges that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose the names of proposed allottees and the percentage of their post-Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are allocated to it.
9. Upon determination of the Issue Price and the issuance of CAN and before Allotment of Equity Shares to the Successful Bidders, the BRLM, shall, on our behalf, send a serially numbered Placement Document either in electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.
10. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. We will inform the Stock Exchanges of the details of the Allotment.
11. After passing the resolution for Allotment, and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the depository participant, as indicated in their respective Application Form, our Company shall submit relevant documents to the Stock Exchanges in respect of the Equity Shares Allotted pursuant to the Issue.
12. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.
13. Our Company shall then apply for the final listing and trading permissions from the Stock Exchanges.
14. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant accounts of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final listing and trading approvals from the Stock Exchanges.
15. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Successful Bidders to whom the Equity Shares have been Allotted. Our Company, and the BRLM shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.
16. A representation that it is outside the United States and is acquiring the Equity Shares in an “*offshore transaction*” as defined in, and in reliance on, Regulation S, is not an affiliate of the Company or the BRLM or a person acting on behalf of such an affiliate and it has agreed to certain other representations set forth in the Application Form.

Eligible Qualified Institutional Buyers

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to the Issue, provided that with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law, will be considered as Eligible QIBs. FVCIs are not permitted to participate in the Issue. Currently, QIBs, who are eligible to participate in the Issue and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- mutual funds, venture capital fund and alternate investment funds registered with SEBI;
- a foreign portfolio investor other than individuals, corporate bodies and family offices, registered with SEBI;
- insurance companies registered with the Insurance Regulatory and Development Authority of India;

- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions (which are resident in India);
- pension funds with minimum corpus of ₹ 250 million;
- provident funds with minimum corpus of ₹ 250 million;
- public financial institutions as defined under Section 2(72) of the Companies Act;
- scheduled commercial banks;
- state industrial development corporations;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005, of the Government published in the Gazette of India; and
- systemically important non-banking financial companies.

Eligible FPIs are permitted to participate under Schedule II of FEMA Rules in this Issue. Eligible FPIs are permitted to participate in the Issue subject to compliance with all applicable laws and such that the shareholding of the FPIs do not exceed specified limits as prescribed under applicable laws in this regard. FVCIs are not permitted to participate in this Issue.

In terms of the SEBI FPI Regulations, the offer of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Issue Equity Share capital of our Company. Further, in terms of the FEMA Rules, the total holding by each FPI or investor group shall be below 10% of the total paid-up Equity Share capital of our Company. Hence, Eligible FPIs may invest in such number of Equity Shares in the Issue such that (i) the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis, and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company on a fully diluted basis. In case the holding of an FPI or investor group increases to 10% or more of the total paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done within the aforementioned prescribed time, the total investment made by such FPI together with its investor group will be re-classified as FDI as per the procedure specified by SEBI, and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (i) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable.

Two or more subscribers of ODIs having a common beneficial owner shall be considered together as a single subscriber of the ODI. In the event an investor has investments as a FPI and as a subscriber of ODIs, these investment restrictions shall apply on the aggregate of the FPI and ODI investments held in the underlying company. Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed NSDL as the designated depository to monitor the level of FPI/NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit a red flag shall be activated. SEBI however, pursuant to its Circular dated May 17, 2018 (Circular No: SEBI/HO/IMD/FPIC/CIR/P/2018/81), directed that this system of monitoring foreign investment limits in Indian listed companies be made operational with effect from June 1, 2018. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The Stock Exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

As per the circular issued by SEBI on November 5, 2019, these investment restrictions shall also apply to subscribers of P- Notes. Two or more subscribers of P-Notes having a common beneficial owner shall be considered together as a single subscriber of the P-Note. In the event an investor has investments as a FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments held in the underlying company.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Restriction on Allotment

Pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being, or any person related to, the Promoter. QIBs which have all or any of the following rights shall be deemed to be persons related to the Promoters:

- rights under a shareholders' agreement or voting agreement entered into with our Promoters or members of the Promoter Group;
- veto rights; or
- a right to appoint any nominee director on our Board.

Provided, however, that an Eligible QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoters.

Our Company and the BRLM and any of its respective shareholders, employees, counsels, officers, directors, representatives, agents, advisors or affiliates are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: Affiliates or associates of the BRLM who are QIBs may participate in the Issue in compliance with applicable laws.

Bid Process

Application Form

Eligible QIBs shall only use the serially numbered Application Forms (which are specifically addressed to them) supplied by our Company and/or the BRLM in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Preliminary Placement Document and the Placement Document. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Issue Period, and in such case, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Preliminary Placement Document, the Eligible QIB will be deemed to have made the following representations, warranties, acknowledgements and undertakings given or made under “**Notice to Investors**”, “**Representations by Investors**”, “**Selling Restrictions**” and “**Transfer Restrictions and Purchaser Representations**” on pages 1, 3, 259 and 266, respectively:

1. The Bidder confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;
2. The Bidder confirms that it is not a Promoter and is not a person related to the Promoters, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoters or Promoter Group or persons related to the Promoters;

3. The Bidder confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender not holding any Equity Shares, which shall not be deemed to be a person related to the Promoters;
4. The Bidder acknowledges that it has no right to withdraw or revise its Bid downwards after the Issue Closing Date;
5. The Bidder confirms that if the Equity Shares are Allotted through the Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the floor of the Stock Exchanges;
6. The Bidder confirms that the QIB is eligible to Bid for and hold the Equity Shares so Allotted and together with any Equity Shares held by the QIB prior to the Issue. The Bidder further confirms that the holding of the QIB, does not and shall not, exceed the level permissible as per any regulations applicable to the QIB;
7. The Bidder confirms that the Application would not result in triggering a tender offer under the SEBI Takeover Regulations;
8. The Bidder confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;
9. The Bidder agrees that it will make payment of its Bid Amount, along with submission of the Application Form within the Issue Period. The Bidder agrees that once a duly filled Application Form is submitted by itself, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date;
10. The Bidder agrees that although the Bid Amount is required to be paid by it, along with the Application Form within the Issue Period in terms of provisions of the Companies Act and rules made thereunder, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the BRLM. The Bidder further acknowledges and agrees that the payment of Bid Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;
11. The Bidder acknowledges that in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose their names as "proposed Allottees" and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document and consents of such disclosure, if any Equity Shares are Allocated to it. However, the Bidder further acknowledges and agrees, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the discretion of the Company, in consultation with the BRLM;
12. The Bidder confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue size. For the purposes of this representation:
 - a. The expression "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other QIB ; and
 - b. 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;
13. The Eligible QIB confirms that:
 - a. It is outside the United States and subscribing to the Equity Shares in an "offshore transaction" in reliance upon Regulation S, and is not our affiliate or a person acting on behalf of such an affiliate; and

- b. It has agreed to the other representations set forth in the sections titled, “*Selling Restrictions*” and “*Transfer Restrictions and Purchaser Representations*” on pages 259 and 266 respectively, and the other representations made in the Application Form.
14. The Bidder acknowledge that no Allotment shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price;
15. The Bidder confirms that it shall not undertake any trade in the Equity Shares credited into the beneficiary account maintained with the Depository Participant by the QIBs until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;
16. The Bidder acknowledges, represents and agrees that in the event its total interest in the paid-up share capital of our Company or voting rights in our Company, whether direct or indirect, beneficial or otherwise (any such interest, your “**Holding**”), when aggregated together with any existing Holding and/or Holding of any of the persons acting in concert, results in Holding of 5% or more of the total paid-up share capital of, or voting rights in, our Company a disclosure of the aggregate shareholding and voting rights will have to be made under the SEBI Takeover Regulations. In case such Eligible QIB is an existing shareholder who, together with persons acting in concert, holds 5% or more of the underlying paid up share capital of, or voting rights in our Company a disclosure will have to be made under the SEBI Takeover Regulations in the event of a change of 2% or more in the existing Holding of the Eligible QIB and persons acting in concert;
17. The Eligible FPI, confirms that it will participate in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledges that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis. The Bidder confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations; and
18. The Bidder has read and understood, and by making a Bid for the Equity Shares through the Application Forms and pursuant to the terms of this Preliminary Placement Document, will be deemed to have made the representations, warranties and agreements made under “*Notice to Investors*”, “*Representations by Investors*”, “*Selling Restrictions*” and “*Transfer Restrictions and Purchaser Representations*” on page 1, 3, 259 and 266, respectively.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India and the FDI Policy, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route.

ELIGIBLE QIBS MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, EMAIL ID, PHONE NUMBER, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN / PAN ALLOTMENT LETTER (IF APPLICABLE), DEPOSITORY PARTICIPANT’S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR DEPOSITORY / BENEFICIARY ACCOUNT IS HELD.

IF SO, REQUIRED BY THE BRLM, THE ELIGIBLE QIBS SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BRLM TO EVIDENCE THEIR STATUS AS A “QIB” AS DEFINED HEREINABOVE.

IF SO, REQUIRED BY THE BRLM, THE ESCROW AGENT OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSING DATE, THE ELIGIBLE QIBS SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Bid Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Bid Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder to pay the entire Issue Price for the Equity Shares and becomes a

binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company or by the BRLM in favour of the Successful Bidder.

Submission of Application Form

All Application Forms must be duly completed with information including the name of the Bidder, the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter (if applicable). The Bid Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the BRLM either through electronic form or through physical delivery at either of the following addresses:

Name of the BRLM	Address	Contact Person	Email	Contact Number
JM Financial Limited	7 th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025 Maharashtra, India	Prachee Dhuri	pg.qip@jmfl.com	+91 22 6630 3030

The BRLM shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

Bidders Bidding in the Issue shall pay the entire Bid Amount along with the submission of the Application Form, within the Issue Period.

Payment of Bid Amount

Our Company has opened the Escrow Account in the name of “PG Electroplast Limited – QIP Escrow Account 2024” with the Escrow Agent, in terms of the arrangement among our Company, the BRLM and the Escrow Agent. Each Bidder will be required to deposit the Bid Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bidding Period. Bidders can make payment of the Bid Amount only through electronic transfer of funds from their own bank account.

Note: Payments are to be made only through electronic fund transfer. Payments made through cash or cheques are liable to be rejected. Further, if the payment is not made favouring the Escrow Account, the Application Form is liable to be cancelled and rejected.

Pending Allotment, our Company undertakes to utilise the amount deposited in “PG Electroplast Limited – QIP Escrow Account 2024” only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Bid Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or the Application Amount was in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to the Bidder and the Issue Price, or the Application Amount has been arrived at using an indicative price higher than the Issue Price, or any Bidder lowers or withdraws their Bid after submission of the Application Form but prior to the Issue Closing Date, the excess Application Amount will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in “*Issue Procedure – Refunds*” on page 255.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the stock exchange during the two weeks preceding the Relevant Date. However, a discount of not more than 5% of the Floor Price may be offered by our Company in accordance with the provisions of the SEBI ICDR Regulations.

Our Company, in consultation with the BRLM, shall determine the Issue Price, which shall be at or above the Floor Price.

The “Relevant Date” referred to above, for Allotment, will be the date of the meeting in which the Board decides to open the Issue and “stock exchange” means any of the recognized stock exchanges in India on which the Equity Shares of the Company of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date.

Build-up of the Book

The Eligible QIBs shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the BRLM. Such Bids cannot be withdrawn or revised downwards after the Issue Closing Date. The book shall be maintained by the BRLM.

Price Discovery, Terms and Allocation

Our Company, in consultation with the BRLM, shall determine the Issue Price, which shall be at or above the Floor Price and the Allocation on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations. However, our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations as approved by the Board pursuant to resolution dated October 19, 2024, and by our Shareholders through resolution on November 13, 2024.

After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Method of Allocation

Our Company shall determine the Allocation in consultation with the BRLM on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Eligible QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company, in consultation with the BRLM, have the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY, IN CONSULTATION WITH THE BRLM, IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL BIDDERS. BIDDERS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY, IN CONSULTATION WITH THE BRLM, AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE BID AMOUNT AT OR ABOVE THE ISSUE PRICE. NEITHER OUR COMPANY NOR THE BRLM ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

Confirmation of Allocation Note (CAN)

Based on receipt of the serially numbered Application Forms and Bid Amount, our Company, in consultation with the BRLM, in their sole and absolute discretion, shall decide the Successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Bid Amount for the Equity Shares Allocated to them shall be notified to such Successful Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in the Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board will approve the Allotment of the Equity Shares to the Allottees in consultation with the BRLM.

Successful Bidders are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in "*Notice to Investors*" on page 1 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Designated Date and Allotment of Equity Shares

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the respective CANs.
2. In accordance with the SEBI ICDR Regulations, the Equity Shares will be offered, and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.
3. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.
4. Following the Allotment of the Equity Shares pursuant to the Issue, our Company shall submit the necessary documents with the Stock Exchanges in relation to the Issue and post that our Company shall credit the Equity Shares into the beneficiary accounts of the Eligible QIBs.
5. Following the credit of Equity Shares into the Successful Bidders' beneficiary accounts (a) the Successful Bidders will be eligible for trading on the Stock Exchanges immediately upon such credit, and (b) the monies lying to the credit of the Escrow Account shall be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and the Company files the return of Allotment in connection with the Issue with the RoC.
6. After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file it with the Stock Exchanges as the Placement Document, including the details of names of the proposed Allottees and the percentage of their post-Issue shareholding in our Company. Pursuant to a circular dated March 5, 2010 issued by the SEBI, the Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, namely, names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document.
7. In the event that we are unable to issue and Allot the Equity Shares offered in the Issue or if the Issue is cancelled within the timelines prescribed under the applicable laws, our Company shall repay the application monies within the timelines prescribed under the applicable laws, failing which our Company shall repay that monies with interest at such rate and in such manner as prescribed under the Companies Act and SEBI ICDR Regulations. The application monies to be refunded by us shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or the Application Amount paid by a Bidder is in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to such Bidder and the Issue Price, or a Bidder lowers or withdraws the Bid prior to the Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted (as set out in the Application in the form and manner set out in the Refund Intimation Letter. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that Equity Shares have been Allocated to Successful Bidders and our Company is unable to issue and Allot the Equity Shares offered in the Issue or on cancellation of the Issue within the timelines prescribed under the applicable laws, our Company shall repay the Bid Amount as per the timelines prescribed under the applicable laws, failing which our Company shall repay that money with interest at such rate and in such manner as prescribed under the Companies Act and SEBI ICDR Regulations.

Release of Funds to our Company

The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to the Issue are received by our Company and the Company files the return of Allotment in connection with the Issue with the RoC. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Other Instructions

Submission of Documents

A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.

Permanent Account Number or PAN

Each Bidder should mention its PAN allotted under the Income Tax Act, 1961 (“**IT Act**”). A copy of PAN card is required to be submitted with the Application Form. However, this requirement may not apply to certain Bidders who are exempted from the requirement of obtaining a PAN under the IT Act. Further, the Application Forms without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that applicants should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank account details

Each Bidder shall mention the details of the bank account from which the payment of Bid Amount has been made along with confirmation that such payment has been made from such account.

Right to Reject Applications

Our Company, in consultation with the BRLM, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the BRLM in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Bid Amount paid by the Bidder shall be refunded to the same bank account from which the Bid Amount was remitted by such Bidder, as set out in the Application Form. For details see “**Issue Procedure – Refund**” on page 255. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Equity Shares in dematerialised form with the Depositories

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode). Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, the Depositories Act and other applicable laws. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

The Bidders applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either of the Depositories prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with the Depositories. The Stock Exchanges have electronic connectivity with the Depositories. The trading of the Equity Shares would be in dematerialised form only for all Allottees in the respective demat segment of the Stock Exchanges. Our Company and the BRLM will not be responsible or liable for the delay in the credit of the Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on part of the Bidder.

PLACEMENT

No assurance can be given as to the liquidity or sustainability of the trading market for the Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares

Placement Agreement

The BRLM has entered into the Placement Agreement dated December 4, 2024 with our Company, pursuant to which the BRLM has agreed, subject to certain conditions, to manage the Issue and to act as placement agents in connection with the proposed Issue and procure subscription for Equity Shares to be placed with the Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, to the extent applicable, as amended and other applicable provisions of the Companies Act and the rules made thereunder. The Placement Agreement contains customary representations, warranties and indemnities from our Company, and it is subject to satisfaction of certain conditions and subject to termination in accordance with the terms contained therein.

This Preliminary Placement Document and the Placement Document has not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares offered pursuant to the Issue, will be offered in India or overseas to the public or any members of the public or any other class of prospective investors, other than Eligible QIBs.

No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares. The Equity Shares offered hereby have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares offered in this Issue are being offered and sold outside the United States in "offshore transactions" as defined in, and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers, and sales are made. For further information, see "*Selling Restrictions*" and "*Transfer Restrictions and Purchase Representations*" on pages 259 and 266, respectively.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges.

In connection with the Issue, the BRLM (or its affiliates) may, for its own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be offered pursuant to the Issue at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the BRLM may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. The Affiliates of the BRLM may purchase Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see "*Offshore Derivative Instruments*" on page 9.

From time to time, the BRLM, and its affiliates may be engaged in or may in the future engage in transactions with and perform services, including but not limited to investment banking, advisory, banking, trading services for our Company, its Subsidiaries, its group companies, affiliates and the shareholders of our Company, as well as to their respective affiliates, pursuant to which fees and commissions have been paid or will be paid to the BRLM and its affiliates.

Lock-up

Our Company will not for a period of 45 days from the date of Allotment under the Issue, without the prior written consent of the Placement Agents, directly or indirectly, (a) purchase, lend, sell, offer, issue, contract to issue, issue or offer any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any Equity Shares or any securities convertible into or exercisable for Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares which may be deemed to be beneficially owned), or file any registration statement under the Securities Act, with respect to any of the foregoing; or (b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares (regardless of whether any of the transactions described in clause (a) or (b) is to be settled by the delivery of Equity Shares or such other securities, in cash or otherwise), or (c) deposit Equity Shares with any other depository in connection with a depository receipt facility, (d) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Equity Shares in any depository receipt facility, or (e) publicly announce any intention to enter into any transaction falling within (a) to (d) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depository receipt facility or publicly

announce any intention to enter into any transaction falling within (a) to (d) above. Provided that, the foregoing restriction shall not apply to an issuance of Equity Shares or options pursuant to any employee stock option scheme formulated by our Company.

Our Promoters will not for a period of 45 days from the date of Allotment of Equity Shares, without the prior written consent of the Placement Agents, directly or indirectly: (a) sell, lend, contract to sell any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; (c) sell, lend, contract to sell any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares or interest in an entity which holds any Equity Shares; or (d) publicly announce any intention to enter into any transaction whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (c) above.

SELLING RESTRICTIONS

The distribution of this Preliminary Placement Document or any offering material and the offering, sale or delivery of Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Preliminary Placement Document or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restriction. This Preliminary Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

General

No action has been taken or will be taken by our Company or the BRLM that would permit a public offering of the Equity Shares to occur in any jurisdiction, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required (including filing of prospectus in India with SEBI or any other authority in connection with the Issue). Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and none of this Preliminary Placement Document, any offering materials and any advertisements in connection with the offering of the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable SEBI ICDR Regulations. Each purchaser of the Equity Shares in this Issue will be deemed to have made representations, warranties, acknowledgments and agreements as described in this section and under “*Notice to Investors*”, “*Representations by Investors*” and “*Transfer Restrictions and Purchase Representations*” on page 1, 3 and 266.

Republic of India

The Issue will be made in compliance with the SEBI ICDR Regulations, Section 42 of the Companies Act, read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act and the rules made thereunder.

This Preliminary Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public or any other class of investors other than Eligible QIBs. This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC, or an advertisement and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction.

Bahrain

All marketing and offering of the Equity Shares in the Issue has been made and will be made outside the Kingdom of Bahrain. This Preliminary Placement Document and the Equity Shares that shall be offered pursuant to this Preliminary Placement Document have not been registered, filed, approved or licensed by the Central Bank of Bahrain (“CBB”), the Bahrain Bourse, the Ministry of Industry, Commerce and Tourism (“MOICT”) or any other relevant licensing authorities in the Kingdom of Bahrain.

The CBB, the Bahrain Bourse and the MOICT of the Kingdom of Bahrain takes no responsibility for the accuracy of the statements and information contained in this Preliminary Placement Document, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. This Preliminary Placement Document is only intended for Accredited Investors as defined by the CBB and the Equity Shares offered by way of private placement may only be offered in minimum subscriptions of USD 100,000 (or equivalent in other currencies). No invitation to the public in the Kingdom of Bahrain to subscribe to the Equity Shares is being made and this Preliminary Placement Document will not be issued to, passed to, or made available to the public generally in the Kingdom of Bahrain. The CBB has not reviewed, nor has it approved this Preliminary Placement Document and any related offering documents or the marketing thereof in the Kingdom of Bahrain. The CBB is not and will not be responsible for the performance of the Equity Shares.

Cayman Islands

No offer or invitation to subscribe for Equity Shares may be made to the public in the Cayman Islands to subscribe for any of the Equity Shares but an invitation or offer may be made to sophisticated persons (as defined in the Cayman Islands Securities Investment Business Law (the “SIBL”), high net worth persons (as defined in the SIBL) or otherwise in accordance with the SIBL. This Preliminary Placement Document does not constitute an invitation or offer to the public in the Cayman Islands of the Equity Shares, whether by way of sale or subscription. The Equity Shares are not being offered or sold, and will not be offered or sold, directly or indirectly, to the public in the Cayman Islands.

Dubai International Financial Centre

This Preliminary Placement Document relates to an Exempt Offer in accordance with the Markets Rules Module of the Dubai Financial Services Authority (“**DFSA**”) Rulebook. This Preliminary Placement Document is intended for distribution only to persons of a type specified in the Markets Rules Module. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Preliminary Placement Document nor taken steps to verify the information set forth herein and has no responsibility for this Preliminary Placement Document. The securities to which this Preliminary Placement Document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this Preliminary Placement Document you should consult an authorized financial advisor.

In relation to its use in the DIFC, this Preliminary Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

European Economic Area

In relation to each Member State of the European Economic Area (each a “**Member State**”), no Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation), except that offers of Equity Shares may be made to the public in that Member State at any time under the following exemptions under the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of Book Running Lead Manager for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall result in a requirement for the publication by the Company or the BRLM of a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this section, the expression an “offer of Equity Shares to the public” in relation to any Equity Shares in any Relevant State means a communication to persons in any form and by any means presenting sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares.

Except for each person who is not a qualified investor and who has notified the BRLM of such fact in writing and has received the consent of the BRLM in writing to subscribe for or purchase Equity Shares in the Issue, each person in a Relevant State who acquires Equity Shares in the Issue or to whom any offer is made shall be deemed to have represented that it is a “qualified investor” as defined in the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary, as that term is used in Article 5 of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Equity Shares subscribed for or acquired by it in the Issue have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Relevant State to qualified investors (as so defined) or in circumstances in which the prior consent of the BRLM has been obtained to each such proposed offer or resale.

Our Company, the BRLM and its affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Hong Kong

The Equity Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a

“prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “**C(WUMP)O**”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O.

No advertisement, invitation or document relating to the Equity Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO has been or will be issued, whether in Hong Kong or elsewhere.

Japan

The Equity Shares offered hereby have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). This Preliminary Placement Document is not an offer of shares for sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used in the Preliminary Placement Document means any person resident in Japan, including any corporation or entity organized under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Republic of Korea

The Equity Shares have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder (the “**FSCMA**”), and the Equity Shares have been and will be offered in Korea as a private placement under the FSCMA. None of the Equity Shares may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the “**FETL**”). Furthermore, the purchaser of the Equity Shares shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the Equity Shares. By the purchase of the Equity Shares, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the Equity Shares pursuant to the applicable laws and regulations of Korea.

Kuwait

This document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Equity Shares in the State of Kuwait. The Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait. No private or public offering of the Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in the State of Kuwait.

Mauritius

The public of the republic of Mauritius is not invited to subscribe for the interests offered hereby. This memorandum relates to a private placement and does not constitute an offer to the public in Mauritius to subscribe for the interests offered hereby. The interests are only being offered to a limited number of sophisticated investors meeting the eligibility criteria. No regulatory approval has been sought for the offer in Mauritius and it must be distinctly understood that the Mauritius financial services commission does not accept any responsibility for the financial soundness of or any representations made in connection with the issue. The memorandum is for the use only of the named addressee and should not be given or shown to any other person.

Qatar (excluding the Qatar Financial Centre)

This Preliminary Placement Document did not, and was not intended to, constitute an invitation or an offer of securities in the State of Qatar (including the Qatar Financial Centre) and accordingly should not be construed as such. The Equity Shares have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of securities in the State of Qatar.

By receiving this document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (a) neither this Preliminary Placement Document nor the Equity Shares have been registered, considered, authorised or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other

authority or agency in the State of Qatar; (b) neither the Company nor BRLM are authorised or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority, or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (c) this Preliminary Placement Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (d) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Equity Shares has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This Preliminary Placement Document shall not form the basis of, or be relied on in connection with, any contract in Qatar. The persons representing BRLM are, by distributing this document, not advising individuals resident in the State of Qatar as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in this Preliminary Placement Document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

Qatar and Qatar Financial Centre

Nothing in this Preliminary Placement Document is intended to constitute, shall be treated as constituting or shall be deemed to constitute, any offer or sale of securities in the State of Qatar or in the Qatar Financial Centre or the inward marketing of securities or an attempt to do business, as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre other than in compliance with any laws applicable in the State of Qatar or in the Qatar Financial Centre governing the issue, offering and sale of securities under the laws of the State of Qatar and the Qatar Financial Centre.

This Preliminary Placement Document and any underlying instruments or securities have not been and will not be filed with, reviewed or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Exchange or any other relevant Qatar governmental body or securities exchange. The Company has not been authorised or licenced by any Qatari governmental body or regulator to market, offer or sell the Equity Shares in the State of Qatar or in the Qatar Financial Centre.

This Preliminary Placement Document is strictly private and confidential. This Preliminary Placement Document is provided on an exclusive basis to the specifically intended recipient of such document, upon that person's request and initiative, and for the recipient's personal use only. It is being distributed to a limited number of qualified investors and must not be provided to any person other than the original recipient. It is not for general circulation in the State of Qatar or the Qatar Financial Centre and may not be reproduced or used for any other purpose. Any distribution of this document by the recipient to third parties in the State of Qatar or the Qatar Financial Centre is not authorised and shall be at the liability of such recipient.

Recourse against the Company and/or its affiliates may be limited or difficult and may have to be pursued in a jurisdiction outside the State of Qatar and/or the Qatar Financial Centre.

Saudi Arabia

This Preliminary Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority ("CMA"). The CMA does not make any representation as to the accuracy or completeness of this Preliminary Placement Document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Preliminary Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorised financial adviser.

Singapore

This Preliminary Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Preliminary Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- i. a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- ii. a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

- (a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (b) where no consideration is or will be given for the transfer;
- (c) where the transfer is by operation of law;
- (d) as specified in Section 276(7) of the SFA; or
- (e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Notification under Sections 309B(1)(a) and 309B(1)(c) of the SFA: We have determined, and hereby notify all relevant persons (as defined in Section 309A of the SFA) that the Equity Shares are: (A) prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and (B) Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products; Notice on Recommendations on Investment Products).

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), the Company has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Equity Shares are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Sultanate of Oman

The information contained in this Preliminary Placement Document does not constitute a public offer of securities in Oman as contemplated by the Oman Commercial Companies Law (Sultani Decree 18/2019, as amended) or Article 3 of the Capital Market Authority Law (Sultani Decree 80/98, as amended). This Preliminary Placement Document will only be made available to investors in Oman in accordance with the provisions of Article 139 of the Executive Regulations of the Capital Markets Law (Capital Markets Law Decision No. 1/2009, as amended) (the "Executive Regulations") by an entity duly licenced by the Capital Market Authority of Oman to market non-Omani securities in Oman.

This Preliminary Placement Document is strictly private and confidential. It is being provided to a limited number of sophisticated investors solely to enable them to decide whether or not to invest in the Equity Shares outside of Oman, upon the terms and subject to the restrictions set out herein and may not be reproduced or used for any other purpose or provided to any person other than the original recipient. Additionally, this Preliminary Placement Document is not intended to lead to the making of any contract within the territory or under the laws of Oman.

This Preliminary Placement Document has not been (and will not be) filed with the Capital Market Authority of Oman (except in accordance with Article 139 of the Executive Regulations) or any other regulatory authority in Oman and the Capital Market Authority of Oman neither assumes responsibility for the accuracy and adequacy of the statements and information contained in this Preliminary Placement Document nor shall have any liability to any person for damage or loss resulting from reliance on any statements or information contained herein.

Switzerland

The Equity Shares may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("FinSA") and no application has or will be made to admit the Equity Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Preliminary Placement Document nor any other offering or marketing

material relating to the Equity Shares constitutes a prospectus pursuant to the FinSA, and neither this Preliminary Placement Document nor any other offering or marketing material relating to the Equity Shares may be publicly distributed or otherwise made publicly available in Switzerland.

The Equity Shares may, however, be offered in Switzerland to professional clients within the meaning of the FinSA, without any public offer and only to investors who do not purchase the Equity Shares with the intention to distribute them to the public. The investors will be individually approached from time to time. This Preliminary Placement Document may only be used by those investors to whom it has been handed out in connection with the Offer described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent.

United Arab Emirates (excluding the Dubai International Financial Centre)

This Preliminary Placement Document does not constitute or contain an offer of securities to the general public in the UAE. No offering, marketing, promotion, advertising or distribution (together, “Promotion”) of this document or the Equity Shares may be made to the general public in the United Arab Emirates (the “UAE”) unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the “SCA”) and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors’ Chairman Decision no. (3/R.M.) of 2017 (the “**Promotion and Introduction Regulations**”), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to “Qualified Investors” (excluding “**High Net Worth Individuals**”) (as such terms are defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE. None of the SCA, the UAE Central Bank, the UAE Ministry of Economy or any other regulatory authority in the UAE has reviewed or approved the contents of this document nor does any such entity accept any liability for the contents of this document.

United Kingdom

No Shares have been offered or will be offered pursuant to the Offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the Shares which is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus Amendment etc (EU Exit) Regulations 2019/1234, except that it may make an offer to the public in the United Kingdom of any Shares at any time:

- (a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the BRLM for any such offer; or
- (c) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of the Shares shall require the Company or any BRLM to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an “offer to the public” in relation to the Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares and the expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

The Preliminary Placement Document may not be distributed or circulated to any person in the United Kingdom other than to (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Financial Promotion Order”); and (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Financial Promotion Order (all such persons together being referred to as “relevant persons”). The Preliminary Placement Document is directed only at relevant persons. Other persons should not act on the Preliminary Placement Document or any of its contents. The Preliminary Placement Document is confidential and is being supplied to you solely for your information and may not be reproduced, redistributed or passed on to any other person or published, in whole or in part, for any other purpose.

United States of America

The Equity Shares have not been and will not be registered under the Securities Act, or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in ‘offshore transactions’ (as defined in Regulation S)

in reliance on Regulations S and the applicable laws of the jurisdiction where those offers and sales are made. For further information, see “*Transfer Restrictions and Purchaser Representations*” on page 266.

Other Jurisdictions

The distribution of this Preliminary Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Preliminary Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

TRANSFER RESTRICTIONS AND PURCHASER REPRESENTATIONS

Due to the following restrictions, investors are advised to consult legal counsel prior to purchasing Equity Shares or making any resale, pledge or transfer of Equity Shares.

Purchasers are not permitted to sell the Equity Shares Allotted pursuant to the Issue, for a period of one year from the date of Allotment, except on the Stock Exchanges. Allotments made to Eligible QIBs in the Issue (including to FPIs) are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. Additional transfer restrictions applicable to the Equity Shares are listed below.

Transfer Restrictions and Purchaser Representations

The Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

By accepting delivery of this Preliminary Placement Document, submitting a bid to purchase Equity Shares and/or accepting delivery of any Equity Shares, you will be deemed to have represented and agreed as follows:

- It is authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations.
- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Equity Shares are being issued in reliance upon Regulation S and such Equity Shares have not been and will not be registered under the Securities Act.
- It certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, is located outside the United States (within the meaning of Regulation S), and it has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States, or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, and (ii) such customer is located outside the United States (within the meaning of Regulation S), and such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States.
- It is aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S.
- It agrees (or it is a broker-deal acting on behalf of a customer that has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, will make any “directed selling efforts” as defined in Regulation S. It acknowledges and agrees that it is not purchasing any Equity Shares as a result of any “directed selling efforts” as defined in Regulation S.
- It understands that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act, that the Equity Shares have not been and will not be registered under the Securities Act and that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares, such Equity Shares may be offered, resold, pledged or otherwise transferred only outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S or in a transaction otherwise exempt from the registration requirements of the Securities Act and other applicable U.S. state securities laws.
- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. It is experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. It and any accounts for which it is subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to the Company or any of the BRLM for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) is seeking to subscribe to the Equity Shares in this Issue for investment purposes and not with a view to resell or distribute them and it has no reason to anticipate any change in its circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of the Equity Shares, (v) have no need for liquidity with respect to the investment in the Equity Shares, and (vi) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require

any sale or distribution by it or them of all or any part of the Equity Shares. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment.

- It has been provided access to this Preliminary Placement Document and will be provided access to the Placement Document which it has read in its entirety.
- It agrees to indemnify and hold the Company and each of the BRLM harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. It will not hold any of the Company or the BRLM liable with respect to its investment in the Equity Shares. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.
- Where it is subscribing to the Equity Shares for one or more managed accounts, it represents and warrants that it is authorised in writing, by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to “it” to include such accounts.
- It agrees that any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions shall not be recognised by the Company.

If such person is a dealer (as such term is defined under the Securities Act), it may not resell the Equity Shares in the United States prior to 40 days from the commencement of the offering of the Equity Shares. It acknowledges that the Company and the BRLM and its affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, it will promptly notify the Company and the BRLM. It agrees that the terms and provisions of the foregoing acknowledgements, representations and agreements shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by the Company, its successors and its permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees. It understands that these acknowledgments, representations and undertakings are required in connection with United States securities laws and irrevocably authorizes the Company to produce these acknowledgments, representations and undertakings (or any document incorporating them) to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the respective websites of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the BRLM or any of its respective affiliates or advisors.

The Indian Securities Market

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in India in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. On October 9, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the “**SCR (SECC) Regulations**”), which regulate *inter alia* the recognition, ownership and governance of stock exchanges and clearing corporations in India together with providing for minimum net-worth requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Regulations along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by listed companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

BSE

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, with effect from August 19, 2005, BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

NSE

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000.

Listing and delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013 the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI including the SEBI ICDR Regulations and the SEBI Listing Regulations, as well as pursuant to the listing agreements entered into by our Company with the Stock Exchanges. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company’s obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange’s governing body and withdraw recognition of a recognized stock exchange.

Delisting of equity shares from the stock exchanges, whether by way of a compulsory or a voluntary delisting, is governed by the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended (the “**Delisting Regulations**”). Following a compulsory delisting of equity shares, a company, its whole-time directors, its promoters, person(s) responsible for ensuring compliance with the securities laws and the companies promoted by any of them cannot directly or indirectly access the securities market or seek listing of any equity shares for a period of 10 years from the date of such delisting. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies (except exempted public sector undertakings) are required to maintain a minimum public shareholding of 25%. Where the public shareholding in a listed company falls below 25% at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of such the public shareholding having fallen below the 25% threshold. Consequently, a listed company may be delisted from the Stock Exchanges for not complying with the above-mentioned requirements. Our Company is in compliance with this minimum public shareholding requirement.

Disclosures under the Companies Act and securities regulations

Under the Companies Act, a public offering of securities in India must be made by means of a prospectus, which must contain information specified in the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the SEBI ICDR Regulations. The prospectus must be filed with the relevant registrar of companies having jurisdiction over the place where a company's registered office is situated. A company's directors and promoters shall be subject to civil and criminal liability for misrepresentation in a prospectus. The Companies Act also sets forth procedures for the acceptance of subscriptions and payment of commission rates for the sale of securities. Pursuant to the provisions of the SEBI Act, SEBI has issued detailed guidelines concerning disclosures by public companies and to further investor protection. The SEBI ICDR Regulations permit companies to price their domestic issues of securities in consultation with the lead merchant banker or through the book building process.

Public limited companies are required under the Companies Act, and other applicable guidelines to prepare, file with the RoC and circulate to their shareholders audited annual accounts which comply with the Companies Act's disclosure requirements and regulations governing their manner of presentation and which include sections pertaining to corporate governance, related party transactions and the management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations. Accordingly, companies are required to publish unaudited financial statements (subject to a limited review by the company's auditors) on a quarterly basis and are required to inform stock exchanges immediately regarding any unpublished price sensitive information.

Insider Trading Regulations

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended (the "**Insider Trading Regulations**") have been notified by SEBI to amongst other things, prohibit and penalize insider trading in India and prohibit dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**").

The Insider Trading Regulations also impose certain restrictions on the communication of UPSI relating to a company or securities listed or proposed to be listed. In terms of the Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. It also provides disclosure obligations for promoters, employees and directors, with regard to their shareholding in the company, and the changes therein. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the Insider Trading Regulations.

The Insider Trading Regulations define the term "unpublished price sensitive information" to mean any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of its securities and ordinarily includes but not restricted to information relating to the following: (a) financial results; (b) dividends; (c) change in capital structure; (d) mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions; and (e) changes in key managerial personnel. Further, in terms of the Insider Trading Regulations, "generally available information" is defined as information that is accessible to the public on a non-discriminatory basis. An "insider" means any person who is i) a connected person; or ii) in possession of or having access to unpublished price sensitive information. The term "connected person" means any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity, including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holding any position, including a professional or business relationship between himself and the company, whether temporary or permanent, that allows such person, directly or indirectly, to have access to unpublished price sensitive information or is reasonably expected to allow such access.

The Insider Trading Regulations make it compulsory for listed companies and certain other entities (including fiduciaries and intermediaries) that are required to handle UPSI in the course of business operations to establish (i) an internal code of practices and procedures for fair disclosure of UPSI; (ii) an internal code to regulate, monitor and report trading by designated persons and immediate relatives of designated persons; and (iii) a policy for procedures to be adopted by a company in case of any leak of UPSI. There are also initial and continuing shareholding disclosure obligations under the Insider Trading Regulations.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a coordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of BSE or the NIFTY 50 of NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 20% movements either up or down, for all scrips in the compulsory rolling settlement. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

Settlement

The stock exchanges in India operate on a trading day plus two, or T+2 rolling settlement system. At the end of the T+2 period, obligations are settled with buyers of securities paying for and receiving securities, while sellers transfer and receive payment for securities. For example, trades executed on a Monday would typically be settled on a Wednesday.

Further, in accordance with the circular dated September 7, 2021, issued by SEBI, at any time on or after January 1, 2022, a Stock Exchanges may choose to offer T+1 settlement cycle after giving an advance notice of at least one month.

Trading Hours

Trading on both BSE and NSE normally occurs from Monday through Friday between 9:15 a.m. IST and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9.00 a.m. IST to 9.15 a.m. IST that has been introduced). BSE and NSE are closed on public holidays.

Internet-Based Securities Trading and Security Trading using Wireless Technology Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. This permits clients throughout the country to trade using brokers' internet trading systems. Stock brokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated under applicable law. NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of NSE.

Trading Procedure

In order to facilitate smooth transactions, BSE replaced its open outcry system with BSE online trading facility in 1995. This 100% automated screen-based trading in securities was put into practice nationwide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform BOLT Plus. NSE has a fully automated trading system called NEAT, which operates on strict time/price priority besides enabling efficient trade.

Depositories

The Depositories Act, 1996 provides a legal framework for the establishment of depositories to record ownership details and effect transfers in electronic book-entry form. Further, SEBI has framed the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 in relation to, among other things, the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners.

Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the specific regulations in relation to substantial acquisition of shares and takeover. After listing on the stock exchanges, the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (the "**Takeover Regulations**") will apply to our Company, which provide specific regulations in relation to substantial acquisition of shares and takeovers. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The Takeover Regulations prescribes certain thresholds or trigger points

in the shareholding that a person or entity (along with persons acting in concert with such person or entity) has in the listed Indian company, which give rise to certain obligations on the part of the acquirer. Acquisition of shares or voting rights up to a certain threshold prescribed under the Takeover Regulations mandate specific disclosure requirements, while acquisitions (direct or indirect, along with persons acting in concert with such acquirer) crossing particular thresholds may result in the acquirer having to make an open offer for the shares of the target company.

Buy-back

A company may buy-back its shares subject to compliance with the requirements of Section 68 of the Companies Act, 2013, as amended and the SEBI (Buy-back of Securities) Regulations 2018, as amended. Under Section 68 of the Companies Act, 2013, as amended, a company may buy-back its shares out of its free reserves or securities premium account or the proceeds of the issue of any shares or other specified securities, other than proceeds of an earlier issue of the same kind of shares or same kind of other specified securities.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term “securities”, as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is the information relating to the Equity Shares including a brief summary of the Memorandum of Association and Articles of Association and the Companies Act. The prospective investors are urged to read the Memorandum of Association and Articles of Association carefully, and consult with their advisers, as the Memorandum of Association and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

Share Capital

The authorised share capital of the Company is ₹ 350,000,000 comprising of 350,000,000 Equity Shares (of face value of ₹ 1 each). As on the date of this Preliminary Placement Document, the issued, subscribed and paid-up capital of the Company is ₹ 261,634,440 comprising of 261,634,440 Equity Shares (of face value of ₹1 each). The Equity Shares are listed on BSE and NSE.

Main objects of our Company

1. To carry on the business of manufacturers, distributors, importers, exporters, buyers, sellers, agent and- stockiest of and to market, hirer, lease, rent out, assemble, alter, install, service, design, research and improve, develop, exchange, maintain, repair, refurbish, store and otherwise deal in any manner in all type of plastic moulded/extruded goods, all types of electrical and electronic goods, including television, video cassette display, digital video display, computer data processing applications both hardware and software, telephone exchanges, telephone instruments, fax machines, recording instruments and devices, electrical measuring and testing equipment, and any other system of telecommunication whether consisting of sounds, electrical pulses, visual images or otherwise, either alone or in combination, and whether electronic, electrical or mechanical or otherwise or any combination thereof and all systems apparatus, equipment, raw material, components, spare parts and fitting thereof and other related products and accessories thereto.
2. To carry on the business of manufacturing, distributors, importers and exporters, buyers, sellers, agents & stockists of and to market, hire, lease, rent out, assemble, alter, install, service, design, research and improve, develop, exchange, maintain, repair, refurbish, store and otherwise deal in any manner in all types of Light Emitting Diode / Compact Fluorescent Lamp photovoltaic lighting systems including solar lantern, home lights and street lights, luminaries, and other solar powered products/projects, assemblies/sub-assemblies thereof, solar power plants, grid and off grid, solar photovoltaic water pumping systems, wind power generation systems, solar water heaters and all other present and upcoming Products related to new and renewable energy sources; domestic home appliances including all types of white goods, brown goods and office appliances, stabilizers, inverters, converters, uninterrupted power supplies, medical & surgical apparatus, computers and monitors and display devices either alone or in combination and whether electronic, electrical & mechanical or otherwise or any combination thereof and all types of equipment, raw material, components, spare parts and fitting thereof and other related products and accessories thereto.
3. To deal in, purchase, sell, import, export, exchange barter, or supply and or to act as principal, dealers, traders, agents, sub-agents, representative of manufacturers either solely or in conjunction with others and either by or through agents, sub-contractors, trustees or otherwise for all kind of Indian/Foreign manufactured goods, intermediate products, commodities, raw materials, services in the foreign countries and vice-versa and to establish or maintain services, branch or branches, agent or agents, anywhere in the world in connection with the business of the company as referred to in the sub-clause 1 and 2 above.

Dividends

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of its shareholders at the annual general meeting of its shareholders. The shareholders have the right to decrease but not increase the dividend amount recommended by the board of directors. Dividends are generally declared as a percentage of par value (on per share basis) and distributed and paid to shareholders. The Companies Act provides that shares of the same class of a company must receive equal dividend treatment.

These distributions and payments are required to be paid to or claimed by shareholders within 30 days of the date of declaration of dividend. The Companies Act states that any dividends that remain unpaid or unclaimed after that period are to be transferred to a special bank account within seven days from the date of expiry of the period of 30 days. Any dividend amount that remains unclaimed for seven years from the date of such transfer is to be transferred by our Company to a fund, called the Investor Education and Protection Fund, created by the Government of India.

The Articles authorize the Board to pay to the members such interim dividends as in their judgement the position of our Company justifies. Under the Companies Act dividends payable can be paid only in cash to the registered shareholder at a record date fixed

prior to the relevant AGM, to his order or to the order of his banker. However, any dividend payable in cash may be paid by cheque or warrant or in any electronic mode to the shareholder entitled to the payment of the dividend.

No dividend shall be payable except out of the profits of the year or any other undistributed profits of the Company, or otherwise than in accordance with the provisions of the Act and no dividend shall carry interest as against the Company.

Bonus Shares

In addition to permitting dividends to be paid as described above, the Companies Act permits the Board, subject to the approval of the Shareholders of our Company, to distribute to the Shareholders, in the form of fully paid-up bonus shares, an amount transferred from the company's free reserves, securities premium account or the capital redemption reserve account. These bonus equity shares must be distributed to the Shareholders in proportion to the number of equity shares owned by them.

Bonus shares can only be issued if the company has not defaulted in payments of statutory dues of the employees, such as, contribution to provident fund, gratuity and bonus or principal/interest payments on fixed deposits or debt securities issued by it. Bonus shares shall not be issued in lieu of dividend.

Pre-Emptive Rights and Offer of Additional Shares

The Companies Act gives shareholders the right to subscribe for new shares in proportion to their existing shareholdings unless otherwise determined by a resolution passed members who, being entitled so to do, vote in person or by proxy or by postal ballot, are required to be not less than three times the number of the votes, if any, cast against the resolution by members so entitled and voting. Under the Companies Act and the Articles, in the event of an issuance of securities, subject to the limitations set forth above, our Company must first offer the new Equity Shares to the holders of Equity Shares at the date of offer. The offer shall be made by notice specifying the number of Equity Shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. The offer, required to be made by notice, shall include a statement that the right exercisable by the Shareholders to renounce the Equity Shares offered in favour of any other person.

Our Board is permitted to distribute Equity Shares not accepted by existing shareholders in the manner it deems beneficial for us in accordance with the Articles.

Issuance of Preference Shares

Subject to Section 80 of the Companies Act, and in accordance with the Articles, any new shares may be issued as redeemable preference shares which are liable to be redeemed in any manner permissible under the Companies Act.

General meetings of shareholders

There are two types of general meetings of shareholders: (i) AGM; and (ii) EGM. Our Company must hold its AGM within six months after the expiry of each Fiscal provided that not more than 15 months shall elapse between the AGM and next one, unless extended by the RoC at its request for any special reason for a period not exceeding three months. Our Board may convene an EGM when necessary or at the request of Shareholders in accordance with the Companies Act. Written notice or notice via electronic mode means setting out the business to be transacted at the meeting must be given at least 21 days prior to the date set for the general meeting to the Shareholders. Shorter notice is permitted if consent is received from 95% of the Shareholders entitled to vote at such meeting. Five Shareholders or such other number of Shareholders as required under the Companies Act or applicable law personally present shall constitute quorum for a general meeting.

Voting rights

A shareholder has one vote for each equity share and voting may be on a poll or through electronic means or postal ballot.

Ordinary resolutions may be passed by simple majority if the votes cast in favour exceeds the votes cast against the resolution. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution.

A shareholder may exercise his voting rights by proxy to be given in the form required by the Companies Act read with the rules issued thereunder. The instrument appointing a proxy is required to be lodged with our Company at least 48 hours before the time of the meeting.

Transfer and transmission of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are subject to STT (levied on and collected by the stock exchanges on which such equity shares are sold), however, are exempt from stamp duty. Our Company has entered into an agreement for such depository services with the Depositories. SEBI requires that the shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. Our Company shall keep a book in which every transfer or transmission of shares will be entered.

Pursuant to the SEBI Listing Regulations, except in case of transmission or transposition of Equity Shares, requests for effecting transfer of Equity Shares shall not be processed unless the Equity Shares are held in dematerialized form with a depository.

The Equity Shares shall be freely transferable, subject to applicable laws.

Winding up

Our Articles of Association provide that on winding up, the liquidator may, with the sanction of a special resolution and any other sanction required under the Companies Act, 2013, divide amongst the members, in specie or kind, the whole or any part of the assets of our Company and vest the whole or any part of the assets of the Company in trustees upon such trust for the benefit of the contributories if considered necessary.

TAXATION

To,

Board of Directors
PG Electroplast Limited
DTJ-209, DLF Tower-B,
Jasola, New Delhi – 110025
India

JM Financial Limited
7th Floor, Cnergy,
Appasaheb Marathe Marg, Prabhadevi,
Mumbai – 400025
Maharashtra, India

(JM Financial Limited is referred to as the “**Placement Agent**”)

Subject: Qualified institutions placement of equity shares of face value ₹ 1 each (“Equity Shares”) by PG Electroplast Limited (the “Company”) under Chapter VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, and Section 42 and 62 of the Companies Act, 2013, as amended, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended (the “Issue”).

We, S S Kothari Mehta & Co. LLP, Chartered Accountants, statutory auditors of the Company, hereby report the possible special tax benefits available to the Company and the shareholders of the Company, under the Income Tax Act, 1961, as amended (the “**IT Act**”), applicable Indirect Tax Laws (as defined in the Annexure A), along with the rules, regulations, circulars and notifications issued thereon, as applicable to the assessment year 2025-26 relevant to the financial year 2024-2025, presently in force in India, in the enclosed statement at **Annexure A**.

Several of these stated tax benefits/consequences are dependent on the Company and/or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Therefore, the ability of the Company and/or its shareholders to derive the tax benefits is dependent on fulfilling such conditions.

The benefits discussed in the enclosed Annexure A cover the possible special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company and its shareholders. Further, the preparation of the enclosed Annexure A and its contents is the responsibility of the Management of the Company. We were informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed offer particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on the Statement.

The Management is responsible for ensuring that the Company complies with the requirements of the applicable laws and shall be responsible for providing us the required information/documents as may be required by us for certifying the requirement as per paragraph above.

The benefits discussed in the enclosed annexure are not exhaustive. **Annexure A** is for your information, and we consent its inclusion in the preliminary placement document and placement document, as amended or supplemented thereto (together the “**Placement Documents**”) to be filed by the Company with the stock exchanges, the Securities and Exchange Board of India (“**SEBI**”), and the Registrar of Companies, and any other authority and such other documents as may be prepared in connection with the Issue.

In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither are we suggesting nor advising the investor to invest money based on this statement.

We do not express any opinion or provide any assurance as to whether:

- i) the Company or its shareholders will continue to obtain these benefits in future; or

- ii) the conditions prescribed for availing the benefits have been/would be met with; or
- iii) the revenue authorities / courts will concur with the views expressed herein.

We consent to the inclusion of the above information in the Placement Documents to be filed by the Company with the stock exchanges on which the Equity Shares of the Company are listed (the “**Stock Exchanges**”), the Securities and Exchange Board of India, and the Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi, and any other authority and such other documents as may be prepared in connection with the Issue

We undertake to immediately inform in writing to the Placement Agent and legal counsel in case of any changes to the above until the date when the Equity Shares issued pursuant to the Issue commence trading on the Stock Exchanges. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate.

Capitalized terms used herein, unless otherwise specifically defined, shall have the same meaning as ascribed to them in the Placement Documents.

For **S S Kothari Mehta & Co. LLP**
Chartered Accountants
Firm Registration Number: 000756N/N500441

AMIT GOEL
Partner
Membership Number: 500607

Place: New Delhi
Date: December 4, 2024
UDIN: 24500607BKEJHK2889

CC:

Legal Counsel to the Issue as to Indian Law

Trilegal
One World Centre
10th Floor, Tower 2A and 2B
Senapati Bapat Marg
Lower Parel (West), Mumbai 400 013
Maharashtra, India

Annexure A related with statement of special tax benefits dated December 4, 2024

PG Electroplast Limited

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND TO ITS SHAREHOLDERS UNDER THE DIRECT AND INDIRECT TAX LAWS IN INDIA.

I. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY UNDER DIRECT TAXATION

Outlined below are the special tax benefits available to PG Electroplast Limited (the “**Company**”) and its Shareholders under the Income-Tax Act, 1961 (the “**Act**”) as amended by the Finance Act, 2024 applicable for Financial Year 2024-25 relevant to the Assessment Year 2025-26.

Special direct tax benefits available to the Company

- **Lower corporate tax rate under section 115BAA**

Section 115BAA has been inserted in the Act w.e.f. FY 2019-20. It gives an option to domestic Company to be governed by this section from a particular assessment year. If a Company opts for section 115BAA of the Act, the Company can pay corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and education cess of 4%). However once opted for reduced rate of taxation under the said section, it cannot be subsequently withdrawn.

Section 115BAA further provides that domestic companies availing the option will not be required to pay Minimum Alternate Tax (MAT) on their ‘book profits’ under section 115JB of the Act. However, such a Company will no longer be eligible to avail any specified exemptions / incentives under the Act and will also need to comply with the other conditions specified in section 115BAA. Also, if a Company opts for section 115BAA, the tax credit (under section 115JAA), if any, which it is entitled to on account of MAT paid in earlier years, will no longer be available.

Further, it shall not be allowed to claim set-off of any brought forward losses arising to it on account of additional depreciation and other specified incentives.

The Company has already evaluated and opted for the lower corporate tax rate of 25.168% (prescribed under section 115BAA of the Act) with effect from AY 2020-21.

Special direct tax benefits available to the Shareholders

There are no special direct tax benefits available to the shareholders.

II. TAX BENEFITS AVAILABLE TO THE COMPANY UNDER INDIRECT TAXES

Benefits available to the Company and the Shareholders of the Company under the Central Goods and Services Tax Act, 2017 (“**CGST Act**”), Integrated Goods and Services Tax Act, 2017 (“**IGST Act**”), respective State Goods and Services Tax Act, 2017 (“**SGST Act**”), Customs Act, 1962, Customs Tariff Act, 1975 and The Foreign Trade Policy 2023, as notified by the Central Government w.e.f. April 1, 2023. (Collectively referred to as “**Indirect Tax Laws**”) are as under:

Special Tax Benefits available to the Company

There are no special tax benefits as such available to the company under the Indirect Tax Laws, except deferred payment of customs duty on import of inputs or capital goods under Manufacture and other operations in Warehouse Regulations 2019 (No 2 Regulations) at one of its plants for which the license has been granted.

Special indirect tax benefits available to the Shareholders

No special benefits are available to the Shareholders under the Indirect Tax Laws.

Notes:

1. There are no other special direct and indirect tax benefits that are available to the Company or its shareholders presently.
2. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

3. For direct tax benefits, this Annexure sets out only the special tax benefits available to the Company and the shareholders under the current Income-tax Act, 1961 i.e. the Act as amended by the Finance Act, 2024 applicable for the Financial Year 2024-25 relevant to the Assessment Year 2025-26, presently in force in India.
4. This Annexure is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax arising out of their participation in the Offer.
5. Our views expressed in this statement are based on the facts and assumptions as indicated in the statement. No assurance is provided that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

PG Electroplast Limited

Promod C. Gupta
Chief Financial Officer

LEGAL PROCEEDINGS

Our Company is involved in various legal proceedings from time to time, mostly arising in the ordinary course of business. These legal proceedings are primarily in the nature of, amongst others, tax disputes and civil proceedings, which are pending before various adjudicating forums.

As on the date of this Preliminary Placement Document, except as disclosed below, there is no outstanding legal proceeding which has been considered material in accordance with our Company's policy in relation to disclosure of material events framed in accordance with Regulation 30 of the SEBI Listing Regulations. and adopted by the Board, pursuant to its resolution dated December 4, 2024.

*Except as disclosed in this section, such disclosures having been made solely for the purpose of the Issue, there are no (i) outstanding criminal proceedings involving our Company, our Subsidiaries, our Directors and our Promoters; (ii) outstanding actions by statutory or regulatory authorities against our Company and our Subsidiaries; (iii) outstanding civil proceedings involving our Company, our Subsidiaries, our Directors and our Promoters, where the amount equal to or in excess of (a) 2% of the turnover of our Company as per the Audited Consolidated Financial Statements for the preceding financial year; or (b) 2% of the net worth of our Company as per the Audited Consolidated Financial Statements as at the end of the preceding financial year; or (c) 5% of the average of the absolute value of the profit/loss after tax of our Company as per the Audited Consolidated Financial Statements of the preceding three financial years disclosed in the relevant Offer Documents, whichever is lower ("**Materiality Threshold**"); 2% of turnover, as per the Audited Consolidated Financial Statements for Fiscal 2024 is ₹ 549.30 million, 2% of net worth, as per the Audited Consolidated Financial Statements as at March 31, 2024 is ₹ 207.62 million and 5% of the average of absolute value of profit or loss after tax, as per the Audited Consolidated Financial Statements for the last three Fiscals is ₹ 41.98 million. Accordingly, ₹ 41.98 million has been considered as the materiality threshold for the purpose of (a) above;; (iv) outstanding direct and indirect tax matters involving our Company or our Subsidiaries, disclosed in a consolidated manner; (v) other outstanding litigation involving our Company or our Subsidiaries wherein the amount involved cannot be determined or is below the Materiality Threshold, but an adverse outcome of which could, individually or in the aggregate, materially and adversely affect the reputation, operations or financial position of our Company or its Subsidiaries, and (vi) other outstanding litigation involving our Promoters and our Directors wherein an adverse outcome could materially and adversely affect the reputation, operations or financial position of our Company and our Subsidiaries (as a whole).*

Further, as on the date of this Preliminary Placement Document, other than as disclosed in this section: (i) there is no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoters during the last three years immediately preceding the year of circulation of this Preliminary Placement Document and no directions have been issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (ii) there are no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the year of circulation of this Preliminary Placement Document involving our Company or our Subsidiaries, nor are there any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document involving our Company or Subsidiaries; (iii) there are no defaults in repayment of (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interests thereon and (d) any loan obtained from any bank or financial institution and interest thereon by our Company, as of the date of this Preliminary Placement Document; (iv) there are no material frauds committed against us in the last three years; (v) there are no defaults in annual filing of our Company under the Companies Act, 2013 and the rules made thereunder; (vi) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations.

It is clarified that for the purposes of the above, pre-litigation notices received by any of our Company, our Subsidiaries, our Directors and/or our Promoters from third parties (excluding statutory / regulatory / governmental authorities or notices threatening criminal action) shall, not be considered as litigation proceedings till such time that any of our Company, our Subsidiaries, our Directors and/or our Promoters, are impleaded as parties in any such litigation proceedings before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

Capitalised terms used herein shall, unless otherwise specified, have the meanings ascribed to such terms in this section.

Tax litigation

As on the date of this Preliminary Placement Document, except as disclosed below, there are no outstanding tax litigations, involving our Company and our Subsidiaries:

Nature of case	Number of cases	Amount involved (in ₹ million)*
<i>Tax litigation involving our Company</i>		
Direct tax	Nil	Nil
Indirect tax	2	150.42
Total	2	150.42
<i>Tax litigation involving our Subsidiaries</i>		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
Total	Nil	Nil

* To the extent quantifiable, including interest and penalty thereon.

STATUTORY AUDITORS

Our Company's current Statutory Auditors, S S Kothari Mehta & Co. LLP, Chartered Accountants (FRN: 000756N), are independent auditors with respect to our Company as required by the Companies Act, 2013 and in accordance with the guidelines prescribed by the ICAI and have been appointed as the statutory auditors of our Company, pursuant to the approval of the shareholders of our Company at the general meeting held on September 29, 2021.

The Fiscal 2022 Audited Consolidated Financial Statements and the Fiscal 2023 Audited Consolidated Financial Statements, the Fiscal 2024 Audited Consolidated Financial Statements and the Unaudited Interim Condensed Consolidated Financial Statements together with the respective reports thereon issued by our current Statutory Auditors, S S Kothari Mehta & Co. LLP, Chartered Accountants (FRN: 000756N), have been included in this Preliminary Placement Document.

The peer review certificate of our current Statutory Auditor, S S Kothari Mehta & Co. LLP, Chartered Accountants (FRN: 000756N), is valid till August 31, 2025.

FINANCIAL INFORMATION

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Report on Review of the Unaudited Interim Condensed Consolidated Financial Statements

To the Board of Directors
PG Electroplast Limited
Greater Noida

1. We have reviewed the accompanying Unaudited Interim Condensed Consolidated Financial Statements of **PG Electroplast Limited** (“the Company or Holding Company”) and its subsidiaries/Step down subsidiary (the Holding and its Subsidiaries/Step-down subsidiary together referred as ‘the Group’), which comprise the Unaudited Interim Condensed Consolidated Balance Sheet as at September 30, 2024 and the Unaudited Interim Condensed Consolidated Statement of Profit and Loss, including other comprehensive income, Unaudited Interim Condensed Consolidated Cash Flow Statement and the Unaudited Interim Condensed Consolidated Statement of Changes in Equity for the six months period then ended and a summary of select explanatory notes (including the comparative financial information for the six months ended September 30, 2023) (together hereinafter referred to as the “Unaudited Interim Condensed Consolidated Financial Statements”). The Unaudited Interim Condensed Consolidated Financial Statements have been prepared by the Company solely in connection with the proposed offering of equity shares of the Company in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended and other applicable laws.
2. This Unaudited Interim Condensed Consolidated Financial Statements is the responsibility of the Holding Company’s Management and approved by the Holding Company’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “Interim Financial Reporting” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013 as amended (the Act), read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Unaudited Interim Condensed Consolidated Financial Statements based on our review.
3. We conducted our review of the Unaudited Interim Condensed Consolidated Financial Statements in accordance with the Standard on Review Engagements (SRE) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Institute of Chartered Accountants of India. This standard required that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted and upon considerations of report of other auditor read with para 5(a) and Para 5(d) below and management certified financial information read with para 5(b) and Para 5(c) below, nothing further has come to our attention that causes us to believe that the accompanying unaudited interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with requirements of Ind AS 34 “Interim Financial Reporting” .
5. **Other matters**
 - a. We did not review the unaudited interim condensed financial statements of two subsidiaries (including step down subsidiary) whose interim condensed financial statements reflects total asset (before consolidation adjustments) of Rs. 1,55,904.00 lakh as at September 30, 2024; total revenue (before consolidation adjustments) of Rs. 1,28,960.56 lakhs, profit after tax (before consolidation adjustments) of Rs. 6,386.02 lakhs, total comprehensive income (before consolidation adjustments) of Rs. 6,343.61 lakh for the six months ended September 30, 2024 respectively, and net cash inflow of Rs. 910.52 lakhs for the six months ended September 30, 2024, as considered in this Unaudited Interim Condensed Consolidated Financial Statements. The interim financial statements of these subsidiaries (including step down subsidiary) are reviewed by their independent auditors whose review report have been furnished to us by the management and our conclusion on the Unaudited Interim Condensed Consolidated Financial Statements, in so far as it relates to the amounts and disclosure in respect of these subsidiaries (including step down subsidiary) are based solely on the report of such auditors.

- b. We did not review the unaudited interim condensed financial statements of one subsidiary, whose interim condensed financial statements reflects total asset (before consolidation adjustments) of Rs. 0.65 lakh as at September 30, 2024; total revenue (before consolidation adjustments) of Rs Nil, loss after tax of Rs. 0.12 lakh, total comprehensive loss (before consolidation adjustments) of Rs. 0.12 lakh for the six months ended September 30, 2024 respectively, and net cash inflow (before consolidation adjustments) of Rs. Nil for the six months ended September 30, 2024. Financial information of the controlled entity duly certified by the management is furnished to us. Our report, to the extent it concerns this subsidiary, on the Unaudited Interim Consolidated Financial Statements is based solely on the management certified financial statements/information. This subsidiary is not considered material to the Group.
- c. We did not review the unaudited interim condensed financial statements of one controlled entity, whose interim condensed financial statements reflects total asset (before consolidation adjustments) of Rs. 1297.36 lakh as at September 30, 2024; total revenue (before consolidation adjustments) of Rs. 0.49 lakh, profit after tax of Rs. 0.49 lakh, total comprehensive income (before consolidation adjustments) of Rs. 0.49 lakh for the six months ended September 30, 2024 respectively, and net cash inflow (before consolidation adjustments) of Rs. 151.18 lakhs for the six months ended September 30, 2024. Financial information of the controlled entity duly certified by the management is furnished to us. Our report, to the extent it concerns this controlled entity, on the Unaudited Interim Consolidated Financial Statements is based solely on the management certified financial statements/information. This controlled entity is not considered material to the Group.
- d. We did not review the unaudited interim condensed financial statement of one Joint Venture Company, wherein the interim condensed financial statements reflects Group's, share of loss including other comprehensive loss (before consolidation adjustments) is Rs (-) 124.54 for the six months ended September 30, 2024. The interim financial statements of this joint venture is reviewed by their independent auditor whose review report have been furnished to us by the management and our conclusion on the Unaudited Interim Condensed Consolidated Financial Statements, in so far as it relates to the amounts and disclosure in respect of this joint venture are based solely on the report of such auditor.

Our conclusion on the Unaudited Interim Consolidated Financial Statements is not modified in respect of above matters.

For S S KOTHARI MEHTA & CO. LLP
Chartered Accountants
Firm's Registration No. 000756N/N500441

AMIT GOEL
Partner
Membership No. 500607

Place: New Delhi
Date: December 4, 2024
UDIN: 24500607BKEJHI1030

PG Electroplast Limited
(CIN L32109DL2003PLC119416)
Unaudited interim condensed consolidated balance sheet as at September 30, 2024
(All amounts are in rupees lakhs, unless otherwise stated)



Particulars	Note	As at September 30, 2024	As at March 31, 2024
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	79,210.92	78,133.15
(b) Capital work-in-progress	3	14,234.99	6,324.00
(c) Goodwill	4	0.34	0.34
(d) Intangible assets	4	157.80	121.06
(e) Other intangible assets under development	4A	217.08	217.08
(f) Financial assets			
(i) Investment	5	1,033.04	552.75
(ii) Other financial assets		2,267.93	2,028.48
(g) Other non-current assets		8,443.89	2,845.27
Total non-current assets		105,565.99	90,222.13
Current assets			
(a) Inventories		59,530.17	54,339.41
(b) Financial assets			
(i) Trade receivables		47,083.71	55,302.66
(ii) Cash and cash equivalents		4,192.28	3,018.16
(iii) Bank balances other than(ii) above		10,516.06	15,223.35
(iv) Loans		93.26	643.54
(v) Others financial assets		3,840.09	4,266.60
(c) Other current assets		16,728.14	7,582.67
(d) Income tax assets (Net)		172.43	200.03
Total current assets		142,156.14	140,576.42
Total assets		247,722.13	230,798.55
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	6	2,616.34	2,602.62
(b) Other equity		111,945.82	101,205.53
Total equity		114,562.16	103,808.15
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	7	18,493.18	18,702.74
(ii) Other financial liabilities		184.91	224.25
(iii) Lease Liabilities		6,519.74	6,803.39
(b) Deferred tax liabilities (Net)		3,139.57	2,949.92
(c) Provisions		963.78	774.40
(d) Other liabilities		1,185.92	1,192.63
Total Non-current liabilities		30,487.10	30,647.33
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	7	19,885.99	17,353.42
(ii) Trade payables			
Total outstanding due of micro & small enterprises		3,747.10	8,079.37
Total outstanding due other than micro & small enterprises		59,514.84	56,561.60
(iii) Other financial liabilities		8,221.77	6,845.39
(iv) Lease Liabilities		677.34	616.50
(b) Other current liabilities		9,929.19	6,331.67
(c) Provisions		125.54	111.40
(d) Income tax liabilities (Net)		571.10	443.72
Total Current liabilities		102,672.87	96,343.07
Total liabilities		133,159.97	126,990.40
Total equity and liabilities		247,722.13	230,798.55
Corporate information	1		
Material Accounting Policies	2		

The accompanying notes form an integral part of unaudited interim condensed consolidated financial statements.

As per our report of even date attached
For S.S.Kothari Mehta & Co. LLP
Chartered Accountants
Firm Registration No. 000756N/N500441

For and on behalf of Board of Directors
PG Electroplast Limited

AMIT GOEL
Partner

M. No. 500607

Anurag Gupta
Chairman & Executive Director
DIN-00184361

Vishal Gupta
Managing Director -
Finance
DIN-00184809

Place: Greater Noida, U.P.
Dated : December 4, 2024

Sanchay Dubey
Company Secretary
ACS No:A51305

Promod C Gupta
Chief Financial Officer



Unaudited interim condensed consolidated statement of profit & loss for the half year ended September 30,2024
(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	Note	For the half year ended September 30,2024	For the half year ended September 30,2023
I. Income			
(a) Revenue from operations	8	199,197.92	113,803.81
(b) Other income	9	804.68	458.33
Total income		200,002.60	114,262.14
II. Expenses:			
(a) Cost of materials consumed		147,974.17	84,423.97
(b) Purchase of stock-in-trade		9,759.94	5,114.96
(c) Changes in inventories of finished goods, work in progress & stock in trade		2,814.36	2,502.06
(d) Employee benefits expense		11,264.20	7,176.92
(e) Finance costs		3,335.93	2,624.23
(f) Depreciation and amortisation expense	3A	3,052.28	2,175.86
(g) Other expenses		8,682.19	4,248.26
Total Expenses		186,883.07	108,266.26
III. Profit before tax (I-II)		13,119.53	5,995.88
IV. Tax expense			
(a) Current tax		2,487.55	1,365.88
(b) Deferred tax		192.48	10.86
Total tax expenses		2,680.03	1,376.74
V. Profit for the period (III-IV)		10,439.50	4,619.14
VI. Add/(less) : Share of net (loss) of joint venture entity accounted for using the equity method		(137.24)	(2.07)
VII. Profit /(Loss) for the period after profit/(Loss) of joint ventur-entity (V+VI)		10,302.26	4,617.07
VIII. Other comprehensive income			
A(i) Items that will not be reclassified to profit or loss		(27.53)	(48.84)
(ii) Income tax relating to items that will not be reclassified to profit or loss		2.83	12.11
B(i) Items that will reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total other comprehensive income/loss for the period (net of tax)		(24.70)	(36.73)
IX. Total comprehensive income for the period (VII+VIII)		10,277.56	4,580.35
Profit attributable to:			
Owners of the Company		10,302.26	4,617.07
Non-controlling interests		-	-
Other comprehensive income attributable to:			
Owners of the Company		(24.70)	(36.73)
Non-controlling interests		-	-
Total comprehensive income attributable to:			
Owners of the Company		10,277.56	4,580.35
Non-controlling interests		-	-
X. Earnings Per equity share (not annualised)			
(a) Basic	10	3.95	1.98
(b) Diluted		3.87	1.96
Corporate information	1		
Material Accounting Policies	2		

The accompanying notes form an integral part of unaudited interim condensed consolidated financial statements.

As per our report of even date attached
For S.S.Kothari Mehta & Co. LLP
Chartered Accountants
Firm Registration No. 000756N/N500441

For and on behalf of Board of Directors
PG Electroplast Limited

AMIT GOEL
Partner
M. No. 500607

Anurag Gupta
Chairman & Executive Director
DIN-00184361

Vishal Gupta
Managing Director - Finance
DIN-00184809

Place: Greater Noida, U.P.
Dated : December 4, 2024

Sanchay Dubey
Company Secretary
ACS No:A51305

Promod C Gupta
Chief Financial Officer



Unaudited Interim condensed consolidated statement of cash flow for the half year ended September 30, 2024

(All amounts are in rupees lakhs, unless otherwise stated)

Particulars	For the half year ended September 30, 2024	For the half year ended September 30, 2023
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	13,119.53	5,995.88
Adjustments to reconcile profit before tax to net cash flows		
Depreciation/amortization (Includes depreciation of Right to Use)	3,052.28	2,175.86
ESOP expenses	798.95	738.25
Employees expenses non operating	(27.53)	(48.84)
Loss on sale of fixed assets & assets written off	6.73	0.16
Profit on sale of fixed assets	(10.76)	(5.13)
Misc balances written off	0.76	0.21
Provision for warranty expenses- post sales	28.10	(6.00)
Provision for slow & non moving Inventories	25.27	58.11
Loss on fixed assets due to fire	-	15.05
Loss on inventory due to fire	126.07	-
Liabilities written back	(0.75)	(0.30)
Interest expense on leased liabilities	302.41	147.98
Profit on Recognition of Investment through FVTPL	(18.21)	(11.01)
Interest expense	3,033.53	2,476.26
Interest income	(764.17)	(308.92)
Operating profit before working capital changes	19,672.21	11,227.57
Movements in working capital :		
Increase/(decrease) in trade Payables	(1,378.27)	(12,516.72)
Increase/(decrease) in non current provisions	189.38	203.32
Increase/(decrease) in non - current liabilities	(6.71)	55.20
Increase/(decrease) in current provisions	(13.96)	15.65
Increase/(decrease) in Other Current Liabilities	3,597.53	(1,663.38)
Increase/(decrease) in other Financial Liabilities	629.23	(968.86)
Decrease/(increase) in trade receivables	8,218.19	24,757.46
Decrease/(increase) in inventories	(5,342.11)	(16.29)
Decrease / (increase) in Short term loans	(25.27)	(17.20)
Decrease/(increase) in Other Current Assets	(9,145.47)	781.53
Decrease/(increase) in Other current financial asset	433.94	(82.79)
Decrease/(increase) in Other non Current Assets	12.57	(8.15)
Decrease/(increase) in other non financial current asset	(10.20)	(109.78)
Cash generated from operations	16,831.06	21,657.56
Direct taxes (paid)/refund	(2,332.57)	(904.25)
Net cash flow from generated form operating activities (A)	14,498.49	20,753.31
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property Plant and equipment including CWIP & Intangible assets	(17,414.60)	(9,346.22)
Proceeds from sale of Property plant and equipment	30.93	8.54
Investments made during the year	(723.60)	(570.80)
Bank Deposit having maturity more than 3 months	4,478.05	(15,570.29)
Interest received	756.74	226.14
Net cash flow (used in) investing activities (B)	(12,872.48)	(25,252.63)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long-term borrowings	3,276.21	2,921.73
Repayment of long-term borrowings	(3,691.86)	(6,956.87)
Proceeds from Equity Share Capital	900.60	49,171.19
Short-term borrowings (Net)	2,699.32	(23,225.39)
Payment of principal portion of lease liabilities	(310.84)	(151.14)
Payment of interest portion of lease liabilities	(302.41)	(147.98)
Interest paid	(3,022.91)	(2,523.04)
Net cash flow(used in)/ generated from financing activities (C)	(451.89)	19,088.50
Net increase/(decrease) in cash and cash equivalents (A + B + C)	1,174.12	14,589.18
Cash and cash equivalents at the beginning of the period	3,018.16	866.91
Cash and cash equivalents at the end of the period	4,192.28	15,456.09
	As at	As at
	September 30, 2024	September 30, 2023
Components of cash and cash equivalents		
Cash on hand	8.14	11.55
With banks:		
-on current account	4,184.14	15,444.54
Total cash and cash equivalents	4,192.28	15,456.09

PG Electroplast Limited



Unaudited Interim condensed consolidated statement of cash flow for the half year ended September 30,2024

(All amounts are in rupees lakhs, unless otherwise stated)

Notes

- i The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS 7) "Statement of Cash Flows".
- ii Figures in brackets indicates cash outflow

As per our report of even date attached
For S.S.Kothari Mehta & Co. LLP
Chartered Accountants
Firm Registration No. 000756N/N500441

For and on behalf of Board of Directors
PG Electroplast Limited

AMIT GOEL
Partner

M. No. 500607

Anurag Gupta
Chairman & Executive Director
DIN-00184361

Vishal Gupta
Managing Director - Finance
DIN-00184809

Place: Greater Noida, U.P.
Dated : December 4, 2024

Sanchay Dubey
Company Secretary
ACS No:A51305

Promod C Gupta
Chief Financial Officer

PG Electroplast Limited

Unaudited interim condensed consolidated statement of changes in equity for the half year ended September 30,2024

(All Amounts are in Rupees, unless otherwise stated)

A EQUITY SHARE CAPITAL

Equity shares of Rs.1(previous year Rs 10) each issued, subscribed and fully paid up

Particulars	Notes	Amount(In Rs)
As at April 1, 2023		2,274.26
Issue of share capital	6	328.36
As at March 31, 2024		2,602.62
Issue of during the half year ended	6	13.72
As at September 30, 2024		2,616.34

B OTHER EQUITY

Particulars	Reserves and surplus				Other Comprehensive Income	Employee Share Option Reserve	Total other equity
	Capital Reserve	Treasury Shares	Security premium	Retained earnings			
Balance as at April 1, 2023	-	(6.25)	23,239.38	13,513.97	101.40	470.02	37,318.52
Profit for the year	-	-	-	13,490.02	-	-	13,490.02
Remeasurement gain on defined benefit plans	-	-	-	-	(19.89)	-	(19.89)
Transferred to securities premium	-	-	48,846.83	-	-	-	48,846.83
Treasury Shares	-	5.25	-	-	-	-	5.25
Amount Transferred to retained earning on excise of ESOPs	-	-	-	202.90	-	(202.90)	(0.01)
Adjustment on termination of ESOP	-	-	-	-	-	(5.25)	(5.25)
Business Combination	18.41	-	-	-	-	-	18.41
Share based employee expenses	-	-	-	-	-	1,551.65	1,551.65
Balance as at March 31, 2024	18.41	(1.00)	72,086.21	27,206.89	81.51	1,813.52	101,205.53
Profit for the period	-	-	-	10,302.26	-	-	10,302.26
Remeasurement gain on defined benefit plans	-	-	-	-	(24.70)	-	(24.70)
Transferred to securities premium	-	-	886.88	-	-	-	886.88
Treasury Shares	-	(723.60)	-	-	-	-	(723.60)
Amount Transferred to retained earning on excise of ESOPs	-	-	-	683.78	-	(683.78)	-
Dividend on Equity Share Capital	-	-	-	(523.27)	-	-	(523.27)
Share based employee expenses	-	-	-	-	-	822.72	822.72
Balance as at September 30 2024	18.41	(724.60)	72,973.09	37,669.66	56.81	1,952.46	111,945.82

PG Electroplast Limited

Unaudited interim condensed consolidated statement of changes in equity for the half year ended September 30,2024

(All Amounts are in Rupees, unless otherwise stated)

C Nature and Purpose of Reserves

(i) **Securities premium**

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

(ii) **Retained earnings**

Retained earnings are profits that the Group has earned till date less transfer to other reserve, dividend or other distribution or transaction with shareholders.

(iii) **Employee share option reserve**

The share option outstanding account is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

(iv) **Other comprehensive income**

Other comprehensive income is the actuarial gain/(loss) on defined benefit plans (i.e Gratuity) till the date which will not be reclassified to statement of profit and loss subsequently.

(v) **Money received against share warrants**

It pertains to the application money received on grant of share warrants, this will be transferred to equity share and securities premium on conversion into equity share capital.

As per our report of even date attached
For S.S.Kothari Mehta & Co. LLP
Chartered Accountants
Firm Registration No. 000756N/N500441

For and on behalf of Board of Directors
PG Electroplast Limited

AMIT GOEL

Partner

Chartered Accountants
Place: Greater Noida, U.P.
Dated : December 4, 2024

Anurag Gupta

Chairman & Executive Director

DIN-00184361

Sanchay Dubey

Company Secretary

ACS No:A51305

Vishal Gupta

Managing Director -
Finance

DIN-00184809

Promod C Gupta

Chief Financial Officer

PG Electroplast Limited

Notes to the unaudited interim condensed consolidated financial statements for the half year ended September 30,2024
(All Amounts are in Rupees lakhs, unless otherwise stated)

1 CORPORATE INFORMATION

The interim condensed consolidated financial statements comprise financial statements of PG Electroplast Limited (“the Parent Group”) and its subsidiaries/Step down subsidiary Company, its controlled entity (collectively,“the Group”) and its Joint venture Company as at and for the half year ended September 30, 2024. PG Electroplast Limited (“the Parent group”) is a public group domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its equity shares are listed with the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The registered office of the group is located at DTJ - 209, DLF Tower B, Jasola, New Delhi - 110025. The Group is an Electronic Manufacturing Services (EMS) provider for Original Equipment Manufacturers (OEMs) of consumer electronic products in India. The group manufactures and / or assemble a comprehensive range of consumer electronic components and finished products such as Kitchen Appliances, air conditioners (ACs) sub- assemblies, Air Cooler, Washing Machine, Mobile handsets, LED for third parties.

2 Basis of preparation

These unaudited condensed consolidated interim financial statements which comprise the condensed consolidated balance sheet as at September 30, 2024, the condensed consolidated statement of profit and loss (including other comprehensive income), the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half year ended September 30, 2024 and key explanatory information (together herein after referred to as "Unaudited Condensed Consolidated Interim Financial Statements") have been prepared in accordance with the principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India.

The accounting policies and critical accounting estimates & judgements followed in the preparation of the Unaudited Condensed Consolidated Interim Financial Statements are consistent with those followed in the preparation of Financial Statements for the year ended March 31, 2024(Fiscal year 2024).

The Unaudited Condensed Consolidated Interim Financial Statements do not include all the information and disclosures Statements as at March 31, 2024. However, selected explanatory notes are included to explain events and transactions financial position and performance since the last Audited Financial Statements. These Unaudited Condensed Consolidated Interim Financial Statements are not the statutory accounts for the purpose of any statutory compliances or for regulatory requirements in any jurisdiction.

These Unaudited Condensed Consolidated Interim Financial Statements have been prepared only for the purpose of inclusion in the Preliminary Placement Document and the Placement Document to be filed with the Securities and Exchange Board of India, Registrar of Companies and the Stock Exchanges in connection with the proposed offering of equity shares of face value of Rs. 1 each in QIP in accordance with Provision of SEBI ICDR2018.

These Unaudited Interim Condensed Consolidated Financial Statements as at and for the half year ended September 30, 2024 along with the comparatives as mention above are approved and adopted by the Committee of the Board of Directors of the Company in their meeting held on December 4, 2024.

PG Electroplast Limited
Notes to the unaudited interim condensed consolidated financial statements as at September 30, 2024
(All Amounts are in Rupees lakhs, unless otherwise stated)

3 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

Particulars	Property, Plant and Equipment						Right-to-Use		Total	Capital Work in Progress
	Buildings, Lease hold Improvement	Plant and Equipment's	Electric installation	Furniture and Fixtures	Vehicles	Office equipment	Leasehold Land	Buildings, Lease hold Improvement		
At April 1, 2023	14,734.02	45,014.94	1,707.06	801.50	1,285.04	660.83	1,521.50	3,685.11	69,410.00	197.50
Addition on account of business combination	3,292.51	1,957.90	122.92	25.89	-	24.18	1,127.43	-	6,550.83	-
Additions during the year	(41.86)	13,437.65	394.36	120.41	241.97	220.57	324.31	4,337.02	19,034.43	17,789.20
Disposals/adjustments	-	(394.03)	(211.80)	(32.44)	(42.98)	(111.04)	-	(23.38)	(815.67)	(11,662.70)
At March 31, 2024	17,984.67	60,016.46	2,012.54	915.36	1,484.03	794.54	2,973.24	7,998.75	94,179.59	6,324.00
Additions during the period	17.73	3,586.24	40.56	107.61	68.39	231.02	-	88.02	4,139.57	11,133.91
Disposals/adjustments during the period	-	(42.03)	-	-	(13.47)	-	-	(72.38)	(127.88)	(3,222.93)
At September 30, 2024	18,002.40	63,560.67	2,053.10	1,022.97	1,538.95	1,025.56	2,973.24	8,014.39	98,191.28	14,234.98
Accumulated Depreciation										
At April 1, 2023	1,976.93	7,838.66	461.16	245.60	466.65	256.00	69.35	438.66	11,753.01	-
Addition on account of business combination	106.52	126.28	8.14	2.21	-	5.98	35.74	-	284.87	-
Charge for the period	518.89	2,902.60	154.62	76.46	158.75	158.20	22.39	638.25	4,630.16	-
Disposals/adjustments	-	(233.61)	(198.65)	(30.82)	(30.17)	(105.00)	-	(23.35)	(621.60)	-
At March 31, 2024	2,602.34	10,633.93	425.27	293.45	595.23	315.18	127.48	1,053.56	16,046.44	-
Charge for the period	308.54	1,889.96	95.65	48.80	86.11	106.61	19.38	479.84	3,034.90	-
Disposals/adjustments during the period	-	(23.03)	-	-	(12.79)	-	-	(65.16)	(100.98)	-
At September 30, 2024	2,910.88	12,500.86	520.92	342.25	668.55	421.79	146.86	1,468.24	18,980.36	-
Net carrying amount										
At March 31, 2024	15,382.33	49,382.53	1,587.28	621.91	888.80	479.36	2,845.77	6,945.18	78,133.15	6,324.00
At September 30, 2024	15,091.51	51,059.82	1,532.19	680.73	870.40	603.77	2,826.39	6,546.15	79,210.92	14,234.98

3A Depreciation & amortisation	For the half year ended	For the half year ended
	September 30, 2024	September 30, 2023
Depreciation on PPE	2,535.67	1,906.40
Depreciation on right to use asset	499.22	254.00
Amortisation	17.39	15.46
	3,052.28	2,175.86

4 GOODWILL AND OTHER INTANGIBLE ASSETS

Particulars	Goodwill	Computer Software's	Total
Carrying amount (at cost)			
At April 1, 2023	0.34	205.72	206.06
Additions	-	30.05	30.05
Disposals/adjustments	-	-	-
At March 31, 2024	0.34	235.77	236.11
Additions	-	54.13	54.13
Disposals/adjustments	-	(10.00)	(10.00)
At September 30, 2024	0.34	279.90	280.24
Accumulated Depreciation			
At April 1, 2023	-	83.70	83.70
Charge for the year	-	31.01	31.01
Disposals/adjustments	-	-	-
At March 31, 2024	-	114.71	114.71
Charge for the period	-	17.39	17.39
Disposals/adjustments	-	(10.00)	(10.00)
At September 30, 2024	-	122.10	122.10
Net carrying amount			
At March 31, 2024	0.34	121.06	121.40
At September 30, 2024	0.34	157.80	158.14

Goodwill is acquired on acquisition of PG Technoplast Private Limited on 17th December 2020 having indefinite useful life. The company does impairment testing annually.

4A Intangible assets under development (WIP)

Particulars	Intangible assets under development
At April 1, 2023	-
Additions	217.08
At March 31, 2024	217.08
Additions	-
At September 30, 2024	217.08

5 INVESTMENTS

Particulars	As at September 30, 2024	As at March 31, 2024
Non-Current		
Unquoted		
Investment in equity shares of joint venture		
10,750,000 (March 31,2024 : 49,99,500) equity shares in Goodwroth Electronics Private Limited	1,105.54	506.23
Less : Company share of net (loss) of joint venture entity	(348.44)	(211.20)
Sub total	757.10	295.03
Equity instruments in Others at fair value through profit and loss		
14,80,000 (March 31, 2024: 14,80,000) equity shares of Rs 10 each, fully paid in Solarstream Renewable Services Private Limited	148.80	148.80
2500 (March 31, 2024: 2500) equity shares of Rs 10 each, fully paid in Saraswat Cooperative Bank Limited	0.25	0.25
Sub total	149.05	149.05
Total	906.15	444.08
Quoted		
Investment in Mutual Funds at fair value through profit and loss		
3813.06 units (March 31,2024 : 3813.06 units) in HDFC index Funds- Sensex plan	29.56	25.66
12509.67 units (March 31,2024: 12,509.67 units) in HDFC Index Funds-Nifty 50 plan	30.39	26.14
30819.21 units (March 31, 2024: 30819.21 units) in ICICI Prudential Bluechip Funds	34.59	29.63
38140.13 units (March 31, 2024 : 38140.13 units) in Kotak Flexicap Funds-Growth	32.35	27.24
Sub total	126.89	108.67
Total Non-current investments	1,033.04	552.75
Aggregate book value of quoted investments	126.89	108.67
Aggregate market value of quoted investments	126.89	108.67
Aggregate book value of unquoted investments	906.15	444.08
Aggregate market value of unquoted investments	906.15	444.08

PG Electroplast Limited
Notes to the unaudited interim condensed consolidated financial statements as at September 30,2024
(All Amounts are in Rupees lakhs, unless otherwise stated)

6 SHARE CAPITAL

Particulars	As at	As at
	September 30, 2024	March 31, 2024
(a) Authorised share capital		
35,00,00,000 equity shares of Rs. 1/- each (March 31, 2024: 3,50,00,000 equity shares Par value of Rs. 10 per share)	3,500.00	3,500.00
	3,500.00	3,500.00
(b) Issued, Subscribed And Fully Paid Up Share Capital		
26,16,34,440 equity shares of Rs. 1/- each (March 31, 2024 : 2,60,26,245 equity shares Par value of Rs. 10 per share)	2,616.34	2,602.62
	2,616.34	2,602.62
(c) Movements in equity share capital		
Particulars	No. of shares	Amount in Rs.
As at April 1, 2023	22,742,617	2,274.26
Increase during the year (Refer Foot note - 1 to 4)	3,283,628	328.36
As at March 31, 2024	26,026,245	2,602.62
Increase during the half year before splitting of shares (Refer Foot note -5)	71,599	7.16
Shares split during the half year (Refer Foot note -6)	234,880,596	-
Increase during the half year after spiting of shares (Refer Foot note -5)	656,000	6.56
As at September 30, 2024	261,634,440	2,616.34

Foot notes

1. During the fiscal year 2024, the Company on May 26, 2023 allotted 48,200 (Forty-Eight Thousand Two Hundred only) Equity Shares of Rs. 10/- each to 'PG Electroplast Limited Employees Welfare Trust' under the PG Electroplast Employees Stock Options Scheme – 2020 in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

2. During the fiscal year 2024, the Company on August 22, 2023 allotted 28,700 (Twenty Eight Thousand Seven Hundred Only) Equity Shares of Rs. 10/- each to the 'PG Electroplast Limited Employees Welfare Trust' under PG Electroplast Employees Stock Options Scheme - 2020 in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

3. During the fiscal year 2024, the Company on September 02, 2023 issued and allotted 32,05,128 (Thirty Two Lakh Five Thousand One Hundred Twenty Eight only) Equity Shares, to the eligible Qualified Institutional Buyers (QIB) at the issue price of ₹ 1,560/- per Equity Share (including a premium of Rs. 1,550/- per Equity Share, (which includes a discount of Rs. 81.09/- i.e., 4.94 % of the floor price, as determined in terms of SEBI ICDR Regulations), aggregating to Rs. 499,99,99,680/- (Rupees Four Hundred Ninety-Nine Crore Ninety-Nine Lakh Ninety-Nine Thousand Six Hundred Eighty Only), pursuant to the Qualified Institutions Placement (QIP).

4. During the fiscal year 2024, the Company on January 02, 2024 allotted 1,600 (One Thousand Six Hundred Only) Equity Shares of Rs. 10/- each to the 'PG Electroplast Limited Employees Welfare Trust' under PG Electroplast Employees Stock Options Scheme – 2020 in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

5. During the half year ended September 30, 2024, the Company on May 22, 2024 allotted 71,599 Equity Shares of Rs. 10/- each and on August 05, 2024 allotted 6,56,000 Equity Shares of Rs. 1/- each (13,71,990 during the six month ended September 2024) to the 'PG Electroplast Limited Employees Welfare Trust' under PG Electroplast Employees Stock Options Scheme – 2020 in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

6. The Board of Directors of the Company at its meeting held on May 22, 2024, recommended the sub-division/ split of 1(One) fully paid-up equity share having a face value of ₹10 each into 10 (Ten) fully paid-up equity shares having a face value of ₹ 1 each. Considering this the equity shares of the company have been split/ sub-divided from 1(one) Equity share of face value of Rs. 10 each/- to 10 Equity shares of face value of Rs. 1 each fully paid up ranking pari-passu in all respects, with effect from the record date i.e. July 10, 2024

(c) There were no buy back of shares or issue of shares pursuant to contract without payment being received in cash during the previous 5 years.

(d) There were no buy back of shares or issue of shares pursuant to contract without payment being received in cash during the previous 5 years.

The group has only one class of equity shares having a par value of Rs.1 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the group, the equity shareholders are eligible to receive the remaining assets of the group after distribution of all preferential amounts, in proportion to their shareholding.

(e) Particulars of shareholders holding more than 5% shares of fully paid up equity shares

Name of Shareholder	September 30, 2024		March 31, 2024	
	No. of shares	% holding	No. of shares	% holding
Mr Anurag Gupta	29,912,010	11.43%	2,991,201	11.49%
Mr Vishal Gupta	51,108,270	19.53%	5,110,827	19.64%
Mr Vikas Gupta	50,735,310	19.39%	5,073,531	19.49%

(f) Details of share held by promoters & promoter group

Promoter Name	September 30, 2024			March 31, 2024		
	No. of shares	% holding	% Change during the year	No. of shares	% holding	% Change during the year
Mr Anurag Gupta	29,912,010	11.43%	-0.06%	2,991,201	11.49%	-1.66%
Mr Vishal Gupta	51,108,270	19.53%	-0.11%	5,110,827	19.64%	-2.57%
Mr Vikas Gupta	50,735,310	19.40%	-0.09%	5,073,531	19.49%	-2.81%
Mrs Neelu Gupta	5,133,710	1.96%	-0.01%	513,371	1.97%	-0.27%
Mrs Sarika Gupta	1,220,160	0.47%	0.00%	122,016	0.47%	-0.28%
Mrs Nitasha Gupta	1,589,590	0.61%	0.00%	158,959	0.61%	-0.04%
Mr Pranav Gupta	33,000	0.01%	0.00%	3,300	0.01%	0.01%
Mr Aditya Gupta	22,490	0.01%	0.00%	2,249	0.01%	0.01%
Mr Vatsal Gupta	10,000	0.00%	0.00%	1,000	0.00%	0.00%
Mr RaghavGupta	5,000	0.00%	0.00%	500	0.00%	0.00%

7 BORROWINGS

Particulars	As at September 30, 2024	As at March 31, 2024
Non-Current (at amortised cost)		
Secured		
Term loans		
- From banks		
-Rupees Loans	21,217.51	20,998.36
- From Others *	856.71	818.21
Vehicle loans		
- From banks	115.99	150.75
- From Others	6.23	24.47
Unsecured		
-Deferred Payment against Plant and Machinery	316.77	897.74
	<u>22,513.23</u>	<u>22,889.53</u>
Less: Current maturity of long term borrowings	(4,020.05)	(4,186.79)
Total non-current borrowings	<u>18,493.18</u>	<u>18,702.74</u>
* Includes interest free term loan from Uttar Pradesh Financial Corporation Rs 820.90 lakhs (Previous year: Rs 783.74 lakhs)		
Current (at amortised cost)		
Secured		
Repayable on demand		
- From banks	14,755.74	7,965.11
Term & Vehicle loan from banks- Current maturity of borrowings	3,702.11	3,428.71
Term & Vehicle loan from others- Current maturity of borrowings	35.81	34.47
Unsecured		
Deferred Payment against Plant and Machinery- Current maturity of borrowings	282.13	723.61
Bill discounting		
- From banks	1,110.20	4,701.52
- From Others	-	500.00
Total current borrowings	<u>19,885.99</u>	<u>17,353.42</u>

PG Electroplast Limited

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(All Amounts are in Rupees lakhs, unless otherwise stated)

8 REVENUE FROM OPERATIONS

Particulars	For the half year ended	
	September 30, 2024	September 30, 2023
Revenue from contract with customers		
Sale of products		
Manufactured goods	188,263.37	108,846.25
Trading goods	9,004.67	4,020.26
Sale of services	197.99	120.04
	197,466.03	112,986.55
Other Operating Income		
Sale of scrap	1,422.75	497.35
Government Incentives from States Governments	309.15	319.91
	1,731.90	817.26
Total revenue from operations	199,197.93	113,803.81
i) Timing of revenue recognition		
Goods transferred at a point in time	198,690.79	113,363.86
Service transferred over a period of time	197.99	120.04
Government Incentives from States Governments	309.15	319.91
Total revenue from contracts with customers	199,197.93	113,803.81
ii) Revenue by location of customers		
India	199,099.87	113,663.03
Outside India	98.06	140.78
Total revenue from contracts with customers	199,197.93	113,803.81
iii) Reconciliation of revenue recognised in Statement of profit and loss with contracted price		
Revenue as per contracted price	199,794.68	113,815.65
Less: Discount	(596.75)	(11.84)
Total revenue from contracts with customers	199,197.93	113,803.81

iv) Performance Obligation

Sale of products: Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on dispatch of the goods and payment is generally due as per the terms of contract with customers.

Sales of services: The performance obligation in respect of services is satisfied over a point of time and acceptance of the customer. Payment is generally due upon completion of service and acceptance of the customer.

Incentive under Electronic Policy 2016

The Company unit located at Supa, Taluka-Parner, MIDC district Ahemdagar in Maharashtra is eligible for incentives under the Electronic Policy-2016 of Maharashtra Government and have been availing incentives in the form of Gross SGST refund for the period of January 2020 to October 2028 . The Company recognises income for such government grants based on Gross SGST payable, having maximum ceiling of Rs. 618.28 lakhs p.a. in accordance with the relevant notifications issued by the State of Maharashtra.

During the earlier year, the Company had already received an in principal approval for eligibility from the Government of Maharashtra in response to the application filed by the Company for incentive under Electronic Policy-2016 on its investment for expansion for the period from March 2017 to February 2021. Accordingly, the Company has recognised grant income amounting to Rs. 309.15 lakhs for the half year ended on September 30,2024 (Rs. 309.15 lakhs for the half year ended on September 30, 2023). The cumulative amount receivable in respect of the same is Rs 2110.20 lakhs for the half year ended on September 30, 2024 (Rs. 1910.88 lakhs as at September 30, 2023).

	As at September 30, 2024	As at September 30, 2023
Contract balances		
Trade receivables	47,083.71	19,029.68
Contract Liabilities	978.67	1,272.55

Trade receivable are non-interest bearing and are generally on terms of 30-90 days.

Contract liabilities include advances received from the customers to deliver the finished goods.

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(All Amounts are in Rupees lakhs, unless otherwise stated)

9 OTHER INCOME

Particulars	For the half year ended	
	September 30, 2024	September 30, 2023
i) Interest income		
Interest income from bank deposits	637.08	172.15
Interest income from others	101.32	134.02
Interest income from Joint Venture	25.77	2.75
	764.17	308.92
ii) Other Non operating Income		
Miscellaneous income	5.47	-
	5.47	-
iii) Others		
Profit on sale of property, plant and equipment	10.76	5.13
Liability no longer required written back	0.75	0.30
Fair value gain on investment recognised through FVTPL	18.21	11.01
Rent concession on lease	-	23.72
Others	5.32	109.25
	35.04	149.41
Total other income	804.68	458.33

10 EARNING PER SHARE

a) Basic Earning per share

Particulars	UOM	For the half year ended	
		September 30, 2024	September 30, 2023
Numerator for earnings per share			
Profit after tax	(Rs. in lakhs)	10,302.26	4,617.07
Denominator for earnings per share			
Weighted average number of equity shares outstanding during the period	(Numbers)	261,003,434	232,725,850
Earnings per share- Basic (one equity share of Rs. 1/- each)		3.95	1.98

b) Diluted Earning per share

Particulars	UOM	For the half year ended	
		September 30, 2024	September 30, 2023
Numerator for earnings per share			
Profit after tax	(Rs. in lakhs)	10,302.26	4,617.07
Denominator for earnings per share			
Weighted average number of equity shares outstanding during the period	(Numbers)	261,003,434	232,725,850
Effect of dilution			
Effect of potential equity shares on ESOP	(Numbers)	4,895,064	2,983,086
Weighted average number of equity shares outstanding during the period adjusted for effect of dilution	(Numbers)	265,898,497	235,708,936
Earnings per share- Diluted (one equity share of Rs. 1/- each)		3.87	1.96

Note: Impact of shares sub-division has been considered in all presented period as per Ind AS-33 Earning Per Share

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(All Amounts are in Rupees lakhs, unless otherwise stated)

11 FAIR VALUE MEASUREMENT

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

Particulars	As at September 30, 2024		As at March 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets at amortised cost				
Bank balances other than cash and cash equivalents	10,516.06	10,516.06	15,223.35	15,223.35
Cash and bank balances	4,192.28	4,192.28	3,018.16	3,018.16
Trade receivables	47,083.71	47,083.71	55,302.66	55,302.66
Loans (current)	93.26	93.26	643.54	643.54
Other financial assets (Non Current)	2,267.93	2,267.93	2,028.48	2,028.48
Other financial assets (Current)	3,840.09	3,840.09	4,266.60	4,266.60
Financial Assets at FVTPL				
Investment in mutual funds	126.89	126.89	108.67	108.67
Investment in equity shares	149.05	149.05	149.05	149.05
Financial liabilities at amortised cost				
Borrowings (Non Current)	18,493.18	18,493.18	18,702.74	18,702.74
Borrowings (Current)	19,885.99	19,885.99	17,353.42	17,353.42
Trade Payable	63,261.94	63,261.94	64,640.97	64,640.97
Other financial liabilities (Non-Current)	184.91	184.91	224.25	224.25
Other financial liabilities (Current)	8,221.77	8,221.77	6,845.39	6,845.39

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current financial assets and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments

11.1 FAIR VALUE HIERARCHY

i) The Group uses the following hierarchy for fair value measurement of the group's financial assets and liabilities:

Level 1: Quoted prices/NAV (unadjusted) in active markets for identical assets and liabilities at the measurement date.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

	Carrying Value 30th September, 2024	Fair Value		
		Level 1	Level 2	Level 3
Assets at fair Value				
Fair Value through Profit & Loss				
Investment in mutual funds	126.89	126.89	-	-
Investment in equity shares	149.05	-	-	149.05
Fair Value through amortised cost				
Loan	93.26	-	-	93.26
Trade Receivables	47,083.71	-	-	47,083.71
Other Financial Assets (Non Current)	2,267.93	-	-	2,267.93
Other Financial Assets (Current)	3,840.09	-	-	3,840.09
Liability at fair Value				
Fair Value through amortised cost				
Borrowings (Non Current)	18,493.18	-	-	18,493.18
Borrowings (Current)	19,885.99	-	-	19,885.99
Trade Payables	63,261.94	-	-	63,261.94
Other Financial Liabilities (Non Current)	184.91	-	-	184.91
Other Financial Liabilities (Current)	8,221.77	-	-	8,221.77

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Notes to the unaudited interim condensed consolidated financial statements as at September 30,2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

	Carrying Value	Fair Value		
	March 31, 2024	Level 1	Level 2	Level 3
Assets at fair Value				
Fair Value through Profit & Loss				
Investment in mutual funds	108.67	108.67	-	-
Investment in equity shares	149.05	-	-	149.05
Fair Value through amortised cost				
Loan	643.54	-	-	643.54
Trade Receivables	55,302.66	-	-	55,302.66
Other Financial Assets (Non Current)	2,028.48	-	-	2,028.48
Other Financial Assets (Current)	4,266.60	-	-	4,266.60
Liability at fair Value				
Fair Value through amortised cost				
Borrowings (Non Current)	18,702.74	-	-	18,702.74
Borrowings (Current)	17,353.42	-	-	17,353.42
Trade Payables	64,640.97	-	-	64,640.97
Other Financial Liabilities (Non Current)	224.25	-	-	224.25
Other Financial Liabilities (Current)	6,845.39	-	-	6,845.39

ii) Fair valuation techniques

The Group maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values:

- 1) Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.
- 2) Borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values.

12 FINANCIAL RISK MANAGEMENT

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

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

A) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk.

(i) Interest rate risk

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

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

Interest rate sensitivity of borrowings

With all other variable held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on floating rate portion of loans and borrowings as on date.

Currency	September 30, 2024		September 30, 2023	
	Increase/decrease in base points	Impact on profit before tax an equity	Increase/decrease in base points	Impact on profit before tax an equity
Term Loan	+0.50	(106.88)	+0.50	(118.42)
	-0.50	106.88	-0.50	118.42

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in foreign currency). The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

The Group's exposure to foreign currency risk at the end of the reporting period expressed in Rs. are as follows;

Currency	September 30, 2024		September 30, 2023	
	Foreign Currency	Indian Rupee	Foreign Currency	Indian Rupee
Financial liabilities				
Trade payables				
USD	102.51	8,656.71	12.40	1,035.40
CNY	81.40	989.43	128.11	1,479.67
Net exposure to foreign currency risk (liabilities)	183.90	9,646.14	140.51	2,515.07

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arise mainly from foreign currency denominated financial instruments.

Particulars	Impact on Profit and Loss for the half year ended September 30, 2024		Impact on Profit and Loss for the half year ended September 30, 2023	
	Gain/(Loss) on appreciation	Gain/(Loss) on depreciation	Gain/(Loss) on appreciation	Gain/(Loss) on depreciation
1% appreciation / depreciation in Indian Rupees against following foreign currencies				
Trade payables				
USD	(86.57)	86.57	(10.35)	10.35
CNY	(9.89)	9.89	(14.80)	14.80
	(96.47)	96.47	(25.16)	25.16

(iii) Commodity price risk

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

B) Liquidity Risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price.

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

Particulars	As at	As at
	September 30, 2024	March 31, 2024
Total current assets	142,156.14	140,576.42
Total current liabilities	102,672.87	96,343.07
Current ratio	1.38	1.46

Maturities analysis of financial liabilities:

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

Particulars	on demand	< 1 year	1-3 year	3-5 year	More than-5 years	Total
As at September 30, 2024						
Borrowings	14,755.74	5,130.25	3793.00	13904.21	795.96	38,379.16
Trade payable	-	63,261.94	-	-	-	63,261.94
Other financial liabilities	-	8,221.77	-	184.91	-	8,406.68
Lease liabilities (undiscounted)	-	1,231.98	2,545.77	2,284.30	3,734.16	9,796.21
	14,755.74	77,845.94	6,338.77	16,373.42	4,530.12	119,843.99

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(All Amounts are in Rupees lakhs, unless otherwise stated)

Particulars	on demand	< 1 year	1-3 year	3-5 year	More than-5 years	Total
As at March 31, 2024						
Borrowings	7,965.11	9,388.31	7,509.42	7,168.89	4,024.44	36,056.17
Trade payable	-	64,640.97	-	-	-	64,640.97
Other financial liabilities	-	6,845.39	-	224.25	-	7,069.64
Lease liabilities (undiscounted)	-	1,202.26	2,486.72	2,300.58	4,328.67	10,318.23
	7,965.11	82,076.93	9,996.14	9,693.72	8,353.11	118,085.00

(C) Credit Risk

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

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

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

The trade receivables position is provided here below:

Particulars	As at September 30, 2024	As at March 31, 2024
Total receivables	47,083.71	55,302.66
Receivables individually in excess of 10% of the total receivables	15,022.73	26,659.17
Percentage of above receivables to the total receivables of the Group	31.91%	48.21%

13 SEGMENT INFORMATION

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

14 CAPITAL MANAGEMENT

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

Particulars	As at September 30, 2024	As at March 31, 2024
Non-current borrowings (note 7)	18,493.18	18,702.74
Current borrowings (note 7)	15,865.94	13,166.63
Current maturities of long term borrowings (note 7)	4,020.05	4,186.79
Total debts	38,379.17	36,056.16
Less: Cash and cash equivalent	(4,192.28)	(3,018.16)
Net Debt (A)	34,186.88	33,038.00
Total equity (B)	114,562.16	103,808.15
Gearing ratio (A/B)	29.84%	31.83%

No changes were made in the objectives, policies or processes for managing capital during the half year ended September 30, 2024 and March 31, 2024

15 CONTINGENCIES AND COMMITMENTS

i) **Contingent Liabilities (to the extent not provided for)**

Particulars	As at September 30, 2024	As at March 31, 2024
Claims against the group not acknowledged as debts (excluding interest & penalty)		
-Central Excise (FY 2008-09 to 2011-12)	765.73	765.73
-Anti-Dumping duty on Import	738.54	738.54
-Claims by third party	45.75	45.75
	1,550.02	1,550.02

(a) Excise department has issued show cause notice dated December 22, 2011 for Rs 765.73 in respect of CTV sold to ELCOT, Tamil Nadu (a Govt. of Tamil Nadu undertaking) during the period February 2009 to October 2011 for free distribution by the state Govt. to poor section of the people by paying excise duty on the basis of value determined under section 4A instead of determining the value under section 4 of the Central Excise Act, 1944. The department has the contention that sale is institutional sale & valuation based on MRP under Section 4A is not applicable to the sale to ELCOT. The appeal made by the Group was allowed by the CESTAT, New Delhi vide order dated March 12, 2014. However, the excise department has filed the appeal with Supreme Court, which has been admitted by the Supreme Court on 5th January, 2015 by condoning the delay in filing the appeal. This matter was last time listed on January 2, 2017. However, the Excise department filed an Interlocutory Application seeking early hearing of the appeal on July 11, 2022. The Hon'ble Chief Justice found no merit in the Interlocutory Application and accordingly, rejected the application filed by the Excise Department. The matter is pending for Final Hearing.

(b) Directorate of Revenue Intelligence (DRI) had conducted a search on the factory premises of the parent company and the residence of the Promoters on March 8, 2011. The group has deposited Rs 145 lakhs as anti-dumping duty on import of CPT during the period from May 2010 to Dec 2010, which is refunded later on. A show cause notice dated May 29, 2015 has been issued on the group and raised the demand of Anti-Dumping Duty worth Rs. 738.54 lakhs along with interest and penalty. The Principal Commissioner of custom has passed an order dated February 28, 2017, confirming the demand of Rs. 738.54 lakhs along with interest & penalty. The group has filed an appeal before CESTAT, Allahabad Bench on June 1, 2017. The CESTAT vide its order dated June 18, 2019 has allowed the appeal in favour of the group and refunded the deposited amount and set aside the order passed by Principal Commissioner of customs, Noida. However, the Department has filed a Civil Appeal (No. 6544/2020) against the aforesaid Final order of CESTAT, Allahabad dated June 18, 2019. But till date no hearing was held at Hon'ble Supreme Court and no stay has been granted to the Department.

PG Electroplast Limited**Notes to the unaudited interim condensed consolidated financial statements as at September 30,2024****(All Amounts are in Rupees lakhs, unless otherwise stated)**

(c) **Notice For Recovery** : The Company have received a Notice under the jurisdiction of West District, Tis Hazari Court, Delhi from M/s Polyblends (India) Pvt. Ltd for recovery of outstanding amount of Rs. 43.71 lakhs with respect to purchase of plastic raw material and plastic filled compounds. The authorised representative appeared on behalf of the Company on May 20, 2022 before the Hon'ble Court. The Hon'ble Court directed the Company to file written statements. The Company filed the written statements. The pleadings in this case are complete and issues are framed. Evidence by way of affidavit were filed on behalf of plaintiff. Preliminary Enquiry stood closed. The case was listed on Aug 2,2023 where certain clarifications were sought from the party. The Hon'ble court vide order dated August 5, 2023 announced the judgement in favour of the company ordering to pay Rs 2.11 lacs only which was admitted by the company as per books of the company. The appellant aggrieved by the order filed an appeal to the Hon'ble Delhi High Court (RFA(COMM)252/2023). The matter was last listed on September 05, 2024. The Hon'ble Court directed the parties to file written submission within the next 4 weeks. The next date of the hearing is January 20, 2025

(d) **Notice For Recovery** : The Company have received a Notice under the jurisdiction of West District, Tis Hazari Court, Delhi from M/s Niyati Industries through Mr. Vijay Jain for recovery of outstanding amount of Rs. 2.65 lakhs with respect to job work of re-enforced (Polystyrene) of plastic raw materials. The authorised representative appeared on behalf of the Company on May 12, 2022 before the Hon'ble Court and filed the written statements. Replication has been filed on behalf of the plaintiff on July 23, 2022. The pleadings in this case are complete and issues are framed. The case was listed on July 18, 2023 for examination of documents filed by the company. The next date of hearing for cross examination is August 29, 2023. After several hearings, the Hon'ble Court vide order dated January 29, 2024 announced the judgement against the Company and disposed of the case. The Company aggrieved by the order filed an appeal to the Hon'ble Delhi High Court (RCA DJ 35/2024). The matter was first listed on April 09, 2024. The Hon'ble Court on October 01, 2024 granted last opportunity to the respondent to file a reply by Next Date of Hearing i.e. January 13, 2025

ii) **Commitments**

Particulars	As at	As at
	September 30, 2024	March 31, 2024
Estimated amount of contracts remaining to be executed on Capital account and not provided for (Net of advances)	18,336.06	3,901.88
Joint venture Company's capital commitments	10.10	48.33
	18,346.16	3,950.21

16 RELATED PARTY DISCLOSURE

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

Related Parties where control exists

i) Joint Venture

Goodworth Electronics Private Limited w.e.f. July 13, 2023

ii) Other related parties with whom transactions have taken place half year ended September 30, 2024/ September 30, 2023.

Key Management Personnel

Mr. Vishal Gupta (Executive Director)
 Mr. Vikas Gupta (Executive Director)
 Mr. Anurag Gupta (Executive Director)
 Mr. Ram Dayal Modi (Non Executive Director)
 Mr. Sharad Jain (Non Executive Director) till August 10, 2024
 Mrs. Ruchika Bansal (Non Executive Director)
 Mrs. Mitali Chitre (Non Executive Director)
 Mr. Sanchay Dubey (Company Secretary)
 Mr. Pramod Chimmanlal Gupta (Chief Financial Officer)
 Mr. Raman Uberoi (Non Executive Director) till March 22, 2023
 Mr. Krishnavatar Khandelwal (Non Executive Director) w.e.f. September 30, 2024

Relatives of Key Management Personnel

Mrs. Sarika Gupta (Wife of Mr. Vishal Gupta)
 Mrs. Nitasha Gupta (Wife of Mr. Vikas Gupta)
 Mrs. Neelu Gupta (Wife of Mr. Anurag Gupta)
 Mrs. Sudesh Gupta (Mother of Executive Directors)
 Mr. Pranav Gupta (Son of Mr. Anurag Gupta)
 Mr. Aditya Gupta (Son of Mr. Anurag Gupta)
 Mr. Vatsal Gupta (Son of Mr. Vishal Gupta)
 Mr. Raghav Gupta (Son of Mr. Vikas Gupta)

Enterprises in which the Key Management Personnel or relatives of them of the group are interested

PG International (Parent Company's Directors are partner)
 J. B. Electronics (Parent Company's Directors are partner)
 PG Electronics (Parent Company's Directors are partner)
 PG Electroplast Limited Employees Welfare Trust

iii) Key Management Personnel Compensation

Particulars	For the half year ended	
	September 30, 2024	September 30, 2023
Short-term employee benefits	318.12	242.53
Share based payments	83.34	74.61
Other Expenses, Sitting Fee and reimbursement of expenses	21.99	21.46
	423.45	338.60

PG ELECTROPLAST LIMITED

Notes to the unaudited interim condensed consolidated financial statements as at September 30, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

iv) Related Party transaction

Description	For the half year ended September 30, 2024				For the half year ended September 30, 2023			
	Key Management Personnel	Relative of Key Management Personnel	Joint Venture	Others	Key Management Personnel	Relative of Key Management Personnel	Joint Venture	Others
Revenue - Sales of Products								
Goodworth Electronics Private Limited	-	-	14,684.68	-	-	-	-	-
Revenue - Sales of Capital Goods								
Goodworth Electronics Private Limited	-	-	1.23	-	-	-	-	-
Finance Income								
Goodworth Electronics Private Limited	-	-	25.77	-	-	-	-	-
Expenditure - Services								
Goodworth Electronics Private Limited	-	-	22.61	-	-	-	-	-
Investment in Equity								
Goodworth Electronics Private Limited*	-	-	575.55	-	-	-	-	-
* Note- Converted from unsecured loan given by the company								
Loan given / (received)*								
Goodworth Electronics Private Limited	-	-	-	-	-	-	325.00	-
Other Expenses (rent paid)								
Mr. Vishal Gupta	0.33	-	-	-	0.33	-	-	-
PG Electronics	-	-	-	0.30	-	-	-	0.30
PG Plastronics Private Limited	-	-	-	0.12	-	-	-	-
Remuneration								
Mr. Vishal Gupta	117.97	-	-	-	80.70	-	-	-
Mr. Vikas Gupta	107.91	-	-	-	80.73	-	-	-
Mr. Anurag Gupta	50.00	-	-	-	45.45	-	-	-
Mr. Sanchay Dubey	5.42	-	-	-	3.71	-	-	-
Mr. Pramod Chimmanlal Gupta	36.81	-	-	-	31.94	-	-	-
Mrs. Sarika Gupta	-	11.72	-	-	-	15.56	-	-
Mrs. Nitasha Gupta	-	11.72	-	-	-	15.56	-	-
Mrs. Neelu Gupta	-	11.72	-	-	-	15.56	-	-
Mrs. Sudesh Gupta	-	11.72	-	-	-	15.56	-	-
Mr. Pranav Gupta	-	45.14	-	-	-	24.02	-	-
Mr. Aditya Gupta	-	30.92	-	-	-	22.11	-	-
Mr. Vatsal Gupta	-	13.85	-	-	-	14.83	-	-
Mr. Raghav Gupta	-	21.74	-	-	-	14.78	-	-
Reimbursement of Expenses								
Mr. Anurag Gupta	6.00	-	-	-	5.00	-	-	-
Mr. Vishal Gupta	5.53	-	-	-	4.63	-	-	-
Mr. Vikas Gupta	4.78	-	-	-	6.00	-	-	-
Mr. Pranav Gupta	-	3.72	-	-	-	3.72	-	-
Mr. Aditya Gupta	-	3.00	-	-	-	1.80	-	-
Mr. Vatsal Gupta	-	1.50	-	-	-	1.80	-	-
Mr. Raghav Gupta	-	3.00	-	-	-	1.80	-	-
Mr. Pramod Chimmanlal Gupta	-	2.40	-	-	-	-	-	-
Shares Based Expenses								
Mr. Pramod Chimmanlal Gupta	74.80	-	-	-	70.58	-	-	-
Mr. Sanchay Dubey	8.55	-	-	-	4.03	-	-	-
Director Sitting Fee								
Mr. Sharad Jain	1.25	-	-	-	1.60	-	-	-
Mr. Ram Dayal Modi	1.70	-	-	-	1.60	-	-	-
Mrs. Ruchika Bansal	1.20	-	-	-	0.70	-	-	-
Mr. Raman Uberoi	1.20	-	-	-	1.60	-	-	-

PG ELECTROPLAST LIMITED
Notes to the unaudited interim condensed consolidated financial statements as at September 30,2024
(All Amounts are in Rupees lakhs, unless otherwise stated)

v) Outstanding Balances

Description	As at September 30, 2024			As at March 31, 2024		
	Key Managerial Personnel	Relative of Key Managerial Personnel	Joint Venture	Key Managerial Personnel	Relative of Key Managerial Personnel	Joint Venture
Loan						
Goodworth Electronics Private Limited	-	-	5.00	-	-	580.55
Trade Receivable						
Goodworth Electronics Private Limited	-	-	10,505.90	-	-	1,142.38
Other Financial Assets (Interest accrued)						
Goodworth Electronics Private Limited	-	-	92.46	-	-	26.72
Remuneration Payable						
Mr. Vishal Gupta	11.74	-	-	-	-	-
Mr. Vikas Gupta	9.70	-	-	8.59	-	-
Mr. Anurag Gupta	5.07	-	-	2.98	-	-
Mr. Sanchay Dubey	0.76	-	-	0.60	-	-
Mr. Pramod Chimmanlal Gupta	2.98	-	-	5.05	-	-
Mrs. Sarika Gupta	-	-	-	-	-	-
Mr. Vatsal Gupta	-	1.16	-	-	-	-
Mrs. Nitasha Gupta	-	-	-	-	1.77	-
Mrs. Neelu Gupta	-	-	-	-	1.38	-
Mrs. Sudesh Gupta	-	-	-	-	1.77	-
Mr. Pranav Gupta	-	4.63	-	-	2.96	-
Mr. Aditya Gupta	-	3.68	-	-	2.00	-
Mr. Raghav Gupta	-	2.62	-	-	1.96	-

vi) Terms & Conditions

(a) Remuneration does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for the Group as a whole. Based on the recommendation of the Nomination and remuneration committee, all decisions relating to the remuneration of the KMPs are taken by the Board of Directors of the Group, in accordance with shareholders approval, wherever necessary.

(b) All Transactions entered with related parties defined under the Companies Act, 2013 during the year based on the terms that would be available to third parties. All other transactions were made in the ordinary course of business and at arm's length price.

(c) All outstanding balances are unsecured and are repayable in cash.

PG ELECTROPLAST LIMITED

Notes to the unaudited interim condensed consolidated financial statements as at September 30,2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

17 Subsequent Event transaction:

No material developments have occurred since the date of the last Unaudited Interim Condensed Consolidated Financial Statements i.e., September 30, 2024.

18 Previous period figures have been re-grouped / re-classified wherever necessary, to conform to current period reclassification, in order to comply with the requirements of the amended Schedule III to the Companies Act.

As per our report of even date attached
For S S Kothari Mehta & Co. LLP
Chartered Accountants
Firm Registration No. 000756N/N500441

For and on behalf of Board of Directors
PG Electroplast Limited

AMIT GOEL
Partner
M. No. 500607

Anurag Gupta
Chairman & Executive Director
DIN-00184361

Vishal Gupta
Managing Director - Finance
DIN-00184809

Place: Greater Noida, U.P.
Dated :December 4, 2024

Sanchay Dubey
Company Secretary
ACS No:A51305

Promod C Gupta
Chief Financial Officer

Independent Auditors' Report

To the Members of PG Electroplast Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of PG Electroplast Limited (hereinafter referred to as “The Company” or “the Holding Company”) and its subsidiaries/step-down subsidiary (the Holding Company and its subsidiaries/step-down subsidiary together referred to as “the Group”), its joint venture and its controlled entity, comprising the consolidated balance sheet as at March 31, 2024, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of the material accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate/consolidated financial statements of such subsidiaries including step-down subsidiaries, joint venture and controlled entity, as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and controlled entity as at March 31, 2024, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its joint venture and its controlled entity in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in ‘Other Matters’ paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in Auditor’s responsibilities for the audit of consolidated financial statements section of our report, including in relation to these matters.

Key Audit Matters	How are audit addressed the key audit matters
<p>Revenue Recognition</p> <p>Revenue from the sale of goods (hereinafter referred to as “Revenue”) is recognized when the Company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer.</p> <p>The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred.</p>	<p>Our procedures included;</p> <ul style="list-style-type: none"> ▪ Evaluating the integrity of the general information and technology control environment and testing the operating effectiveness of key IT application controls. ▪ Evaluating the design and implementation of Company’s controls in respect of revenue recognition. ▪ Testing the effectiveness of such controls over revenue cut off at year-end. ▪ Testing the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end, including examination of credit notes issued after the year end to determine whether revenue was recognized in the correct period. ▪ Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing. ▪ Assessing the appropriateness of the Company’s revenue recognition accounting policies in line with IND AS 115 (“Revenue from Contracts with Customers”) and testing thereof.

Key Audit Matters	How are audit addressed the key audit matters
Accounting for Government Grants	
The Company has various grants and subsidies receivable from the State Governments of respective plant locations.	Our audit procedures included, amongst others: <ul style="list-style-type: none"> a) We examine that the recognition of grants / subsidies is in accordance with IND AS 20 by making a reference to the conditions for such grants in the scheme documents of the respective state Governments and checking the due evidence of fulfillment of such conditions by the Company. b) We verified the correspondence between the Company and relevant Government authorities to assess the recoverability of grants / subsidies already recognized

The following key audit matters was included in the audit report dated May 22, 2024, containing an unmodified audit opinion on the financial statement of PG Technolplast Private Limited (PGTL), a wholly owned subsidiary of the Company issued by an independent firm of Chartered Accountants reproduce by us as under :

Capitalization and useful life of Property, Plant & Equipment and Intangible asset

Key Audit Matters	How are audit addressed the key audit matters
<p>During the year ended March 31, 2024, the subsidiary Company has incurred capital expenditure on project included in capital work in progress. Items of property, plant and equipment (PPE) that are ready for its intended use as determined by the management have been capitalized in the current year.</p> <p>Judgement is involved to determine that the aforesaid capitalization meet the recognition requirement under Ind AS. specifically in relation to determination of whether the criteria for intended use has been met.</p>	<p>The audit procedures applied by the component auditor of the component included and were not limited to the following:</p> <ul style="list-style-type: none"> • Assessed the design and operating effectiveness of the controls with respect to capital expenditure incurred on various project included in capital work in progress, Intangible asset under development. • Assessed the nature of the additions made to PPE, intangible assets, capital work-in-progress and intangible asset under development on a test check basis to test whether they meet the recognition criteria of Ind AS 16- Property, Plant and Equipment and Ind AS-38 Intangible Asset including intended use of management.

Key Audit Matters	How are audit addressed the key audit matters
<p>Revenue Recognition</p> <p>a) Revenue from the sale of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. This normally means when a product has been delivered to the customer in accordance with agreed delivery terms. Revenue from the sale of services is recognised when the service is rendered to the customer.</p> <p>b) The risk for revenue being recognised in an incorrect period presents a key audit matter due to the financial significance and nature of net sales in the financial statements</p>	<p>The audit procedures applied by the component auditor of the component included and were not limited to the following:</p> <p>Evaluation of internal control activities over revenue recognition and testing of key controls.</p> <p>Testing of accounts receivables by requesting confirmations from the company's customers and by reconciling cash payments received after the year end against the accounts receivable balances at the year end.</p> <p>The risk for revenue being recognised in an incorrect period presents a key audit matter due to the financial significance and nature of net sales in the financial statements.</p> <p>We assessed that the disclosure of revenue in accordance with IND AS 115 'Revenue from contracts with customers' are appropriately presented and disclosed.</p>
<p>Incentive Scheme</p> <p>a) The subsidiary company has operating facilities at varies location and based the incentive scheme (Production link incentive scheme for white goods) of the central Government, PGTL is eligible for the incentive. PGTL is required to fulfil the condition mentioned in the notification /pertaining to that scheme for eligible of incentive.</p> <p>b) The management applies its judgement for the reorganisation of incentive income. where in the final determination of the claim accepted by authorities can be modified /delay. Given the complexity and magnitude of potential exposure across the company, and the judgment involved .</p>	<p>The audit procedures applied by the component auditor of the component included and were not limited to the following:</p> <ul style="list-style-type: none"> ➤ Examined the processes and control related to reorganisation and measurement of incentive income ➤ Reviewed government scheme and policy relating to the incentive. ➤ Examined registration for the scheme, subsequent departmental order and regulation issued from time to time. ➤ Checked the eligibility criteria including investment made by the Company. ➤ Performed substantive Procedures for calculation of eligible amount of incentives and the claims made by the Company.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditors' report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditor as furnished to us, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group, its joint venture and controlled entity in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

The respective Management and Board of Directors of the companies included in the Group, its joint venture and controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group, its joint venture and controlled entity are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group, its joint venture and controlled entity responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group, its joint venture and controlled entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- a) We did not audit the financial statements of three subsidiaries including one step down subsidiary, whose financial statements reflects total assets of Rs. 147,125.57 lakhs as at March 31, 2024, total revenue of Rs. 145,938.44 lakhs, total net profit after tax of Rs. 5,935.14 lakhs, total comprehensive income of Rs. 5938.47 lakhs and net cash inflow of Rs. 1999.99 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report of the other auditors.
- b) The consolidated financial statements also include the Group's share of loss of Rs. 211.20 lakh for the year ended March 31, 2024, in respect of joint venture company. This financial

statements and other financial information have been audited by other auditor whose audit report for the year ended March 31, 2024, have been furnished to us by the management, and our opinion on the consolidated financial statements, in so far as it relates to the amount and disclosures included in respect of this joint venture and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid joint venture, is based solely on the report of the other auditor.

- c) We did not audit the financial statements of one controlled entity, whose financial statements reflects total assets of Rs. 1.10 lakhs as at March 31, 2024, total revenue of Rs. Nil, total net loss after tax of Rs. 0.24 lakhs and total comprehensive loss of Rs. 0.24 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of controlled entity, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid controlled entity, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 (the 'Order' or 'CARO'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiaries/Step-down subsidiary, joint venture and controlled entity, incorporated in India, we give in the "Annexure A" a statement on the matters specified in paragraphs 3(xxi) of the Order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of such subsidiaries/step-down subsidiary, joint venture and controlled entity as was audited by other auditor, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor;
- c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries including step-down subsidiary, joint venture and controlled entity incorporated in India, none of the directors of the Group, its joint venture and controlled entity incorporated in India are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company, subsidiaries including step down subsidiary, its joint venture and controlled entity and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”;
- g) In our opinion and based on the consideration of reports of the other statutory auditors of the subsidiaries including step down subsidiary, its joint venture and controlled entity incorporated in India, the managerial remuneration for the year ended March 31, 2024 has been paid/provided by the Holding Company, its subsidiaries including step down subsidiary, its joint venture and controlled entity incorporated in India to their directors in accordance with the provision of section 197 read with schedule V of the Act;
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements of the subsidiaries including step down subsidiary, its joint venture and controlled entity as noted in the ‘Other Matters’ paragraph:

- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its joint venture and controlled entity in its consolidated financial statements - Refer Note 40 to the consolidated financial statements.
- ii. The Group, and its joint venture and controlled entity did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries including step down subsidiary, joint venture and controlled entity incorporated in India during the year ended March 31, 2024.
- iv.
 - a) The respective managements of the Holding Company, its subsidiaries/Step down subsidiaries, joint venture and controlled entity incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries/Step-down subsidiary, joint venture and controlled entity respectively that, to the best of their knowledge and belief, as disclosed in Note 46 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiaries/Step-down subsidiary or its controlled entity to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary companies/Subsidiaries, joint venture or controlled entity or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b) The respective managements of the Holding Company, its subsidiaries/Step-down subsidiary, joint venture and controlled entity incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries/Step down subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the Note 46 to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary/Step-down subsidiary companies, its joint venture or its controlled entity from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary/Step-down subsidiary companies, joint venture or controlled entity shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate

Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries (including step down subsidiary) and controlled entity, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. As stated in Note 51 to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended March 31, 2024, which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. There is no dividend declared or paid during the year by the subsidiaries/ step down subsidiary, its joint venture and controlled entity incorporated in India
- vi. Based on our examination which included test checks and on consideration of the report of the auditors of the subsidiaries including step down subsidiary, its joint venture and the controlled entity, the Company, its subsidiaries, its joint venture and controlling entity has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2024, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2024.

For S.S. Kothari Mehta & Co LLP
Chartered Accountants
Firm Registration No. 000756N/N500441

AMIT GOEL
Partner
Membership No: 500607

Place: New Delhi

Date: May 22, 2024

UDIN: 24500607BKEIWJ2935

Annexure A to the Independent Auditors' Report to the members of PG Electroplast Limited dated May 22, 2024 on its Consolidated Financial Statements

In our opinion and according to the information and explanations given to us, following company incorporated in India and included in the Consolidated Financial Statements, have unfavourable remarks, qualifications or adverse remarks given by the respective auditors in their reports under the companies (Auditor's Report Order,2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding/ Subsidiary/ JV/ Associate	Clause No. of CARO report which is unfavourable or qualified or adverse
1	PG Electroplast Limited	L32109DL2003PLC119416	Holding Company	3ii(b)
2	Goodworth Electronics Private Limited	U32100DL2022PTC395143	Joint venture	3xvii
3	PG Plastronics Private Limited	U29308UP2021PTC147578	Subsidiary	3xvii

For S.S. Kothari Mehta & Co LLP
Chartered Accountants
Firm Registration No. 000756N/N500441

AMIT GOEL
Partner
Membership No: 500607

Place: New Delhi
Date: May 22, 2024
UDIN: 24500607BKEIWJ2935

Annexure B to the Independent Auditors' Report to the members of PG Electroplast Limited dated May 22, 2024 on its Consolidated Financial Statements

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section.

Our reporting on the internal financial control with reference to consolidated financial statement is not applicable in respect of one controlled entity.

In conjunction with our audit of the consolidated financial statements of **PG Electroplast Limited** ('the Holding Company') as of and for the year ended March 31, 2024, we have audited the Internal Financial Controls over Financial Reporting of **PG Electroplast Limited** (hereinafter referred to as "the Company" or "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint venture incorporated in India, for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies/Step-down subsidiary and its joint venture, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. 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.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditor of the relevant subsidiaries in terms of their report referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

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

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial Controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become

inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its relevant subsidiaries/Step down subsidiary have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2024, based on the internal financial controls with reference to consolidated financial statements criteria established by the such companies considering the essential components of such internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statement in so far as it relates to three subsidiaries(including one step down subsidiary) and one joint venture incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India. Our opinion is not modified in respect of this matter.

For S.S. Kothari Mehta & Co LLP
Chartered Accountants
Firm Registration No. 000756N/N500441

AMIT GOEL
Partner
Membership No: 500607

UDIN : [24500607BKEIWJ2935](#)

Place: New Delhi

Date : May 22, 2024

Consolidated Balance Sheet

as at March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-Current Assets			
Property, plant and equipment	3	78,133.15	57,656.99
Capital work-in-progress	3	6,324.00	197.50
Goodwill	4	0.34	0.34
Other Intangible assets	4	121.06	122.02
Other Intangible assets under development		217.08	-
Financial Assets			
Investments	7	552.75	217.64
Other financial assets	8	2,028.48	994.63
Other non-current assets	9	2,845.27	783.13
Total Non-Current Assets		90,222.13	59,972.25
Current Assets			
Inventories	11	54,339.41	35,338.12
Financial assets			
Trade receivables	5	55,302.66	43,787.36
Cash and cash equivalents	12(a)	3,018.16	866.91
Bank balances other than cash and cash equivalents	12(b)	15,223.35	3,095.76
Loans	6	643.54	45.83
Other financial assets	8	4,266.60	2,675.94
Other current assets	9	7,582.67	3,661.45
Income tax assets (Net)	10	200.03	1,372.91
Total Current Assets		1,40,576.42	90,844.28
TOTAL ASSETS		2,30,798.55	1,50,816.53
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	2,602.62	2,274.26
Other equity	14	1,01,205.53	37,318.52
Total Equity		1,03,808.15	39,592.78
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	15	18,702.74	22,495.96
Other financial liabilities	18	224.25	217.54
Lease liabilities	20	6,803.39	3,162.21
Deferred tax liabilities (Net)	31	2,949.92	2,817.61
Provisions	16	774.40	562.10
Other liabilities	19	1,192.63	604.73
Total Non-Current Liabilities		30,647.33	29,860.15
Current Liabilities			
Financial Liabilities			
Borrowings	15	17,353.42	31,756.50
Trade payables			
- Total outstanding dues of micro and small enterprises	17	8,079.37	2,967.79
- Total outstanding dues other than micro and small enterprises	17	56,561.60	36,027.31
Other financial liabilities	18	6,845.39	5,316.90
Lease liabilities	20	616.50	284.24
Other current liabilities	19	6,331.67	4,072.33
Provisions	16	111.40	93.06
Income tax liabilities (Net)		443.72	845.47
Total Current Liabilities		96,343.07	81,363.60
Total Liabilities		1,26,990.40	1,11,223.75
TOTAL EQUITY AND LIABILITIES		2,30,798.55	1,50,816.53

Material Accounting Policies

2

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date attached

For **S.S.Kothari Mehta & Co.LLP**

Chartered Accountants

Firm Registration No. 000756N/ N500441

For and on behalf of Board of Directors

PG Electroplast Limited

Amit Goel

Partner

Membership No. 500607

Anurag Gupta

Chairman & Executive Director

DIN-00184361

Vishal Gupta

Managing Director Finance

DIN-00184809

Place: Greater Noida, U.P.

Dated: May 22, 2024

Sanchay Dubey

Company Secretary

ACS No:A51305

Promod C Gupta

Chief Financial Officer

Consolidated Statement of Profit and Loss

for the year ended March 31 ,2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

Particulars	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
Income			
Revenue from operations	21	2,74,649.53	2,15,994.75
Other Income	22	1,301.41	426.93
Total Income		2,75,950.94	2,16,421.68
Expenses			
Cost of materials consumed	23	2,16,862.42	1,60,461.35
Purchase of traded goods	24	11,036.18	18,815.72
Changes in inventories of finished goods and work-in-progress	25	(7,271.80)	(2,826.31)
Employee benefits expenses	26	16,626.97	12,285.48
Finance costs	27	5,172.55	4,793.17
Depreciation and amortisation expenses	28	4,661.16	3,495.07
Other expenses	29	11,216.81	9,642.88
Total Expenses		2,58,304.29	2,06,667.36
Profit before tax		17,646.65	9,754.32
Tax expenses			
Current tax	31	3,798.95	845.47
Deferred tax	31	142.03	1,161.99
Earlier year tax		4.45	-
Total tax expenses		3,945.43	2,007.46
Profit for the year		13,701.22	7,746.86
Less : Share of net (loss) of joint venture entity accounted for using the equity method		(211.20)	-
Profit for the year after Joint venture company		13,490.02	7,746.86
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent years			
Remeasurement gain on the defined benefit plans		(27.01)	(3.12)
Income tax effect		7.12	0.08
Other comprehensive income for the year , net of tax		(19.89)	(3.04)
Total comprehensive income for the year		13,470.13	7,743.82
Profit for the year attributable to			
Equity share holders of the Parent Company		13,490.02	7,746.86
Non controlling interests		-	-
		13,490.02	7,746.86
Other comprehensive income, net of tax for the year attributable to			
Equity share holders of the Parent Company		(19.89)	(3.04)
Non controlling interests		-	-
		(19.89)	(3.04)
Total comprehensive income for the year attributable to			
Equity share holders of the Parent Company		13,470.13	7,743.82
Non controlling interests		-	-
		13,470.13	7,743.82
Earnings per equity share face value of rupee 10 each			
Basic earnings per share (In Rs)	30	54.73	35.78
Diluted earnings per share (In Rs)	30	54.07	33.77

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date attached
For **S.S.Kothari Mehta & Co.LLP**
Chartered Accountants
Firm Registration No. 000756N/ N500441

For and on behalf of Board of Directors
PG Electroplast Limited

Amit Goel
Partner
Membership No. 500607

Anurag Gupta
Chairman & Executive Director
DIN-00184361

Vishal Gupta
Managing Director Finance
DIN-00184809

Place: Greater Noida, U.P.
Dated: May 22, 2024

Sanchay Dubey
Company Secretary
ACS No:A51305

Promod C Gupta
Chief Financial Officer

Consolidated Statement of Cash Flow

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	17,646.65	9,754.32
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expenses	4,661.16	3,495.07
Employees expenses non operating	(27.01)	(3.12)
Loss on sale of property,plant and equipment & assets written off	77.61	23.59
Misc balances written off	5.30	35.23
Provision for warranty expenses- post sales	6.00	(16.00)
Provision for doubtful advance to suppliers & capital advance	-	197.00
Provision for slow & non moving Inventories	78.57	7.33
Loss on Inventory due to Fire	351.46	7.91
Loss on property,plant and equipment due to Fire	17.05	16.30
Liabilities no longer required written back	(5.40)	(14.71)
Employee stock option scheme	1,540.12	339.41
Interest expense on lease liabilities	372.60	182.23
Fair value gain on Investment recognised through FVTPL	(25.84)	(1.67)
Interest expense	4,799.94	4,610.94
Interest income	(1,130.14)	(318.12)
Share of net (loss) of joint venture entity accounted for using the equity method	(211.20)	-
Cash flow generated from operating activity before working capital adjustments	28,156.87	18,315.71
Working capital adjustments:		
Increase/(decrease) in trade Payables	25,651.28	12,089.09
Increase/(decrease) in non - current provisions	212.29	114.44
Increase/(decrease) in non - current liabilities	587.90	604.73
Increase/(decrease) in short - term provisions	12.34	18.15
Increase/(decrease) in other current liabilities	2,259.33	2,058.50
Increase/(decrease) in current financial liabilities	1,343.00	1,311.13
Decrease/(increase) in trade receivables	(11,520.60)	(22,686.85)
Decrease/(increase) in inventories	(19,431.33)	(6,750.11)
Decrease / (increase) in short - term loans	(17.15)	229.45
Decrease/(Increase) in other current assets	(3,921.21)	642.78
Decrease/(Increase) in other current financial assets	(1,265.58)	(240.68)
Decrease/(increase) in other non current assets	(1.57)	(21.12)
Decrease/(Increase) in other non financial assets	(395.94)	(175.47)
Cash generated (used in)/generated from operations	21,669.63	5,509.75
Direct taxes (paid)/refund	(3,034.88)	(935.96)
Net cash flow generated from operating activities (A)	18,634.75	4,573.79
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property Plant and equipment including CWIP and Intangible assets	(22,681.43)	(15,456.56)
Payment for acquisition of subsidiary	(4,501.00)	-
Proceeds from sale of Property plant and equipment	99.42	37.84
Investments made during the year	(878.30)	(153.20)
Maturity of bank deposit having maturity more than 3 months	(12,765.49)	(2,025.10)
Interest received	805.06	300.13
Net cash flow (used in) investing activities (B)	(39,921.74)	(17,296.89)

Consolidated Statement of Cash Flow

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	4,305.99	11,543.27
Repayment of long-term borrowings	(11,172.88)	(4,122.83)
Proceeds from issue of equity share capital	49,175.19	334.89
Proceeds from/(Repayment of) Short-term borrowings (Net)	(13,303.62)	8,497.90
Payment of principal portion of lease liabilities	(363.58)	(216.30)
Payment of interest portion of lease liabilities	(372.60)	(182.23)
Interest paid	(4,830.26)	(4,649.98)
Net cash flow generated from financing activities (C)	23,438.24	11,204.72
Net increase/(decrease) in cash and cash equivalents (A + B + C)	2,151.25	(1,518.38)
Cash and cash equivalents at the beginning of the year	866.91	2,385.29
Cash and cash equivalents at the end of the year	3,018.16	866.91

Particulars	As at March 31, 2024	As at March 31, 2023
Components of cash and cash equivalents (Refer note -12(a)		
Cash on hand	10.72	5.63
With banks:		
- on current account	3,007.44	861.28
Total cash and cash equivalents	3,018.16	866.91

Notes

1 The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS 7) "Statement of Cash Flows".

2 Figures in brackets indicates cash outflow

As per our report of even date attached
For **S.S.Kothari Mehta & Co.LLP**
Chartered Accountants
Firm Registration No. 000756N/ N500441

For and on behalf of Board of Directors
PG Electroplast Limited

Amit Goel
Partner
Membership No. 500607

Anurag Gupta
Chairman & Executive Director
DIN-00184361

Vishal Gupta
Managing Director Finance
DIN-00184809

Place: Greater Noida, U.P.
Dated: May 22, 2024

Sanchay Dubey
Company Secretary
ACS No:A51305

Promod C Gupta
Chief Financial Officer

Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

A EQUITY SHARE CAPITAL

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

Particulars	Note	Amount
As at April 1, 2022		2,122.49
Issue of Share Capital	13	151.77
As at March 31, 2023		2,274.26
Issue of Share Capital	13	328.36
As at March 31, 2024		2,602.62

B OTHER EQUITY *

Particulars	Reserves and surplus				Equity components of cumulative compulsory convertible debentures	Other comprehensive income	Employee share option reserve	Money received against share warrants	Total other equity
	Capital reserve	Treasury shares	Securities premium	Retained earnings					
Balance as at April 1, 2022	-	-	18,509.61	6,179.83	4,069.16	104.44	206.77	37.50	29,107.31
Profit for the year	-	-	-	7,746.86	-	-	-	-	7,746.86
Remeasurement gain on defined benefit plans	-	-	-	-	-	(3.04)	-	-	(3.03)
Amount received for share warrants during the year	-	-	-	-	-	-	-	112.50	112.50
Amount received on issue of CCCDs	-	-	-	-	89.39	-	-	-	89.39
Dividend on Equity Component of CCCDs	-	-	-	(488.88)	439.99	-	-	-	(48.89)
Converted into Equity share capital	-	-	-	-	(136.46)	-	-	(10.00)	(146.46)
Transferred to securities premium	-	-	4,729.77	-	(4,462.08)	-	-	(140.00)	127.69
Treasury Shares	-	(6.25)	-	-	-	-	-	-	(6.25)
Amount Transferred to retained earning on excise of ESOPs	-	-	-	72.10	-	-	(72.10)	-	-
Adjustment on termination of ESOP	-	-	-	4.05	-	-	(4.05)	-	-
Share based employee expenses	-	-	-	-	-	-	339.40	-	339.40
Balance as at March 31, 2023	-	(6.25)	23,239.38	13,513.96	(0.00)	101.40	470.02	-	37,318.52
Profit for the year	-	-	-	13,490.02	-	-	-	-	13,490.02
Remeasurement gain on defined benefit plans	-	-	-	-	-	(19.89)	-	-	(19.89)
Transferred to securities premium	-	-	48,846.83	-	-	-	-	-	48,846.83
Treasury Shares	-	5.25	-	-	-	-	-	-	5.25
Amount Transferred to retained earning on excise of ESOPs	-	-	-	202.90	-	-	(202.90)	-	(0.01)
Adjustment on termination of ESOP	-	-	-	-	-	-	(5.25)	-	(5.25)
Business Combination (refer note 53)	18.41	-	-	-	-	-	-	-	18.41
Share based employee expenses	-	-	-	-	-	-	1,551.65	-	1,551.65
Balance as at March 31, 2024	18.41	(1.00)	72,086.21	27,206.88	(0.00)	81.51	1,813.52	-	1,01,205.53

* Kindly refer Note No. 14.

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date attached
For **S.S.Kothari Mehta & Co.LLP**
Chartered Accountants
Firm Registration No. 000756N/ N500441

For and on behalf of Board of Directors
PG Electroplast Limited

Amit Goel
Partner
Membership No. 500607

Anurag Gupta
Chairman & Executive Director
DIN-00184361

Vishal Gupta
Managing Director Finance
DIN-00184809

Place: Greater Noida, U.P.
Dated: May 22, 2024

Sanchay Dubey
Company Secretary
ACS No:A51305

Promod C Gupta
Chief Financial Officer

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

1 CORPORATE INFORMATION

The consolidated financial statements comprise financial statements of **PG Electroplast Limited** ("the Parent group") and its subsidiaries (collectively, "the Group") for the year ended March 31, 2024. PG Electroplast Limited ("the Parent group") is a public group domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its equity shares are listed with the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The registered office of the group is located at DTJ - 209, DLF Tower B, Jasola, New Delhi - 110025. The Group is an Electronic Manufacturing Services (EMS) provider for Original Equipment Manufacturers (OEMs) of consumer electronic products in India. The group manufactures and / or assemble a comprehensive range of consumer electronic components and finished products such as Kitchen Appliances, air conditioners (ACs) sub- assemblies, Air Cooler, Washing Machine, Mobile handsets, LED for third parties.

These consolidated financial statements were approved for issue in accordance with a resolution of directors on May 22, 2024.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

(a) Basis of preparation and presentation

(i) Compliance with Ind AS

These consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III). These consolidated financial statements are presented in INR and all values are rounded to the nearest lakhs, except when otherwise indicated.

(ii) Historical cost convention

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

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

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

(iii) The Group has prepared the consolidated financial statements on the basis that it will continue to operate as going concern.

(b) Basis of Consolidation

The consolidated financial statements comprises the financial statement of the PG Electroplast Limited ('the Parent company') and subsidiaries (collectively "the Group") as at March 31, 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (ii) Exposure, or rights, to variable returns from its involvement with the investee, and
- (iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

- (i) The contractual arrangement with the other vote holders of the investee
- (ii) Rights arising from other contractual arrangements
- (iii) The Group's voting rights and potential voting right
- (iv) The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31. When the end of the reporting period of the parent company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent company to enable the parent company to consolidate the financial information of the subsidiary, unless it is impracticable to do so or there are no significant transaction or event between the date of those financial statement and date of financial statement of parent company.

(c) Consolidation Procedures - Subsidiary

- (i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.

- (ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (iii) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS - 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for noncontrolling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the Group recognises the gain directly in equity as capital reserve, without routing the same through OCI.

(d) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

(e) Foreign currencies

(i) Functional and presentation currency

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

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses average rate if the average approximates the actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

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

(iv) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

(f) Revenue recognition

Revenues from contract with customers is recognized when controls of the goods or services transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange of goods or services. Revenue is stated net of Goods and Service tax and net of returns, trade allowances and discounts.

(i) Sale of goods

Revenue from sale of goods is recognized on transfer of control of goods to the customers, which is usually on dispatch of goods to customers premises.

Variable Consideration

The Group recognizes revenue from the sale of goods measured at the standalone selling price of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(ii) Sale of services

Revenue from services represents the job work services and repairing of moulds performed by the Group for its customers, Revenue from services is recognized as per the terms of the contract with the

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

customer over the period of time when the control of services is transferred to the customers.

(iii) Contract balance

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract assets are in the nature of unbilled receivables, which arises when Group satisfies a performance obligation but does not have an unconditional rights to consideration. A receivables represents the Group's right to an amount of consideration that is unconditional. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (Financial instruments – initial recognition and subsequent measurement).

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

A trade receivable is recognized if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (Financial instruments – initial recognition and subsequent measurement).

(iv) Other Income

Other income comprise interest income, rental income, liabilities no longer required written back, refund of electricity duty, government incentive and others.

Interest income is accrued on a timely basis, by reference to the principal outstanding and recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. When calculating the EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Rental income arising from operating lease is accounted on a straight line basis over the lease term.

In respect of others, Group recognized income when the right to receive is established.

(g) Government grants

Grants from the government are recognised where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

(h) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Income Tax expense for the year comprises of current tax and deferred tax.

(i) Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date where the Group operates and generates taxable income.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity).

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

(ii) Deferred tax

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

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

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

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or direct in equity.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would

follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(i) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

Group as a lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-Use assets (ROU)

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The Group classifies ROU assets as part of Property, plant and equipment in Balance Sheet and lease liability in "Financial Liability".

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Variable lease payments that depend on sales are recognized in profit or loss in the period in which the condition that triggers those payments occurs.

(iii) Short term leases and leases of low-value of assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease."

(j) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(k) Earnings Per Share (EPS)

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) if any that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

(l) Property, plant and equipment

Property, plant and equipment are tangible items that are held for use in the production or supply for goods and services, rental to others or for administrative purposes and are expected to be used during more than one period. The cost of an item of property, plant and equipment shall be recognised as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Group

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

and the cost of the item can be measured reliably. The items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items and are net of recoverable taxes /duty. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met."

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

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

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

Depreciation methods, estimated useful lives and residual value

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

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

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

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

(m) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

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

Estimated useful lives of the intangible assets are as follows:

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

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

Research and development costs

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

- (i) the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- (ii) its intention to complete and its ability and intention to use or sell the asset;
- (iii) how the asset will generate probable future economic benefits;
- (iv) the availability of adequate technical, financial and other resources to complete the development and to use or sell the asset; and

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

- (v) the ability to measure reliably the expenditure attributable to asset during its development.

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

(n) Inventories

Inventories are valued at the lower of cost and net realisable value. However, materials and other items held for use in the 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. The comparison of cost and net realizable value is made on an item-by-item basis

- (i) Inventories of raw materials, components, stores and spares are valued at lower of cost (net of recoverable taxes) and net realizable value. Cost for the purpose of valuation of such inventories is determined using the first-in, first-out (FIFO) method. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.
- (ii) Finished goods and work-in-progress are valued at lower of cost and net realizable value. The cost of finished goods and work-in-progress includes raw material costs (net of recoverable taxes), direct cost of conversion and proportionate allocation of indirect costs incurred in bringing the inventories to their present location and condition.
- (iii) Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- (iv) The provision for inventory obsolescence is assessed regularly based on estimated usage and shelf life of inventory.

(o) Provisions and Contingent liabilities, Contingent assets

(i) Provision

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow

of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Warranty Provision

Provision for warranty-related costs are recognized when the product is sold or service is provided to customer. Initial recognition is based on historical experience. The Group periodically reviews the adequacy of product warranties and adjust warranty percentage and warranty provisions for actual experience, if necessary.

(ii) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

(iii) Contingent assets

Contingent assets are not recognized. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

(p) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees'

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(All Amounts are in Rupees lakhs, unless otherwise stated)

services up to the end of the reporting period and are measured at the undiscounted amounts expected to be paid when the liabilities are settled. The liabilities are presented as current benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

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

Earned leaves

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

(iii) Post-employment obligations

The Group operates the following post employment schemes:

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

Defined benefit plans

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

The liability or asset recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan

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

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

Defined contribution plans

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

• Provident Fund Plan & Employee Pension Scheme

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

• Employee State Insurance

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

• Leave Encashment

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

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Actuarial gains and losses arising from adjustments and changes in actuarial assumptions are charged or credited to the Statement of profit and loss in the year in which such gains or losses arise.

(q) Share-based payment

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity Settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. Further details are given in Note 33.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through statement of profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(r) Financial Instruments

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

(i) Financial assets

• Initial Recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model

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with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

- **Subsequent Measurement**

- **Financial assets carried at amortised cost**

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

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

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

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

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

- **Impairment of financial assets**

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

The Group recognises life-time expected losses for all trade receivables. For all other financial assets, expected credit

losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

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

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

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

- **(ii) Financial liabilities**

- **Initial Recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

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- **Subsequent measurement**

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities at amortised cost (Loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

- **Derecognition**

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

- **Offsetting of financial instruments**

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

- **Reclassification of financial assets**

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the group either begins or ceases to perform an activity that is significant to its operations. If the group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

(s) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

(t) Critical accounting estimates, assumptions and judgements

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to Group's exposure to risk and uncertainties includes;

Capital Management Note 39.

Financial risk management objective and policies Note 37.

Sensitivity analysis disclosures note 37.

Notes to the Consolidated Financial Statements

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Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) Property, plant and equipment

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

(ii) Intangibles

Internal technical and user team assess the remaining useful lives of Intangible assets. Management believes that assigned useful lives are

reasonable. All Intangibles are carried at net book value on transition.

(iii) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed in notes to accounts.

(iv) Share based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 33.

(v) Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its

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long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Further details about gratuity obligations are given in Note 32.

(vi) Leases- Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

(u) Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether

equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary and business comprises the

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

The excess of the:

- Consideration transferred

Amount of any non-controlling interest in the acquired entity

acquisition-date fair value of any previous equity interest in the acquired entity

Over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

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3 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

Particulars	Property, plant and equipment						Right-of-Use		Total	Capital Work in Progress
	Buildings, Lease hold Improvement	Plant and Equipment	Electric installation	Furniture and Fixtures	Vehicles	Office equipment	Leasehold Land	Buildings		
Gross carrying value (at deemed cost)										
At April 1, 2022	13,357.78	32,732.80	1,290.19	627.88	977.29	387.36	1,521.50	1,727.14	52,621.94	488.98
Additions	1,366.48	12,414.72	416.87	173.62	345.85	273.47	-	2,185.57	17,176.58	10,290.09
Disposals/adjustments	9.76	(132.58)	-	-	(38.10)	-	-	(227.60)	(388.52)	(10,581.57)
At March 31, 2023	14,734.02	45,014.94	1,707.06	801.50	1,285.04	660.83	1,521.50	3,685.11	69,410.00	197.50
Addition on account of business combination (refer note 53)	3,292.51	1,957.89	122.92	25.89	-	24.18	1,127.43	-	6,550.83	-
Additions	(41.86)	13,437.65	394.36	120.41	241.97	220.57	324.31	4,337.02	19,034.43	17,789.20
Disposals/adjustments	-	(394.03)	(211.80)	(32.44)	(42.98)	(111.04)	-	(23.38)	(815.67)	(11,662.70)
At March 31, 2024	17,984.67	60,016.45	2,012.54	915.36	1,484.03	794.54	2,973.24	7,998.75	94,179.59	6,324.00
Accumulated Depreciation										
At April 1, 2022	1,507.85	5,668.66	352.23	187.44	378.93	144.13	48.53	305.39	8,593.16	-
Charge for the year	469.10	2,235.95	108.93	58.16	120.89	111.87	20.82	344.91	3,470.63	-
Disposals/adjustments	-	(65.96)	-	-	(33.17)	-	-	(211.64)	(310.77)	-
At March 31, 2023	1,976.96	7,838.65	461.16	245.60	466.65	256.00	69.35	438.66	11,753.01	-
Addition on account of business combination (refer note 53)	106.53	126.28	8.14	2.21	-	5.98	35.74	-	284.87	-
Charge for the year	518.88	2,902.60	154.62	76.46	158.75	158.20	22.39	638.25	4,630.16	-
Disposals/adjustments	-	(233.61)	(198.65)	(30.82)	(30.17)	(105.00)	-	(23.35)	(621.60)	-
At March 31, 2024	2,602.37	10,633.92	425.27	293.45	595.23	315.18	127.48	1,053.56	16,046.44	-
Net carrying amount										
At March 31, 2023	12,757.06	37,176.28	1,245.90	555.89	818.38	404.83	1,452.15	3,246.45	57,656.99	197.50
At March 31, 2024	15,382.31	49,382.54	1,587.27	621.91	888.80	479.36	2,845.76	6,945.20	78,133.15	6,324.00

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3 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS (Contd..)

(i) Leasehold Land

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

Plot no	Period of Lease	Balance Period of Lease as at March 31, 2024
P-4/2 to 4/6 at Unit-I	90 years	70 years
E-14, E-15 at Unit-III	83 years	70 years
F-20 at Unit-III	59 years	53 years
I-26, I-27 at Unit-V	64 years	57 years
A-20/2 at Supa, Unit IV	85 Years	78 years
C-11 at Unit-IV	76 years	70 years
A-18, Supa, MIDC, Taluka-Parner, Ahmednagar	95 years	71 years
F-3-Supa MIDC, Taluka Parner Ahmednagar-Maharashtra	95 years	78 years

These leases of lands have been classified as finance lease in terms of criteria specified in Ind AS 116 leases, including the facts that the market value of the land (as on the date of transaction) had been paid to the lessor at the inception of the lease.

(ii) Restrictions on Property, plant and equipment

Refer note no. 15 for information on charges created on property, plant and equipment.

(iii) Contractual commitments

Refer note no. 40(ii) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iv) The Group has not revalued its Property, Plant & Equipments (including Right to Use assets) or intangible assets or both during the year.

(v) Capital work-in-progress ageing schedule

CWIP	Amount in CWIP for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2024					
Projects in Progress	6,324.00	-	-	-	6,324.00
Projects Temporarily suspended	-	-	-	-	-

CWIP	Amount in CWIP for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2023					
Projects in Progress	197.50	-	-	-	197.50
Projects Temporarily suspended	-	-	-	-	-

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4 GOODWILL AND OTHER INTANGIBLE ASSETS

Particulars	Goodwill	Computer Software's	Total
Gross carrying value (at deemed cost)			
At April 1, 2022	0.34	126.04	126.38
Additions	-	79.68	79.68
Disposals/adjustments	-	-	-
At March 31, 2023	0.34	205.72	206.06
Additions	-	30.05	30.05
Disposals/adjustments	-	-	-
At March 31, 2024	0.34	235.77	236.11
Accumulated Depreciation			
At April 1, 2022	-	59.26	59.26
Charge for the year	-	24.44	24.44
Disposals/adjustments	-	-	-
At March 31, 2023	-	83.70	83.70
Charge for the year	-	31.01	31.01
Disposals/adjustments	-	-	-
At March 31, 2024	-	114.71	114.71
Net carrying amount			
At March 31, 2023	0.34	122.02	122.36
At March 31, 2024	0.34	121.06	121.40
	-	217.08	217.08

Intangible assets under development

Particulars	Intangible assets under development	Total
At April 1, 2022	-	-
Additions	-	-
At March 31, 2023	-	-
Additions	217.08	217.08
At March 31, 2024	217.08	217.08

(a) Goodwill is acquired on acquisition of PG Technoplast Private Limited on December 17, 2020 having indefinite useful life. The company do impairment testing annually.

(b) There are intangible assets under development as at March 31, 2024 of Rs 217.08 lakh and March 31, 2023 - NIL ..

Ageing of intangible assets under development is as follows

Intangible assets under development	Amount in intangible assets under development for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2024					
Projects in Progress	217.08	-	-	-	217.08
Projects Temporarily suspended	-	-	-	-	-

Intangible assets under development	Amount in intangible assets under development for the period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2023					
Projects in Progress	-	-	-	-	-
Projects Temporarily suspended	-	-	-	-	-

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5 TRADE RECEIVABLES

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
- Unsecured, considered good	55,302.66	43,787.36
- Unsecured, credit impaired	-	-
	55,302.66	43,787.36
Less: Allowance for trade receivables	-	-
Total trade receivables	55,302.66	43,787.36

Trade receivables includes receivable from related party Rs.1,142.38 lakhs (31st March 2023: Nil). Refer note no 36

Trade Receivables Aging Schedule

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	Total
As at March 31, 2024						
Undisputed Trade Receivables						
- Considered good	54,925.69	204.71	125.89	40.22	6.15	55,302.66
Disputed Trade Receivables						
- Considered good						
- Credit impaired	-	-				-
Gross Carrying Amount	54,925.69	204.71	125.89	40.22	6.15	55,302.66
Less: Allowance for trade receivable	-	-	-	-	-	-
Net Carrying Amount	54,925.69	204.71	125.89	40.22	6.15	55,302.66

Trade Receivables Aging Schedule

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	Total
As at March 31, 2023						
Undisputed Trade Receivables						
- Considered good	43,661.03	62.50	57.68	4.02	2.13	43,787.36
Disputed Trade Receivables						
- Considered good						
- Credit impaired	-	-	-	-	-	-
Gross Carrying Amount	43,661.03	62.50	57.68	4.02	2.13	43,787.36
Less: Allowance for trade receivable	-	-	-	-	-	-
Net Carrying Amount	43,661.03	62.50	57.68	4.02	2.13	43,787.36

Note:

(a) Neither trade nor other receivables are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies in which any director is a partner, a director or a member, except as mentioned above.

(b) Information about the Group's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 37. Provision as disclosed above is on case to case basis as identified by the management.

(c) Trade receivables are no-interest bearing and are generally on terms of 30-90 days of credit period.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

6 LOANS

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
- Unsecured, considered good		
Loan to Employees	62.99	40.22
Loan to Joint Venture	580.55	-
Loan to Others	-	5.61
Total loans	643.54	45.83

Loan receivable from related parties Rs.580.55 lakhs (March 31,2023 :Rs. Nil lakhs) (refer note 36)

7 INVESTMENTS

Particulars	As at March 31, 2024	As at March 31, 2023
Non-Current		
Unquoted		
Investment In Equity Shares of Joint Venture		
49,99,500 (March 31, 2023: Nil) equity shares in Goodwroth Electronics Private Limited	506.23	-
Less : Company share of net (loss) of joint venture entity	(211.20)	-
	295.03	
Equity instruments in Others at fair value through profit and loss		
14,80,000 (March 31, 2023: 14,80,000) equity shares of Rs 10 each, fully paid in Solarstream Renewable Services Private Limited	148.80	148.80
2500 (March 31, 2023: Nil) equity shares of Rs 10 each, fully paid in Saraswat Cooperative Bank Limited	0.25	-
	444.08	148.80
Quoted		
Investment in Mutual Funds at fair value through profit and loss		
3813.06 units (31st March 2023: 3212.29 units) in HDFC index Funds- Sensex plan	25.66	17.16
12509.67 units (31st March 2023: 10533.53 units) in HDFC Index Funds-Nifty 50 plan	26.14	16.98
30819.21 units (31st March 2023: 26144.59 units) in ICICI Prudential Bluechip Funds	29.63	17.66
38140.13 units (31st March 2023: 32138.68 units) in Kotak Flexicap Funds-Growth	27.24	17.04
	108.67	68.84
Total Non-Current Investments	552.75	217.64
Aggregate book value of quoted investments	108.67	68.84
Aggregate market value of quoted investments	108.67	68.84
Aggregate book value of unquoted investments	444.08	148.80
Aggregate market value of unquoted investments	444.08	148.80

8 OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2024	As at March 31, 2023
Non-Current (at amortised cost)		
Security Deposits		
Unsecured, considered good	932.06	536.12
Bank Deposits		
with maturity of more than 12 months	1,096.42	458.51
	2,028.48	994.63

Deposits of Rs.596.42 lakhs (March 31, 2023: Rs.458.51 lakh) pledged as margin money with the bank for various type of credit limits.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

8 OTHER FINANCIAL ASSETS (Contd..)

Particulars	As at March 31, 2024	As at March 31, 2023
Current (at amortised cost)		
Security Deposits		
Unsecured, considered good	30.22	34.11
Interest Receivables		
Interest accrued on bank and other deposit	354.28	61.59
Interest accrued on others	44.05	11.66
Government grant and others*	2,494.26	2,394.28
Others	1,343.79	174.30
Total other financial assets	4,266.60	2,675.94

* Others includes amount recoverable from Maharashtra Government on account of stamp duty paid amounted Nil (March 31, 2023: Rs 58.76 lakhs) and fire claim receivable amounted Rs.1339.47 lakhs (March 31, 2023: 55.27 lakhs).

Interest accrued on other , receivable from related parties Rs.26.72 lakhs (March 31,2023 :Nil) (refer note 36)

9 OTHER ASSETS

Particulars	As at March 31, 2024	As at March 31, 2023
Non-Current (at amortised cost)		
Unsecured, considered good		
Capital advances	2,718.69	658.12
Prepaid expenses	126.58	125.01
	2,845.27	783.13
Current (at amortised cost)		
Unsecured, considered good		
Advances to suppliers	2,552.53	1,421.58
Balances with Government Authorities	1,680.01	587.92
Prepaid expenses and others	419.49	373.56
IGST Receivable Under Moowr-Raw Material	2,917.43	1,274.74
Imprest to employees	3.88	2.33
Derivative Assets	9.33	1.32
	7,582.67	3,661.45
Less: Allowances for doubtful advance	-	-
	7,582.67	3,661.45
Total other assets	10,427.94	4,444.58

10 INCOME TAX ASSETS (NET)

Particulars	As at March 31, 2024	As at March 31, 2023
Income tax refund for earlier years & Advance tax	200.03	1,372.91
	200.03	1,372.91

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

11 INVENTORIES

(Valued at lower of cost or net realisable value)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw material and components	39,831.06	27,007.09
Work-in-progress	7,012.61	2,630.08
Finished goods	7,316.17	5,687.07
Stores and spares	351.22	106.96
	54,511.06	35,431.20
Less: Provision for Slow/Non Moving Inventories	(171.65)	(93.08)
Total Inventory	54,339.41	35,338.12
(a) The above includes goods in transit as under		
Raw material and components	41.09	2.34
(b) The above includes goods at bonded warehouse		
Raw material and components	5,019.21	4,977.39

(c) Refer note 15, for information on hypothecation created on inventory with the bankers against working capital.

(d) The write-down of inventories to net realisable value during the year amounting to Nil (March 31, 2023: nil). These are recognised as expenses during the respective period and included in changes in inventories.

12 CASH AND BANK BALANCES

(a) Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks		
- In current accounts	3,007.44	861.28
Cash on hand	10.72	5.63
Total cash and cash equivalents	3,018.16	866.91

(b) Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Bank deposits		
with maturity of more than 3 months and upto 12 months	15,223.35	3,095.76
Total bank balances other than cash and cash equivalents	15,223.35	3,095.76

Deposits of Rs.2728.35 lakhs (March 31, 2023:Rs.2225.88 lakhs) pledged as margin money with bank for various type of credit limits.

Deposits with banks are made with banks for varying periods, depending on immediate cash requirement of the Group and to earn interest at the respective term deposit rates.

13 SHARE CAPITAL

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Authorised share capital		
3,50,00,000 (March 31, 2023: 3,50,00,000) equity shares (Par value of Rs. 10 per share)	3,500.00	3,500.00
	3,500.00	3,500.00

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

13 SHARE CAPITAL (Contd..)

Particulars	As at March 31, 2024	As at March 31, 2023
(b) Issued, Subscribed And Fully Paid Up Share Capital		
2,60,26,245 (March 31, 2023:2,27,42,617) equity shares (Par value of Rs. 10 per share)	2,602.62	2,274.26
	2,602.62	2,274.26

(c) Movements in equity share capital

Particulars	No. of shares	Amount in Rs.
As at April 1, 2022	2,12,24,866	2,122.49
Increase during the year (Foot note 2 to 2B)	15,17,751	151.77
As at March 31, 2023	2,27,42,617	2,274.26
Increase during the year (Foot note 1 to 1C)	32,83,628	328.36
As at March 31, 2024	2,60,26,245	2,602.62

1. During the year, the Company on May 26, 2023 allotted 48,200 (Forty-Eight Thousand Two Hundred only) Equity Shares of Rs. 10/- each to 'PG Electroplast Limited Employees Welfare Trust' under the PG Electroplast Employees Stock Options Scheme – 2020 in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
 - 1A. During the year, the Company on August 22, 2023 allotted 28,700 (Twenty Eight Thousand Seven Hundred Only) Equity Shares of Rs. 10/- each to the 'PG Electroplast Limited Employees Welfare Trust' under PG Electroplast Employees Stock Options Scheme - 2020 in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
 - 1B. During the year, the Company on September 02, 2023 issued and allotted 32,05,128 (Thirty Two Lakh Five Thousand One Hundred Twenty Eight only) Equity Shares, to the eligible Qualified Institutional Buyers (QIB) at the issue price of ₹ 1,560/- per Equity Share (including a premium of Rs. 1,550/- per Equity Share, (which includes a discount of Rs. 81.09/- i.e., 4.94 % of the floor price, as determined in terms of SEBI ICDR Regulations), aggregating to Rs. 499,99,99,680/- (Rupees Four Hundred Ninety-Nine Crore Ninety-Nine Lakh Ninety-Nine Thousand Six Hundred Eighty Only), pursuant to the Qualified Institutions Placement (QIP).
 - 1C. During the year, the Company on January 02, 2024 allotted 1,600 (One Thousand Six Hundred Only) Equity Shares of Rs. 10/- each to the 'PG Electroplast Limited Employees Welfare Trust' under PG Electroplast Employees Stock Options Scheme – 2020 in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
2. During the year 2022-23, the Company on September 27, 2022 allotted 1,00,000 equity shares of face value of Rs. 10/- each pursuant to conversion of 1,00,000 share warrants issued on 31st March, 2021 at an issue price of Rs. 150/- each, by way of preferential allotment to Mr. Nikhil Vishnu prasad Bagla and Mrs. Urmila Nikhil Bagla (Public Category).
 - 2A. During the year 2022-23, the Company on August 12, 2022 allotted 53,200 Equity Shares of face value of Rs. 10/- each to the 'PG Electroplast Limited Employees Welfare Trust' under PG Electroplast Limited Employees Stock Option Scheme - 2020 in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
 - 2B. During the year 2022-23, the Company on December 31, 2022 allotted 13,64,551 Equity Shares of face value of Rs. 10/- each pursuant to conversion of 10,76,904, 17.96% Compulsorily Convertible Debentures ("CCDs") allotted on preferential basis on July 01, 2021 and unpaid coupon amount accrued thereon, at the conversion price of Rs. 337/-, determined as per the SEBI ICDR Regulations

There were no buy back of shares or issue of shares pursuant to contract without payment being received in cash during the previous 5 years.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

13 SHARE CAPITAL (Contd..)

(d) Terms and rights attached to equity shares

The group has only one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the group, the equity shareholders are eligible to receive the remaining assets of the group after distribution of all preferential amounts, in proportion to their shareholding.

(e) Particulars of shareholders holding more than 5% shares of fully paid up equity shares

Name of Shareholder	March 31, 2024		March 31, 2023	
	No. of shares	% holding	No. of shares	% holding
Mr Anurag Gupta	29,91,201	11.49%	29,91,201	13.15%
Mr Vishal Gupta	51,10,827	19.64%	50,51,474	21.21%
Mr Vikas Gupta	50,73,531	19.49%	50,73,531	21.31%

(f) Details of share held by promoters

Promoter Name	March 31, 2024			March 31, 2023		
	No. of shares	% holding	% Change during the year	No. of shares	% holding	% Change during the year
Mr Anurag Gupta	29,91,201	11.49%	-1.66%	29,91,201	13.15%	-0.94%
Mr Vishal Gupta	51,10,827	19.64%	-2.57%	50,51,474	22.21%	-1.59%
Mr Vikas Gupta	50,73,531	19.49%	-2.81%	50,73,531	22.31%	1.60%
Mrs Neelu Gupta	5,13,371	1.97%	-0.27%	5,11,000	2.25%	-0.16%
Mrs Sarika Gupta	1,22,016	0.47%	-0.28%	1,71,016	0.75%	-0.05%
Mrs Nitasha Gupta	1,58,959	0.61%	-0.04%	1,48,959	0.65%	-0.05%
Mr Pranav Gupta	3,300	0.01%	0.01%	-	-	-
Mr Aditya Gupta	2,249	0.01%	0.01%	-	-	-
Mr Vatsal Gupta	1,000	0.00%	0.00%	-	-	-
Mr Raghav Gupta	500	0.00%	0.00%	-	-	-

(g) Shares reserved for issue under options

Information relating to Employee Stock Option Plan, including details of option issued, exercised and lapsed during the financial year and options outstanding as at end of the reporting period are set out in note 33.

14 OTHER EQUITY

Particulars	As at March 31, 2024	As at March 31, 2023
Securities premium	72,086.21	23,239.38
Retained earnings	27,206.88	13,513.97
Other comprehensive income	81.51	101.40
Employee Stock Option reserve	1,813.52	470.02
Treasury share	(1.00)	(6.25)
Capital reserve	18.41	-
Total other equity	1,01,205.53	37,318.52

(a) Securities premium

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	23,239.38	18,509.61
Increased during the year*	49,982.68	4,729.77
Less : QIB issue expenses	(1,135.85)	-
Closing balance	72,086.21	23,239.38

* Refer note 13(c) for changes during the year.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

14 OTHER EQUITY (Contd..)

(b) Retained earnings

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	13,513.96	6,179.83
Net profit for the year	13,490.02	7,746.86
Less: Dividend on Equity Component of CCCDs	-	(488.88)
Amount Transferred to Securities Premium on excise of ESOPs	202.90	72.10
Adjustment of forfeiture of ESOP	-	4.05
Closing balance	27,206.88	13,513.96

(c) Other comprehensive income

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	101.40	104.44
Increased during the year*	(19.89)	(3.04)
Closing balance	81.51	101.40

* Other comprehensive income is increased during the year due to actuarial gain on gratuity provision.

(d) Money received against share warrants

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	-	37.50
Received during the year against issue of share warrants	-	112.50
Converted into equity shares during the year	-	(150.00)
Closing balance	-	-

(e) Cumulative Compulsorily Convertible Debentures (CCD)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	-	-
Equity Component of CCCDs	-	4,069.16
Dividend on equity component of CCCDs	-	439.99
Add : Amount received on issue of CCCDs	-	89.39
Less:- Conversion into to Equity share capital	-	(4,598.54)
Closing balance	-	-

(f) Employee Share Option reserve

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	470.02	206.77
Employee stock option expenses during the year	1551.65	339.40
Amount Transferred to Securities Premium on excise of ESOPs	(202.90)	(72.10)
Adjustment of termination of ESOP	(5.25)	(4.05)
Closing balance	1,813.52	470.02

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

14 OTHER EQUITY (Contd..)

(g) Treasury share

Particulars	As at March 31, 2024	As at March 31, 2023
Treasury share	(1.00)	(6.25)
Closing balance	(1.00)	(6.25)

(h) Capital Reserve

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance		
Movement during the year	18.41	-
Closing balance	18.41	-

(i) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

(ii) Retained earnings

Retained Earnings are profits that the Group has earned till date less transfer to other reserve, dividend or other distribution or transaction with shareholders.

(iii) Employee stock option reserve

The stock option outstanding account is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

(iv) Other Comprehensive Income

Other comprehensive income is the actuarial gain/(loss) on defined benefit plans (i.e Gratuity) till the date which will not be reclassified to statement of profit and loss subsequently.

(v) Money Received against share warrants

It pertains to the application money received on grant of share warrants, this will be transferred to equity share and securities premium on conversion into equity share capital.

(vi) Cumulative Compulsorily Convertible Debentures (CCCDs)

It pertains to equity component of cumulative compulsorily convertible debentures.

(vii) Capital Reserve

Capital reserve arrived from business combination (refer note 53)

15 BORROWINGS

Particulars	As at March 31, 2024	As at March 31, 2023
Non-Current (at amortised cost)		
Secured		
Term loans		
- From banks		
- Rupees Loans	20,998.36	25,053.00
- From Others *	818.21	806.51
Vehicle loans		
- From banks	150.75	303.88

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

15 BORROWINGS (Contd..)

Particulars	As at March 31, 2024	As at March 31, 2023
- From Others	24.47	58.94
Unsecured		
- Deferred Payment against Plant and Machinery	897.74	2,059.89
	22,889.53	28,282.22
Less: Current maturity of long term borrowings	(4,186.79)	(5,786.26)
Total non-current borrowings	18,702.74	22,495.96
* Includes interest free term loan from Uttar Pradesh Financial Corporation Rs 783.74 lakhs (Previous year: Rs 595.84 lakhs)		
Current (at amortised cost)		
Secured		
Repayable on demand		
- From banks	7,965.11	14,161.60
Term & Vehicle loan from banks- Current maturity of borrowings	3,428.71	4,193.40
Term & Vehicle loan from others- Current maturity of borrowings	34.47	120.66
Unsecured		
Deferred Payment against Plant and Machinery- Current maturity of borrowings	723.61	1,472.20
Bill discounting		
- From banks	4,701.52	11,165.10
- From Others	500.00	643.54
Total current borrowings	17,353.42	31,756.50

As on Balance sheet date, there is no default in repayment of loan and interest.

Changes in liabilities arising from financial activities

Particulars	As at April 1, 2023	Cash Flows	Fair Value Change	Foreign exchange movement	Interest Amortisation	As at March 31, 2024
Non current borrowings (including current maturities of non current borrowings)	28,282.23	(5,366.80)	-	-	(25.89)	22,889.54
Current borrowings	25,970.24	(12,803.61)	-	-	-	13,166.63

Changes in liabilities arising from financial activities

Particulars	As at April 1, 2022	Cash Flows	Fair Value Change	Foreign exchange movement	Interest Amortisation	As at April 1, 2023
Non current borrowings (including current maturities of non current borrowings)	20,912.77	7,420.45	-	-	(50.99)	28,282.23
Current borrowings	17,472.34	8,497.90	-	-	-	25,970.24

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

15 BORROWINGS (Contd..)

A. Term Loan

Sr. No.	Bank Name	Type of loan	As at March 31, 2024		As at March 31, 2023		Term of Repayments	Security
			Non-Current	Current	Non-Current	Current		
Secured- From Banks								
1	State Bank of India	Term loan	-	229.99	229.99	450.00	05 monthly installments of Rs. 40 lakhs from April-August 2024 and balance in September 2024.	(i). Hypothecation of P&M, factory land situated at P-4/6 and F-20, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of the Company. (ii). Collateral Security: Factory Land and Building situated at Plot no- P-4/2 - 4/5, Plot No E-14 & E-15, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of Company and Building situated at Khasra No 268 & 275, Village Raipur, Roorkee, Haridwar, Uttarakhand, and factory land which is in the name of M/s PG Electronics and Mr. Vishal Gupta. (iii). Corporate Guarantee of PG Electronics (Partnership Firm)
2	State Bank of India	Term loan	560.81	216.00	776.81	216.00	43 monthly installments of Rs.18 lakhs from April 2024 to October 2027 and balance in November 2027. Monthly interest is being charged at the end of each month.	(i). Hypothecation of P&M, factory land & building situated at Khasra no 268 & 275, Raipur, Bhagwanpur, Roorkee, P-4/2 to 4/6 and E-14 & E-15, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of the Company. (ii). Collateral Security: Factory Land and Building situated at Plot no- P-4/2 - 4/5, Plot No E-14 & E-15, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of Company and Building situated at Khasra No 268 & 275, Village Raipur, Roorkee, Haridwar, Uttarakhand, and factory land which is in the name of M/s PG Electronics and Mr. Vishal Gupta. (iii). Corporate Guarantee of PG Electronics (Partnership Firm)
3	State Bank of India	GECL*2			381.14	221.00	Fully paid	Collateral free Guaranteed Emergency Credit Line (GECL), which is fully guaranteed by National Credit Guarantee Trustee Company Limited (NCGTC).
4	State Bank of India	GECL*3			395.96	46.04	Fully paid	Secured by extension of second ranking charge over existing primary and collateral securities including mortgages created in favour of the State Bank of India. Personal Guarantee are also given by promoter directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

15 BORROWINGS (Contd..)

Sr. No.	Bank Name	Type of loan	As at March 31, 2024		As at March 31, 2023		Term of Repayments	Security
			Non-Current	Current	Non-Current	Current		
5	State Bank of India	Term loan-New	1,807.80	432.00	1,775.27	137.74	62 monthly installments of Rs.36 lakhs from April 2024 to May 2029 & balance in June 2029 Monthly interest is being charged at the end of each month.	<p>i). Secured by way of hypothecation of entire current assets including raw material, work-in-progress, finished goods, Book debts, advance payments, stock in transit, other current assets, cash margins of Unit 1 at Greater Noida, 2 at Roorkee & 3 at Greater Noida of the Company.</p> <p>(ii). Collateral Security : Factory Land and Building situated at Plot no- P-4/2 - 4/6 and Plot No E-14 & E-15, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of Company and Building situated at Khasra No 268 & 275, Village Raipur, Roorkee, Haridwar, Uttarakhand, factory land which is in the name of M/s PG Electronics and Mr. Vishal Gupta.</p>
6	HDFC Bank	Term loan			1,344.00	617.66	Fully paid	<p>Secured by way of exclusive charge over land, Building, at I-26 & I-27, Site-C, UPSIDC Industrial Area, Surajpur Greater Noida, U.P. (Unit 5) and land, Building, at A-20/2. MIDC Supa, District-Ahmednagar Maharashtra (Unit 4). Term loan are also secured by way of exclusive charge on plant and machinery situated at Unit 5 of Greater Noida and specific plant & machinery generated out of the term loan, situated at Unit 4 of Ahmednagar, Maharashtra. Personal Guarantee are also given by promoter directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta.</p>
7	HDFC Bank	Term loan	4,085.26	742.77	4,828.04	742.77	Repayable in 30 monthly instalments of Rs 61.89 lakhs in the month of April 2024 to September 2026 and 36 monthly installments of Rs 82.53 lakhs from October 2026 to September 2029.	<p>Secured by way of 1st Parri Passu charge over land, Building, at A-18, Village Supa, Taluka-Parner, Distt.-Ahmednagar, Maharashtra-414302 measuring 40011 Sq.mete.</p> <p>Term loan are also secured by way of 1st Parri Passu charge on plant and machinery situated at Unit-1 at Greater Noida Extension, UP, Unit-2 at Supa, Ahmednagar. PDC cheque of total sanctioned loan amount. Corporate Guarantee of PG Electroplast Ltd is also given.</p>
8	HDFC Bank	Term loan	5,500.00	1,000.00	6,500.00	500.00	Repayable in 78 monthly instalments of Rs 83.34 lakhs in the month of April 2024 to September 2030	<p>Secured by way of 1st Parri Passu charge over land, Building, at A-18, Village Supa, Taluka-Parner, Distt.-Ahmednagar, Maharashtra-414302 measuring 40011 Sq.mete.</p> <p>Term loan are also secured by way of 1st Parri Passu charge on plant and machinery situated at Unit-1 at Greater Noida Extension, UP, Unit-2 at Supa, Ahmednagar. PDC cheque of total sanctioned loan amount. Corporate Guarantee of PG Electroplast Ltd is also given.</p>

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

15 BORROWINGS (Contd..)

Sr. No.	Bank Name	Type of loan	As at March 31, 2024		As at March 31, 2023		Term of Repayments	Security
			Non-Current	Current	Non-Current	Current		
9	HDFC Bank	Term loan	2,901.79	223.21	-	-	Repayable in 28 quarterly instalments of Rs 111.61 lakhs since from Dec 2024 to sept 2031	Secured by way of 1st Parri Passu charge over land, Building, at A-18, Village Supa, Taluka-Parner, Distt.-Ahmednagar, Maharashtra-414302 measuring 40011 Sq.mete. Term loan are also secured by way of 1st Parri Passu charge on plant and machinery situated at Unit-1 at Greater Noida Extention, UP, Unit-2 at Supa, Ahmednagar & Bhiwadi unit. PDC cheque of total sanctioned loan amount & Corporate Gurantee of PG Electroplast Ltd is also given."
10	HDFC Bank	Moratorium Loan Covid -19 converted from existing loans	-	-	71.82	-	Fully paid	Moratorium Loan Covid -19 of deferment of existing term loans at Sr. no 7 & interest amount was granted as per Covid -19 Panedemic Relief by RBI.
11	HDFC Bank	ECGLC-02	-	-	1,000.00	500.00	Fully paid	Secured by extention of second ranking charge over existing primary and collateral securities including mortgages created in favour of the Bank.
12	HDFC Bank	ECGLC-03	-	-	850.67	77.33	Fully paid	Personal Guarantee are also given by promoter directors i.e. Mr.Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta.
13	ICICI Bank	Term loan	-	-	770.83	250.00	Fully paid	First Pari Passu charge on all current assets of Unit-4 of PG Electroplast Limited Guaranteed by promoter directors i.e Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta .
14	ICICI Bank	Term loan	1,396.00	249.60	1,645.60	249.60	"Repayable in 31 monthly instalments of Rs 20.80 lakhs in the month of April 2024 to October 2026 and 36 monthly installments of Rs 27.80 lakhs from November 2026 to October 2029. Monthly Interest is being charged at the end of the month. "	Secured by way of 1st Parri Passu charge over land, Building, at A-18, Village Supa, Taluka-Parner, Distt.-Ahmednagar, Maharashtra-414302 measuring 40011 Sq.mete. Term loan are also secured by way of 1st Parri Passu charge on plant and machinery situated at Unit-1 at Greater Noida Extention, UP, Unit-2 at Supa, Ahmednagar. PDC cheque of total sanctioned loan amount. Corporate Gurantee of PG Electroplast Ltd is also given.
15	Yes Bank	Term loan	-	-	376.16	53.74	Fully paid	Secured by way of exclusive charge by way of hypothecation on entire existing and future specific assets which are procured out of term loan taken from Yes Bank. PDC cheque of total sanctioned loan amount. Corporate Gurantee of PG Electroplast Ltd is also given.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

15 BORROWINGS (Contd..)

Sr. No.	Bank Name	Type of loan	As at March 31, 2024		As at March 31, 2023		Term of Repayments	Security
			Non-Current	Current	Non-Current	Current		
16	Saraswat Bank	Term Loan	1,318.00	182.00	-	-	Repayable in 66 monthly instalments of Rs 22.75 lakhs in the month of August 2024 to Jan 2031	Pari pasu charge on moveable and immoveable fixed assets (present & future) of the Next Generation Manufacturing Private Limited along with other member banks under multiple banking arrangement. Personal Guarantee of Mr. Nipun Singhal.
17	HDFC Bank	Vehicle loan	15.15	10.08	1.54	5.86	Repayment in 31 EMIs	Secured by hypothecation of vehicle acquired under the respective vehicle loan.
18	HDFC Bank	Vehicle loan	93.13	92.54	151.39	79.21	Repayment in 33 EMIs	
19	ICICI Bank	Vehicle loan	19.03	15.29	13.67	5.72	Repayment in 26 EMIs	
20	ICICI Bank	Vehicle loan	9.41	17.74	19.07	13.63	Repayment in 30 EMIs	
21	Axis Bank	Vehicle loan	14.03	17.48	31.51	27.09	Repayment in 27 EMIs	
			17,720.40	3,428.71	21,163.49	4,193.39		
Secured- From Others								
1	Tata Capital Financial Services Limited	Loan against plant			90.01	88.70	Fully paid	1st Charge on machineries purchased from the term loan. Guaranteed by promoter directors i.e Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta .
2	Uttar Pradesh Financial Corporation Ltd	Interest Free Term loan	783.74	-	595.84	-	Repayable in lumpsum after 7 years from the date of disbursement without any interest.	"Bank Guarantee of 100% value of loan was issued by State bank of india, Noida in favour of lender for entire period of 7 years plus 6 months delay period interest @ 15% p.a.in case of non payment on due date. Guaranteed by promoter directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta."
3	Vehicle loan from Sundaram Finance Limited	Vehicle loan	12.96	18.26	31.22	16.93	Repayable in 20 Nos EMIs	Secured by hypothecation of vehicle acquired under the respective vehicle loan.
4	Vehicle loan from Sundaram Finance Limited	Vehicle loan	11.51	16.21	27.72	15.03	Repayment in 20 EMIs	Secured by hypothecation of vehicle acquired under the respective vehicle loan.
			808.21	34.47	744.80	120.66		

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

15 BORROWINGS (Contd..)

Sr. No.	Bank Name	Type of loan	As at March 31, 2024		As at March 31, 2023		Term of Repayments	Security
			Non-Current	Current	Non-Current	Current		
Unsecured- Deferred payments								
1	Deferred Payment against P&M							
	Haitian Huayuan Machinery India Pvt Ltd.	Deferred Payment	96.68	132.84	43.83	161.10	Repayable in the range of 9 to 20 monthly installment from April 2023 to November 2024.	Not Applicable
	Haitian Huayuan Machinery India Pvt Ltd.	Deferred Payment	77.45	421.72	343.44	668.57	Repayable in range of 20 monthly instalments	
	Haitian Huayuan (Hongkong) Limited	Deferred Payment	-	49.02	50.72	163.81	Repayable in monthly & quaterly installments. Rs 26.04 lacs repayable in 2 quaterly installments & Rs 188.49 lacs repayable in 16 monthly installments	
	Haitian Huayuan (Hongkong) Limited	Deferred Payment	-	120.04	149.69	478.72	Repayable in range of 20 monthly instalments	
			174.13	723.61	587.69	1,472.20		

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

15 BORROWINGS (Contd..)

B. Repayable on demand

Sr. No.	Bank Name	Type of loan	As at March 31, 2024		As at March 31, 2023		Term of Repayments	Security
			Non-Current	Current	Non-Current	Current		
Secured- From Banks								
1	State Bank of India	Cash Credit Limit	-	2,277.48	-	1,660.76	Repayable on demand	(i). Secured by way of hypothecation of entire current assets including raw material, work-in-progress, finished goods, Book debts, advance payments, stock in transit, other current assets, cash margins of Unit 1 at Greater Noida, 2 at Roorkee & 3 at Greater Noida of the Company (ii). Collateral Security : Factory Land and Building situated at Plot no- P-4/2 - 4/6 and Plot No E-14 & E-15, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of Company and Building situated at Khasra No 268 & 275, Village Raipur, Roorkee, Haridwar, Uttarakhand, factory land which is in the name of M/s PG Electronics and Mr. Vishal Gupta. (iii). Factory land and building of Plot no F-20, Site, B, UPSIDC Industrial Area, Surajpur, Greater Noida, District Gautam Budh Nagar is the prime security. (iv). Hypothecation of all fixed assets except land & building and specified machinery charged under term loans of Unit-1, 2 & 3.
2	State Bank of India	Overdraft	-	13.73	-	15.81	Repayable on demand	Secured against term deposit.
3	HDFC Bank	Cash Credit Limit	-	370.24	-	670.83	Repayable on demand	(i). Secured by way of hypothecation of entire current assets present and future of Unit 4 & 5 of the Company i.e. PG Electroplast Limited and First PP Charge on Current assets of Unit-4 with ICICI Bank for working capital demand loan.
4	HDFC Bank	Working Capital Demand Loan	-	-	-	1,500.00	Repayable on demand	(ii). Collateral Security : Factory Land and Building situated at I-26 & I- 27, Site C, UPSIDC Industrial Area, Surajpur, Greater Noida, U.P (Unit-5) and A-20/2. MIDC Supa, District- Ahmednagar Maharashtra (Unit-4) of Company
5	State Bank of India	Overdraft	-	3.45	-	3.33	Repayable on demand	Secured against term deposit.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

15 BORROWINGS (Contd..)

Sr. No.	Bank Name	Type of loan	As at March 31, 2024		As at March 31, 2023		Term of Repayments	Security	
			Non-Current	Current	Non-Current	Current			
6	State Bank of India	Cash Credit Limit	-	-	-	1,622.00	Repayable on demand	Secured by way of hypothecation of entire current assets present and future of the company i.e. PG Technoplast Private Limited (PGTL) and 2nd Parri Passu charge on plant & machinery of unit 1 at Greater Noida extension UP, Unit-2 of PGTL at Supa Ahmednagar, Maharashtra & Bhiwadi unit at Rajasthan. M502nd Parri passu charge of all banks on Factory land & building situated at A-18, MIDC Supa Distt: Ahmednagar, maharashtra of PGTL. PDC cheque of total sanctioned loan amount. Corporate Gurantee of PG Electroplast Ltd is also given.	
7	ICICI Bank	Cash Credit Limit	-	338.66	-	42.95	Repayable on demand		
8	ICICI Bank	Working Capital Demand Loan	-	756.65	-	-	Repayable on demand		
9	HDFC Bank	Cash Credit Limit	-	-	-	1,362.03	Repayable on demand		
10	HDFC Bank	Working Capital Demand Loan	-	403.02	-	3,470.00	Repayable on demand		
11	Yes Bank	Working Capital Demand Loan	-	2,400.00	-	3,500.00	Repayable on demand		
12	Yes Bank	Cash Credit Limit	-	-	-	313.88	Repayable on demand		
13	DBS Bank	Cash Credit Limit	-	401.87	-	-	Repayable on demand		
14	DBS Bank	Working Capital Demand Loan	-	1,000.00	-	-	Repayable on demand		
			-	7,965.11	-	14,161.60			
Unsecured- From Banks									
1	HDFC Bank	Bill Discounting	-	173.40	-	1,289.68	Repayable on due date		I. Exclusive charge on specified receivables discounted & PDC cheque for whole facility.
2	ICICI Bank	Bill Discounting	-	4,528.12	-	9,875.42	Repayable on due date		I. Exclusive charge on specified receivables discounted & PDC cheque for whole facility.
3	Bajaj Finance Limited	Bill Discounting	-	-	-	643.54	Repayable on due date		I. Exclusive charge on specified receivables discounted. II. Sales invoice discounting of suppliesto Whirlpool & Voltas Limited. III. Secured by personal guarantee of promoter directors i.e Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta & PDC cheque for whole facility.
Unsecured- From others									
4	Amstrad Company India Private Limited		-	500.00	-	-	Repayable on due date	Not applicable	
			-	5,201.52	-	11,808.64			

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

16 PROVISIONS (Contd..)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-Current		
Provision for employee benefits		
Gratuity (refer note 32)	376.35	282.92
Compensated absences (refer note 32)	398.05	279.18
	774.40	562.10
Current		
Provision for employee benefits		
Gratuity (refer note 32)	25.87	22.62
Compensated absences (refer note 32)	30.53	21.44
Provision for warranty expenses-Post Sales #	55.00	49.00
	111.40	93.06
Total provisions	885.80	655.16
Opening balance	49.00	50.00
Arising during the year	36.95	57.30
Utilised	(33.09)	(42.30)
Unused amount reversed	2.14	(16.00)
Closing balance as on March 31, 2024	55.00	49.00

17 TRADE PAYABLES

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Total outstanding dues of micro enterprise and small enterprise	8,079.37	2,967.79
Total outstanding dues of creditors other than micro enterprise and small enterprise	56,561.60	36,027.31
Total trade payable	64,640.97	38,995.10

Trade Payable Aging Schedule

Particulars	Less than 1 year	1-2 years	2-3 years	more than 3 years	Total
As at 31st March 2024					
Total outstanding dues to micro enterprises and small enterprises	8,079.37	-	-	-	8,079.37
Total outstanding dues of creditors other than micro enterprises and small enterprises	56,414.40	64.57	4.99	77.64	56,561.60
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Carrying Amount	64,493.77	64.57	4.99	77.64	64,640.97

Particulars	Less than 1 year	1-2 years	2-3 years	more than 3 years	Total
As at 31st March 2023					
Total outstanding dues to micro enterprises and small enterprises	2,967.79	-	-	-	2,967.79
Total outstanding dues of creditors other than micro enterprises and small enterprises	35,939.21	2.80	0.66	84.64	36,027.31
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Carrying Amount	38,907.00	2.80	0.66	84.64	38,995.10

(a) Trade Payables include due to related parties Nil (March 31, 2023:Rs.Nil lakhs) (refer note 36)

(b) The amounts are unsecured and non interest-bearing and are usually on varying trade term.

(c) For terms and conditions with related parties. (refer to note 36)

(d) Trade payables includes acceptances of Rs. 16565.72 lakhs (March 31, 2023: Rs.6587.74 lakhs)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

18 OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2024	As at March 31, 2023
Non-Current		
Security deposits	-	5.00
Deferred cost of interest free loan	224.25	212.54
	224.25	217.54
Current		
Security deposits		-
Deferred cost of Interest Free Loan	78.68	64.59
Interest accrued and due on borrowings	147.13	177.45
Capital creditors	1,420.32	1,223.61
Expenses creditors	4,088.31	2,968.63
Employee benefits & other dues payable #	1,110.95	882.62
	6,845.39	5,316.90
Total other financial liabilities	7,069.64	5,534.44

Other financial liability include due to related parties Rs.29.06 lakhs (March 31, 2023:Rs.30.33 lakhs) (refer note 36)

19 OTHER LIABILITIES

Particulars	As at March 31, 2024	As at March 31, 2023
Non-Current		
Custom Duty Payable- Capital Good MOOWR	1,192.63	604.73
	1,192.63	604.73
Current		
Advance from customers	1,381.01	249.64
Statutory dues	4,950.66	3,822.69
Total other current liabilities	6,331.67	4,072.33

20 LEASE LIABILITIES

Particulars	As at March 31, 2024	As at March 31, 2023
Non-Current		
Leases (refer note 34)	6,803.39	3,162.21
	6,803.39	3,162.21
Current		
Leases (refer note 34)	616.50	284.24
Total Lease Liabilities	616.50	284.24

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

21 REVENUE FROM OPERATIONS

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Revenue from contract with customers		
Sale of products		
Manufactured goods	2,62,539.73	2,07,273.45
Trading goods	8,235.59	5,576.09
Sale of services	348.69	470.51
	2,71,124.01	2,13,320.05
Other Operating Income		
Sale of scrap	1,554.90	1,464.09
Government Incentives from States Governments	1,970.62	1,210.61
	3,525.52	2,674.70
Total revenue from operations	2,74,649.53	2,15,994.75

i) Timing of revenue recognition

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Goods transferred at a point in time	2,72,330.22	2,14,313.63
Service transferred over a period of time	348.69	470.51
Government Incentives from States Governments	1,970.62	1,210.61
Total revenue from contracts with customers	2,74,649.53	2,15,994.75

ii) Revenue by location of customers

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
India	2,74,349.34	2,15,791.93
Outside India	300.19	202.82
Total revenue from contracts with customers	2,74,649.53	2,15,994.75

iii) Reconciliation of revenue recognised in Statement of profit and loss with contracted price

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Revenue as per contracted price	2,74,963.65	2,16,502.32
Less: Discount	(314.12)	(507.57)
Total revenue from contracts with customers	2,74,649.53	2,15,994.75

iv) Performance Obligation

Sale of products: Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on dispatch of the goods and payment is generally due as per the terms of contract with customers.

Sales of services: The performance obligation in respect of services is satisfied over a point of time and acceptance of the customer. Payment is generally due upon completion of service and acceptance of the customer.

Incentive under Electronic Policy 2016

The Company unit located at Supa, Taluka-Parner, MIDC district Ahemdnagar in Maharashtra is eligible for incentives under the Electronic Policy-2016 of Maharashtra Government and have been availing incentives in the form of Gross SGST refund for the period of January 2020 to October 2028. The Company recognises income for such government grants based on Gross SGST payable, having maximum ceiling of Rs. 618.28 lakhs p.a. in accordance with the relevant notifications issued by the State of Maharashtra.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

21 REVENUE FROM OPERATIONS (Contd..)

The Company had already received an in principal approval for eligibility from the Government of Maharashtra in response to the application filed by the Company for incentive under Electronic Policy-2016 on its investment for expansion for the period from March 2017 to February 2021. Accordingly, the Company has recognised grant income amounting to Rs. 618.28 lakhs for the year ended on 31st March 2024 . The cumulative amount receivable in respect of the same is Rs 1971.33 lakhs (Rs.1712.07 lakhs as at 31st March 2023).

Incentive under IIEPP-2017

The Company units located at Greater Noida known as Unit-1 & 3 are eligible for incentive under IIEPP-2017 of Uttar Pradesh Govtt. and letter of comfort has been granted during the last financial year and have been availing incentives in the form of NET SGST refund on increased turnover over base turnover & interest subsidy on term loan taken for Plant & Machinery for the period of April 2018 to March 2023. During the year Company has recognise income amounting to Rs. 471.13 lakhs and Rs.119.10 Lakhs based on letter of comfort which receivable from PICUP, UP Government undertaking. Further on the basis of actual recovery the Company has reverse of Rs 159.23 lakh grand during the year.

Production Linked Incentive Scheme for White Goods:

The Subsidiary Company has got the approval from the concerned authority for Production Linked Incentive Scheme for White Goods which was notified by DPIIT vide Gazette Notification No. CG-DL-E-16042021-226671 dated 16 April 2021 for the period of 5 years w.e.f 1st April 2022 to 31st March 2027 for AC(Components) manufacturing i.e. Control Assembly for IDU & ODU, Remotes, Cross Flow Fan(CFF), Heat Exchanger(HE), Sheet Metal Components, Plastic Moulded Components, Motors & Display Panels for all existing plants located at Greater Noida(West) UP, Supa Ahmednagar Maharashtra & Bhiwadi Rajasthan.

Committed investment in Plant & Machinery will be Rs. 321 Cr w.e.f 1st April 2021 to 31st March 2026.

The Subsidiary Company has got sanctioned & disbursed PLI incentive Rs. 15 Cr for 1st FY 2022-23. And company has fulfilled the condition of minimum investment in Plant & Machinery during the FY 2022-23 & FY 2023-24.

Contract balances	As at	As at
	March 31, 2024	March 31, 2023
Trade receivables	55,302.66	43,787.36
Contract Liabilities	1,381.01	249.64

Trade receivable are non-interest bearing and are generally on terms of 30-90 days.

Contract liabilities include advances received from the customers to deliver the finished goods.

22 OTHER INCOME

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
i) Interest income		
Interest income from bank deposits	843.04	128.21
Interest income from financial liabilities at amortised cost	174.60	149.62
Interest income from others*	82.81	40.28
Interest income from Joint Venture	29.69	-
	1,130.14	318.11
* Interest income from others includes Rs. 34.90 lakhs (31st March 2023: Rs 14.21 lakhs) interest on Income tax refund.		
ii) Other Non operating Income		
Rental income	-	-
Miscellaneous income	-	8.18
	-	8.18

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

22 OTHER INCOME (Contd..)

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
iii) Others		
Liability no longer required written back	5.40	14.71
Gain on lease termination	23.72	0.48
Fair value gain on Investment recognised through FVTPL	25.31	1.15
Profit on (realised gain) sale of Investment	0.53	0.53
Others	116.31	83.77
	171.27	100.64
Total Other Income	1,301.41	426.94

23 COST OF MATERIAL CONSUMED

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Inventory at the beginning of the year (excluding goods in transit and bonded warehouse)	27,004.75	17,590.76
Add: Purchases	2,41,979.49	1,88,691.06
Addition on account of business combination (refer note 53)	4.95	-
Less: Cost of traded goods	(11,036.18)	(18,815.72)
Less: Stock loss due to Fire	(1,300.63)	-
Less: Inventory at the end of the year (excluding goods in transit and bonded warehouse)	(39,789.97)	(27,004.75)
	2,16,862.41	1,60,461.35

24 PURCHASE OF TRADED GOODS

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Purchases	11,036.18	18,815.72
	11,036.18	18,815.72

25 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Inventories at the beginning of the year:		
Work-in-progress	2,630.08	3,005.06
Finished goods	5,687.27	2,485.78
Total inventories at the beginning of the year	8,317.35	5,490.84
Inventories at the end of the year:		
Work-in-progress	7,012.61	2,630.08
Finished goods	7,316.17	5,687.07
Total inventories at the end of the year	14,328.79	8,317.15
Add/(Less): Stock Losses due to Fire	(1,260.36)	
Total changes in inventories of finished goods and work-in-progress	(7,271.80)	(2,826.31)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

26 EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Salaries, wages and bonus	13,705.51	10,820.60
Contribution to provident and other funds (refer note 32)	461.73	394.54
Leave encashment (refer note 32)	194.57	121.94
Gratuity expense (refer note 32)	186.57	152.19
Employee stock option scheme (refer note 33)	1,540.11	339.40
Staff welfare expenses	538.48	456.81
	16,626.97	12,285.48

27 FINANCE COST

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Interest on borrowings		
- Interest to Bank	2,698.87	2,476.32
- Interest on vehicle loan	33.19	26.17
- Other interest expense	269.19	220.48
Interest on lease liabilities (refer note 34)	372.95	182.23
Other borrowing costs		
- Discounting Charges, Processing fee	1,798.35	1,887.97
	5,172.55	4,793.17

28 DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Depreciation of property, plant and equipment (refer note 3)	3,969.51	3,104.90
Amortisation of intangible assets (refer note 4)	31.01	24.44
Depreciation - ROU	660.64	365.73
	4,661.16	3,495.07

29 OTHER EXPENSES

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Consumption of store, spares & tools	2,729.10	2,046.66
Power and fuel	3,191.78	2,868.21
Sub-contracting expenses	809.40	491.05
Freight and forwarding charges	1,201.90	877.91
Rent (refer note 34)	303.04	166.05
Rates and taxes	178.31	200.55
Insurance	306.90	229.56
Repairs and maintenance:		
Machinery	804.49	621.09
Building	90.73	126.55
Others	71.83	84.50
Travelling and conveyance **	339.71	145.56
Vehicle running & maintenance	201.39	131.00
Communication costs	24.80	22.93
Printing and stationery	35.99	31.85
Security expenses	385.10	298.68
Legal and professional fees *	156.33	328.22
Provision for doubtful debts & advances (Net)	-	197.00

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for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

29 OTHER EXPENSES (Contd..)

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Provision for Slow/Non moving inventories	78.57	7.33
Bad Debts written off	-	521.15
Reversal of provision for doubtful debts & advances	-	(521.15)
Payment to auditor (Refer details below Note-29.1)	31.60	29.41
Payment to cost auditor	6.25	5.00
Directors sitting fees	9.90	9.00
Loss on sale of property, plant and equipment	50.74	23.59
Property, Plant & Equipments written off	26.87	-
CSR Expenses (Refer Notes- 42)	120.13	40.10
Late delivery charges paid to customers	11.69	12.58
Misc. Balance Written off	5.30	35.23
Miscellaneous expenses	497.45	356.51
Foreign Exchange rate fluctuation (Net)	(821.00)	232.56
Losses due to Fire-Inventory (Net) (Refer Note no 48)	351.46	7.91
Losses due to Fire-property,plant and equipments (Net) (Refer Note no 48)	17.05	16.30
	11,216.81	9,642.88

29.1 Detail of payment to statutory & tax auditors

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Audit fee	17.44	16.50
Tax audit fee	2.91	2.50
Limited review fee	11.25	10.00
For certificates / other services *	14.06	1.84
For reimbursement of expenses **	2.40	0.86
	48.06	31.70

30 EARNING PER SHARE

a) Basic Earning per share

Particulars	UOM	For the year ended	
		March 31, 2024	March 31, 2023
Numerator for earnings per share			
Profit after tax	(Rs. in lakhs)	13,490.02	7,746.86
Denominator for earnings per share			
Weighted average number of equity shares outstanding during the year	(Numbers)	2,46,48,615	2,16,49,843
Earnings per share- Basic (one equity share of Rs. 10/- each)		54.73	35.78

b) Diluted Earning per share

Particulars	UOM	For the year ended	
		March 31, 2024	March 31, 2023
Numerator for earnings per share			
Profit after tax	(Rs. in lakhs)	13,490.02	7,746.86
Denominator for earnings per share			
Weighted average number of equity shares outstanding during the year	(Numbers)	2,46,48,615	2,16,49,843
Effect of dilution			
Stock Options	(Numbers)	2,99,547	2,25,877
Share warrants	(Numbers)	-	40,054
Cumulative Compulsory Convertible Debentures	(Numbers)	-	10,24,348
Weighted average number of equity shares outstanding during the year adjusted for effect of dilution	(Numbers)	2,49,48,162	2,29,40,122
Earnings per share- Diluted (one equity share of Rs. 10/- each)		54.07	33.77

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

31 INCOME TAX EXPENSES

Income tax expenses recognized in Statement of Profit and Loss:

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Current income tax:		
Current income tax charge	3,798.95	845.47
Adjustments in respect of current income tax of previous year	4.45	-
Total current tax expense	3,803.40	845.47
Deferred tax:		
Relating to origination and reversal of temporary differences	142.03	1161.99
Deferred tax on other comprehensive income	(7.12)	(0.08)
Total deferred tax expense recognized	134.91	1,161.91
Income tax expenses charged in Statement of Profit & Loss	3,938.31	2,007.38

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

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Accounting Profit before income tax	17,646.65	9,754.32
Applicable Income Tax rate - u/s 115BAA	17.168% to 25.168%	17.168% to 25.168%
Computed tax expenses	3,864.11	2,131.07
Corporate social responsibility	26.22	9.61
Capital expenditure in current during the year	23.81	1.59
Other permanent disallowances	18.46	78.29
ESOP	(49.16)	(90.06)
CCCD interest directly charge to reserve	-	(123.04)
Other Adjustment	50.42	(0.08)
Earlier year tax expenses	4.45	
Tax expenses in Statement of profit & loss	3,938.31	2,007.38

Deferred tax liabilities (net)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Opening balance as per last balance sheet	2,817.61	1,655.70
Deferred tax charged/(credited) to profit and loss during the year	142.03	1,161.99
Deferred tax liabilities acquired through business combination (refer note 53)	(2.60)	-
Deferred tax on other comprehensive income	(7.12)	(0.08)
Closing Balance	2,949.92	2,817.61
Deferred tax liabilities comprises:		
Deferred tax liabilities		
- Difference in carrying values of property, plant & equipment and intangible assets	3,929.43	3,184.14
Deferred tax assets		
- Arising on account of temporary difference	(38.25)	(30.82)
- Provision for ESOP Reserve	(456.43)	(118.30)
- Provisions of financial/other assets made in books, but tax deductible only on Actual write-off	(355.89)	(183.55)
- Others	(128.94)	(33.86)
Deferred tax liabilities (net)	2,949.92	2,817.61

Group has carried forward unabsorbed depreciation, having indefinite time period to adjust against taxable income of the group.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

32 EMPLOYEE BENEFIT PLANS:

A) Defined Contribution Plans:

The Group makes contribution in the form of provident funds as considered defined contribution plans and contribution to Employees Provident Fund Organisation. The Group has no further payment obligations once the contributions have been paid. Following are the schemes covered under defined contributions plans of the Group:

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

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

The Group has charged the following costs in contribution to Provident and Other Funds in the Statement of Profit and Loss:

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Group's contribution to Provident Fund	410.56	342.96
Administrative charges on above fund	20.16	15.16
Group's contribution to Employee State Insurance Scheme	30.06	36.11
	460.78	394.23

B) Defined Benefit Plans:

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

(ii) Risk exposure

a) Risk to the beneficiary

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

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

b) Risk Parameter

Actuarial valuation is done basis some assumptions like salary inflation, discount rate and withdrawal assumptions. In case the actual experience varies from the assumptions, fund may be insufficient to pay off the liabilities. Similarly, reduction in discount rate in subsequent future years can increase the plan's liability. Further, actual withdrawals may be lower or higher than what was assumptions the valuation, may also impact the plan's liability.

c) Risk of illiquid Assets

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

d) Risk of Benefit Change

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

32 EMPLOYEE BENEFIT PLANS: (Contd..)

e) Asset liability mismatching risk

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

(iii) Changes in defined benefit obligation

Particulars	Gratuity		Leave Encashment	
	For the year ended		For the year ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Changes in present value of obligation				
Present value of obligation as at beginning of the year	675.23	526.99	300.63	235.97
Liability transfer In(Out)	(10.24)		(4.57)	
Interest cost	50.44	38.36	22.45	18.43
Current service cost	167.31	133.80	131.62	111.10
Benefits paid	(33.96)	(25.45)	(65.68)	(57.29)
Remeasurement-Actuarial loss/(gain)	-	-	44.13	(7.58)
Remeasurement gains / (losses) recognised in other comprehensive income:				
Actuarial (gain)/ loss arising from				
- Changes in financial assumptions	23.78	(15.10)	-	-
- Changes in demographic assumptions	-	-	-	-
- Changes in experience adjustments	1.22	16.63	-	-
	873.78	675.23	428.58	300.63

(iv) Fair Value of Plan Assets

Particulars	Gratuity		Leave Encashment	
	For the year ended		For the year ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Fair value of plan assets at the beginning of the year	369.69	274.38	-	-
Expenses recognised in profit and loss account				
Expected return on plan assets	25.70	18.38	-	-
Actuarial gain/(loss)	-	-	-	-
Remeasurement gains / (losses) recognised in other comprehensive income:				
Contribution by employer directly settled	16.44	7.26	-	-
Contributions by employer	93.71	93.70	-	-
Benefit payments	(33.97)	(24.04)	-	-
Fair value of plan assets at the end of the year	471.57	369.69	-	-

(v) Amount recognised in Balance Sheet

Particulars	Gratuity		Leave Encashment	
	As at	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Defined benefit obligation at the end of the year	(873.78)	(675.23)	(428.58)	(300.63)
Fair value of plan assets at the end of the year	471.57	369.69	-	-
Recognised in the balance sheet	(402.21)	(305.54)	(428.58)	(300.63)
Current portion of above	(25.87)	(22.62)	(30.53)	(21.44)
Non Current portion of above	(376.35)	(282.92)	(398.05)	(279.18)

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for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

32 EMPLOYEE BENEFIT PLANS: (Contd..)

(vi) Expense recognised in the Statement of profit & loss

Particulars	Gratuity		Leave Encashment	
	For the year ended		For the year ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Current service cost	167.31	133.80	131.62	111.10
Interest expense	50.44	38.35	22.45	18.43
Interest Income on plan assets	(27.70)	(18.38)	-	-
Remeasurement-Actuarial loss/(gain)	(3.48)	-	40.50	(7.58)
Components of defined benefit costs recognised in profit or loss	186.57	153.77	194.57	121.95
Remeasurement on the net defined benefit liability:				
Return on plan assets (excluding amount included in net interest expense)	2.01	1.59	-	-
Actuarial (gain)/ loss arising form changes in financial assumptions	23.78	(15.10)	-	-
Actuarial (gain) / loss arising form changes in demographic assumptions	-	-	-	-
Actuarial (gain) / loss arising form experience adjustments	1.22	16.63	-	-
Components of defined benefit costs recognised in other comprehensive income	27.01	3.12	-	-

(vii) The significant actuarial assumptions used for the purposes of the actuarial valuation were as follows:

Particulars	Gratuity		Leave Encashment	
	As at	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Discounting rate	7.23%	7.49%	7.23%	7.49%
Future salary growth rate	10.00%	10.00%	10.00%	10.00%
Life expectancy/ Mortality rate*	100% of IALM 2012-14	100% of IALM 2012-14	100% of IALM 2012-14	100% of IALM 2012-14
withdrawal rate	5.00%	5.00%	5.00%	5.00%
Method used	Projected unit credit Actuarial method	Projected unit credit Actuarial method	Projected unit credit Actuarial method	Projected unit credit Actuarial method

* Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics (i.e. IALM 2012-14 ultimate/ PY-IALM 2012-14 ultimate). These assumptions translate into an average life expectancy in years at retirement age.

(viii) Sensitivity Analysis

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

Particulars	Gratuity		Leave Encashment	
	As at	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Changes in liability for 0.5% increase in discount rate	(44.47)	(34.02)	(21.44)	(15.31)
Changes in liability for 0.5% decrease in discount rate	48.81	37.14	23.45	16.73
Changes in liability for 1.00% increase in salary growth rate	84.63	64.49	46.31	33.15
Changes in liability for 1.00% decrease in salary growth rate	(74.00)	(56.48)	39.64	(28.43)
Changes in liability for 2.00% increase in withdrawal rate	(35.82)	(24.90)	(15.25)	(9.84)
Changes in liability for 2.00% decrease in withdrawal rate	45.99	31.75	20.48	13.11

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(All Amounts are in Rupees lakhs, unless otherwise stated)

32 EMPLOYEE BENEFIT PLANS: (Contd..)

(ix) The followings payments are expected contributions to the defined benefit plan in future years

Particulars	Gratuity		Leave Encashment	
	As at	As at	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Within next 12 months	71.78	59.36	32.74	23.05
Between 2 to 5 years	200.06	144.90	110.18	78.86
Beyond 5 years	2,107.35	1,692.74	1,026.35	760.04

The average duration of the defined benefit plan obligation at the end of the reporting period is 12 years (March 31, 2023: 12 years)

The Plan assets are maintained with Life Insurance Corporation of India.

33 SHARE BASED PAYMENTS

During the year 2020-21, the Company has established PG Electroplast Employee Stock Option Scheme 2020 "ESOP 2020" and the same was approved at the general meeting of the Company held on 28th February 2021. The plan was set up so as to offer and grant, for the benefit of employees of the Company, who are eligible under "Securities and Exchange Board of India" (SEBI) (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, option of the Company in one or more tranches, and on such terms and conditions as may be fixed or determined by the board, in accordance with the law or guidelines issued by the relevant authorities in this regard;

As per the plan, each option is exercisable for one equity share of face value of Rs. 10 each, at a price to be determined in accordance with ESOP 2020. ESOP information is given for the number of shares.

(i) Set out below is a summary of options granted and vested during the year under the plan

Summary of Stock Options	March 31, 2024		March 31, 2023	
	Number of Stock Options	Weighted average exercise price per share option	Number of Stock Options	Weighted average exercise price per share option
Options outstanding at the beginning of the year	3,45,100	588	2,77,000	250
Options granted during the year	3,57,000	1,100	1,60,000	650
Options vested and exercised during the year	79,100	395	52,600	250
Options lapsed during the year	28,900	967	39,300	418
Options outstanding at the end of the year	5,94,100		3,45,100	

(ii) Share options outstanding at the end of the year have the following expiry dates and exercise price:

Grant	Grant Date	Vesting Date	Expiry Date	Exercise Price	Fair Value	Share Option Outstanding	
						March 31, 2024	March 31, 2023
Grant -1							
Vesting 1	April 17, 2021	April 16, 2022	October 16, 2022	250.00	137.08	-	-
Vesting 2	April 17, 2021	April 16, 2023	October 16, 2023	250.00	167.03	-	48,800
Vesting 3	April 17, 2021	April 16, 2024	October 17, 2024	250.00	188.28	72,000	73,200
Vesting 4	April 17, 2021	April 16, 2025	October 17, 2025	250.00	203.34	72,000	73,200
Grant -2							
Vesting 1	July 17, 2021	July 15, 2022	January 15, 2023	250.00	190.67	-	-
Vesting 2	July 17, 2021	July 15, 2023	January 15, 2024	250.00	224.77	-	1,600
Vesting 3	July 17, 2021	July 15, 2024	January 15, 2025	250.00	251.15	2,400	2,400
Vesting 4	July 17, 2021	July 15, 2025	January 15, 2026	250.00	265.40	2,400	2,400

Notes to the Consolidated Financial Statements

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(All Amounts are in Rupees lakhs, unless otherwise stated)

33 SHARE BASED PAYMENTS (Contd..)

Grant	Grant Date	Vesting Date	Expiry Date	Exercise Price	Fair Value	Share Option Outstanding	
						March 31, 2024	March 31, 2023
Grant-3							
Vesting 1	June 11, 2022	June 11, 2023	December 10, 2023	650.00	425.29	-	28,700
Vesting 2	June 11, 2022	June 11, 2024	December 10, 2024	650.00	512.22	27,700	28,700
Vesting 3	June 11, 2022	June 11, 2025	December 10, 2023	650.00	577.97	41,550	43,050
Vesting 4	June 11, 2022	June 11, 2026	December 10, 2023	650.00	627.73	41,550	43,050
Grant-4							
Vesting 1	May 26, 2023	May 26, 2024	November 25, 2024	1,100.00	613.50	66,900	-
Vesting 2	May 26, 2023	May 26, 2025	November 25, 2025	1,100.00	743.50	66,900	-
Vesting 3	May 26, 2023	May 26, 2026	November 25, 2026	1,100.00	867.96	1,00,350	-
Vesting 4	May 26, 2023	May 26, 2027	November 25, 2027	1,100.00	965.63	1,00,350	-

(iii) Fair value of options granted

The fair value at grant date is determined using the Black Scholes Model as per an independent valuer's report having taken into consideration the market price being the latest available closing price prior to the date of the grant, exercise price being the price payable by the employees for exercising the option and other assumptions are as below:

Tranche	Vesting	Market Price	Volatility	Average life of option	Risk free interest rate	Dividend yield rate
Grant 1	Vesting 1	319.60	67.48%	1.50	4.24%	0.00%
	Vesting 2	319.60	69.21%	2.50	4.81%	0.00%
	Vesting 3	319.60	68.62%	3.50	5.26%	0.00%
	Vesting 4	319.60	66.68%	4.50	5.63%	0.00%
Grant 2	Vesting 1	391.90	62.40%	1.50	4.24%	0.00%
	Vesting 2	391.90	67.30%	2.50	4.81%	0.00%
	Vesting 3	391.90	69.31%	3.50	5.26%	0.00%
	Vesting 4	391.90	66.09%	4.50	5.63%	0.00%
Grant 3	Vesting 1	923.70	62.65%	1.50	5.94%	0.00%
	Vesting 2	923.70	66.50%	2.50	6.47%	0.00%
	Vesting 3	923.70	68.11%	3.50	6.82%	0.00%
	Vesting 4	923.70	68.35%	4.50	7.07%	0.00%
Grant 4	Vesting 1	1,498.85	49.80%	1.50	6.75%	0.00%
	Vesting 2	1,498.85	49.80%	2.50	6.76%	0.00%
	Vesting 3	1,498.85	49.80%	3.50	6.79%	0.00%
	Vesting 4	1,498.85	49.80%	4.50	6.83%	0.00%

(iv) Expense arising from share based payment transaction

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Expense charged to Statement of Profit & Loss based on the fair value of options	1,540.11	339.40
	1,540.11	339.40

Notes to the Consolidated Financial Statements

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(All Amounts are in Rupees lakhs, unless otherwise stated)

34 Leases

- i) The Group's lease asset primarily consist of leases for land and buildings for offices and warehouses having the various lease terms. The Group also has certain leases of with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.
- ii) The carrying value of right to use assets and movement thereof are disclosed in note 3.
- iii) The following is the carrying value lease liability and movement thereof;

Particulars	Amount
Balance as at April 1, 2022	1,477.18
Addition during the year	2,185.57
Finance cost accrued during the year	182.23
Deletion during the year	2.88
Payment of lease liabilities including interest	(401.41)
Balance as at March 31, 2023	3,446.45
Addition during the year	4337.02
Finance cost accrued during the year	372.95
Deletion & elimination during the year	0.98
Payment of lease liabilities including interest	(737.51)
Balance as at March 31, 2024	7,419.89

Particulars	As at March 31, 2024	As at March 31, 2023
Current maturity of lease liability	616.50	284.24
Non Current lease liability	6,803.39	3,162.21

- iv) The maturity of lease liabilities are disclosed in note 37.
- v) Amounts recognised in the statement of profit and loss during the year

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Depreciation charge of right-of-use assets - leasehold building	638.25	344.91
Depreciation charge of right-of-use assets - leasehold land	22.39	20.82
Finance cost accrued during the year (included in finance cost) (Refer note 27)	372.95	182.23
Expense related to short term leases (included in other expense) (Refer note 29)	303.04	166.05

- vi) The Group has applied a single discount rate to a portfolio of leases of a similar assets in similar economic environment with similar end date.

35 FAIR VALUE MEASUREMENT

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets at amortised cost				
Cash and bank balances	3,018.16	3,018.16	866.91	866.91
Bank balances other than cash and cash equivalents	15,223.35	15,223.35	3,095.76	3,095.76
Trade receivables	55,302.66	55,302.66	43,787.36	43,787.36
Loans (current)	643.54	643.54	45.83	45.83
Other financial assets (Non Current)	2,028.48	2,028.48	994.63	994.63
Other financial assets (Current)	4,266.60	4,266.60	2,675.94	2,675.94

Notes to the Consolidated Financial Statements

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(All Amounts are in Rupees lakhs, unless otherwise stated)

35 FAIR VALUE MEASUREMENT (Contd..)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets at FVTPL				-
Investment in mutual funds	108.67	108.67	68.84	68.84
Investment in equity shares	444.08	444.08	148.80	148.80
Financial liabilities at amortised cost		-		
Borrowings (Non Current)	18,702.74	18,702.74	22,495.96	22,495.96
Borrowings (Current)	17,353.42	17,353.42	31,756.50	31,756.50
Trade Payable	64,640.97	64,640.97	38,995.10	38,995.10
Other financial liabilities (Non current)	224.25	224.25	217.54	217.54
Other financial liabilities (Current)	6,845.39	6,845.39	5,316.90	5,316.90

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current financial assets and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments

35.1 FAIR VALUE HIERARCHY

- i) The Group uses the following hierarchy for fair value measurement of the group's financials assets and liabilities:

Level 1: Quoted prices/NAV (unadjusted) in active markets for identical assets and liabilities at the measurement date.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Particulars	Carrying Value March 31, 2024	Fair Value		
		Level 1	Level 2	Level 3
Assets at fair Value				
Fair Value through Profit & Loss				
Investment in mutual funds	108.67	108.67	-	-
Investment in equity shares	444.08	-	-	444.08
Fair Value through amortised cost				
Loan	643.54	-	-	643.54
Trade Receivables	55,302.66	-	-	55,302.66
Other Financial Assets (Non Current)	2,028.48	-	-	2,028.48
Other Financial Assets (Current)	4,266.60	-	-	4,266.60
Liability at fair Value				
Fair Value through amortised cost				
Borrowings (Non Current)	18,702.74	-	-	18,702.74
Borrowings (Current)	17,353.42	-	-	17,353.42
Trade Payables	64,640.97	-	-	64,640.97
Other Financial Liabilities (Non Current)	224.25	-	-	224.25
Other Financial Liabilities (Current)	6,845.39	-	-	6,845.39

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

35 FAIR VALUE MEASUREMENT (Contd..)

Particulars	Carrying Value March 31, 2023	Fair Value		
		Level 1	Level 2	Level 3
Assets at fair Value				
Fair Value through Profit & Loss				
Investment in mutual funds	68.84	68.84	-	-
Investment in equity shares	148.80	-	-	148.80
Fair Value through amortised cost				
Loan	45.83	-	-	45.83
Trade Receivables	43,787.36	-	-	43,787.36
Other Financial Assets (Non Current)	994.63	-	-	994.63
Other Financial Assets (Current)	2,675.94	-	-	2,675.94
Liability at fair Value				
Fair Value through amortised cost				
Borrowings (Non Current)	22,495.96	-	-	22,495.96
Borrowings (Current)	31,756.50	-	-	31,756.50
Trade Payables	38,995.10	-	-	38,995.10
Other Financial Liabilities (Non Current)	217.54	-	-	217.54
Other Financial Liabilities (Current)	5,316.90	-	-	5,316.90

There are no transfers among levels 1, 2 and 3 during the year.

ii) Fair valuation techniques

The Group maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values:

- 1) Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.
- 2) Borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values.

36 RELATED PARTY DISCLOSURE

Related Parties where control exists

i) Joint Venture

i) Joint Venture

Goodworth Electronics Private Limited (w.e.f. July 13, 2023)

ii) Other related parties with whom transactions have taken place during the year

Key Management Personnel

Mr. Vishal Gupta (Executive Director)

Mr. Vikas Gupta (Executive Director)

Mr. Anurag Gupta (Executive Director)

Mr. Ram Dayal Modi (Non Executive Director)

Mr. Sharad Jain (Non Executive Director)

Mrs. Ruchika Bansal (Non Executive Director)

Mr. Kishore Kumar Kaul (Non Executive Director) w.e.f. 23.12.2022

Mrs. Mitali Chitre (Non Executive Director)

Notes to the Consolidated Financial Statements

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(All Amounts are in Rupees lakhs, unless otherwise stated)

36 RELATED PARTY DISCLOSURE (Contd..)

Mr. Sanchay Dubey (Company Secretary)
Mr. Pramod Chimmanlal Gupta (Chief Financial Officer)
Mr. Raman Uberoi (Non Executive Director) w.e.f. 22.03.2023

Relatives of Key Management Personnel

Mrs. Sarika Gupta (Wife of Mr. Vishal Gupta)
Mrs. Nitasha Gupta (Wife of Mr. Vikas Gupta)
Mrs. Neelu Gupta (Wife of Mr. Anurag Gupta)
Mrs. Sudesh Gupta (Mother of Executive Directors)
Mr. Pranav Gupta (Son of Mr. Anurag Gupta)
Mr. Aditya Gupta (Son of Mr. Anurag Gupta)
Mrs. Kanika Gupta (Daughter in law of Mr. Anurag Gupta)
Mr. Vatsal Gupta (Son of Mr. Vishal Gupta)
Mr. Raghav Gupta (Son of Mr. Vikas Gupta)

Enterprises in which the Key Management Personnel or relatives of them of the group are interested

PG International (Parent Company's Directors are partner)
J. B. Electronics (Parent Company's Directors are partner)
PG Electronics (Parent Company's Directors are partner)
PG Electroplast Limited Employees Welfare Trust (w.e.f April 27, 2022)

iii) Key Management Personnel Compensation

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Short-term employee benefits	531.57	476.00
Share based payments	183.87	54.57
Other Expenses, Sitting Fee and reimbursement of expenses	48.92	45.66
	764.36	576.23

Notes to the Consolidated Financial Statements

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(All Amounts are in Rupees lakhs, unless otherwise stated)

36 RELATED PARTY DISCLOSURE (Contd..)

iv) Related Party transaction

Description	For the year ended March 31, 2024				For the year ended March 31, 2023			
	Key Management Personnel	Relative of Key Management Personnel	Joint Venture	Others	Key Management Personnel	Relative of Key Management Personnel	Joint Venture	Others
Revenue - Sales of Products								
Goodworth Electronics Private Limited	-	-	1,048.76	-	-	-	-	-
Revenue - Sales of Capital Goods								
Goodworth Electronics Private Limited	-	-	2.00	-	-	-	-	-
Finance Income								
Goodworth Electronics Private Limited	-	-	29.69	-	-	-	-	-
Expenditure - Services								
Goodworth Electronics Private Limited	-	-	72.69	-	-	-	-	-
Investment in Equity								
Goodworth Electronics Private Limited *	-	-	499.95	-	-	-	-	-
* Note- Converted from unsecured loan given by the company								
Loan given / (received)*								
Goodworth Electronics Private Limited	-	-	1,080.00	-	-	-	-	-
Goodworth Electronics Private Limited-Converted in investment *	-	-	(499.45)	-	-	-	-	-
Other Expenses (rent paid)								
Mr.Vishal Gupta	0.66	-	-	-	0.66	-	-	-
PG Electronics	-	-	-	0.60	-	-	-	0.60
Remuneration								
Mr.Vishal Gupta	172.41	-	-	-	148.81	-	-	-
Mr.Vikas Gupta	172.53	-	-	-	148.85	-	-	-
Mr.Anurag Gupta	91.35	-	-	-	99.00	-	-	-
Mr.Sanchay Dubey	7.60	-	-	-	6.34	-	-	-
Mr. Pramod Chimmanlal Gupta	66.19	-	-	-	59.61	-	-	-
Mrs. Sarika Gupta	-	31.24	-	-	-	30.87	-	-
Mrs. Nitasha Gupta	-	31.24	-	-	-	30.87	-	-
Mrs. Neelu Gupta	-	31.24	-	-	-	30.87	-	-
Mrs. Sudesh Gupta	-	31.24	-	-	-	30.87	-	-
Mr. Pranav Gupta	-	58.72	-	-	-	35.26	-	-
Mr. Aditya Gupta	-	47.03	-	-	-	24.18	-	-
Mrs. Kanika Gupta	-	-	-	-	-	6.25	-	-
Mr.Vatsal Gupta	-	32.41	-	-	-	18.25	-	-

Notes to the Consolidated Financial Statements

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(All Amounts are in Rupees lakhs, unless otherwise stated)

36 RELATED PARTY DISCLOSURE (Contd..)

Description	For the year ended March 31, 2024				For the year ended March 31, 2023			
	Key Management Personnel	Relative of Key Management Personnel	Joint Venture	Others	Key Management Personnel	Relative of Key Management Personnel	Joint Venture	Others
Mr. Raghav Gupta	-	32.37	-	-	-	18.10	-	-
Reimbursement of Expenses								
Mr. Anurag Gupta	12.00	-	-	-	12.00	-	-	-
Mr. Vishal Gupta	12.00	-	-	-	12.00	-	-	-
Mr. Vikas Gupta	11.16	-	-	-	12.00	-	-	-
Mr. Pranav Gupta	-	7.44	-	-	-	5.28	-	-
Mr. Aditya Gupta	-	4.80	-	-	-	1.20	-	-
Mrs. Kanika Gupta	-	-	-	-	-	2.16	-	-
Mr. Vatsal Gupta	-	4.80	-	-	-	0.70	-	-
Mr. Raghav Gupta	-	4.80	-	-	-	0.70	-	-
Mr. Pramod Chimmanlal Gupta	3.20	-	-	-	-	-	-	-
Shares Based Expenses								
Mr. Pramod Chimmanlal Gupta	167.12	-	-	-	52.01	-	-	-
Mr. Sanchay Dubey	16.75	-	-	-	2.56	-	-	-
Director Sitting Fee								
Mr. Sharad Jain	2.80	-	-	-	2.60	-	-	-
Mr. Kishore Kumar Kaul	-	-	-	-	1.50	-	-	-
Mr. Ram Dayal Modi	2.70	-	-	-	2.40	-	-	-
Mrs. Ruchika Bansal	2.10	-	-	-	2.20	-	-	-
Mr. Raman Uberoi	2.30	-	-	-	0.30	-	-	-
Leave Encashment paid during the year								
Mr. Vishal Gupta	9.05	-	-	-	5.15	-	-	-
Mr. Vikas Gupta	8.25	-	-	-	4.89	-	-	-
Mr. Anurag Gupta	4.19	-	-	-	3.34	-	-	-
Mrs. Sarika Gupta	-	1.58	-	-	-	1.19	-	-
Mrs. Nitasha Gupta	-	1.58	-	-	-	1.13	-	-
Mrs. Neelu Gupta	-	1.43	-	-	-	1.24	-	-
Mrs. Sudesh Gupta	-	1.58	-	-	-	1.13	-	-
Mr. Pranav Gupta	-	2.22	-	-	-	1.76	-	-
Mr. Aditya Gupta	-	2.28	-	-	-	0.13	-	-
MR. Vatsal Gupta	-	0.93	-	-	-	-	-	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

36 RELATED PARTY DISCLOSURE (Contd..)

v) Outstanding Balances

Description	For the year ended March 31, 2024				For the year ended March 31, 2023			
	Key Management Personnel	Relative of Key Management Personnel	Joint Venture	Others	Key Management Personnel	Relative of Key Management Personnel	Joint Venture	Others
Loan								
Goodworth Electronics Private Limited	-	-	580.55	-	-	-	-	-
Trade Receivable								
Goodworth Electronics Private Limited	-	-	1,142.38	-	-	-	-	-
Other Financial Assets (Interest accrued)								
Goodworth Electronics Private Limited	-	-	26.72	-	-	-	-	-
Other Financial Liabilities								
Remuneration Payable								
Mr. Vishal Gupta	-	-	-	-	5.09	-	-	-
Mr. Vikas Gupta	8.59	-	-	-	7.41	-	-	-
Mr. Anurag Gupta	2.98	-	-	-	3.50	-	-	-
Mr. Sanchay Dubey	0.60	-	-	-	0.52	-	-	-
Mr. Pramod Chimmanlal Gupta	5.05	-	-	-	0.96	-	-	-
Mrs. Sarika Gupta	-	-	-	-	-	1.35	-	-
Mr. Vatsal Gupta	-	-	-	-	-	1.31	-	-
Mrs. Nitasha Gupta	-	1.77	-	-	-	1.70	-	-
Mrs. Neelu Gupta	-	1.38	-	-	-	1.35	-	-
Mrs. Sudesh Gupta	-	1.77	-	-	-	1.70	-	-
Mr. Pranav Gupta	-	2.96	-	-	-	2.02	-	-
Mr. Aditya Gupta	-	2.00	-	-	-	2.07	-	-
Mr. Raghav Gupta	-	1.96	-	-	-	1.35	-	-

vi) Terms & Conditions

- Remuneration does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for the Group as a whole. Based on the recommendation of the Nomination and remuneration committee, all decisions relating to the remuneration of the KMPs are taken by the Board of Directors of the Group, in accordance with shareholders approval, wherever necessary.
- All Transactions entered with related parties defined under the Companies Act, 2013 during the year based on the terms that would be available to third parties. All other transactions were made in the ordinary course of business and at arm's length price.
- All outstanding balances are unsecured and are repayable in cash.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

37 FINANCIAL RISK MANAGEMENT

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

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

A) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk.

(i) Interest rate risk

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

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

Interest rate sensitivity of borrowings

With all other variable held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on floating rate portion of loans and borrowings as on date.

Currency	March 31, 2024		March 31, 2023	
	Increase/decrease in base points	Impact on profit before tax an equity	Increase/decrease in base points	Impact on profit before tax an equity
Term Loan	+0.50	(106.04)	+0.50	(128.13)
	-0.50	106.04	-0.50	128.13

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in foreign currency). The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

The Group's exposure to foreign currency risk at the end of the reporting period expressed in Rs. are as follows;

Currency	March 31, 2024		March 31, 2023	
	Foreign Currency	Indian Rupee	Foreign Currency	Indian Rupee
Financial liabilities				
Trade payables				
USD	164.90	13,751.39	71.40	5,881.56
CNY	1,158.12	13,607.81	72.33	879.56
JPY	61.23	34.20	-	-
Net exposure to foreign currency risk (liabilities)	1,384.25	27,393.40	143.73	6,761.12

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

37 FINANCIAL RISK MANAGEMENT (Contd..)

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arise mainly from foreign currency denominated financial instruments.

Particulars	Impact on Profit and Loss for the year ended March 31, 2024		Impact on Profit and Loss for the year ended March 31, 2023	
	Gain/(Loss) on appreciation	Gain/(Loss) on depreciation	Gain/(Loss) on appreciation	Gain/(Loss) on depreciation
1% appreciation / depreciation in Indian Rupees against following foreign currencies				
Trade payables				
USD	(137.51)	137.51	(58.82)	58.82
CNY	(136.08)	136.08	(8.80)	8.80
JPY	(0.34)	0.34	-	-
	(273.93)	273.93	(67.62)	67.62

(iii) Commodity price risk

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

B) Liquidity Risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. The Group uses liquidity forecast tools to manage its liquidity. The Group is able to organise liquidity through own funds and through working capital loans. The Group has good relationship with its lenders, as a result of which it does not experience any difficulty in arranging funds from its lenders. Table here under provides the current ratio of the Group as at the year end.

Particulars	As at March 31, 2024	As at March 31, 2023
Total current assets	1,40,576.42	90,844.28
Total current liabilities	96,343.07	81,363.60
Current ratio	1.46	1.12

Maturities analysis of financial liabilities:

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

Particulars	on demand	< 1 year	1-3 year	3-5 year	More than - 5 years	Total
As at March 31, 2024						
Borrowings	7,965.11	9,388.31	7,509.42	7,168.89	4,024.44	36,056.17
Trade payable	-	64,640.97	-	-	-	64,640.97
Other financial liabilities	-	6,845.39	-	224.25	-	7,069.64
Lease liabilities (undiscounted)	-	1,202.26	2,486.72	2,300.58	4,328.67	10,318.23
	7,965.11	82,076.93	9,996.14	9,693.72	8,353.11	1,18,085.01

Particulars	on demand	< 1 year	1-3 year	3-5 year	More than - 5 years	Total
As at March 31, 2023						
Borrowings	14,161.60	17,594.90	9,996.41	7,041.98	5,457.57	54,252.46
Trade payable	-	38,995.10	-	-	-	38,995.10
Other financial liabilities	-	5,316.90	-	217.54	-	5,534.44
Lease liabilities (undiscounted)	-	550.57	1,156.85	1,097.59	1,934.76	4,739.77
	14,161.60	62,457.47	11,153.26	8,357.11	7,392.33	1,03,521.77

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

37 FINANCIAL RISK MANAGEMENT (Contd..)

C) Credit Risk

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

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

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

The trade receivables position is provided here below:

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Total receivables (note 5)	55,302.66	43,787.36
Receivables individually in excess of 10% of the total receivables	26,659.17	23,637.22
Percentage of above receivables to the total receivables of the Group	48.21%	53.98%

38 SEGMENT INFORMATION

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

39 CAPITAL MANAGEMENT

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

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Non-current borrowings (note 15)	18,702.74	22,495.96
Current borrowings (note 15)	13,166.63	25,970.24
Current maturities of long term borrowings (note 15)	4,186.79	5,786.26
Total debts	36,056.16	54,252.46
Less: Cash and cash equivalent (note 12(a))	(3,018.16)	(866.91)
Net Debt (A)	33,038.00	53,385.55
Total equity (note 13 & note 14) (B)	1,03,808.15	39,592.78
Gearing ratio (A/B)	31.83%	134.84%

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2024 and March 31, 2023.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

40 CONTINGENCIES AND COMMITMENTS

i) Contingent Liabilities (to the extend not provided for)

Particulars	As at March 31, 2024	As at March 31, 2023
Claims against the group not acknowledged as debts (excluding interest & penalty)		
- Central Excise (FY 2008-09 to 2011-12)	765.73	765.73
- Anti-Dumping duty on Import	738.54	738.54
- Claims by third party	45.75	45.75
	1,550.02	1,550.02

- (i) Excise department has issued show cause notice dated 22nd December, 2011 for Rs 765.73 in respect of CTV sold to ELCOT, Tamil Nadu (a Govt. of Tamil Nadu undertaking) during the period February 2009 to October 2011 for free distribution by the state Govt. to poor section of the people by paying excise duty on the basis of value determined under section 4A instead of determining the value under section 4 of the Central Excise Act,1944.The department has the contention that sale is institutional sale & valuation based on MRP under Section 4A is not applicable to the sale to ELCOT. The appeal made by the Company was allowed by the CESTAT, New Delhi vide order dated 12th March,2014. However, the excise department has filed the appeal with Supreme Court, which has been admitted by the Supreme Court on 5th January, 2015 by condoning the delay in filing the appeal. This matter was last time listed on 2nd January, 2017.However, the Excise department filed an Interlocutory Application seeking early hearing of the appeal on July 11, 2022. The Hon'ble Chief Justice found no merit in the Interlocutory Application and accordingly, rejected the application filed by the Excise Department. The matter is pending for Final Hearing.
- (ii) Directorate of Revenue Intelligence (DRI) had conducted a search on the factory premises of the Company and the residence of the Promoters on 8th March 2011. The Company has deposited Rs 145 lakhs as anti-dumping duty on import of CPT during the period from May 2010 to Dec 2010, which is refunded later on. A show cause notice dated 29th May 2015 has been issued on the company and raised the demand of Anti-Dumping Duty worth Rs. 738.54 lakhs along with interest and penalty. The Principal Commissioner of custom has passed an order dated 28th February 2017, confirming the demand of Rs. 738.54 lakhs along with interest & penalty. The Company has filed an appeal before CESTAT, Allahabad Bench on 1st June 2017. The CESTAT vide its order dated 18th June 2019 has allowed the appeal in favour of the Company and refunded the deposited amount and set aside the order passed by Principal Commissioner of customs, Noida. However, the Department has filed a Civil Appeal (No. 6544/2020) against the aforesaid Final order of CESTAT, Allahabad dated 18th June 2019. But till date no hearing was held at Hon'ble Supreme Court and no stay has been granted to the Department.
- (iii) Notice for Recovery: The Company received a Notice under the jurisdiction of West District, Tis Hazari Court, Delhi from M/s Polyblends (India) Pvt. Ltd for recovery of outstanding amount of Rs.43,70,501.19/- with respect to purchase of plastic raw material and plastic filled compounds. The authorised representative appeared on behalf of the Company on May 20, 2022 before the Hon'ble Court. The Hon'ble Court directed the Company to file written statements. The Company filed the written statements. The pleadings in this case were completed. After several hearings, the Hon'ble Court vide order dated August 05, 2023 announced the judgement in favour of the Company and disposed the case. The appellant aggrieved by the order filed an appeal to the Hon'ble Delhi Hight Court (RFA(COMM)252/2023). The matter was last listed on April 02, 2024 to issue notice. The next date of the hearing is September 05, 2024.
- (iv) Notice for Recovery: The Company received a Notice under the jurisdiction of West District, Tis Hazari Court, Delhi from M/s Niyati Industries through Mr. Vijay Jain for recovery of outstanding amount of Rs. 2,04,980.39/- with respect to job work of re-enforced (Polystyrene) of plastic raw materials. The authorised representative appeared on behalf of the Company on May 12, 2022 before the Hon'ble Court and filed the written statements. Replication has been filed on behalf of the plaintiff on July 23, 2022. The pleadings in this case were complete and issues were framed. After several hearings, the Hon'ble Court vide order dated January 29, 2024 announced the judgement against the Company and disposed the case. The Company aggrieved by the order filed an appeal to the Hon'ble District and Sessions Judge, West, THC (RCA DJ/35/2024). The matter was listed on April 04, 2024 to issue notice. The next date of the hearing is July 08, 2024.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

37 FINANCIAL RISK MANAGEMENT (Contd..)

ii) Commitments

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Estimated amount of contracts remaining to be executed on Capital account and not provided for (Net of advances)	3,901.88	530.99
Joint venture Company's capital commitments	48.33	-
	3,950.21	530.99

41 DETAILS REQUIRED UNDER SECTION 22 OF MICRO, SMALL AND MEDIUM ENTERPRISE DEVELOPMENT ACT, 2006

Based on the intimation received by the Group from its suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the relevant information is provided here below:

Particulars	As at	As at
	March 31, 2024	March 31, 2023
The principle amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;		
(i) Principal Amount	8,079.37	2,967.79
(ii) Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the suppliers beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the year on delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006,	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due above are actually paid to the Small enterprise, for the purpose of disallowances of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006,	-	-

42 CORPORATE SOCIAL RESPONSIBILITY (CSR)

The amount required to be spent as Corporate Social Responsibility (CSR) under Section 135 of the Companies Act, 2013 for the year ended March 31, 2024 is Rs 101.58 Lakhs (Previous Year: Rs 38.97 Lakhs) i.e. 2% of average net profits for last three financial years, calculated as per Section 198 of the Companies Act, 2013.

The Group has spent Rs 120.13 Lakhs on CSR Projects / initiatives during the year (Previous year: Rs 40.10 Lakhs), which are summarized as under:

Sl. No	No. Nature of activities	Amount spent	
		2023-2024	2022-2023
1	Rescue and timely treatment of injured and helpless Birds and animal.	-	10.00
2	Providing and encouraging medical aid and treatment of poor, people, rendering medical care and advice through Gyan chetna educational society	-	10.00
3	Education and financial assistance to the children woman of weaker section of society overall development and upliftment through Dnight wings young foundation	35.00	20.10
4	Promotion of skill development in India through apprenticeships, encouraging youth employment and industry growth by enrolment of apprentices to develop skilled workforce and upskilling opportunities through 'National Apprenticeship Promotion Scheme (NAPS) under the Ministry of Skill Development and Entrepreneurship'.	85.13	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

43 STANDARD NOTIFIED BUT NOT YET EFFECTIVE

There are no standard notified and not yet effective as on the date.

44 EVENTS AFTER BALANCE SHEET DATE

No adjusting or significant non-adjusting events have occurred between the reporting date and date of approval for issuance of these consolidated financial statements except given in note 51 and 52 of the Consolidated financial statements.

45 RECONCILIATION OF QUARTERLY BANK RETURNS-FY 2023-24

(i) Parent Company-FY 2023-24

Name of the Bank	Particulars	Quarter	Amount as per books	Amount as per reported in quarterly returns	Amount of Difference
State Bank of India	Inventory	March 31, 2024	13,864.81	13,864.81	-
	Debtors	March 31, 2024	14,257.02	12,502.97	1,754.05
	Creditors-LC creditors only)	March 31, 2024	(14,466.91)	(14,621.91)	(155.00)
	Net Total	March 31, 2024	13,654.92	11,745.87	1,599.05
	Inventory	December 31, 2023	13,442.18	13,437.59	4.59
	Debtors	December 31, 2023	11,201.27	11,200.25	1.02
	Creditors-LC creditors only)	December 31, 2023	(11,600.83)	(11,494.93)	(105.90)
	Net Total	December 31, 2023	13,042.62	13,142.91	(100.29)
	Inventory	September 30, 2023	19,494.75	19,494.71	0.04
	Debtors	September 30, 2023	11,628.67	11,565.37	63.30
	Creditors-LC creditors only)	September 30, 2023	(18,798.00)	(18,219.00)	(579.00)
	Net Total	September 30, 2023	12,325.42	12,841.07	(515.66)
HDFC Bank	Inventory	June 30, 2023	10,140.40	10,137.24	3.16
	Debtors	June 30, 2023	10,973.23	10,973.09	0.15
	Creditors-LC creditors only)	June 30, 2023	(10,648.92)	(10,273.00)	(375.92)
	Net Total	June 30, 2023	10,464.71	10,837.33	(372.62)
	Inventory	March 31, 2024	2,058.20	2,058.20	-
	Debtors	March 31, 2024	3,154.46	3,048.05	106.41
	Creditors-Trade & LC creditors	March 31, 2024	(3,768.49)	(3,768.49)	-
	Net Total	March 31, 2024	1,444.18	1,337.77	106.41
	Inventory	December 31, 2023	2,459.31	2,459.31	-
	Debtors	December 31, 2023	5,099.71	5,081.49	18.22
	Creditors-Trade & LC creditors	December 31, 2023	(2,652.43)	(2,652.43)	(0.00)
	Net Total	December 31, 2023	4,906.59	4,888.37	18.22
Inventory	September 30, 2023	2,414.05	2,414.05	0.00	
Debtors	September 30, 2023	3,192.94	3,050.11	142.83	
Creditors-Trade & LC creditors	September 30, 2023	(3,088.02)	(3,088.02)	(0.00)	
Net Total	September 30, 2023	2,518.97	2,376.14	142.83	
Inventory	June 30, 2023	2,631.33	2,631.33	0.00	
Debtors	June 30, 2023	4,494.68	4,477.28	17.40	
Creditors-Trade & LC creditors	June 30, 2023	(3,942.56)	(3,942.56)	-	
Net Total	June 30, 2023	3,183.45	3,166.05	17.40	

Note for discrepancies

- The difference in inventory is due to goods in transit included in books of accounts which is not considered in DP statements filled with bankers.
- The difference in creditors is due to Letter of credit taken in books of account on the basis of LC open with banks but in DP statements are taken on basis of acceptances.
- The difference in debtors is due to subsequent adjustment made in the books of account which is not considered in DP statements filled with bankers.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

45 RECONCILIATION OF QUARTERLY BANK RETURNS-FY 2023-24 (Contd..)

(ia). Parent Company-FY 2022-23

Name of the Bank	Particulars	Quarter	Amount as per books	Amount as per reported in quarterly returns	Amount of Difference
State Bank of India	Inventory	March 31, 2023	9,605.11	9,602.77	2.34
	Debtors	March 31, 2023	8,127.24	8,082.25	44.99
	Creditors-LC creditors only)	March 31, 2023	(7,903.60)	(7,804.69)	(98.91)
	Net Total	March 31, 2023	9,828.75	9,880.33	(51.58)
	Inventory	December 31, 2022	7,211.43	7,201.77	9.66
	Debtors	December 31, 2022	7,023.47	6,966.21	57.26
	Creditors-LC creditors only)	December 31, 2022	(5,089.57)	(4,961.91)	(127.66)
	Net Total	December 31, 2022	9,145.33	9,206.07	(60.74)
	Inventory	September 30, 2022	9,872.34	9,859.27	13.07
	Debtors	September 30, 2022	11,734.37	11,723.74	10.63
	Creditors-LC creditors only)	September 30, 2022	(12,372.36)	(11,994.00)	(378.36)
	Net Total	September 30, 2022	9,234.35	9,589.01	(354.66)
HDFC Bank	Inventory	June 30, 2022	7,955.63	7,955.63	-
	Debtors	June 30, 2022	10,172.97	9,742.89	430.08
	Creditors-LC creditors only)	June 30, 2022	(9,823.51)	(9,440.93)	(382.58)
	Net Total	June 30, 2022	8,305.09	8,257.59	47.50
	Inventory	March 31, 2023	2,843.03	2,843.03	-
	Debtors	March 31, 2023	5,014.46	4,959.10	55.36
	Creditors-Trade & LC creditors	March 31, 2023	(4,268.62)	(4,268.62)	-
	Net Total	March 31, 2023	3,588.87	3,533.51	55.36
	Inventory	December 31, 2022	4,765.64	4,765.64	-
	Debtors	December 31, 2022	5,227.29	5,227.29	-
	Creditors-Trade & LC creditors	December 31, 2022	(3,142.92)	(3,142.92)	-
	Net Total	December 31, 2022	6,850.01	6,850.01	-
Inventory	September 30, 2022	6,430.19	6,430.19	-	
Debtors	September 30, 2022	2,856.73	2,856.73	-	
Creditors-Trade & LC creditors	September 30, 2022	(4,751.05)	(4,751.05)	-	
Net Total	September 30, 2022	4,535.87	4,535.87	-	
Inventory	June 30, 2022	6,837.84	6,825.08	12.76	
Debtors	June 30, 2022	8,273.51	6,972.46	1,301.05	
Creditors-Trade & LC creditors	June 30, 2022	(9,548.56)	(9,548.56)	-	
Net Total	June 30, 2022	5,562.79	4,248.98	1,313.81	

Note for discrepancies

- The difference in inventory is due to goods in transit included in books of accounts which is not considered in DP statements filled with bankers.
- The difference in creditors is due to Letter of credit taken in books of account on the basis of LC open with banks but in DP statements are taken on basis of acceptances.
- The difference in debtors is due to subsequent adjustment made in the books of account which is not considered in DP statements filled with bankers.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

45 RECONCILIATION OF QUARTERLY BANK RETURNS-FY 2023-24 (Contd..)

(ii). Subsidiaries Company-FY 2023-24

Name of the Bank	Particulars	Quarter	Amount as per books	Amount as per reported in quarterly returns	Amount of Difference
HDFC Bank, ICICI Bank, Yes Bank	Inventory	March 31, 2024	38,552.48	38,511.39	41.09
	Debtors	March 31, 2024	38,648.16	38,609.25	38.91
	Creditors-Trade & LC creditors	March 31, 2024	(46,804.89)	(46,804.89)	0.00
	Net Total	March 31, 2024	30,395.75	30,315.75	80.00
	Inventory	December 31, 2023	26,918.80	26,918.80	0.00
	Debtors	December 31, 2023	15,060.98	13,294.32	1,766.66
	Creditors-Trade & LC creditors	December 31, 2023	(20,103.60)	(20,103.60)	0.00
	Net Total	December 31, 2023	21,876.18	20,109.52	1,766.66
	Inventory	September 30, 2023	13,601.33	13,601.33	(0.00)
	Debtors	September 30, 2023	4,431.99	4,414.13	17.85
	Creditors-Trade & LC creditors	September 30, 2023	(4,816.79)	(4,820.04)	3.25
	Net Total	September 30, 2023	13,216.52	13,195.42	21.10
	Inventory	June 30, 2023	14,897.24	14,897.24	0.00
	Debtors	June 30, 2023	16,253.76	16,231.48	22.28
	Creditors-Trade & LC creditors	June 30, 2023	(11,746.15)	(11,746.46)	0.31
	Net Total	June 30, 2023	19,404.85	19,382.26	22.58

Note for discrepancies

- The difference in inventory is due to changes in valuation at the time of finalisation of balance sheet not considered in DP statements filled with bankers.
- The difference in debtors is due to amount receivable from group company which is not considered in DP statements filled with bankers.
- The difference in creditors is due to small clerical mistakes in DP statements filled with bankers.

(ii). Subsidiaries Company-FY 2022-23

Name of the Bank	Particulars	Quarter	Amount as per books	Amount as per reported in quarterly returns	Amount of Difference
HDFC Bank	Inventory	March 31, 2023	23,028.56	23,028.56	-
	Debtors	March 31, 2023	30,774.64	30,746.01	28.63
	Creditors-Trade & LC creditors	March 31, 2023	(26,951.84)	(26,951.84)	-
	Net Total	March 31, 2023	26,851.36	26,822.73	28.63
	Inventory	December 31, 2022	22,885.61	22,839.06	46.55
	Debtors	December 31, 2022	13,473.02	13,466.62	6.40
	Creditors-Trade & LC creditors	December 31, 2022	(20,474.85)	(20,474.85)	-
	Net Total	December 31, 2022	15,883.78	15,830.83	52.95
	Inventory	September 30, 2022	12,954.19	12,950.18	4.01
	Debtors	September 30, 2022	2,741.53	2,741.53	-
	Creditors-Trade & LC creditors	September 30, 2022	(5,203.49)	(5,203.49)	-
	Net Total	September 30, 2022	10,492.23	10,488.22	4.01
	Inventory	June 30, 2022	8,828.84	8,827.68	1.16
	Debtors	June 30, 2022	5,628.00	4,942.37	685.63
	Creditors-Trade & LC creditors	June 30, 2022	(11,646.51)	(11,647.28)	0.77
	Net Total	June 30, 2022	2,810.33	2,122.77	687.56

Note for discrepancies

- The difference in inventory is due to goods in transit included in books of accounts which is not considered in DP statements filled with bankers.
- The difference in debtors is due to amount receivable from group company which is not considered in DP statements filled with bankers.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

46 OTHER STATUTORY INFORMATION

- i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- ii) The Group does not have any transactions with companies struck off Company.
- iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- v) The Group is not a declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended March 31,2024 and March 31,2023.
- vi) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- viii) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- ix) The company has used an accounting software (Finsys) for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

47 GROUP INFORMATION

The Consolidated financial statement of the group includes entities as mentioned below;

S No.	Name of entity	Country of Incorporation	Nature	Ownership interest held by the group	Year Ended	Net Assets i.e total assets minus total liabilities		Share in profit and loss		Share in profit & loss of 50 % Joint Venture		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
						As % of consolidated net assets	Amount (Rs. In lakhs)	As % of consolidated net assets	Amount (Rs. In lakhs)	As % of consolidated net assets	Amount (Rs. In lakhs)	As % of consolidated net assets	Amount (Rs. In lakhs)	As % of consolidated net assets	Amount (Rs. In lakhs)
(I) Parent															
	PG Electroplast Limited	India	Parent Company		March 31, 2024	90.89%	94,355.73	56.97%	7,805.49	-	-	116.71%	(23.21)	57.77%	7,782.28
					March 31, 2023	90.55%	35,851.87	57.06%	4,419.99	-	-	-141%	4.28	57.13%	4,424.27
(II) Subsidiaries having no non-controlling interest															
	PG Technoplast Private Limited	India	Wholly owned subsidiary	100.00%	March 31, 2024	34.56%	35,874.80	43.32%	5,935.57	-	-	-16.71%	3.32	44.09%	5,938.89
				100.00%	March 31, 2023	28.85%	11,423.48	43.09%	3,338.03	-	-	240.79%	(7.32)	43.01%	3,330.71
	PG Plastronics Private Limited	India	Wholly owned subsidiary	100.00%	March 31, 2024	0.00%	0.23	0.00%	(0.43)	-	-	0.00%	-	0.00%	(0.43)
				100.00%	March 31, 2023	0.00%	0.65	-0.01%	(0.76)	-	-	0.00%	-	-0.01%	(0.76)
	PG Electroplast Limited Employees Welfare Trust		Controlled Entity	100.00%	March 31, 2024	0.00%	(0.48)	0.00%	(0.24)	-	-	-	-	-0.00%	(0.24)
				100.00%	March 31, 2023	0.00%	(0.24)	0.00%	(0.25)	-	-	-	-	-0.00%	(0.25)
	Goodworth Electronics Private Limited		Joint Venture	50.00%	March 31, 2024	-0.20%	-211.20			100.00%	(211.20)			-1.57%	(211.20)
				50.00%	March 31, 2023	-	-			-	-			-	-
	Elimination on Consolidation				March 31, 2024	-25.25%	(26,210.93)	-0.29%	(39.17)	-	-	0.00%	-	-0.29%	(39.17)
					March 31, 2023	-24.60%	(7,682.97)	-0.27%	(10.14)	-	-	0.00%	-	-0.13%	(54.87)
	Total - March 31, 2024					100.00%	1,03,808.15	100.00%	13,701.21	100.00%	(211.20)	100.00%	(19.89)	100.00%	13,470.13
	Total - March 31, 2023					100.00%	39,592.78	100.00%	7,746.87	-	-	100.00%	(3.04)	100.00%	7,743.82

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

48 Fire Broke : A fire broke out on October 17, 2023 in warehouse at khasra no 175 & 176, Raipur Industrial Area, village - Raipur - Roorkee, Uttarakhand of Unit-2 of the holding Company, which was taken on rent resulting in loss of finished goods and raw materials. This has resulted in the loss of Rs 294.26 Lakhs (Net of insurance claim received) which has been recognized in the statement of profit & loss & another fire broke out on March 8, 2024 in warehouse at E-31,Site-B, UPSIDC, Surajpur Industrial Area, Greater Noida, UP of Unit-1 of Company, which has been taken on rent resulting in loss of finished goods and raw materials, of Rs 59.21 lakhs net off expected insurance claim to be received. Which has been recognised in the statement of profit and loss in the current financial year.

49 Investment in Joint Venture:- The Company on July 13, 2023 entered into a 50-50 Joint Venture (JV) Agreement with Jaina Group [Jaina Marketing & Associates (JMA), Jaina India Private Limited (Jaina India) and Goodworth Electronics Private Limited (Goodworth)] to create a strong and competitive business that can meet the growing demand for high-quality televisions. Further, on July 31, 2023 pursuant to the JV Agreement, the Company acquired 5,000 (Five Thousand) Equity shares at face value of Rs. 10/- each of Goodworth Electronics Private Limited (JV Company).

50 Data Back Up:- As per the MCA notification dated August 5, 2022, the Central Government has notified the Companies (Accounts) Fourth Amendment Rules, 2022. As per the amended rules, the Companies are required to maintain the back-up of the books of account and other relevant books and papers in electronic mode that should be accessible in India at all the time. Also, the Companies are required to create back-up of accounts on servers physically located in India on a daily basis. The books of account along with other relevant records and papers of the Company are maintained in electronic mode. These are readily accessible in India at all times and a back-up is maintained in servers situated in India and The Company and its officers have full access to the data in the servers.

51 Proposed Dividend:-The Board of Directors at its meeting held on May 22 , 2024 recommended payment of a final dividend of Rs. 0.20 per equity share of Re. 1 /- each (i.e., payable on post sub-division paid-up capital of the Company), subject to approval of its shareholders at the ensuing Annual General Meeting.

52

a) Split of existing Equity Share:- The Board of Directors of the holding Company at its meeting held on May 22, 2024 approved the Sub-division/ split of existing each equity share of face value of Rs. 10/- (Rupees ten only) each, fully paid-up into 10 (ten) equity shares of face value of Re. 1 /- (Rupee one only) each, fully paid-up as on the Record date (to be notified later) by alteration of Capital Clause of the Memorandum of Association of the Company, subject to the approval of the members of the Company.

(b) Qualified Institutional Placement : During the year, the holding Company has raised 48500 lakhs (net of share issue expenses 1500 lakhs) through Qualified Institutional Placement of 32,05,128 equity shares of Rs. 10 each at a premium of Rs. 1550 per share. The amount raised, have been used for the purposes for which the funds were raised. The idle surplus funds amounting to Rs 6270.50 lakhs which were not required for immediate utilization and which have been invested in liquid investments.

53 Business Combinations

Summary of acquisitions during the year ended March 31, 2024:

On March 2, 2024, PG Technoplast Private Limited acquired 100% of the equity shares of Next Generation Manufacturers Private Limited from Amstrad Consumer India Private Limited.

The following table presents the purchase price allocation:

Particulars	Total
Identifiable Net Assets	
Fair value of these property, plant and equipment (Net of depreciation)	6,519.41
Total	6,519.41
Total Purchase consideration	6,501.00
Capital Reserve	18.41

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

(All Amounts are in Rupees lakhs, unless otherwise stated)

54 Summarised financial information for joint venture

Particulars	As at March 31, 2024	As at March 31, 2023
Percentage of ownership	50%	-
Net assets	583.72	-
Group's share in net assets	291.86	-
Income		
Total Income	166.75	-
Expenses		
Finance costs	210.19	
Depreciation and amortisation expenses	181.74	
Other expenses	82.46	
Total Expenses	667.84	
(Loss) before tax	(501.09)	
Total tax expenses	(77.08)	
(Loss) for the year	(424.01)	
Other comprehensive income:	1.61	
Total comprehensive (loss) for the year	(422.40)	
Group's share in (Loss)	(212.01)	
Group's share in total comprehensive (loss) for the year	(211.20)	
Reconciliation to carrying amounts of investments		
Investment in joint venture	506.23	
Group's share in the profit/(loss) (after adjustment for unrealised gain in inventories)	(212.01)	
Group's share in the other comprehensive income (net of tax)	0.80	
Carrying amount of investment in the joint venture	295.03	

55 Previous year figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date attached
For **S.S.Kothari Mehta & Co.LLP**
Chartered Accountants
Firm Registration No. 000756N/ N500441

Amit Goel
Partner
Membership No. 500607

Place: Greater Noida, U.P.
Dated: May 22, 2024

For and on behalf of Board of Directors
PG Electroplast Limited

Anurag Gupta
Chairman & Executive Director
DIN-00184361

Sanchay Dubey
Company Secretary
ACS No:A51305

Vishal Gupta
Managing Director Finance
DIN-00184809

Promod C Gupta
Chief Financial Officer

To the Members of

PG Electroplast Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of PG Electroplast Limited (hereinafter referred to as “the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) and controlled entity, comprising the consolidated balance sheet as at March 31, 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries and controlled entity, as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and controlled entity as at March 31, 2023, of its consolidated profit and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and controlled entity in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in ‘Other Matters’ paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in Auditor’s responsibilities for the audit of consolidated financial statements section of our report, including in relation to these matters.

Key Audit Matters	How are audit addressed the key audit matters
<p>Revenue Recognition</p> <p>Revenue from the sale of goods (hereinafter referred to as “Revenue”) is recognized when the Company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer.</p> <p>The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred.</p>	<p>Our procedures included;</p> <ul style="list-style-type: none"> ▪ Evaluating the integrity of the general information and technology control environment and testing the operating effectiveness of key IT application controls. ▪ Evaluating the design and implementation of Company’s controls in respect of revenue recognition. ▪ Testing the effectiveness of such controls over revenue cut off at year-end. ▪ Testing the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end, including examination of credit notes issued after the year end to determine whether revenue was recognized in the correct period. ▪ Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing. ▪ Assessing the appropriateness of the Company’s revenue recognition accounting policies in line with IND AS 115 (“Revenue from Contracts with Customers”) and testing thereof.
Accounting for Government Grants	
<p>The Company has various grants and subsidies receivable from the State Governments of respective plant locations.</p>	<p>Our audit procedures included, amongst others:</p> <p>a) We examine that the recognition of grants / subsidies is in accordance with IND AS 20 by making a reference to the conditions for such grants in the scheme documents of the respective state Governments and checking the due evidence of fulfillment of such conditions by the Company.</p>

Key Audit Matters	How are audit addressed the key audit matters
	b) We verified the correspondence between the Company and relevant Government authorities to assess the recoverability of grants / subsidies already recognized

The following key audit matters was included in the audit report dated May 18, 2023, containing and unmodified audit opinion on the financial statement of PG Technolplast Private Limited, a wholly owned subsidiary of the Holding Company issue by an independent firm of Chartered Accountants reproduce by us as under :

Capitalization and useful life of Property, Plant & Equipment	
<p>During the year ended March 31, 2023, the subsidiary Company has incurred capital expenditure on project included in capital work in progress. Items of property, plant and equipment (PPE) that are ready for its intended use as determined by the management have been capitalized in the current year.</p> <p>Judgement is involved to determine that the aforesaid capitalization meet the recognition requirement under Ind AS. specifically in relation to determination of whether the criteria for intended use has been met. Further, the Company has assessed the useful life of its PPE. Assessment of useful life of plant and machinery involves management judgement, technical assessment, anticipated technological changes etc.</p>	<p>The audit procedures applied by the component auditor of the component included and were not limited to the following:</p> <ul style="list-style-type: none"> • Examined the management assessment of the assumptions considered in estimation of useful life. • Examined the technical evaluation by third party specialist appointed by management. • Assessed the nature of the additions made to PPE, intangible assets, capital work-in-progress and intangible asset under development on a test check basis to test whether they meet the recognition criteria of Ind AS 16- Property, Plant and Equipment, including intended use of management.

Key Audit Matters	How are audit addressed the key audit matters
<p>Revenue Recognition</p> <p>a) Revenue from the sale of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. This normally means when a product has been delivered to the customer in accordance with agreed delivery terms. Revenue from the sale of services is recognised when the service is rendered to the customer.</p> <p>b) The risk for revenue being recognised in an incorrect period presents a key audit matter due to the financial significance and nature of net sales in the financial statements</p>	<p>The audit procedures applied by the component auditor of the component included and were not limited to the following:</p> <p>Evaluation of internal control activities over revenue recognition and testing of key controls.</p> <p>Testing of accounts receivables by requesting confirmations from the company's customers and by reconciling cash payments received after the year end against the accounts receivable balances at the year end.</p> <p>The risk for revenue being recognised in an incorrect period presents a key audit matter due to the financial significance and nature of net sales in the financial statements.</p> <p>We assessed that the disclosure of revenue in accordance with IND AS 115 'Revenue from contracts with customers' are appropriately presented and disclosed.</p>

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditors' report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditor as furnished to us, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including controlled entity in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

The respective Management and Board of Directors of the companies included in the Group and controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and controlled entity are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and controlled entity responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company, its subsidiaries and its controlled entity has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and controlled entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and controlled entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- a) We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of 87600.68 lakhs as at March 31, 2023, total revenues of 103258.66 lakhs and net cash outflows of 490.75 lakhs for the year ended on that date, as considered in the consolidated financial statements.
- b) We did not audit the financial statements of one controlled entity whose financial statements reflect total assets of 12.39 lakhs as at March 31, 2023, total revenues of Nil lakhs and net cash inflows of 0.05 lakhs for the year ended on that date, as considered in the consolidated financial statements.

These financial statements has been audited by other auditors whose reports has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and controlled entity and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and controlled entity are based solely on the audit report of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 (the 'Order' or 'CARO'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiaries and its controlled entity, incorporated in

India, we give in the “Annexure A” a statement on the matters specified in paragraphs 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of such subsidiaries and controlled entity as was audited by other auditor, as noted in the ‘Other Matters’ paragraph, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor;
 - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries and controlled entity incorporated in India, none of the directors of the Group companies and controlled entity incorporated in India are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company, subsidiaries and controlled entity and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”;
 - g) In our opinion and based on the consolidation of reports of the other statutory auditors of the subsidiaries and controlled entity incorporated in India, the managerial remuneration for the year ended March 31, 2023 has been paid/provided by the Holding Company, its subsidiaries

and controlled entity incorporated in India to their directors in accordance with the provision of section 197 read with schedule V of the Act;

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements of the subsidiaries and controlled entity as noted in the 'Other Matters' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and controlled entity in its consolidated financial statements - Refer Note 40 to the consolidated financial statements.
 - ii. The Group and controlled entity did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and controlled entity incorporated in India during the year ended March 31, 2023.
 - iv. a) The respective managements of the Holding Company, its subsidiaries and controlled entity incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and controlled entity respectively that, to the best of their knowledge and belief, as disclosed in Note 46 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiaries or its controlled entity to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary companies or controlled entity or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b) The respective managements of the Holding Company, its subsidiaries and controlled entity incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the Note 46 to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies or its controlled entity from any person(s) or entity(ies),

including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary companies or controlled entity shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries (including step down subsidiary) and controlled entity, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company, its subsidiaries and its controlled entity.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For S.S. Kothari Mehta & Company
Chartered Accountants
Firm Registration No. 000756N

AMIT GOEL
Partner
Membership No: 500607

Place: New Delhi
Date : May 26, 2023
UDIN: 23500607BGURLD2788

Annexure A to the Independent Auditors' Report to the members of PG Electroplast Limited dated May 26, 2023 on its Consolidated Financial Statements

In our opinion and according to the information and explanations given to us, following company incorporated in India and included in the Consolidated Financial Statements, have unfavourable remarks, qualifications or adverse remarks given by the respective auditors in their reports under the companies (Auditor's Report) Order,2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding/ Subsidiary/ JV/ Associate	Clause No. of CARO report which is unfavourable or qualified or adverse
1	PG Electroplast Limited	L32109DL2003PLC119416	Holding Company	3ii(b)

For S.S. Kothari Mehta & Company
Chartered Accountants
Firm Registration No. 000756N

AMIT GOEL
Partner
Membership No: 500607

Place: New Delhi
Date : May 26, 2023
UDIN: 23500607BGURLD2788

Annexure B to the Independent Auditors' Report to the members of PG Electroplast Limited dated May 26, 2023 on its Consolidated Financial Statements

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section.

Our reporting on the internal financial control with reference to consolidated financial statement is not applicable in respect of one controlled entity.

In conjunction with our audit of the consolidated financial statements of **PG Electroplast Limited** ('the Holding Company') as of and for the year ended March 31, 2023, we have audited the Internal Financial Controls over Financial Reporting of **PG Electroplast Limited** (hereinafter referred to as "the Company" or "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") incorporated in India, for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the consolidated financial statements. Those Standards and

the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. 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.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditor of the relevant subsidiaries in terms of their report referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

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

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial Controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to

the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its relevant subsidiaries, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2023, based on the internal financial controls with reference to consolidated financial statements criteria established by the such companies considering the essential components of such internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statement in so far as it relates to two subsidiaries incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India. Our opinion is not modified in respect of this matter.

For S.S. Kothari Mehta & Company

Chartered Accountants
Firm Registration No. 000756N

AMIT GOEL

Partner
Membership No: 500607

UDIN : 23500607BGURLD2788

Place: New Delhi

Date : May 26, 2023

PG ELECTROPLAST LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH,2023
(All Amounts are in Rupees lakhs, unless otherwise stated)

Particulars	Note	As at	
		31st March, 2023	31st March, 2022
ASSETS			
Non-Current Assets			
Property, plant and equipment	3	57,656.99	44,028.77
Capital work-in-progress	3	197.50	488.98
Goodwill	4	0.34	0.34
Other intangible assets	4	122.02	66.78
Financial Assets			
Investments	7	217.64	69.02
Other financial assets	8	994.63	837.39
Other non-current assets	9	783.13	553.89
Total Non-Current Assets		59,972.25	46,045.17
Current Assets			
Inventories	11	35,338.12	28,603.25
Financial assets			
Trade receivables	5	43,787.36	21,332.74
Cash and cash equivalents	12(a)	866.91	2,385.29
Bank balances other than cash and cash equivalents	12(b)	3,095.76	1,533.07
Loans	6	45.83	275.28
Investments	6(b)	-	-
Other financial assets	8	2,675.94	1,936.63
Other current assets	9	3,661.45	4,304.24
Income tax assets (Net)	10	1,372.91	436.94
Total Current Assets		90,844.28	60,807.44
TOTAL ASSETS		150,816.53	106,852.61
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	2,274.26	2,122.49
Other equity	14	37,318.52	29,107.31
Total Equity		39,592.78	31,229.80
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	15	22,495.96	17,178.48
Other financial liabilities	18	217.54	178.37
Lease liabilities	20	3,162.21	1,339.81
Deferred tax liabilities (Net)	31	2,817.61	1,655.70
Provisions	16	562.10	447.66
Other liabilities	19	604.73	-
Total Non-Current Liabilities		29,860.15	20,800.02
Current Liabilities			
Financial Liabilities			
Borrowings	15	31,756.50	21,206.63
Trade payables			
- Total outstanding dues of micro and small enterprises	17	2,967.79	1,358.05
- Total outstanding dues other than micro and small enterprises	17	36,027.31	25,562.65
Other financial liabilities	18	5,316.90	4,453.34
Lease liabilities	20	284.24	137.37
Other current liabilities	19	4,072.33	2,013.83
Provisions	16	93.06	90.92
Income tax liabilities (Net)		845.47	-
Total Current Liabilities		81,363.60	54,822.79
Total Liabilities		111,223.75	75,622.81
TOTAL EQUITY AND LIABILITIES		150,816.53	106,852.61

Significant Accounting Policies

2

The accompanying notes are an integral part of consolidated financial statements.

As Per Our Report of Even Date Attached
For S.S.Kothari Mehta & Company
Chartered Accountants
Firm Registration No. 000756N

For and on behalf of Board of Directors
PG Electroplast Ltd

Amit Goel
Partner
M. No. 500607

Anurag Gupta
Chairman & Executive
Director
DIN-00184361

Vishal Gupta
Managing Director -
Finance
DIN-00184809

Place: Greater Noida, U.P.
Dated:26th May,2023

Sanchay Dubey
Company Secretary
ACS No: A51305

Promod C Gupta
Chief Financial Officer

PG ELECTROPLAST LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH,2023
(All Amounts are in Rupees lakhs, unless otherwise stated)

Particulars	Note	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Income			
Revenue from operations	21	215,994.75	111,163.50
Other Income	22	438.57	432.38
Total Income		216,433.32	111,595.88
Expenses			
Cost of Materials Consumed	23	160,461.35	73,149.77
Purchase of Traded Goods	24	18,815.72	18,161.84
Changes in inventories of finished goods and work-in-progress	25	(2,826.31)	(2,908.06)
Employee benefits expenses	26	12,285.48	7,785.34
Finance costs	27	4,793.17	2,312.63
Depreciation and amortisation expenses	28	3,495.07	2,211.27
Other expenses	29	9,654.52	6,071.94
Total Expenses		206,679.00	106,784.72
Profit before exceptional items & tax		9,754.32	4,811.16
Exceptional Items	29.1	-	(93.06)
Profit before tax		9,754.32	4,904.22
Tax expenses			
Current tax	31	845.47	-
Deferred tax	31	1,161.99	1,162.66
Total tax expenses		2,007.46	1,162.66
Profit for the year		7,746.86	3,741.56
Other comprehensive income			
A. Items that will not be reclassified to profit or loss in subsequent years			
Remeasurement gain on the defined benefit plans		(3.12)	47.09
Income tax effect		0.08	-
Other comprehensive income for the year		(3.04)	47.09
Total comprehensive income for the year		7,743.82	3,788.65
Profit for the year attributable to			
Equity share holders of the parent company		7,746.86	3,741.55
Non controlling interests			-
Other comprehensive income for the year attributable to			
Equity share holders of the parent company		(3.04)	47.09
Non controlling interests			-
Total comprehensive income for the year attributable to			
Equity share holders of the parent company		7,743.82	3,788.65
Non controlling interests			-
Earnings per equity share of Rupee 10 each			
Basic earnings per share	30	35.78	18.08
Diluted earnings per share	30	33.77	17.03

The accompanying notes are an integral part of consolidated financial statements.

As Per Our Report of Even Date Attached
For S.S.Kothari Mehta & Company
Chartered Accountants
Firm Registration No. 000756N

For and on behalf of Board of Directors
PG Electroplast Ltd

Amit Goel
Partner
M. No. 500607

Anurag Gupta
Chairman &
Executive Director
DIN-00184361

Vishal Gupta
Managing Director -
Finance
DIN-00184809

Place: Greater Noida, U.P.
Dated:26th May,2023

Sanchay Dubey
Company Secretary
ACS No:A51305

Promod C Gupta
Chief Financial Officer

PG ELECTROPLAST LIMITED
CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2023
(All Amounts are in Rupees lakhs, unless otherwise stated)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	9,754.32	4,904.22
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expenses	3,495.07	2,211.27
Employees expenses non operating	(3.12)	47.09
Loss on sale of property, plant and equipment & assets written off	35.23	4.27
Profit on sale of property, plant and equipment	(11.64)	(7.80)
Misc balances written off	35.23	19.29
Provision for warranty expenses- post sales	(16.00)	50.00
Provision for doubtful receivable & debts	-	221.07
Provision for doubtful advance to suppliers & capital advance	197.00	105.00
Provision for slow & non moving Inventories	7.33	18.01
Loss on Inventory due to Fire	7.91	1.53
Loss on property, plant and equipment due to Fire	16.30	11.41
Liabilities no longer required written back	(14.71)	(28.17)
Employee stock option scheme	339.41	206.78
Interest expense on lease liabilities	182.23	74.81
Fair value gain on Investment recognised through FVTPL	(1.67)	(4.24)
Interest expense	4,610.94	2,237.82
Interest income	(318.12)	(205.53)
Cash flow generated from operating activity before working capital adjustment	18,315.71	9,866.82
Working capital adjustments:		
Increase/(decrease) in trade Payables	12,089.09	11,614.14
Increase/(decrease) in non - current provisions	114.44	(112.41)
Increase/(decrease) in non - current liabilities	604.73	
Increase/(decrease) in short - term provisions	18.15	(0.11)
Increase/(decrease) in other current liabilities	2,058.50	493.60
Increase/(decrease) in current financial liabilities	1,311.13	914.82
Decrease/(increase) in trade receivables	(22,686.85)	(6,952.46)
Decrease/(increase) in inventories	(6,750.11)	(19,361.72)
Decrease / (increase) in short - term loans	229.45	(243.96)
Decrease/(Increase) in other current assets	642.78	(2,175.60)
Decrease/(Increase) in other current financial assets	(240.68)	(1,533.32)
Decrease/(increase) in other non current assets	(21.12)	(36.97)
Decrease/(Increase) in other non financial assets	(175.47)	(99.13)
Cash generated (used in)/generated from operations	5,509.75	(7,626.30)
Direct taxes (paid)/refund	(935.96)	(254.01)
Net cash flow generated (used in) from operating activities (A)	4,573.79	(7,880.31)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property Plant and equipment including CWIP and Intangible assets	(15,456.56)	(15,710.22)
Proceeds from sale of Property plant and equipment	37.84	584.88
Investments made during the year	(153.20)	(49.33)
Maturity of bank deposit having maturity more than 3 months	(2,025.10)	(1,106.03)
Interest received	300.13	180.55
Net cash flow used in investing activities (B)	(17,296.89)	(16,100.15)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	11,543.27	12,607.38
Repayment of long-term borrowings	(4,122.83)	(3,510.91)
Proceeds from issue of equity share capital	334.89	4,407.23
Proceeds from cumulative compulsory convertible debentures	-	3,629.17
Proceeds from/(Repayment of) Short-term borrowings (Net)	8,497.90	10,909.65
Payment of principal portion of lease liabilities	(216.30)	(144.95)
Payment of interest portion of lease liabilities	(182.23)	(74.81)
Interest paid	(4,649.98)	(2,198.94)
Net cash flow (used in)/generated from financing activities (C)	11,204.72	25,623.82
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(1,518.38)	1,643.36
Cash and cash equivalents at the beginning of the year	2,385.29	741.93
Cash and cash equivalents at the end of the year	866.91	2,385.29
Components of cash and cash equivalents (Refer note -12(a)		
Cash on hand	5.63	11.97
With banks:		
-on current account	861.28	2,373.32
Total cash and cash equivalents	866.91	2,385.29

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS 7) "Statement of Cash Flows".

PG ELECTROPLAST LIMITED
CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2023
(All Amounts are in Rupees lakhs, unless otherwise stated)

The accompanying notes are an integral part of consolidated financial statements.

As Per Our Report of Even Date Attached
For S.S.Kothari Mehta & Company
Chartered Accountants
Firm Registration No. 000756N

Amit Goel
Partner

M. No. 500607

Anurag Gupta
Chairman &
Executive Director
DIN-00184361

Vishal Gupta
Managing Director -
Finance
DIN-00184809

Place: Greater Noida, U.P.
Dated:26th May,2023

Sanchay Dubey
Company Secretary
ACS No:A51305

Promod C Gupta
Chief Financial Officer

PG ELECTROPLAST LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH,2023
(All Amounts are in Rupees, unless otherwise stated)

A EQUITY SHARE CAPITAL

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

Particulars	Note	Amount
As at 1st April 2021		1,969.39
Issue of Share Capital	13	153.10
As at 31st March, 2022		2,122.49
Issue of Share Capital	13	151.77
As at 31st March, 2023		2,274.26

B OTHER EQUITY *

Particulars	Reserves and surplus			Equity Components of cumulative compulsory convertible debentures	Other Comprehensive Income	Employee Share Option Reserve	Money Received against Share Warrants	Total other equity
	Treasury Shares	Securities premium	Retained earnings					
Balance as at 1st April, 2021	-	14,129.86	2,927.15	-	57.35	-	163.13	17,277.49
Profit for the year	-	-	3,741.56	-	-	-	-	3,741.56
Remeasurement gain on defined benefit plans	-	-	-	-	47.09	-	-	47.09
Amount received for share warrants during the year	-	-	-	-	-	-	376.87	376.87
Amount received on issue of equity share capital	-	4,379.75	-	-	-	-	-	4,379.75
Amount received on issue of CCCDs	-	-	-	3,629.17	-	-	-	3,629.17
Dividend on Equity Component of CCCDs	-	-	(488.88)	439.99	-	-	-	(48.89)
Converted into Equity share capital	-	-	-	-	-	-	(33.50)	(33.50)
Transferred to securities premium	-	-	-	-	-	-	(469.00)	(469.00)
Share based employee expenses	-	-	-	-	-	206.77	-	206.77
Balance as at 31st March, 2022	-	18,509.61	6,179.83	4,069.16	104.44	206.77	37.50	29,107.31
Profit for the year	-	-	7,746.86	-	-	-	-	7,746.86
Remeasurement gain on defined benefit plans	-	-	-	-	(3.04)	-	-	(3.03)
Amount received for share warrants during the year	-	-	-	-	-	-	112.50	112.50
Amount received on issue of CCCDs	-	-	-	89.39	-	-	-	89.39
Dividend on Equity Component of CCCDs	-	-	(488.88)	439.99	-	-	-	(48.89)
Converted into Equity share capital	-	-	-	(136.46)	-	-	(10.00)	(146.46)
Transferred to securities premium	-	4,729.77	-	(4,462.08)	-	-	(140.00)	127.69
Treasury Shares	(6.25)	-	-	-	-	-	-	(6.25)
Amount Transferred to retained earning on excise of ESOPs	-	-	72.10	-	-	(72.10)	-	-
Adjustment on termination of ESOP	-	-	4.05	-	-	(4.05)	-	-
Share based employee expenses	-	-	-	-	-	339.40	-	339.40
Balance as at 31st March, 2023	(6.25)	23,239.38	13,513.97	-	101.40	470.02	-	37,318.52

* Kindly refer Note No. 14.

The accompanying notes are an integral part of consolidated financial statements.

As Per Our Report of Even Date Attached
For S.S.Kothari Mehta & Company
Chartered Accountants
Firm Registration No. 000756N

For and on behalf of Board of Directors
PG Electroplast Ltd

Amit Goel
Partner

M. No. 500607

Place: Greater Noida, U.P.
Dated:26th May,2023

Anurag Gupta
Chairman &
Executive Director
DIN-00184361

Sanchay Dubey
Company Secretary
ACS No:A51305

Vishal Gupta
Managing Director -
Finance
DIN-00184809

Promod C Gupta
Chief Financial Officer

PG ELECTROPLAST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023
(All Amounts are in Rupees lakhs, unless otherwise stated)

1 CORPORATE INFORMATION

The consolidated financial statements comprise financial statements of PG Electroplast Limited ("the Parent group") and its subsidiaries (collectively, "the Group") for the year ended March 31, 2022. PG Electroplast Limited ("the Parent group") is a public group domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its equity shares are listed with the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The registered office of the group is located at DTJ - 209, DLF Tower B, Jasola, New Delhi - 110025. The Group is an Electronic Manufacturing Services (EMS) provider for Original Equipment Manufacturers (OEMs) of consumer electronic products in India. The group manufactures and / or assemble a comprehensive range of consumer electronic components and finished products such as Kitchen Appliances, air conditioners (ACs) sub-assemblies, Air Cooler, Washing Machine, Mobile handsets, LED for third parties.

These consolidated financial statements were approved for issue in accordance with a resolution of directors on May 26, 2023.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation and presentation

(i) Compliance with Ind AS

These consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III). These consolidated financial statements are presented in INR and all values are rounded to the nearest lakhs, except when otherwise indicated.

(ii) Historical cost convention

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

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

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

(iii) The Group has prepared the consolidated financial statements on the basis that it will continue to operate as going concern.

(b) Basis of Consolidation

The consolidated financial statements comprises the financial statement of the PG Electroplast Limited ('the Parent company') and subsidiaries (collectively "the Group") as at March 31, 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- (i)** Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (ii)** Exposure, or rights, to variable returns from its involvement with the investee, and
- (iii)** The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including

- (i)** The contractual arrangement with the other vote holders of the investee
- (ii)** Rights arising from other contractual arrangements
- (iii)** The Group's voting rights and potential voting right
- (iv)** The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31. When the end of the reporting period of the parent company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent company to enable the parent company to consolidate the financial information of the subsidiary, unless it is impracticable to do so or there are no significant transaction or event between the date of those financial statement and date of financial statement of parent company.

(c) Consolidation Procedures - Subsidiary

- (i)** Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.
- (ii)** Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (iii)** Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS - 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

PG ELECTROPLAST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023
(All Amounts are in Rupees lakhs, unless otherwise stated)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for noncontrolling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the Group recognises the gain directly in equity as capital reserve, without routing the same through OCI.”

(d) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- ▶ Expected to be realised or intended to be sold or consumed in normal operating cycle
- ▶ Held primarily for the purpose of trading
- ▶ Expected to be realised within twelve months after the reporting period, or
- ▶ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- ▶ It is expected to be settled in normal operating cycle
- ▶ It is held primarily for the purpose of trading
- ▶ It is due to be settled within twelve months after the reporting period, or
- ▶ There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

(e) Foreign currencies

(i) Functional and presentation currency

The consolidated financial statements are presented in Indian rupee (INR), which is Group’s functional and presentation currency unless stated otherwise.

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group’s entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses average rate if the average approximates the actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

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

(iv) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

(f) Revenue recognition

Revenues from contract with customers is recognized when controls of the goods or services transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange of goods or services. Revenue is stated net of Goods and Service tax and net of returns, trade allowances and

(i) Sale of goods

Revenue from sale of goods is recognized on transfer of control of goods to the customers, which is usually on dispatch of goods to customers premises.

Variable Consideration

The Group recognizes revenue from the sale of goods measured at the standalone selling price of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(ii) Sale of services

Revenue from services represents the job work services and repairing of moulds performed by the Group for its customers. Revenue from services is recognized as per the terms of the contract with the customer over the period of time when the control of services is transferred to the customers.

(iii) Contract balance

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract assets are in the nature of unbilled receivables, which arises when Group satisfies a performance obligation but does not have an unconditional rights to consideration. A receivables represents the Group’s right to an amount of consideration that is unconditional. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (Financial instruments – initial recognition and subsequent measurement).

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

A trade receivable is recognized if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (Financial instruments – initial recognition and subsequent measurement).

(iv) Other Income

Other income comprise interest income, rental income, liabilities no longer required written back, refund of electricity duty, government incentive and others.

Interest income is accrued on a timely basis, by reference to the principal outstanding and recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. When calculating the EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the Rental income arising from operating lease is accounted on a straight line basis over the lease term.

In respect of others, Group recognized income when the right to receive is established.

(g) Government grants

Grants from the government are recognised where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

(h) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Income Tax expense for the year comprises of current tax and deferred tax.

(i) Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date where the Group operates and generates taxable income.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

(ii) Deferred tax

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

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

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

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or direct in equity.

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

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(i) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

Group as a lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of lowvalue assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-Use assets (ROU)

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The Group classifies ROU assets as part of Property, plant and equipment in Balance Sheet and lease liability in "Financial Liability".

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Variable lease payments that depend on sales are recognized in profit or loss in the period in which the condition that triggers those payments occurs.

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(iii) Short term leases and leases of low-value of assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value.

Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Group as a lessor

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

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

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

(j) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(k) Earnings Per Share (EPS)

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) if any that have changed the number of equity shares outstanding, without a corresponding change

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

(l) Property, plant and equipment

Property, plant and equipment are tangible items that are held for use in the production or supply for goods and services, rental to others or for administrative purposes and are expected to be used during more than one period. The cost of an item of property, plant and equipment shall be recognised as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items and are net of recoverable taxes /duty. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the property, plant and equipment if the recognition criteria for a provision are met.

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

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

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

Depreciation methods, estimated useful lives and residual value

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

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

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

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

(m) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

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

Estimated useful lives of the intangible assets are as follows:

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

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

Research and development costs

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

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

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

(n) Inventories

Inventories are valued at the lower of cost and net realisable value. However, materials and other items held for use in the 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. The comparison of cost and net realizable value is made on an item-by-item basis

- (i) Inventories of raw materials, components, stores and spares are valued at lower of cost (net of recoverable taxes) and net realizable value. Cost for the purpose of valuation of such inventories is determined using the first-in, first-out (FIFO) method. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.
- (ii) Finished goods and work-in-progress are valued at lower of cost and net realizable value. The cost of finished goods and work-in-progress includes raw material costs (net of recoverable taxes), direct cost of conversion and proportionate allocation of indirect costs incurred in bringing the inventories to their present location and condition.
- (iii) Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- (iv) The provision for inventory obsolescence is assessed regularly based on estimated usage and shelf life of inventory.

(o) Provisions and Contingent liabilities, Contingent assets

(i) Provision

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the

Warranty Provision

Provision for warranty-related costs are recognized when the product is sold or service is provided to customer. Initial recognition is based on historical experience. The Group periodically reviews the adequacy of product warranties and adjust warranty percentage and warranty provisions for actual experience, if

(ii) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of

(iii) Contingent assets

Contingent assets are not recognized. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

(p) Employee benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

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

Earned leaves

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

(iii) Post-employment obligations

The Group operates the following post employment schemes:

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

Defined benefit plans

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

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

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

Defined contribution plans

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

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

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

*** Employee State Insurance**

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

*** Leave Encashment**

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

Actuarial gains and losses arising from adjustments and changes in actuarial assumptions are charged or credited to the Statement of profit and loss in the year in which such gains or losses arise.

(q) Share-based payment

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity Settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. Further details are given in Note 33.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through statement of profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(r) Financial Instruments

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

(i) Financial assets

*** Initial Recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

*** Subsequent Measurement**

*** Financial assets carried at amortised cost**

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

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

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

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

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

*** Impairment of financial assets**

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

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

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

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

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

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(ii) **Financial liabilities**

* **Initial Recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and

* **Subsequent measurement**

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities at amortised cost (Loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

* **Derecognition**

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

* **Offsetting of financial instruments**

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

* **Reclassification of financial assets**

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the group either begins or ceases to perform an activity that is significant to its operations. If the group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The group does not restate any previously recognised gains, losses (including impairment gains or losses) or

(s) **Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

(t) **Critical accounting estimates, assumptions and judgements**

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to Group's exposure to risk and uncertainties includes;

Capital Management Note 39.

Financial risk management objective and policies Note 37.

Sensitivity analysis disclosures note 37.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

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

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

(ii) **Intangibles**

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

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(iii) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs including

(iv) Share based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 33.

(v) Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Further details about gratuity obligations are given in Note 32.

(vi) Leases- Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

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3 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

Particulars	Property, Plant and Equipment						Right-to-Use		Total	Capital Work in Progress
	Buildings, Lease hold Improvement	Plant and Equipments	Electric installation	Furniture and Fixtures	Vehicles	Office equipment	Leasehold Land	Buildings, Lease hold Improvement		
At 1st April, 2021	9,943.50	20,930.26	731.34	512.45	674.67	216.90	591.98	266.00	33,867.11	601.15
Additions	3,424.04	12,564.48	558.85	115.43	327.72	170.46	929.52	1,469.44	19,559.93	17,806.76
Disposals/adjustments	(9.76)	(761.94)	-	-	(25.10)	-	-	(8.30)	(805.10)	(17,918.93)
At 31st March, 2022	13,357.78	32,732.80	1,290.19	627.88	977.29	387.36	1,521.50	1,727.14	52,621.94	488.98
Additions	1,366.48	12,414.72	416.87	173.62	345.85	273.47	-	2,185.57	17,176.58	10,290.09
Disposals/adjustments	9.76	(132.58)	-	-	(38.10)	-	-	(227.60)	(388.52)	(10,581.57)
At 31st March, 2023	14,734.02	45,014.94	1,707.06	801.50	1,285.04	660.83	1,521.50	3,685.11	69,410.00	197.50
Accumulated Depreciation										
At 1st April, 2021	1,146.43	4,486.72	275.87	135.53	312.71	88.03	38.69	125.43	6,609.41	-
Charge for the year	361.42	1,362.77	76.36	51.91	87.97	56.10	9.84	189.72	2,196.10	-
Disposals/adjustments	-	(180.83)	-	-	(21.75)	-	-	(9.76)	(212.34)	-
At 31st March, 2022	1,507.85	5,668.66	352.23	187.44	378.93	144.13	48.53	305.39	8,593.17	-
Charge for the year	469.10	2,235.95	108.93	58.16	120.89	111.87	20.82	344.91	3,470.63	-
Disposals/adjustments	-	(65.96)	-	-	(33.17)	-	-	(211.64)	(310.77)	-
At 31st March, 2023	1,976.96	7,838.65	461.16	245.60	466.65	256.00	69.35	438.66	11,753.01	-
Net carrying amount										
At 1st April, 2022	11,849.93	27,064.14	937.96	440.44	598.36	243.23	1,472.97	1,421.75	44,028.77	488.98
At 31st March, 2023	12,757.06	37,176.29	1,245.90	555.90	818.38	404.83	1,452.15	3,246.46	57,656.99	197.50

(i) Leasehold Land

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

Plot no	Balance Period of Lease as on 31st	
	Period of Lease	March, 2023
P-4/2 to 4/6 at Unit-I	90 years	71 years
E-14, E-15 at Unit-III	83 years	71 years
F-20 at Unit-III	59 years	54 years
I-26, I-27 at Unit-V	64 years	58 years
A-20/2 at Supa, Unit IV	85 Years	79 years
C-11 at Unit-IV	76 years	71 years
A-18, Supa, MIDC, Taluka-Parner, Ahmednagar	95 years	72 years

These leases of lands have been classified as finance lease in terms of criteria specified in Ind AS 116 leases, including the facts that the market value of the land (as on the date of transaction) had been paid to the lessor at the inception of the lease.

(ii) Restrictions on Property, plant and equipment

Refer note no. 15 for information on charges created on property, plant and equipment.

(iii) Contractual commitments

Refer note no. 40(ii) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iv) The Group has not revalued its Property, Plant & Equipments (including Right to Use assets) or intangible assets or both during the ye

(v) Capital work-in-progress ageing schedule

CWIP	Amount In CWIP for the period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31st March 2023					
Projects in Progress	197.50	-	-	-	197.50
Projects Temporarily suspended	-	-	-	-	-
CWIP					
As at 31st March 2022					
Projects in Progress	488.98	-	-	-	488.98
Projects Temporarily suspended	-	-	-	-	-

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4 GOODWILL AND OTHER INTANGIBLE ASSETS

Particulars	Goodwill	Computer Softwares	Total
At 1st April, 2021	0.34	99.33	99.67
Additions	-	26.71	26.71
Disposals/adjustments	-	-	-
At 31st March, 2022	0.34	126.04	126.38
Additions	-	79.68	79.68
Disposals/adjustments	-	-	-
At 31st March, 2023	0.34	205.72	206.06
Accumulated Depreciation			
At 1st April, 2021	-	44.09	44.09
Charge for the year	-	15.17	15.17
Disposals/adjustments	-	-	-
At 31st March, 2022	-	59.26	59.26
Charge for the year	-	24.44	24.44
Disposals/adjustments	-	-	-
At 31st March, 2023	-	83.70	83.70
Net carrying amount			
At 31st March, 2022	0.34	66.78	67.12
At 31st March, 2023	0.34	122.02	122.36

- (a) Goodwill is acquired on acquisition of PG Technoplast Private Limited on 17th December 2020 having indefinite useful life. The company do impairment testing annually.
(b) There are no intangible assets under development as at the end of current reporting year and previous year.

5 TRADE RECEIVABLES

Particulars	As at 31st March, 2023	As at 31st March, 2022
Current		
-Unsecured, considered good	43,787.36	21,332.74
-Unsecured, credit impaired	-	34.84
	<u>43,787.36</u>	<u>21,367.58</u>
Less: Allowance for trade receivables	-	(34.84)
Total trade receivables	<u>43,787.36</u>	<u>21,332.74</u>

Trade Receivables Aging Schedule

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	Total
As at 31st March 2023						
Undisputed Trade Receivables						
-Considered good	43,661.03	62.50	57.68	4.02	2.13	43,787.36
Disputed Trade Receivables						
-Considered good	-	-	-	-	-	-
-Credit impaired	-	-	-	-	-	-
Gross Carrying Amount	<u>43,661.03</u>	<u>62.50</u>	<u>57.68</u>	<u>4.02</u>	<u>2.13</u>	<u>43,787.36</u>
Less: Allowance for trade receivable	-	-	-	-	-	-
Net Carrying Amount	<u>43,661.03</u>	<u>62.50</u>	<u>57.68</u>	<u>4.02</u>	<u>2.13</u>	<u>43,787.36</u>
As at 31st March 2022						
Undisputed Trade Receivables						
-Considered good	21,173.26	80.87	75.82	2.79	-	21,332.74
Disputed Trade Receivables						
-Credit impaired	-	-	-	-	34.84	34.84
Gross Carrying Amount	<u>21,173.26</u>	<u>80.87</u>	<u>75.82</u>	<u>2.79</u>	<u>34.84</u>	<u>21,367.58</u>
Less: Allowance for trade receivable	-	-	-	-	(34.84)	(34.84)
Net Carrying Amount	<u>21,173.26</u>	<u>80.87</u>	<u>75.82</u>	<u>2.79</u>	<u>-</u>	<u>21,332.74</u>

Note:

- (a) Neither trade nor other receivables are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies in which any director is a partner, a director or a member, except as mentioned above.
(b) Information about the Group's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 37. Provision as disclosed above is on case to case basis as identified by the management.
(c) Trade receivables are no-interest bearing and are generally on terms of 30-90 days of credit period.

6 LOANS

Particulars	As at 31st March, 2023	As at 31st March, 2022
Current		
-Unsecured, considered good		
Loan to Employees	40.22	35.28
Loan to Others*	5.61	240.00
Total loans	<u>45.83</u>	<u>275.28</u>

* Loan to others includes loan given to Indkal Technologies Private Limited for the purpose of arranging materials for LED TV which would be supplied to group subsequently during FY 2021-22.

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7 INVESTMENTS

Particulars	As at 31st March, 2023	As at 31st March, 2022
Non-Current		
Unquoted		
Equity instruments in Others at fair value through profit and loss		
14,80,000 (31st March 2022: 248000) equity shares in Solarstream Renewable Services Private Limited	148.80	24.80
Nil (31st March 2022: 525) equity shares in Indkal Technologies Private Limited	-	0.52
	148.80	25.33
Quoted		
Investment in Mutual Funds at fair value through profit and loss		
3212.29 units (31st March 2022: 2073.82 units) in HDFC index Funds- Sensex plan	17.16	10.90
10533.53 units (31st March 2022: 6775.75 units) in HDFC Index Funds-Nifty 50 plan	16.99	10.91
26144.59 units (31st March 2022: 17061.38 units) in ICICI Prudential Bluechip Funds	17.66	11.19
32138.68 units (31st March 2022: 20559.62 units) in Kotak Flexicap Funds-Growth	17.04	10.69
	68.84	43.69
Total Non-Current Investments	217.64	69.02
Aggregate book value of quoted investments	68.84	43.69
Aggregate market value of quoted investments	68.84	43.69
Aggregate book value of unquoted investments	148.80	25.33
Aggregate market value of unquoted investments	148.80	25.33

8 OTHER FINANCIAL ASSETS

Particulars	As at 31st March, 2023	As at 31st March, 2022
Non-Current (at amortised cost)		
Security Deposits		
Unsecured, considered good	536.12	360.65
Bank Deposits		
with maturity of more than 12 months	458.51	476.74
	994.63	837.39
Deposits of Rs.458.51 lakhs (31st March 2022: Rs.471.44 lakhs) pledged as margin money with the bank for various type of credit limits.		
Current (at amortised cost)		
Security Deposits		
Unsecured, considered good	34.11	15.62
Interest Receivables		
Interest accrued on bank and other deposit	61.59	38.59
Interest accrued on others	11.66	16.67
Government grant and others*	2,568.58	1,865.75
Total other financial assets	2,675.94	1,936.63
* Others includes amount recoverable from Maharashtra Government on account of stamp duty paid amounted Rs. 58.76 lakhs (31st March 2022: Rs 59.07 lakhs) and fire claim receivable amounted Rs.55.27 lakhs (31st March 2022: 264.41 lakhs).		

9 OTHER ASSETS

Particulars	As at 31st March, 2023	As at 31st March, 2022
Non-Current (at amortised cost)		
Unsecured, considered good		
Capital advances	658.12	450.00
IGST Receivable Under Moovr-Capital Good	-	-
Prepaid expenses	125.01	103.89
	783.13	553.89
Current (at amortised cost)		
Unsecured, considered good		
Advances to suppliers	1,421.58	1,587.58
Balances with Government Authorities	587.92	2,456.44
Prepaid expenses and others	373.56	257.19
IGST Receivable Under Moovr-Raw Material	1,274.74	-
Imprest to employees	2.33	3.03
Other Assets	1.32	-
Unsecured, considered doubtful		
Advances to suppliers	-	289.32
	3,661.45	4,593.56
Less: Allowances for doubtful advance	-	(289.32)
	3,661.45	4,304.24
Total other assets	4,444.58	4,858.13

10 INCOME TAX ASSETS

Particulars	As at 31st March, 2023	As at 31st March, 2022
Income tax refund for earlier years & Advance tax	1,372.91	436.94
	1,372.91	436.94

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11 INVENTORIES

(Valued at lower of cost or net realisable value)

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Raw material and components	27,007.09	23,114.69
Work-in-progress	2,630.08	3,005.06
Finished goods	5,687.07	2,485.78
Stores and spares	106.96	83.47
	35,431.20	28,689.00
Less: Provision for Slow/Non Moving Inventories	(93.08)	(85.75)
Total Inventory	35,338.12	28,603.25

- (a) The above includes goods in transit as under
Raw material and components 2.34 868.20
(b) The above includes goods at bonded warehouse
Raw material and components - 4,655.73
(c) Refer note 15, for information on hypothecation created on inventory with the bankers against working capital
(d) The write-down of inventories to net realisable value during the year amounting to Nil (31st March 2022: nil). These are recognised as expenses during the respective period and included in changes in inventories.

12 CASH AND BANK BALANCES

(a) Cash and cash equivalents

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Balances with banks		
-In current accounts	861.28	2,373.32
Cash on hand	5.63	11.97
Total cash and cash equivalents	866.91	2,385.29

(b) Bank balances other than cash and cash equivalents

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Bank deposits		
with maturity of more than 3 months and upto 12 months	3,095.76	1,533.07
Total bank balances other than cash and cash equivalents	3,095.76	1,533.07

Deposits of Rs.2225.88 lakhs (31st March, 2022:Rs.1143.82 lakhs) pledged as margin money with bank for various type of credit limits.
Deposits with banks are made with banks for varying periods, depending on immediate cash requirement of the Group and to earn interest at the respective term deposit rate

13 SHARE CAPITAL

Particulars	As at	As at
	31st March, 2023	31st March, 2022
(a) Authorised share capital		
3,50,00,000 (31st March, 2022: 3,50,00,000) equity shares (Par value of Rs. 10 per share)	3,500.00	3,500.00
	3,500.00	3,500.00
(b) Issued, Subscribed And Fully Paid Up Share Capital		
2,27,42,617 (31st March, 2022:2,12,24,866) equity shares (Par value of Rs. 10 per share)	2,274.26	2,122.49
	2,274.26	2,122.49

(c) Movements in equity share capital

Particulars	No. of shares	Amount in Rs.
	As at 1st April 2021	19,693,916
Increase during the year *	1,530,950	153.10
As at 31st March 2022	21,224,866	2,122.49
Increase during the year **	1,517,751	151.77
As at 31st March 2023	22,742,617	2,274.26

* During the year 2021-22, the company allotted 11,95,950 equity shares of face value of Rs.10/- each at an issue price of Rs.337/- per share to the persons belonging to Non-Promoter category by way of preferential allotment.
2. During the year 2021-22, the company on December 10, 2021 allotted 3,35,000 equity shares of face value of Rs. 10/- each pursuant to conversion of 3,35,000 share warrants, issue on 31st March, 2021 at an issue price of Rs. 150/- each, by way of preferential allotment to Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta (Promoter Category) and Mr. Arvind Yeshwant Pradhan (Public Category)

**
1. During the year 2022-23, the company on September 27, 2022 allotted 1,00,000 equity shares of face value of Rs. 10/- each pursuant to conversion of 1,00,000 share warrants issued on 31st March, 2021 at an issue price of Rs. 150/- each, by way of preferential allotment to Mr. Nikhil Vishwasdas Bagla and Mrs. Urmila Nikhil Bagla (Public Category).
2. During the year 2022-23, the company on August 12, 2022 allotted 53,200 Equity Shares of face value of Rs. 10/- each to the 'PG Electroplast Limited Employees Welfare Trust' under PG Electroplast Limited Employees Stock Option Scheme - 2020 in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
3. During the year 2022-23, the Company on December 31, 2022 allotted 13,64,551 Equity Shares of face value of Rs. 10/- each pursuant to conversion of 10,76,904, 17.96% Compulsorily Convertible Debentures ("CCDs") allotted on preferential basis on July 01, 2021 and unpaid coupon amount accrued thereon, at the conversion price of Rs. 337/- determined as per the SEBI ICDR Resolution.
There were no buy back of shares or issue of shares pursuant to contract without payment being received in cash during the previous 5 years.

(d) Terms and rights attached to equity shares

The group has only one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the group, the equity shareholders are eligible to receive the remaining assets of the group after distribution of all preferential amounts, in proportion to their shareholding.

(e) Particulars of shareholders holding more than 5% shares of fully paid up equity shares

Name of Shareholder	31st March 2023		31st March 2022	
	No. of shares	% holding	No. of shares	% holding
Mr Amurag Gupta	2,991,201	13.15%	2,991,201	14.09%
Mr Vishal Gupta	5,051,474	21.21%	5,051,474	23.80%
Mr Vikas Gupta	5,075,531	21.31%	5,075,531	23.90%

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(f) Details of share held by promoters

Promoter Name	31st March 2023			31st March 2022		
	No. of shares	% holding	% Change during the year	No. of shares	% holding	% Change during the year
Mr Anurag Gupta	2,991,201	13.15%	-0.94%	2,991,201	14.09%	1.59%
Mr Vishal Gupta	5,051,474	22.21%	-1.59%	5,051,474	23.80%	9.32%
Mr Vikas Gupta	5,073,531	22.31%	1.60%	5,073,531	23.90%	9.44%
Mrs Suresh Gupta	-	-	-	-	-	-24.17%
Mrs Neela Gupta	511,000	2.25%	-0.16%	511,000	2.41%	-0.18%
Mrs Sarika Gupta	171,016	0.75%	-0.05%	171,016	0.81%	-0.06%
Mrs Nitasha Gupta	148,959	0.65%	-0.05%	148,959	0.70%	-0.06%

(g) Shares reserved for issue under options

Information relating to Employee Stock Option Plan, including details of option issued, exercised and lapsed during the financial year and options outstanding as at end of the reporting period are set out in note 53.

14 OTHER EQUITY

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Securities premium	23,239.38	18,509.61
Retained earnings	13,513.97	6,179.83
Other comprehensive income	101.40	104.44
Money received against share Warrants	-	37.50
Cumulative Compulsarily Convertible Debentures	-	4,069.16
Employee Stock Option reserve	470.02	206.77
Treasury share	(6.25)	-
Total other equity	37,318.52	29,107.31

(a) Securities premium

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Opening balance	18,509.61	14,129.86
Increased during the year*	4,729.77	4,379.75
Closing balance	23,239.38	18,509.61

* Refer note 13(c) for changes during the year.

(b) Retained earnings

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Opening balance	6,179.83	2,927.15
Net profit for the year	7,746.86	3,741.56
Less: Dividend on Equity Component of CCCDs	(488.88)	(488.88)
Amount Transferred to Securities Premium on excise of ESOPs	72.10	-
Adjustment of forfeiture of ESOP	4.05	-
Closing balance	13,513.97	6,179.83

(c) Other comprehensive income

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Opening balance	104.44	57.35
Increased during the year*	(3.04)	47.09
Closing balance	101.40	104.44

* Other comprehensive income is increased during the year due to actuarial gain on gratuity provision.

(d) Money received against share warrants

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Opening balance	37.50	163.13
Received during the year against issue of share warrants	112.50	376.87
Converted into equity shares during the year	(150.00)	(502.50)
Closing balance	-	37.50

(e) Cumulative Compulsarily Convertible Debentures (CCD)

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Opening balance	-	-
Equity Component of CCCDs	4,069.16	3,629.17
Dividend on equity component of CCCDs	439.99	439.99
Add : Amount received on issue of CCCDs	89.39	-
Less:- Conversion into Equity share capital	(4,598.54)	-
Closing balance	-	4,069.16

(f) Employee Share Option reserve

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Opening balance	206.78	-
Employee stock option expenses during the year	339.40	206.78
Amount Transferred to Securities Premium on excise of ESOPs	(72.10)	-
Adjustment of termination of ESOP	(4.05)	-
Closing balance	470.02	206.78

(g) Treasury share

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Treasury share	(6.25)	-
Closing balance	(6.25)	-

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(i) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

(ii) Retained earnings

Retained Earnings are profits that the Group has earned till date less transfer to other reserve, dividend or other distribution or transaction with shareholder

(iii) Employee stock option reserve

The stock option outstanding account is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

(iv) Other Comprehensive Income

Other comprehensive income is the actuarial gain/(loss) on defined benefit plans (i.e Gratuity) till the date which will not be reclassified to statement of profit and loss subsequently.

(v) Money Received against share warrants

It pertains to the application money received on grant of share warrants, this will be transferred to equity share and securities premium on conversion into equity share capital.

(vi) Cumulative Compulsorily Convertible Debentures (CCCDs)

It pertains to equity component of cumulative compulsorily convertible debentures.

15 BORROWINGS

Particulars	As at 31st March, 2023	As at 31st March, 2022
Non-Current (at amortised cost)		
Secured		
Term loans		
- From banks		
-Rupees Loans	25,008.18	18,657.65
- From Others *	774.55	706.54
Vehicle loans		
- From banks	348.70	178.11
- From Others	90.90	120.55
Unsecured		
-Deferred Payment against Plant and Machinery	2,059.89	1,249.92
	<u>28,282.22</u>	<u>20,912.77</u>
Less: Current maturity of long term borrowings	(5,786.26)	(3,734.29)
Total non-current borrowings	<u>22,495.96</u>	<u>17,178.48</u>

* Includes interest free term loan from Uttar Pradesh Financial Corporation Rs 595.84 lakhs (Previous year: Rs 447.94 lakhs)

Current (at amortised cost)

Secured

Repayable on demand

- From banks

14,161.60

9,399.63

Term & Vehicle loan from banks- Current maturity of borrowings

4,193.40

2,800.74

Term & Vehicle loan from others- Current maturity of borrowings

120.66

109.38

Unsecured

Deferred Payment against Plant and Machinery- Current maturity of borrowings

1,472.20

824.17

Bill discounting

- From banks

11,165.10

4,572.71

- From Others

643.54

3,500.00

Total current borrowings

31,756.50

21,206.63

As on Balance sheet date, there is no default in repayment of loan and interest.

Changes in liabilities arising from financial activities

	As at 1st April, 2022	Cash Flows	Fair Value Change	Foreign exchange movement	Interest Amortisation	As at 31st March, 2023
Non current borrowings (including current maturities of non current borrowings)	20,912.77	7,420.45	-	-	(50.99)	28,282.23
Current borrowings	17,472.34	8,497.90	-	-	-	25,970.24
	<u>As at 1st April, 2021</u>	<u>Cash Flows</u>	<u>Fair Value Change</u>	<u>Foreign exchange movement</u>	<u>Interest Amortisation</u>	<u>As at 31st March, 2022</u>
Non current borrowings (including current maturities of non current borrowings)	11,767.43	9,096.47	-	-	48.87	20,912.77
Current borrowings	6,562.69	10,909.65	-	-	-	17,472.34

16 PROVISIONS

Particulars	As at 31st March, 2023	As at 31st March, 2022
Non-Current		
Provision for employee benefits		
Gratuity (refer note 32)	282.92	230.63
Compensated absences (refer note 32)	279.18	217.03
	<u>562.10</u>	<u>447.66</u>
Current		
Provision for employee benefits		
Gratuity (refer note 32)	22.62	21.98
Compensated absences (refer note 32)	21.44	18.94
Provision for warranty expenses-Post Sales #	49.00	50.00
	<u>93.06</u>	<u>90.92</u>
Total provisions	<u>655.16</u>	<u>538.58</u>
# 1st April 2022	50.00	-
Arising during the year	57.30	72.00
Utilised	(42.30)	(22.00)
Unused amount reversed	(16.00)	-
Closing balance as on 31st March 2023	<u>49.00</u>	<u>50.00</u>

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(All Amounts are in Rupees lakhs, unless otherwise stated)

17 TRADE PAYABLES

Particulars	As at 31st March, 2023	As at 31st March, 2022
Current		
Total outstanding dues of micro enterprise and small enterprise	2,967.79	1,358.05
Total outstanding dues of creditors other than micro enterprise and small enterprise	36,027.31	25,562.65
	38,995.10	26,920.70

Trade Payable Aging Schedule

Particulars	Less than 1 year	1-2 years	2-3 years	more than 3 years	Total
As at 31st March 2023					
Total outstanding dues to micro enterprises and small enterprises	2,967.79	-	-	-	2,967.79
Total outstanding dues of creditors other than micro enterprises and small enterprises	35,939.21	2.80	0.66	84.64	36,027.31
Disputed dues of micro enterprises and small enterprise	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Carrying Amount	38,907.00	2.80	0.66	84.64	38,995.10
As at 31st March 2022					
Total outstanding dues to micro enterprises and small enterprises	1,358.05	-	-	-	1,358.05
Total outstanding dues of creditors other than micro enterprises and small enterprises	25,468.84	6.59	9.32	77.90	25,562.65
Disputed dues of micro enterprises and small enterprise	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Carrying Amount	26,826.89	6.59	9.32	77.90	26,920.70

- (a) Trade Payables include due to related parties Nil (March 31, 2022:Rs.1.22 lakhs) (refer note 36)
(b) The amounts are unsecured and non interest-bearing and are usually on varying trade term.
(c) For terms and conditions with related parties. (refer to note 36)
(d) Trade payables includes acceptances of Rs. 6587.74 lakhs (March 31, 2022: Rs.8313.28 lakhs)

18 OTHER FINANCIAL LIABILITIES

Particulars	As at 31st March, 2023	As at 31st March, 2022
Non-Current		
Security deposits	5.00	2.06
Deferred cost of Interest Free Loan	212.54	176.31
	217.54	178.37
Current		
Security deposits	-	-
Deferred cost of Interest Free Loan	64.59	49.84
Interest accrued and due on borrowings	177.45	167.60
Capital creditors	1,223.61	1,692.84
Expenses creditors	2,968.63	1,994.92
Employee benefits & other dues payable #	882.62	548.14
	5,316.90	4,453.34
Total other financial liabilities	5,534.44	4,631.71

Other financial liability include due to related parties Rs.30.33 lakhs (31st March, 2022:Rs.25.82 lakhs) (refer note 36)

19 OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2023	As at 31st March, 2022
Non-Current		
Custom Duty Payable- Capital Good MOOWR	604.73	-
	604.73	-
Current		
Advance from customers	249.64	1,380.16
Statutory dues	3,822.69	633.67
	4,072.33	2,013.83

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LEASE LIABILITIES

Particulars	As at 31st March, 2023	As at 31st March, 2022
Non-Current		
Leases (refer note 34)	3,162.21	1,339.81
	3,162.21	1,339.81
Current		
Leases (refer note 34)	284.24	137.37
	284.24	137.37

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(All Amounts are in Rupees lakhs, unless otherwise stated)

21 REVENUE FROM OPERATIONS

Particulars	For the year ended	
	31st March, 2023	31st March, 2022
Revenue from contract with customers		
Sale of products		
Manufactured goods	207,273.45	103,399.46
Trading goods	5,576.09	5,654.93
Sale of services	470.51	346.05
	213,320.05	109,400.44
Other Operating Income		
Sale of scrap	1,464.09	371.35
Government Incentives from States Governments	1,210.61	1,391.71
	2,674.70	1,763.06
Total revenue from operations	215,994.75	111,163.50
i) Timing of revenue recognition		
Goods transferred at a point in time	214,313.63	109,425.74
Service transferred over a period of time	470.51	346.05
Government Incentives from States Governments	1,210.61	1,391.71
Total revenue from contracts with customers	215,994.75	111,163.50
ii) Revenue by location of customers		
India	215,791.93	111,080.54
Outside India	202.82	82.96
Total revenue from contracts with customers	215,994.75	111,163.50
iii) Reconciliation of revenue recognised in Statement of profit and loss with contracted price		
Revenue as per contracted price	216,502.32	111,218.60
Less: Discount	(507.57)	(55.10)
Total revenue from contracts with customers	215,994.75	111,163.50

iv) Performance Obligation

Sale of products: Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on dispatch of the goods and payment is generally due as per the terms of contract with customers.

Sales of services: The performance obligation in respect of services is satisfied over a point of time and acceptance of the customer. Payment is generally due upon completion of service and acceptance of the customer.

Incentive under Electronic Policy 2016

The Company unit located at Supa, Taluka-Panjar, MIDC district Ahmednagar in Maharashtra is eligible for incentives under the Electronic Policy-2016 of Maharashtra Government and have been availing incentives in the form of Gross SGST refund for the period of January 2020 to October 2028. The Company recognises income for such government grants based on Gross SGST payable, having maximum ceiling of Rs. 618.31 lakhs p.a. in accordance with the relevant notifications issued by the State of Maharashtra.

During the year, the Company had already received an in principal approval for eligibility from the Government of Maharashtra in response to the application filed by the Company for incentive under Electronic Policy-2016 on its investment for expansion for the period from March 2017 to February 2021. Accordingly, the Company has recognised grant income amounting to Rs. 618.28 lakhs for the year ended on 31st March 2023 (pertaining to last year Rs. 1391.71 lakhs). The cumulative amount receivable in respect of the same is Rs 1712.07 (Rs. 1,391.71 lakhs as at 31st March 2022). During the year Rs 297.92 lakhs is received from Maharashtra Government for FY 2019-20, 2020-21 on provisional basis while sanctions are given for the eligible amount.

Incentive under IIEPP-2017

The Company units located at Greater Noida known as Unit-1 & 3 are eligible for incentive under IIEPP-2017 of Uttar Pradesh Govt. and letter of comfort has been granted during the current financial year and have been availing incentives in the form of NET SGST refund on increased turnover over base turnover & interest subsidy on term loan taken for Plant & Machinery for the period of April 2018 to March 2023. During the year Company has recognise income amounting to Rs. 473.23 lakhs and Rs.119.10 Lakhs based on letter of comfort which receivable from PICUP, UP Government undertaking

Contract balances	As at	As at
	31st March, 2023	31st March, 2022
Trade receivables	43,787.36	21,332.74
Contract Liabilities	249.64	1,380.16

Trade receivable are non-interest bearing and are generally on terms of 30-90 days.

Contract liabilities include advances received from the customers to deliver the finished goods.

22 OTHER INCOME

Particulars	For the year ended	
	31st March, 2023	31st March, 2022
i) Interest income		
Interest income from bank deposits	128.21	79.89
Interest income from financial liabilities at amortised cost	149.62	83.97
Interest income from others*	40.28	41.66
	318.11	205.52
* Interest income from others includes Rs. 14.21 lakhs (31st March 2022: Rs 14.21 lakhs) interest on Income tax refund.		
ii) Other Non operating Income		
Rental income	-	-
Miscellaneous income	8.18	0.82
	8.18	0.82
iii) Others		
Profit on sale of property, plant and equipment	11.64	7.80
Liability no longer required written back	14.71	28.17
Gain on lease termination	0.48	0.82
Fair value gain on Investment recognised through FVTPL	1.15	4.24
Profit on (realised gain) sale of Investment	0.53	-
Refund of Electricity Duty	-	176.17
Others	83.77	8.84
	112.28	226.04
Total Other Income	438.57	432.38

23 COST OF MATERIAL CONSUMED

Particulars	For the year ended	
	31st March, 2023	31st March, 2022
Inventory at the beginning of the year (excluding goods in transit and bonded warehouse)	17,590.76	6,374.72
Add: Purchases	188,834.99	102,575.55
Less: Discount received from suppliers	(143.93)	(21.90)
Less: Cost of traded goods	(18,815.72)	(18,161.85)
Less: Stock loss due to Fire	-	(25.99)
Less: Inventory at the end of the year (excluding goods in transit and bonded warehouse)	(27,004.75)	(17,590.76)
	160,461.35	73,149.77

PG ELECTROPLAST LIMITED
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24 PURCHASE OF TRADED GOODS

Particulars	For the year ended	
	31st March, 2023	31st March, 2022
Purchases	18,815.72	18,161.84
	18,815.72	18,161.84

25 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	For the year ended	
	31st March, 2023	31st March, 2022
Inventories at the beginning of the year:		
Work-in-progress	3,005.06	1,542.57
Finished goods	2,485.78	1,040.21
Total inventories at the beginning of the year	5,490.84	2,582.78
Inventories at the end of the year:		
Work-in-progress	2,630.08	3,005.06
Finished goods	5,687.07	2,485.78
Total inventories at the end of the year	8,317.15	5,490.84
Total changes in inventories of finished goods and work-in-progress	(2,826.31)	(2,908.06)

26 EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended	
	31st March, 2023	31st March, 2022
Salaries, wages and bonus	10,820.60	6,814.64
Contribution to provident and other funds (refer note 32)	394.54	289.07
Leave encashment (refer note 32)	121.94	25.39
Gratuity expense (refer note 32)	152.19	117.19
Employee stock option scheme (refer note 33)	339.40	206.78
Staff welfare expenses	456.81	332.27
	12,285.48	7,785.34

27 FINANCE COST

Particulars	For the year ended	
	31st March, 2023	31st March, 2022
Interest on borrowings		
- Interest to Bank	2,476.32	1,357.69
- Interest on vehicle loan	26.17	18.00
- Other interest expense	220.48	128.47
Interest on lease liabilities (refer note 34)	182.23	12.17
Other borrowing costs		
-Discounting Charges, Processing fee	1,887.97	796.30
	4,793.17	2,312.63

28 DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	For the year ended	
	31st March, 2023	31st March, 2022
Depreciation of property, plant and equipment (refer note 3)*	3,104.90	1,996.54
Amortisation of intangible assets (refer note 4)	24.44	15.17
Depreciation - ROU	365.73	199.56
	3,495.07	2,211.27

29 OTHER EXPENSES

Particulars	For the year ended	
	31st March, 2023	31st March, 2022
Consumption of store, spares & tools	2,046.66	660.44
Power and fuel	2,868.21	2,061.95
Sub-contracting expenses	491.05	473.90
Freight and forwarding charges	877.91	706.00
Rent	166.05	69.53
Rates and taxes	200.55	58.75
Insurance	229.56	161.04
Repairs and maintenance:		
Machinery	621.09	320.22
Building	126.55	59.42
Others	84.50	36.52
Travelling and conveyance **	145.56	71.57
Vehicle running & maintenance	131.00	79.94
Communication costs	22.93	14.95
Printing and stationery	31.85	23.32
Security expenses	298.68	209.65
Legal and professional fees *	328.22	355.76
Provision for doubtful debts & advances (Net)	197.00	326.07
Provision for Slow/Non moving inventories	7.33	18.01
Bad Debts written off	521.15	398.03
Reversal of provision for doubtful debts & advances	(521.15)	(398.03)
Payment to auditor (Refer details below Note-29.2)	29.41	24.58
Payment to cost auditor	5.00	3.85
Directors sitting fees	9.00	8.50
Loss on sale of property, plant and equipment	35.23	4.27
CSR Expenses	40.10	-
Late delivery charges paid to customers	12.58	4.00
Misc. Balance Written off	35.23	19.29
Miscellaneous expenses	356.51	300.41
Foreign Exchange rate fluctuation (Net)	232.56	-
Losses due to Fire-Inventory (Net)	7.91	-
Losses due to Fire-property, plant and equipments (Net)	16.30	-
	9,654.52	6,071.91

29.1 Exceptional Items

Foreign Exchange rate fluctuation (Net)	-	(104.47)
Losses due to Fire-Inventory (Net)	-	1.54
Losses due to Fire-property, plant and equipments (Net)	-	9.87
	-	(93.06)

29.2 Detail of payment to statutory & tax auditors

Audit fee	16.50	13.18
Tax audit fee	2.50	2.50
Limited review fee	10.00	8.90
For certificates / other services *	1.84	0.05
For reimbursement of expenses **	0.86	0.32
	31.70	24.95

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30 EARNING PER SHARE

a) Basic Earning per share

Particulars	UOM	For the year ended	
		31st March 2023	31st March 2022
Numerator for earnings per share			
Profit after tax	(Rs. in lakhs)	7,746.86	3,741.56
Denominator for earnings per share			
Weighted average number of equity shares outstanding during the year	(Numbers)	21,649,843	20,694,492
Earnings per share- Basic (one equity share of Rs. 10/- each)		35.78	18.08

b) Diluted Earning per share

Particulars	UOM	For the year ended	
		31st March 2023	31st March 2022
Numerator for earnings per share			
Profit after tax	(Rs. in lakhs)	7,746.86	3,741.55
Denominator for earnings per share			
Weighted average number of equity shares outstanding during the year	(Numbers)	21,649,843	20,694,492
Effect of dilution			
Stock Options	(Numbers)	225,877	172,631
Share warrants	(Numbers)	40,054	79,483
Cumulative Compulsory Convertible Debentures	(Numbers)	1,024,348	1,026,216
Weighted average number of equity shares outstanding during the year	(Numbers)	22,940,122	21,972,821
Earnings per share- Diluted (one equity share of Rs. 10/- each)		33.77	17.03

31 INCOME TAX EXPENSES

Income tax expenses recognized in Statement of Profit and Loss:

Particulars	For the year ended	
	31st March 2023	31st March 2022
Current income tax:		
Current income tax charge	845.47	-
Adjustments in respect of current income tax of previous year	-	-
Total current tax expense	845.47	-
Deferred tax:		
Relating to origination and reversal of temporary differences	1161.99	1,162.66
Deferred tax on other comprehensive income	(0.08)	-
Total deferred tax expense recognized	1,161.91	1,162.66
Income tax expenses charged in Statement of Profit & Loss	2,007.38	1,162.66

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

Particulars	For the year ended	
	31st March 2023	31st March 2022
Accounting Profit before income tax	9,754.32	4,904.22
Applicable Income Tax rate - u/s 115BAA	17.168% to 25.168%	17.168% to 25.168%
Computed tax expenses	2,151.07	1,199.78
Corporate social responsibility	9.61	0
Capital expenditure in current during the year	1.59	3.15
Other permanent disallowances	78.29	32.00
ESOP	(90.06)	50.77
CCCD interest directly charge to reserve	(123.04)	(123.04)
Other comprehensive income	(0.08)	-
Tax expenses in Statement of profit & loss	2,007.38	1,162.66

Deferred tax liabilities (net)

Particulars	As at	
	31st March, 2023	31st March, 2022
Opening balance as per last balance sheet	1,655.70	493.04
Deferred tax charged/(credited) to profit and loss during the year	1,161.99	1,162.66
Deferred tax on other comprehensive income	(0.08)	-
Closing Balance	2,817.61	1,655.70

Deferred tax liabilities comprises:

Deferred tax liabilities

-Difference in carrying values of property, plant & equipment and intangible assets

3,184.14

2,577.66

Deferred tax assets

-Arising on account of temporary difference

(30.82)

(103.17)

-Provision for ESOP Reserve

(118.30)

-

-Provisions of financial/other assets made in books, but tax deductible only on Actual write-off

(183.55)

(170.20)

-Carry forward losses and unabsorbed depreciation

-

(636.65)

-Others

(33.86)

(11.94)

Deferred tax liabilities (net)

2,817.61

1,655.70

Group has carried forward unabsorbed depreciation, having indefinite time period to adjust against taxable income of the group.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023:
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32 EMPLOYEE BENEFIT PLANS:

A) Defined Contribution Plans:

The Group makes contribution in the form of provident funds as considered defined contribution plans and contribution to Employees Provident Fund Organisation. The Group has no further payment obligations once the contributions have been paid. Following are the schemes covered under defined contributions plans of the Group:

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

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

The Group has charged the following costs in contribution to Provident and Other Funds in the Statement of Profit and Loss:

Particulars	For the year ended	
	31st March, 2023	31st March, 2022
Group's contribution to Provident Fund	342.96	246.56
Administrative charges on above fund	15.16	11.28
Group's contribution to Employee State Insurance Scheme	36.11	31.08
	394.23	288.92

B) Defined Benefit Plans:

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

(ii) **Risk exposure**

a) **Risk to the beneficiary**

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

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

b) **Risk Parameter**

Actuarial valuation is done basis some assumptions like salary inflation, discount rate and withdrawal assumptions. In case the actual experience varies from the assumptions, fund may be insufficient to pay off the liabilities. Similarly, reduction in discount rate in subsequent future years can increase the plan's liability. Further, actual withdrawals may be lower or higher than what was assumptions the valuation, may also impact the plan's liability.

c) **Risk of illiquid Assets**

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

d) **Risk of Benefit Change**

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

e) **Asset liability mismatching risk**

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

(iii) Changes in defined benefit obligation

Particulars	Gratuity		Leave Encashment	
	For the year ended		For the year ended	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Changes in present value of obligation				
Present value of obligation as at beginning of the year	526.99	478.73	235.97	310.30
Interest cost	38.36	32.60	18.43	21.13
Current service cost	133.80	97.38	111.10	78.29
Benefits paid	(25.45)	(34.05)	(57.29)	(99.72)
Remeasurement-Actuarial loss/(gain)	-	-	(7.58)	(74.03)
Remeasurement gains / (losses) recognised in other comprehensive income:				
Actuarial (gain)/ loss arising from				
-Changes in financial assumptions	(15.10)	(20.13)	-	-
-Changes in demographic assumptions	-	-	-	-
-Changes in experience adjustments	16.63	(27.54)	-	-
	675.23	526.99	300.63	235.97

(iv) Fair Value of Plan Assets

Particulars	Gratuity		Leave Encashment	
	For the year ended		For the year ended	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Fair value of plan assets at the beginning of the year	274.38	187.94	-	-
Expenses recognised in profit and loss account				
Expected return on plan assets	18.38	12.80	-	-
Actuarial gain/(loss)	-	(0.59)	-	-
Remeasurement gains / (losses) recognised in other comprehensive income:				
Contribution by employer directly settled	7.26	13.40	-	-
Contributions by employer	93.70	94.88	-	-
Benefit payments	(24.04)	(34.05)	-	-
Fair value of plan assets at the end of the year	369.68	274.38	-	-

(v) Amount recognised in Balance Sheet

Particulars	Gratuity		Leave Encashment	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Defined benefit obligation at the end of the year	(675.23)	(526.99)	(300.63)	(235.97)
Fair value of plan assets at the end of the year	369.68	274.38	-	-
Recognised in the balance sheet	(305.55)	(252.61)	(300.63)	(235.97)
Current portion of above	(22.62)	(21.98)	(21.44)	(18.94)
Non Current portion of above	(282.92)	(230.63)	(279.18)	(217.03)

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(vi) Expense recognised in the Statement of profit & loss:

Particulars	Gratuity		Leave Encashment	
	For the year ended		For the year ended	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Current service cost	133.80	97.38	111.09	78.29
Interest expense	38.37	32.60	18.43	21.13
Interest Income on plan assets	(19.98)	(12.80)	-	-
Remeasurement-Actuarial loss/(gain)	-	-	(7.58)	(74.03)
Components of defined benefit costs recognised in profit or loss	152.19	117.19	121.94	25.39
Remeasurement on the net defined benefit liability				
Return on plan assets (excluding amount included in net interest expense)				
Actuarial (gain)/ loss arising form changes in financial assumptions	(15.10)	(19.55)	-	-
Actuarial (gain) / loss arising form changes in demographic assumptions			-	-
Actuarial (gain) / loss arising form experience adjustments	18.22	(27.54)	-	-
Components of defined benefit costs recognised in other comprehensive income	3.12	(47.09)	-	-

(vii) The significant actuarial assumptions used for the purposes of the actuarial valuation were as follows:

Particulars	Gratuity		Leave Encashment	
	As at	As at	As at	As at
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Discounting rate	7.49%	7.28%	7.49%	7.28%
Future salary growth rate	10.00%	10.00%	10.00%	10.00%
Life expectancy/ Mortality rate ⁴	100% of IALM 2012-14	100% of IALM 2012-14	100% of IALM 2012-14	100% of IALM 2012-14
withdrawal rate	5.00%	5.00%	5.00%	5.00%
Method used	Projected unit credit	Projected unit credit	Projected unit credit	Projected unit credit
	Actuarial method	Actuarial method	Actuarial method	Actuarial method

* Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics (i.e. IALM 2012-14 ultimate/PY-IALM 2012-14 ultimate). These assumptions translate into an average life expectancy in years at retirement age.

(viii) Sensitivity Analysis

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

Particulars	Gratuity		Leave Encashment	
	As at	As at	As at	As at
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Changes in liability for 0.5% increase in discount rate	(34.02)	(26.89)	(15.31)	(11.78)
Changes in liability for 0.5% decrease in discount rate	37.14	29.38	16.73	12.84
Changes in liability for 1.00% increase in salary growth rate	64.49	51.08	33.15	25.33
Changes in liability for 1.00% decrease in salary growth rate	(56.48)	(44.56)	(28.43)	(21.85)
Changes in liability for 2.00% increase in withdrawal rate	(24.90)	(20.78)	(9.84)	(7.90)
Changes in liability for 2.00% decrease in withdrawal rate	31.75	27.28	13.11	10.42

(ix) The following payments are expected contributions to the defined benefit plan in future year

Particulars	Gratuity		Leave Encashment	
	As at	As at	As at	As at
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Within next 12 months	59.36	47.80	23.05	20.32
Between 2 to 5 years	144.90	115.17	78.86	50.76
Beyond 5 years	1,692.74	1,286.00	760.04	560.54

The average duration of the defined benefit plan obligation at the end of the reporting period is 12 years (31st March 2022: 13 year).

The Plan assets are maintained with Life Insurance Corporation of India

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33 SHARE BASED PAYMENTS

During the year 2020-21, the Company has established PG Electroplast Employee Stock Option Scheme 2020 "ESOP 2020" and the same was approved at the general meeting of the Company held on 28th February 2021. The plan was set up so as to offer and grant, for the benefit of employees of the Company, who are eligible under "Securities and Exchange Board of India" (SEBI) (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, option of the Company in one or more tranches, and on such terms and conditions as may be fixed or determined by the board, in accordance with the law or guidelines issued by the relevant authorities in this regard.

As per the plan, each option is exercisable for one equity share of face value of Rs. 10 each, at a price to be determined in accordance with ESOP 2020. ESOP information is given for the number of shares.

(i) Set out below is a summary of options granted and vested during the year under the pl:

Summary of Stock Options	31st March 2023		31st March 2022	
	Number of Stock Options	Weighted average exercise price per share option	Number of Stock Options	Weighted average exercise price per share option
Options outstanding at the beginning of the year	277,000	250	-	-
Options granted during the year	160,000	650	305,000	250
Options vested and exercised during the year	52,600	250	-	-
Options lapsed during the year	39,300	418	28,000	250
Options outstanding at the end of the year	345,100		277,000	

(ii) Share options outstanding at the end of the year have the following expiry dates and exercise price

Grant	Grant Date	Vesting Date	Expiry Date	Exercise Price	Fair Value	Share Option Outstanding	
						31st March 2023	31st March 2022
Grant-1							
Vesting 1	17th April 2021	16th April 2022	16th October 2022	250.00	137.08	-	53,400
Vesting 2	17th April 2021	16th April 2023	16th October 2023	250.00	167.03	48,800	33,400
Vesting 3	17th April 2021	16th April 2024	17th October 2024	250.00	188.28	73,200	80,100
Vesting 4	17th April 2021	16th April 2025	17th October 2025	250.00	203.34	73,200	80,100
Grant-2							
Vesting 1	17th July 2021	15th July 2022	15th January 2023	250.00	190.67	-	2,000
Vesting 2	17th July 2021	15th July 2023	15th January 2024	250.00	224.77	1,600	2,000
Vesting 3	17th July 2021	15th July 2024	15th January 2025	250.00	251.15	2,400	3,000
Vesting 4	17th July 2021	15th July 2025	15th January 2026	250.00	265.40	2,400	3,000
Grant-3							
Vesting 1	11th June 2022	10th December 2023	10th December 2023	650.00	425.29	28,700	-
Vesting 2	11th June 2022	10th December 2024	10th December 2024	650.00	512.22	28,700	-
Vesting 3	11th June 2022	10th December 2025	10th December 2025	650.00	577.97	43,050	-
Vesting 4	11th June 2022	10th December 2026	10th December 2026	650.00	627.73	43,050	-

(iii) Fair value of options granted

The fair value at grant date is determined using the Black Scholes Model as per an independent valuer's report having taken into consideration the market price being the latest available closing price prior to the date of the grant, exercise price being the price payable by the employees for exercising the option and other assumptions are as below

Tranche	Vesting	Market Price	Volatility	Average life of option	Risk free interest rate	Dividend yield rate
Grant 1	Vesting 1	319.60	67.48%	1.50	4.24%	0.00%
	Vesting 2	319.60	69.21%	2.50	4.81%	0.00%
	Vesting 3	319.60	68.62%	3.50	5.26%	0.00%
	Vesting 4	319.60	66.68%	4.50	5.63%	0.00%
Grant 2	Vesting 1	391.90	62.40%	1.50	4.24%	0.00%
	Vesting 2	391.90	67.30%	2.50	4.81%	0.00%
	Vesting 3	391.90	69.31%	3.50	5.26%	0.00%
	Vesting 4	391.90	66.09%	4.50	5.63%	0.00%
Grant 3	Vesting 1	923.70	62.65%	1.50	5.94%	0.00%
	Vesting 2	923.70	66.50%	2.50	6.47%	0.00%
	Vesting 3	923.70	68.11%	3.50	6.82%	0.00%
	Vesting 4	923.70	68.35%	4.50	7.07%	0.00%

(iv) Expense arising from share based payment transaction

Expense charged to Statement of Profit & Loss based on the fair value of options	For the year ended	
	31st March 2023	31st March 2022
	339.40	206.78
	339.40	206.78

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34 Leases

- i) The Group's lease asset primarily consist of leases for land and buildings for offices and warehouses having the various lease terms. The Group also has certain leases of with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.
- ii) The carrying value of right to use assets and movement thereof are disclosed in note 3.

iii) The following is the carrying value lease liability and movement thereof;

Particulars	Amount
Balance as at 1st April, 2021	152.70
Addition during the year	1,469.44
Finance cost accrued during the year	74.80
Deletion during the year	(9.12)
Payment of lease liabilities including interest	(210.64)
Balance as at 31st March, 2022	1,477.18
Addition during the year	2,185.57
Finance cost accrued during the year	182.23
Deletion & elimination during the year	2.88
Payment of lease liabilities including interest	(401.41)
Balance as at 31st March, 2023	3,446.45

Particulars	As at	As at
	31st March, 2023	31st March, 2022
Current maturity of lease liability	284.24	137.37
Non Current lease liability	3,162.21	1,339.81

iv) The maturity of lease liabilities are disclosed in note 37.

v) Amounts recognised in the statement of profit and loss during the year

Particulars	For the year ended	
	31st March 2023	31st March, 2022
Depreciation charge of right-of-use assets - leasehold building	344.91	189.72
Depreciation charge of right-of-use assets - leasehold land	20.82	9.84
Finance cost accrued during the year (included in finance cost) (refer note 27)	182.23	74.80
Expense related to short term leases (included in other expense) (refer note 29)	166.05	69.53

vi) The Group has applied a single discount rate to a portfolio of leases of a similar assets in similar economic environment with similar end date.

35 FAIR VALUE MEASUREMENT

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

Particulars	As at		As at	
	31st March, 2023		31st March, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets at amortised cost				
Fixed deposits with banks (Non Current)	458.51	458.51	476.74	476.74
Cash and bank balances	3,962.67	3,962.67	3,918.36	3,918.36
Trade receivables	43,787.36	43,787.36	21,332.74	21,332.74
Loans (current)	45.83	45.83	275.28	275.28
Other financial assets (Non Current)	536.12	536.12	360.65	360.65
Other financial assets (Current)	2,675.94	2,675.94	1,936.63	1,936.63
Financial Assets at FVTPL				
Investment in mutual funds	68.84	68.84	43.69	43.69
Investment in equity shares	148.80	148.80	25.33	25.33
Financial liabilities at amortised cost				
Borrowings (Non Current)	22,495.96	22,495.96	17,178.48	17,178.48
Borrowings (Current)	31,756.50	31,756.50	21,206.63	21,206.63
Trade Payable	38,995.10	38,995.10	26,920.70	26,920.70
Other financial liabilities (Non current)	217.54	217.54	178.37	178.37
Other financial liabilities (Current)	5,316.90	5,316.90	4,453.34	4,453.34

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current financial assets and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments

35.1 FAIR VALUE HIERARCHY

i) The Group uses the following hierarchy for fair value measurement of the group's financial assets and liabilities:

Level 1: Quoted prices/NAV (unadjusted) in active markets for identical assets and liabilities at the measurement date.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

	Carrying Value 31st	Fair Value		
	March, 2023	Level 1	Level 2	Level 3
Assets at fair Value				
Fair Value through Profit & Loss				
Investment in mutual funds	68.84	68.84	-	-
Investment in equity shares	148.80	-	-	148.80
Fair Value through amortised cost				
Loan	45.83	-	-	45.83
Trade Receivables	43,787.36	-	-	43,787.36
Other Financial Assets (Non Current)	994.63	-	-	994.63
Other Financial Assets (Current)	2,675.94	-	-	2,675.94
Liability at fair Value				
Fair Value through amortised cost				
Borrowings (Non Current)	22,495.96	-	-	22,495.96
Borrowings (Current)	31,756.50	-	-	31,756.50
Trade Payables	38,995.10	-	-	38,995.10
Other Financial Liabilities (Non Current)	217.54	-	-	217.54
Other Financial Liabilities (Current)	5,316.90	-	-	5,316.90

	Carrying Value 31st	Fair Value		
	March, 2022	Level 1	Level 2	Level 3
Assets at fair Value				
Fair Value through Profit & Loss				
Investment in mutual funds	43.69	43.69	-	-
Investment in equity shares	25.33	-	-	25.33
Fair Value through amortised cost				
Loan	275.28	-	-	275.28
Trade Receivables	21,332.74	-	-	21,332.74
Other Financial Assets (Non Current)	837.39	-	-	837.39
Other Financial Assets (Current)	1,936.63	-	-	1,936.63
Liability at fair Value				
Fair Value through amortised cost				
Borrowings (Non Current)	17,178.48	-	-	17,178.48
Borrowings (Current)	21,206.63	-	-	21,206.63
Trade Payables	26,920.70	-	-	26,920.70
Other Financial Liabilities (Non Current)	178.37	-	-	178.37
Other Financial Liabilities (Current)	4,453.34	-	-	4,453.34

There are no transfers among levels 1, 2 and 3 during the year.

ii) Fair valuation techniques

The Group maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values:

- 1) Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.
- 2) Borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values.

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36 RELATED PARTY DISCLOSURE

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

Related Parties where control exists

i) Other related parties with whom transactions have taken place during the year

Key Management Personnel

Mr. Vishal Gupta (Executive Director)
 Mr. Vikas Gupta (Executive Director)
 Mr. Anurag Gupta (Executive Director)
 Mr. Ram Dayal Modi (Non Executive Director) w.e.f. 26.05.2021
 Mr. Sharad Jain (Non Executive Director)
 Dr. Rita Mohanty (Non Executive Director) till 15.05.2021
 Mrs. Ruchika Bansal (Non Executive Director) w.e.f. 14.08.2021
 Mr. Kishore Kumar Kaul (Non Executive Director) w.e.f. 23.12.2022
 Mrs. Mitali Chitre (Non Executive Director) w.e.f. 02.07.2021
 Mr. Sanchay Dubey (Company Secretary)
 Mr. Pramod Chimmanlal Gupta (Chief Financial Officer) w.e.f. 01.02.2021
 Mr. Raman Uberoi (Non Executive Director) w.e.f. 22.03.2023

Relatives of Key Management Personnel

Mrs. Sarika Gupta (Wife of Mr. Vishal Gupta)
 Mrs. Nitasha Gupta (Wife of Mr. Vikas Gupta)
 Mrs. Neelu Gupta (Wife of Mr. Anurag Gupta)
 Mrs. Sudesh Gupta (Mother of Executive Directors)
 Mr. Pranav Gupta (Son of Mr. Anurag Gupta)
 Mr. Aditya Gupta (Son of Mr. Anurag Gupta)
 Mrs. Kanika Gupta (Daughter in law of Mr. Anurag Gupta)
 Mr. Vatsal Gupta (Son of Mr. Vishal Gupta)
 Mr. Raghav Gupta (Son of Mr. Vikas Gupta)

Enterprises in which the Key Management Personnel or relatives of them of the group are interested

PG International (Parent Company's Directors are partner)
 J. B. Electronics (Parent Company's Directors are partner)
 PG Electronics (Parent Company's Directors are partner)

ii) Key Management Personnel Compensation

Particulars	For the Year Ended	
	31st March 2023	31st March 2022
Short-term employee benefits	476.00	441.57
Share based payments	54.57	76.14
Other Expenses, Sitting Fee and reimbursement of expenses	45.66	45.16
	576.23	562.87

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iii) Related Party transaction

Description	For the year ended 31st March 2023			For the year ended 31st March 2022		
	Key Management Personnel	Relative of Key Management Personnel	Others	Key Management Personnel	Relative of Key Management Personnel	Others
Money received against share warrants						
Mr. Vishal Gupta	-	-	-	73.13	-	-
Mr. Vikas Gupta	-	-	-	73.13	-	-
Mr. Anurag Gupta	-	-	-	73.13	-	-
Issue of Equity share capital on conversion of share warrant including security premium						
Mr. Vishal Gupta	-	-	-	97.50	-	-
Mr. Vikas Gupta	-	-	-	97.50	-	-
Mr. Anurag Gupta	-	-	-	97.50	-	-
Other Expenses (rent paid)						
Mr. Vishal Gupta	0.66	-	-	0.66	-	-
PG Electronics	-	-	0.60	-	-	0.60
Remuneration						
Mr. Vishal Gupta	148.81	-	-	122.90	-	-
Mr. Vikas Gupta	148.85	-	-	124.34	-	-
Mr. Anurag Gupta	99.00	-	-	94.88	-	-
Mr. Sanchay Dubey	6.34	-	-	4.74	-	-
Mr. Pramod Chimmanlal Gupta	59.61	-	-	54.63	-	-
Mrs. Sarika Gupta	-	30.87	-	-	28.30	-
Mrs. Nitasha Gupta	-	30.87	-	-	28.30	-
Mrs. Neelu Gupta	-	30.87	-	-	28.30	-
Mrs. Sudesh Gupta	-	30.87	-	-	28.30	-
Mr. Pranav Gupta	-	35.26	-	-	21.65	-
Mr. Aditya Gupta	-	24.18	-	-	9.20	-
Mrs. Kanika Gupta	-	6.25	-	-	8.60	-
Mr. Vatsal Gupta	-	18.25	-	-	9.01	-
Mr. Raghav Gupta	-	18.10	-	-	6.69	-
Reimbursement of Expenses						
Mr. Anurag Gupta	12.00	-	-	12.00	-	-
Mr. Vishal Gupta	12.00	-	-	12.00	-	-
Mr. Vikas Gupta	12.00	-	-	12.00	-	-
Mr. Pranav Gupta	-	5.28	-	-	4.20	-
Mr. Aditya Gupta	-	1.20	-	-	1.20	-
Mrs. Kanika Gupta	-	2.16	-	-	3.24	-
Mr. Vatsal Gupta	-	0.70	-	-	-	-
Mr. Raghav Gupta	-	0.70	-	-	-	-
Shares Based Expenses						
Mr. Pramod Chimmanlal Gupta	52.01	-	-	74.65	-	-
Mr. Sanchay Dubey	2.56	-	-	1.49	-	-

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

(All Amounts are in Rupees lakhs, unless otherwise stated)

Director Sitting Fee							
Mr. Sharad Jain	2.60	-	-	2.80	-	-	-
Mrs. Rita Mohanty	-	-	-	0.10	-	-	-
Mr. Kishore Kumar Kaul	1.50	-	-	2.50	-	-	-
Mr. Ram Dayal Modi	2.40	-	-	1.90	-	-	-
Mrs. Ruchika Bansal	2.20	-	-	1.20	-	-	-
Mr. Raman Uberoi	0.30	-	-	-	-	-	-
Leave Encashment paid during the year							
Mr. Vishal Gupta	5.15	-	-	14.56	-	-	-
Mr. Vikas Gupta	4.89	-	-	14.38	-	-	-
Mr. Anurag Gupta	3.34	-	-	11.15	-	-	-
Mrs. Sarika Gupta	-	1.19	-	-	3.99	-	-
Mrs. Nitasha Gupta	-	1.13	-	-	3.96	-	-
Mrs. Neelu Gupta	-	1.24	-	-	3.96	-	-
Mrs. Sudesh Gupta	-	1.13	-	-	3.96	-	-
Mr. Pranav Gupta	-	1.76	-	-	1.83	-	-
Mr. Aditya Gupta	-	0.13	-	-	-	-	-

iv) Outstanding Balances

Description	As at 31st March 2023			As at 31st March 2022		
	Key Managerial Personnel	Relative of Key Managerial Personnel	Others	Key Managerial Personnel	Relative of Key Managerial Personnel	Others
Other Financial Liabilities						
Mr. Vishal Gupta	-	-	-	0.08	-	-
Trade Payable						
J B Electronics	-	-	-	-	-	0.92
PG Electronics	-	-	-	-	-	0.30
Remuneration Payable						
Mr. Vishal Gupta	5.09	-	-	4.61	-	-
Mr. Vikas Gupta	7.41	-	-	4.64	-	-
Mr. Anurag Gupta	3.50	-	-	3.35	-	-
Mr. Sanchay Dubey	0.52	-	-	0.49	-	-
Mr. Pramod Chimmanlal Gupta	0.96	-	-	2.56	-	-
Mrs. Sarika Gupta	-	1.35	-	-	1.32	-
Mr. Vatsal Gupta	-	1.31	-	-	0.58	-
Mrs. Nitasha Gupta	-	1.70	-	-	1.32	-
Mrs. Neelu Gupta	-	1.35	-	-	2.18	-
Mrs. Sudesh Gupta	-	1.70	-	-	1.32	-
Mr. Pranav Gupta	-	2.02	-	-	1.12	-
Mr. Aditya Gupta	-	2.07	-	-	0.78	-
Mrs. Kanika Gupta	-	-	-	-	0.64	-
Mr. Raghav Gupta	-	1.35	-	-	0.74	-

v) Terms & Conditions

- (a) Remuneration does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for the Group as a whole. Based on the recommendation of the Nomination and remuneration committee, all decisions relating to the remuneration of the KMPs are taken by the Board of Directors of the Group, in accordance with shareholders approval, wherever necessary.
- (b) All Transactions entered with related parties defined under the Companies Act, 2013 during the year based on the terms that would be available to third parties. All other transactions were made in the ordinary course of business and at arm's length price.
- (c) All outstanding balances are unsecured and are repayable in cash.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022:
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37 FINANCIAL RISK MANAGEMENT

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

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

A) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk.

(i) Interest rate risk

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

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

Interest rate sensitivity of borrowings

With all other variable held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on floating rate portion of loans and borrowings as on date.

Currency	31st March, 2023		31st March, 2022	
	Increase/decrease in base points	Impact on profit before tax an equity	Increase/decrease in base points	Impact on profit before tax an equity
Term Loan	+0.50	(128.13)	+0.50	(96.07)
	-0.50	128.13	-0.50	96.07

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in foreign currency). The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

The Group's exposure to foreign currency risk at the end of the reporting period expressed in Rs. are as follow

Currency	31st March, 2023		31st March, 2022	
	Foreign Currency	Indian Rupee	Foreign Currency	Indian Rupee
Financial liabilities				
Trade payables				
USD	71.40	5,881.56	103.13	7,886.41
CNY	72.33	879.56	0.43	5.10
Net exposure to foreign currency risk (liabilities)	143.73	6,761.12	103.56	7,891.51

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arise mainly from foreign currency denominated financial instrumen

Particulars	Impact on Profit and Loss for the year ended 31st March, 2023		Impact on Profit and Loss for the year ended 31st March, 2022	
	Gain/(Loss) on appreciation	Gain/(Loss) on depreciation	Gain/(Loss) on appreciation	Gain/(Loss) on depreciation

1% appreciation / depreciation in Indian Rupees against following foreign currencies

Trade payables				
USD	(58.82)	58.82	(78.86)	78.86
CNY	(8.80)	8.80	(0.05)	0.05
	(67.62)	67.62	(78.91)	78.91

(iii) Commodity price risk

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

B) Liquidity Risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price.

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

Particulars	As at	
	31st March, 2023	31st March, 2022
Total current assets	90,844.28	60,807.44
Total current liabilities	81,363.60	54,822.79
Current ratio	1.12	1.11

Maturities analysis of financial liabilities

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

Particulars	on demand	< 1 year	1-3 year	3-5 year	More than-5 years	Total
As at 31st March 2023						
Borrowings	14,161.60	17,594.91	9,996.41	7,041.98	5,457.57	54,252.46
Trade payable	-	38,995.10	-	-	-	38,995.10
Other financial liabilities	-	5,316.90	-	217.54	-	5,534.44
Lease liabilities (undiscounted)	-	550.57	1,156.85	1,097.60	1,934.76	4,739.77
	14,161.60	62,457.47	11,153.26	8,357.11	7,392.33	103,521.77

Particulars	on demand	< 1 year	1-3 year	3-5 year	More than-5 years	Total
As at 31st March 2022						
Borrowings	9,399.63	11,807.00	7,624.96	5,556.87	3,996.65	38,385.11
Trade payable	-	26,920.70	-	-	-	26,920.70
Other financial liabilities	-	4,453.34	-	178.37	-	4,631.71
Lease liabilities (undiscounted)	-	246.59	443.78	468.12	896.69	2,055.19
	9,399.63	43,427.63	8,068.74	6,203.36	4,893.34	71,992.71

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C) Credit Risk

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

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

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

The trade receivables position is provided here below

Particulars	As at	
	31st March, 2023	31st March, 2022
Total receivables (note 5)	43,787.36	21,332.74
Receivables individually in excess of 10% of the total receivable	23,637.22	5,356.00
Percentage of above receivables to the total receivables of the Group	53.98%	25.11%

38 SEGMENT INFORMATION

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

39 CAPITAL MANAGEMENT

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

Particulars	As at	
	31st March, 2023	31st March, 2022
Non-current borrowings (note 15)	22,495.96	17,178.48
Current borrowings (note 15)	25,970.24	17,472.34
Current maturities of long term borrowings (note 15)	5,786.26	3,734.29
Total debts	54,252.46	38,385.11
Less: Cash and cash equivalent (note 12(a))	(866.91)	(2,385.29)
Net Debt (A)	53,385.54	35,999.83
*Total equity (note 13 & note 14) (B)	39,592.78	31,229.80
Gearing ratio (A/B)	134.84%	115.27%

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March 2023 and 31st March, 2022.

40 CONTINGENCIES AND COMMITMENTS

i) Contingent Liabilities (to the extend not provided for)

Particulars	As at	
	31st March, 2023	31st March, 2022
Claims against the group not acknowledged as debts (excluding interest & penalty)		
-Central Excise (FY 2008-09 to 2011-12)	765.73	765.73
-Anti-Dumping duty on Import	738.54	738.54
-Claims by third party	45.75	47.59
	1,550.02	1,551.86

(a) Excise department has issued show cause notice dated 22nd December, 2011 for Rs 765.73 in respect of CTV sold to ELCOT, Tamil Nadu (a Govt. of Tamil Nadu undertaking) during the period February 2009 to October 2011 for free distribution by the state Govt. to poor section of the people by paying excise duty on the basis of value determined under section 4A instead of determining the value under section 4 of the Central Excise Act, 1944. The department has the contention that sale is institutional sale & valuation based on MRP under Section 4A is not applicable to the sale to ELCOT. The appeal made by the Group was allowed by the CESTAT, New Delhi vide order dated 12th March, 2014. However, the excise department has filed the appeal with Supreme Court, which has been admitted by the Supreme Court on 5th January, 2015 by condoning the delay in filing the appeal. This matter was last time listed on 2nd January, 2017. However, the Excise department filed an Interlocutory Application seeking early hearing of the appeal on July 11, 2022. The Hon'ble Chief Justice found no merit in the Interlocutory Application and accordingly, rejected the application filed.

(b) Directorate of Revenue Intelligence (DRI) had conducted a search on the factory premises of the parent company and the residence of the Promoters on 8th March 2011. The group has deposited Rs 145 lakhs as anti-dumping duty on import of CPT during the period from May 2010 to Dec 2010, which is refunded later on. A show cause notice dated 29th May 2015 has been issued on the group and raised the demand of Anti-Dumping Duty worth Rs. 738.54 lakhs along with interest and penalty. The Principal Commissioner of custom has passed an order dated 28th February 2017, confirming the demand of Rs. 738.54 lakhs along with interest & penalty. The group has filed an appeal before CESTAT, Allahabad Bench on 1st June 2017. The CESTAT vide its order dated 18th June 2019 has allowed the appeal in favour of the group and refunded the deposited amount and set aside the order passed by Principal Commissioner of customs, Noida. However, the Department has filed a Civil Appeal (No. 6544/2020) against the aforesaid Final order of CESTAT, Allahabad dated 18th June 2019. But till date no hearing was held at Hon'ble Supreme Court and no stay has been granted to the Department.

(c) NOTICE FOR RECOVERY: The Company have received a Notice under the jurisdiction of West District, Tis Hazari Court, Delhi from M/s Polyblends (India) Pvt. Ltd for recovery of outstanding amount of Rs. 43,70,501.19/- with respect to purchase of plastic raw material and plastic filled compounds. The authorised representative appeared on behalf of the Company on May 20, 2022 before the Hon'ble Court. The Hon'ble Court directed the Company to file written statements. The Company filed the written statements. The pleadings in this case are complete and issues are framed. Evidence by way of affidavits were filed on behalf of plaintiff. Preliminary Enquiry stood closed. The case was listed on February March 27, 2023 for examination of certain documents. The next date of hearing for final arguments is on July 24, 2023.

(d) NOTICE FOR RECOVERY: The Company have received a Notice under the jurisdiction of West District, Tis Hazari Court, Delhi from M/s Niyati Industries through Mr. Vijay Jain for recovery of outstanding amount of Rs. 2,04,980.39/- with respect to job work of re-enforced (Polystyrene) of plastic raw materials. The authorised representative appeared on behalf of the Company on May 12, 2022 before the Hon'ble Court and filed the written statements. Replication has been filed on behalf of the plaintiff on July 23, 2022. The pleadings in this case are complete and issues are framed. The case was listed on May 02, 2023 for examination of documents. The next date of hearing is on July 18, 2023.

ii) Commitments

Particulars	As at	
	31st March, 2023	31st March, 2022
Estimated amount of contracts remaining to be executed on Capital account and not provided for (Net)	530.99	1,403.55
Other Commitments*	-	74.40
	530.99	1,477.95

During the last year, Company has entered into an agreement with Solar Stream Renewable Services Private Limited to invest Rs.148.80 lakhs in tranches in the equity shares of the Company & the same has been invested during the year.

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41 DETAILS REQUIRED UNDER SECTION 22 OF MICRO, SMALL AND MEDIUM ENTERPRISE DEVELOPMENT ACT, 2006

Based on the intimation received by the Group from its suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the relevant information is provided here below:

Particulars	As at	As at
	31st March, 2023	31st March, 2022
The principle amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
(i) Principal Amount	2,967.79	1,358.05
(ii) Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the suppliers beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the year on delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due above are actually paid to the Small enterprise, for the purpose of disallowances of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

42 CORPORATE SOCIAL RESPONSIBILITY (CSR)

The amount required to be spent as Corporate Social Responsibility (CSR) under Section 135 of the Companies Act, 2013 for the year ended 31st March 2023 is 38.97 Lakhs (Previous Year: Nil) i.e. 2% of average net profits for last three financial years, calculated as per Section 198 of the Companies Act, 2013.

The Group has spent ₹40.10 Lakhs on CSR Projects / initiatives during the year (Previous year: Nil), which are summarized as under:

Sl. No	No. Nature of activities	Amount spent	
		2022-2023	2021-2022
1	Rescue and timely treatment of injured and helpless Birds and animal.	10.00	-
2	Providing and encouraging medical aid and treatment of poor, people, rendering medical care and advice through Gya chetna educational society.	10.00	-
3	Education and financial assistance to the children woman of weaker section of society overall development and upliftment through Dnight wings young foundation	20.10	-

43 STANDARD NOTIFIED BUT NOT YET EFFECTIVE

Recent pronouncements Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statement.

44 EVENTS AFTER BALANCE SHEET DATE

No adjusting or significant non-adjusting events have occurred between the reporting date and date of authorization of these consolidated financial statements.

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45 RECONCILIATION OF QUARTERLY BANK RETURNS-FY 2022-23

(i) Parent Company-FY 2022-23

Name of the Bank	Particulars	Quarter	Amount as per books	Amount as per reported in quarterly	Amount of Difference
State Bank of India	Inventory	31st March 2023	9,605.11	9,602.77	2.34
	Debtors	31st March 2023	8,127.24	8,082.25	44.99
	Creditors-LC creditors only)	31st March 2023	7,903.60	7,804.69	98.91
	Net Total	31st March 2023	25,635.95	25,489.71	146.24
	Inventory	31st December 2022	7,211.43	7,201.77	9.66
	Debtors	31st December 2022	7,023.47	6,966.21	57.26
	Creditors-LC creditors only)	31st December 2022	(5,089.57)	(4,961.91)	(127.66)
	Net Total	31st December 2022	9,145.33	9,206.07	(60.74)
	Inventory	30th September 2022	9,872.34	9,859.27	13.07
	Debtors	30th September 2022	11,734.37	11,723.74	10.63
	Creditors-LC creditors only)	30th September 2022	(12,372.36)	(11,994.00)	(378.36)
	Net Total	30th September 2022	9,234.35	9,589.01	(354.66)
HDFC Bank	Inventory	30th June 2022	7,955.63	7,955.63	-
	Debtors	30th June 2022	10,172.97	9,742.89	430.08
	Creditors-LC creditors only)	30th June 2022	(9,823.51)	(9,440.93)	(382.58)
	Net Total	30th June 2022	8,305.09	8,257.59	47.50
	Inventory	31st March 2023	2,843.03	2,843.03	-
	Debtors	31st March 2023	5,014.46	4,959.10	55.36
	Creditors-Trade & LC creditors	31st March 2023	(4,268.62)	(4,268.62)	-
	Net Total	31st March 2023	3,588.87	3,533.51	55.36
	Inventory	31st December 2022	4,765.64	4,765.64	-
	Debtors	31st December 2022	5,227.29	5,227.29	-
	Creditors-Trade & LC creditors	31st December 2022	(3,142.92)	(3,142.92)	-
	Net Total	31st December 2022	6,850.01	6,850.01	-
Inventory	30th September 2022	6,430.19	6,430.19	-	
Debtors	30th September 2022	2,856.73	2,856.73	-	
Creditors-Trade & LC creditors	30th September 2022	(4,751.05)	(4,751.05)	-	
Net Total	30th September 2022	4,535.87	4,535.87	-	
Inventory	30th June 2022	6,837.84	6,825.08	12.76	
Debtors	30th June 2022	8,273.51	6,972.46	1,301.05	
Creditors-Trade & LC creditors	30th June 2022	(9,548.56)	(9,548.56)	-	
Net Total	30th June 2022	5,562.79	4,248.98	1,313.81	

Note for discrepancies

- (a) The difference in inventory is due to goods in transit included in books of accounts which is not considered in DP statements filled with bank
(b) The difference in creditors is due to Letter of credit taken in books of account on the basis of LC open with banks but in DP statements are taken on basis of acceptance
(c) The difference in debtors is due to subsequent adjustment made in the books of account which is not considered in DP statements filled with bank

(i) Parent Company-FY 2021-22

Name of the Bank	Particulars	Quarter	Amount as per books	Amount as per reported in quarterly	Amount of Difference
State Bank of India	Inventory	31st March 2022	7,268.12	7,186.97	81.15
	Debtors	31st March 2022	10,538.68	10,538.69	(0.01)
	Creditors-LC creditors only)	31st March 2022	(2,555.87)	(2,556.00)	0.13
	Net Total	31st March 2022	15,250.93	15,169.65	81.28
	Inventory	31st December 2021	5,813.38	5,838.98	(25.60)
	Debtors	31st December 2021	8,985.99	8,985.99	0.00
	Creditors-LC creditors only)	31st December 2021	(1,988.01)	(1,241.00)	(747.01)
	Net Total	31st December 2021	12,811.36	13,583.96	(772.60)
	Inventory	30th September 2021	6,125.00	6,065.33	59.67
	Debtors	30th September 2021	7,608.39	7,608.39	(0.00)
	Creditors-LC creditors only)	30th September 2021	(1,872.70)	(1,266.00)	(606.70)
	Net Total	30th September 2021	11,860.68	12,407.72	(547.03)
HDFC Bank	Inventory	30th June 2021	4,216.34	4,174.91	41.43
	Debtors	30th June 2021	4,360.22	4,386.14	(25.92)
	Creditors-LC creditors only)	30th June 2021	(1,678.20)	(1,221.00)	(457.20)
	Net Total	30th June 2021	6,898.36	7,340.05	(441.69)
	Inventory	31st March 2022	13,074.91	12,560.15	514.76
	Debtors	31st March 2022	6,754.04	6,754.04	-
	Creditors-Trade & LC creditors	31st March 2022	(11,070.84)	(11,070.84)	-
	Net Total	31st March 2022	8,758.11	8,243.35	514.76
	Inventory	31st December 2021	9,817.62	9,553.49	264.13
	Debtors	31st December 2021	7,596.88	7,596.68	0.20
	Creditors-Trade & LC creditors	31st December 2021	(10,932.30)	(10,024.22)	(908.08)
	Net Total	31st December 2021	6,482.20	7,125.95	(643.75)
Inventory	30th September 2021	4,712.11	4,625.84	86.26	
Debtors	30th September 2021	3,772.24	3,772.24	-	
Creditors-Trade & LC creditors	30th September 2021	(3,117.41)	(2,992.55)	(124.85)	
Net Total	30th September 2021	5,366.93	5,405.52	(38.59)	
Inventory	30th June 2021	4,556.09	4,562.70	(6.61)	
Debtors	30th June 2021	2,610.07	2,610.08	(0.01)	
Creditors-Trade & LC creditors	30th June 2021	(2,600.91)	(2,596.11)	(4.80)	
Net Total	30th June 2021	4,565.25	4,576.66	(11.42)	

Note for discrepancies

- (a) The difference in inventory is due to goods in transit included in books of accounts which is not considered in DP statements filled with bank
(b) The difference in creditors is due to Letter of credit taken in books of account on the basis of LC open with banks but in DP statements are taken on basis of acceptance
(c) The difference in debtors is due to subsequent adjustment made in the books of account which is not considered in DP statements filled with bank

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(ii). Subsidiaries Company-FY 2022-23

Name of the Bank	Particulars	Quarter	Amount as per books	Amount as per reported in quarterly	Amount of Difference
HDFC Bank	Inventory	31st March 2023	23,028.56	23,028.56	-
	Debtors	31st March 2023	30,774.64	30,746.01	28.63
	Creditors-Trade & LC creditors	31st March 2023	26,951.84	26,951.84	-
	Net Total	31st March 2023	80,755.04	80,726.41	28.63
	Inventory	31st December 2022	22,885.61	22,839.06	46.55
	Debtors	31st December 2022	13,473.02	13,466.62	6.40
	Creditors-Trade & LC creditors	31st December 2022	(20,474.85)	(20,474.85)	-
	Net Total	31st December 2022	15,883.78	15,830.83	52.95
	Inventory	30th September 2022	12,954.19	12,950.18	4.01
	Debtors	30th September 2022	2,741.53	2,741.53	-
	Creditors-Trade & LC creditors	30th September 2022	(5,203.49)	(5,203.49)	-
	Net Total	30th September 2022	10,492.23	10,488.22	4.01
Inventory	30th June 2022	8,828.84	8,827.68	1.16	
Debtors	30th June 2022	5,628.00	4,942.37	685.63	
Creditors-Trade & LC creditors	30th June 2022	(11,646.51)	(11,647.28)	0.77	
Net Total	30th June 2022	2,810.33	2,122.77	687.56	

Note for discrepancies

- (a) The difference in inventory is due to goods in transit included in books of accounts which is not considered in DP statements filled with bankers.
(b) The difference in debtors is due to amount receivable from group company which is not considered in DP statements filled with bankers.

(ii). Subsidiaries Company-FY 2021-22

Name of the Bank	Particulars	Quarter	Amount as per books	Amount as per reported in quarterly	Amount of Difference
HDFC Bank	Inventory	31st March 2022	8,301.88	8,114.20	187.68
	Debtors	31st March 2022	5,502.96	5,502.96	-
	Creditors-Trade & LC creditors	31st March 2022	8,619.79	8,619.79	-
	Net Total	31st March 2022	22,424.64	22,236.96	187.68
	Inventory	31st December 2021	3,309.92	3,286.78	23.15
	Debtors	31st December 2021	1,997.79	1,997.79	-
	Creditors-Trade & LC creditors	31st December 2021	3,605.61	3,605.96	(0.36)
	Net Total	31st December 2021	8,913.31	8,890.53	22.79

Note for discrepancies

- (a) The difference in inventory is due to goods in transit included in books of accounts which is not considered in DP statements filled with bankers.

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A. Term Loan

Sr. No.	Bank Name	Type of loan	As at 31st March 2023		As at 31st March 2022		Term of Repayments	Security
			Non-Current	Current	Non-Current	Current		
Secured- From Banks								
1	State Bank of India	Term loan	-	-	-	39.00		(i). Hypothecation of P&M, Prefabricated building and other utilities acquired out of banks finance & Personal guarantee of promoter directors i.e Mr.Anurag Gupta, Mr.Vishal Gupta and Mr.Vikas Gupta. (ii). Collateral Security: Factory Land and Building situated at Plot no- P-4/2 . 4/5, Plot No E-14 & E-15, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of Company and Building situated at Khasra No 268 & 275, Village Raipur, Roorkee, Haridwar, Uttarakhand, and factory land which is in the name of M/s PG Electronics and Mr. Vishal Gupta. (iii). Corporate Guarantee of PG Electronics (Partnership Firm)
2	State Bank of India	Term loan	229.99	450.00	679.99	390.00	06 monthly installments of Rs. 35 lakhs from April 2023 to Sept. 2023, 11 monthly installments of Rs. 40 lakhs from October-August 2024 and balance in September 2024.	(i). Hypothecation of P&M, factory land situated at P-4/6 and F-20, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of the Company & Personal guarantee of promoter directors i.e Mr.Anurag Gupta, Mr.Vishal Gupta and Mr.Vikas Gupta. (ii). Collateral Security: Factory Land and Building situated at Plot no- P-4/2 . 4/5, Plot No E-14 & E-15, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of Company and Building situated at Khasra No 268 & 275, Village Raipur, Roorkee, Haridwar, Uttarakhand, and factory land which is in the name of M/s PG Electronics and Mr. Vishal Gupta. (iii). Corporate Guarantee of PG Electronics (Partnership Firm)
3	State Bank of India	Term loan	776.81	216.00	992.81	216.00	55 monthly installments of Rs.18 lakhs from April 2023 to October 2027 and balance in November 2027. Monthly interest is being charged at the end of each month.	(i). Hypothecation of P&M, factory land & building situated at Khasra no 268 & 275,Raipur, Bhagwanpur, Roorkee, P-4/2 to 4/6 and E-14 & E-15, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of the Company & Personal guarantee of promoter directors i.e Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta. (ii). Collateral Security: Factory Land and Building situated at Plot no- P-4/2 . 4/5, Plot No E-14 & E-15, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of Company and Building situated at Khasra No 268 & 275, Village Raipur, Roorkee, Haridwar, Uttarakhand, and factory land which is in the name of M/s PG Electronics and Mr. Vishal Gupta. (iii). Corporate Guarantee of PG Electronics (Partnership Firm)
4	State Bank of India	GECL*2	381.14	221.00	602.52	221.00	56 monthly installments of Rs. 18.42 lakhs from April 2023 to November 2027 and balance in December 2027.	Collateral free Guaranteed Emergency Credit Line (GECL), which is fully guaranteed by National Credit Gurantee Trustee Company Limited (NCGTC). Secured by extention of second ranking charge over existing primary and collateral securities including mortgages created in favour of the State Bank of India.
5	State Bank of India	GECL*3	395.96	46.04	442.00	-	48 monthly installments of Rs. 9.20 lakhs from November 2023 to October 2027 and balance in December 2027.	Personal Guarantee are also given by promoter directors i.e. Mr.Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023
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6	State Bank of India	Term loan-New	1,775.27	137.74	-	-	78 monthly installments of Rs.36 lakhs from Oct 2023 to March 2030 and balance in 6 monthly installments of Rs.32 lakhs from April 2030 to Sept 2030. Installments including undisbursed portion of term loan of Rs 1087 lakhs. Monthly interest is being charged at the end of each month.	i). Secured by way of hypothecation of entire current assets including raw material, work-in-progress, finished goods, Book debts, advance payments, stock in transit, other current assets, cash margins of Unit 1 at Greater Noida, 2 at Roorkee & 3 at Greater Noida of the Company. (ii). Collateral Security : Factory Land and Building situated at Plot no- P-4/2 - 4/6 and Plot No E-14 & E-15, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of Company and Building situated at Khasra No 268 & 275, Village Raipur, Roorkee, Haridwar, Uttarakhand, factory land which is in the name of M/s PG Electronics and Mr. Vishal Gupta.
7	HDFC Bank	Term loan	1,344.00	617.66	1,961.67	628.80	(i).Rs.639.82 lakhs, repayable in monthly installments of Rs. 20.34 lakhs from April 2023 to December 2024 and Rs. 30.52 lakhs from January 2025 to May 2025 and balance amount in June 2025. (ii). Rs.464.36 lakhs, repayable in monthly installments from April 2023 to July 2027 and remaining amount in November 2027. (iii).Rs.857.48 lakhs, repayable in monthly installments of Rs. 20.54 lakhs from April 2023 to June 2026 and balance in July 2026. Monthly interest is being charged at the end of each month.	Secured by way of exclusive charge over land, Building, at I-26 & I-27, Site-C, UPSIDC Industrial Area, Surajpur Greater Noida, U.P. (Unit 5) and land, Building, at A-20/2, MIDC Supa, District- Ahmendnagar Maharashtra (Unit 4). Term loan are also secured by way of exclusive charge on plant and machinery situated at Unit 5 of Greater Noida and specific plant & machinery generated out of the term loan, situated at Unit 4 of Ahemednagar, Maharashtra. Personal Guarantee are also given by promoter directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta.
8	HDFC Bank	Term loan	4,828.04	742.77	5,570.81	371.39	Repayable in 42 monthly instalments of Rs 61.89 lakhs in the month of April 2023 to September 2026 and 36 monthly installments of Rs 82.53 lakhs from October 2026 to September 2029.	Secured by way of 1st Parri Passu charge over land, Building, at A-18, Village Supa, Taluka-Parner, Distt.-Ahmednagar, Maharashtra-414302 measuring 40011 Sq.mete. Term loan are also secured by way of 1st Parri Passu charge on plant and machinery situated at Unit-1 at Greater Noida Extention, UP, Unit-2 at Supa, Ahmednagar. Personal Guarantee are also given by directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta. PDC cheque of total sanctioned loan amount. Corporate Guarantee of PG Electroplast Ltd is also given
9	HDFC Bank	Term loan	6,500.00	500.00	-	-	Repayable in 84 monthly instalments of Rs 83.34 lakhs in the month of Oct 2023 to September 2030	Secured by way of 1st Parri Passu charge over land, Building, at A-18, Village Supa, Taluka-Parner, Distt.-Ahmednagar, Maharashtra-414302 measuring 40011 Sq.mete. Term loan are also secured by way of 1st Parri Passu charge on plant and machinery situated at Unit-1 at Greater Noida Extention, UP, Unit-2 at Supa, Ahmednagar. Personal Guarantee are also given by directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta. PDC cheque of total sanctioned loan amount. Corporate Guarantee of PG
10	HDFC Bank	Moratorium Loan Covid -19 converted from existing loans	71.82	-	71.80	1.01	Repayable in month of June 2025, June 2026 and November 2027.	Moratorium Loan Covid -19 of deferment of existing term loans at Sr. no 7 & interest amount was granted as per Covid -19 Panedemic Relief by RBI.
11	HDFC Bank	ECGLC-02	1,000.00	500.00	1,500.00	500.00	Repayable in 36 monthly installments of Rs.41.67 lakh from April 2023 to March 2026. Monthly Interest is being charged at the end of the each month.	
12	HDFC Bank	ECGLC-03	850.67	77.33	928.00	-	Repayable in 48 monthly installments of Rs. 19.33 lakh from December 2023 to November 2027. Monthly Interest is being charged at the end of the each month.	Secured by extention of second ranking charge over existing primary and collateral securities including mortgages created in favour of the Bank. Personal Guarantee are also given by promoter directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta.

PG ELECTROPLAST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023
(All Amounts are in Rupees lakhs, unless otherwise stated)

13 ICICI Bank	Term loan	770.83	250.00	1,020.83	250.00	Repayable in 49 monthly instalments of Rs. 20.83 lakh from April 2023 to April 2027 along with interest.	First Pari Passu charge on all current assets of Unit-4 of PG Electroplast Limited Guaranteed by promoter directors i.e Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta .
14 ICICI Bank	Term loan	1,645.60	249.60	1,895.20	104.80	Repayable in 43 monthly instalments of Rs 20.80 lakhs in the month of April 2023 to October 2026 and 36 monthly instalments of Rs 27.80 lakhs from November 2026 to October 2029. Monthly Interest is being charged at the end of the month.	Secured by way of 1st Pari Passu charge over land, Building, at A-18, Village Supa, Taluka-Parner, Distt.-Ahmednagar, Maharashtra-414302 measuring 40011 Sq.mete. Term loan are also secured by way of 1st Pari Passu charge on plant and machinery situated at Unit-1 at Greater Noida Extention, UP, Unit-2 at Supa, Ahmednagar. Personal Guarantee are also given by directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta. PDC cheque of total sanctioned loan amount. Corporate Guarantee of PG Electroplast Ltd is also given
15 Yes Bank	Term loan	376.16	53.74	270.00	-	Repayable in 48 monthly instalments of Rs.4.48 lakhs from April 2023 to March 2027 and 36 monthly instalments of Rs.5.97 lakhs from April 2027 to March 2030. Monthly Interest is being charged at the end of the month.	Secured by way of exclusive charge by way of hypothecation on entire existing and future specific assets which are procured out of term loan taken from Yes Bank. Personal Guarantee are also given by directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta. PDC cheque of total sanctioned loan amount. Corporate Guarantee of PG Electroplast Ltd is also given
16 HDFC Bank	Vehicle loan	1.54	5.86	7.40	5.43	Repayment in 15 EMIs	
17 HDFC Bank	Vehicle loan	151.39	79.21	27.62	14.63	Repayment in the range of 20-38 EMIs	
18 ICICI Bank	Vehicle loan	13.67	5.72	-	0.67	Repayment in 37 EMIs	
19 ICICI Bank	Vehicle loan	19.07	13.63	5.74	2.55	Repayment in range of 24- 37 EMIs	
20 Axis Bank	Vehicle loan	31.51	27.09	58.60	51.63	Repayment in EMIs ranging from 01 to 21 months	Secured by hypothecation of vehicle acquired under the respective vehicle loan.
21 Yes Bank	Vehicle loan	-	-	-	3.84	Nil	
		21,163.49	4,193.39	16,035.01	2,800.74		

PG ELECTROPLAST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023
(All Amounts are in Rupees lakhs, unless otherwise stated)

Secured- From Others

1	Tata Capital Financial Services Limited	Loan against plant	90.01	88.70	178.87	79.72	Repayable in 23 monthly installments from April 2023 to February 2025.	1st Charge on machineries purchased from the term loan. Guaranteed by promoter directors i.e Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta .
2	Uttar Pradesh Financial Corporation Ltd	Interest Free Term l	595.84	-	447.94	-	Repayable in lumpsum after 7 years from the date of disbursement without any interest.	Bank Guarantee of 100% value of loan was issued by State bank of india, Noida in favour of lender for entire period of 7 years plus 6 months delay period interest @ 15% p.a.in case of non payment on due date. Guaranteed by promoter directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta.
3	Vehicle loan from Sundaram Vehicle Finance Limited		31.22	16.93	48.15	15.71	Repayable in 32 Nos EMIs	Secured by hypothecation of vehicle acquired under the respective vehicle loan.
4	Vehicle loan from Sundaram Vehicle loan		27.72	15.03	42.75	13.94	Repayment in 32 EMIs	Secured by hypothecation of vehicle acquired under the respective vehicle loan.
			744.80	120.66	717.72	109.38		

Unsecured- Deferred payments

1	Deferred Payment against P&M Haitian Huayuan Machinery Deferred Payment India Pvt Ltd.		43.83	161.10	17.88	159.86	Repayable in the range of 9 to 20 monthly installment from April 2023 to November 2024.	
	Haitian Huayuan Machinery Deferred Payment India Pvt Ltd.		343.44	668.57	151.91	233.47	Repay able in range of 20 monthly instalments	
	Haitian Huayuan (Hongkong) Limited	Deferred Payment	50.72	163.81	24.68	94.70	Repayable in monthly & quaterly installments.Rs 26.04 lacs repayable in 2 quaterly installments & Rs 188.49 lacs repayable in 16 monthly installments	Not Applicable
	Haitian Huayuan (Hongkong) Limited	Deferred Payment	149.69	478.72	231.29	336.13	Repay able in range of 20 monthly instalments	
			587.69	1,472.20	425.75	824.17		

B. Repayable on demand

Sr. No.	Bank Name	Type of loan	As at 31st March 2023		As at 31st March 2022		Term of Repayments	Security
			Non-Current	Current	Non-Current	Current		
Secured- From Banks								
1	State Bank of India	Cash Credit Limit	-	1,660.76	-	2,350.85	Repayable on demand	(i). Secured by way of hypothecation of entire current assets including raw material, work-in-progress, finished goods, Book debts, advance payments, stock in transit, other current assets, cash margins of Unit 1 at Greater Noida, 2 at Roorkee & 3 at Greater Noida of the Company (ii). Collateral Security : Factory Land and Building situated at Plot no-P-4/2-4/6 and Plot No E-14 & E-15, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of Company and Building situated at Khasra No 268 & 275, Village Raipur, Roorkee, Haridwar, Uttarakhand, factory land which is in the name of M/s PG Electronics and Mr. Vishal Gupta. (iii). Secured by Personal Guarantee of promoter directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta and Corporate Guarantee of M/s PG Electronics. (iv). Factory land and building of Plot no F-20, Site, B, UPSIDC Industrial Area, Surajpur, Greater Noida, District Gautam Budh Nagar is the prime security. (v). Hypothecation of all fixed assets except land & building and specified machinery charged under term loans of Unit-1, 2 & 3.

PG ELECTROPLAST LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023
(All Amounts are in Rupees lakhs, unless otherwise stated)

2	State Bank of India	Working Capital Demand Loan	-	-	-	1,000.00	Repayable on demand	
3	State Bank of India	Overdraft	-	15.81	-	2.67	Repayable on demand	Secured against term deposits. (ii). Secured by way of hypothecation of entire current assets present and future of Unit 4 & 5 of the Company i.e. PG Electroplast Limited and First PP Charge on Current assets of Unit-4 with ICICI Bank for working capital demand loan. (iii). Secured by Personal Guarantee of promoter directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta.
4	HDFC Bank	Cash Credit Limit	-	670.83	-	1,278.14	Repayable on demand	
5	HDFC Bank	Working Capital Demand Loan	-	1,500.00	-	2,000.00	Repayable on demand	Secured against term deposits.
6	State Bank of India	Overdraft	-	3.33	-	44.67	Repayable on demand	
7	State Bank of India	Cash Credit Limit	-	1,622.00	-	-	Repayable on demand	
8	ICICI Bank	Cash Credit Limit	-	42.95	-	792.93	Repayable on demand	
9	HDFC Bank	Cash Credit Limit	-	1,362.03	-	1,430.37	Repayable on demand	Secured by way of hypothecation of entire current assets present and future of the company i.e. PG Technoplast Private Limited (PGTL) and 2nd Parri Passu charge on plant & machinery of unit 1 at Greater Noida extension UP, Unit-2 of PGTL at Supa Ahmednagar, Maharashtra. 2nd Parri passu charge of all banks on Factory land & building situated at A-18, MIDC Supa Distt: Ahmednagar, maharashtra of PGTL. Personal Guarantee are also given by directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta. PDC cheque of total sanctioned loan amount. Corporate Gurantee of PG Electroplast Ltd is also given.
10	HDFC Bank	Working Capital Demand Loan	-	3,470.00	-	-	Repayable on demand	
11	Yes Bank	Working Capital Demand Loan	-	3,500.00	-	500.00	Repayable on demand	
12	Yes Bank	Cash Credit Limit	-	313.88	-	-	Repayable on demand	
			-	14,161.60	-	9,399.63		
Unsecured- From Banks								
1	HDFC Bank	Bill Discounting	-	1,289.68	-	4,025.29	Repayable on due date	I.Exclusive charge on specified receivables discounted. II. Secured by personal guarantee of promoter directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta & PDC cheque for whole facility.
2	ICICI Bank	Bill Discounting	-	9,875.42	-	547.42	Repayable on due date	I.Exclusive charge on specified receivables discounted. II. Secured by personal guarantee of promoter directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta & PDC cheque for whole facility.
3	Bajaj Finance Limited	Bill Discounting	-	643.54	-	3,500.00	Repayable on due date	I.Exclusive charge on specified receivables discounted. II.Sales invoice discounting of supplies to Whirlpool & Voltas Limited. III.Secured by personal guarantee of promoter directors i.e. Mr. Anurag Gupta Mr. Vishal Gupta & Mr. Vikas Gupta & PDC cheque for whole facility.
			-	11,808.64	-	8,072.71		

PG ELECTROPLAST LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023
(All Amounts are in Rupees lakhs, unless otherwise stated)

46 OTHER STATUTORY INFORMATION

- i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- ii) The Group does not have any transactions with companies struck off Company.
- iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- v) The Group is not a declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended 31 March 2022 and 31 March 2021.
- vi) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- viii) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

47 GROUP INFORMATION

The Consolidated financial statement of the group includes entities as mentioned below:

S No.	Name of entity	Country of Incorporation	Nature	Ownership interest held by the group	Year Ended	Net Assets i.e total assets minus total liabilities		Share in profit and loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
						As % of consolidated net assets	Amount (Rs. In lakhs)	As % of consolidated net assets	Amount (Rs. In lakhs)	As % of consolidated net assets	Amount (Rs. In lakhs)	As % of consolidated net assets	Amount (Rs. In lakhs)
(I) Parent													
	PG Electroplast Limited	India	Parent Company		31st March 2023	90.55%	35,851.87	57.06%	4,419.98	-140.79%	4.28	57.13%	4,424.26
					31st March 2022	98.63%	30,802.20	88.11%	3,296.78	135.95%	64.02	88.71%	3,360.80
(II) Subsidiaries having no non-controlling interest													
	PG Technoplast Private Limit India		Wholly owned subsidiary		100.00% 31st March 2023	28.85%	11,423.48	43.09%	3,338.03	240.79%	(7.32)	43.01%	3,330.71
					100.00% 31st March 2022	25.62%	8,000.57	13.37%	500.22	-35.95%	(16.93)	12.76%	483.30
	PG Plastronics Private Limite India		Wholly owned subsidiary		100.00% 31st March 2023	0.00%	0.65	-0.01%	(0.76)	0.00%	-	-0.01%	(0.76)
					100.00% 31st March 2022	0.00%	(0.60)	-0.02%	(0.60)	0.00%	-	-0.02%	(0.60)
	PG Electroplast Limited Employees Welfare Trust		Controlled Entit		100.00% 31st March 2023	0.00%	(0.24)	0.00%	(0.25)	-	-	0.00	(0.25)
					100.00% 31st March 2022	-	-	-	-	-	-	-	-
	Elimination on Consolidation				31st March 2023	-19.40%	(7,682.97)	-0.13%	(10.14)	0.00%	-	-0.13%	(10.14)
					31st March 2022	-24.25%	(7,572.37)	-1.47%	(54.87)	0.00%	-	-1.45%	(54.87)
	Total - 31st March 2023					100.00%	39,592.78	100.00%	7,746.86	100.00%	(3.04)	100.00%	7,743.82
	Total - 31st March 2022					100.00%	31,229.80	100.00%	3,741.54	100.00%	47.09	100.00%	3,788.63

48 Previous year figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As Per Our Report of Even Date Attached
For S.S.Kothari Mehta & Company
Chartered Accountants
Firm Registration No. 000756N

For and on behalf of Board of Directors
PG Electroplast Ltd

Amit Goel
Partner
M. No. 500607

Anurag Gupta
Chairman & Executive Director
DIN-00184361

Vishal Gupta
Managing Director - Finance
DIN-00184809

Place: Greater Noida, U.P.
Dated: 26th May, 2023

Sanchay Dubey
Company Secretary
ACS No: A51305

Promod C Gupta
Chief Financial Officer

Independent Auditor's Report

To
The Members of
PG Electroplast Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of PG Electroplast Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising the consolidated balance sheet as at March 31, 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of

Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in 'Other Matters' paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

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

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in Auditor's responsibilities for the audit of consolidated financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Components	Key Audit Matters	How are audit addressed the key audit matters
Holding and Subsidiary Company (PG Technoplast Limited)	Revenue Recognition Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognized when the Company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer.	Our procedures included; <ul style="list-style-type: none"> Evaluating the integrity of the general information and technology control environment and testing the operating effectiveness of key IT application controls. Evaluating the design and implementation of Company's controls in respect of revenue recognition. Testing the effectiveness of such controls over revenue cut off at year-end. Testing the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end, including examination of credit notes issued after the year end to determine whether revenue was recognized in the correct period.

Components	Key Audit Matters	How are audit addressed the key audit matters
	The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred.	<ul style="list-style-type: none"> Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing. Assessing the appropriateness of the Company's revenue recognition accounting policies in line with IND AS 115 ("Revenue from Contracts with Customers") and testing thereof.
Holding Company	<p>Accounting for Government Grants</p> <p>The Company has various grants and subsidies receivable from the State Governments of respective plant locations.</p>	<p>Our audit procedures included, amongst others:</p> <ol style="list-style-type: none"> We examine that the recognition of grants / subsidies is in accordance with IND AS 20 by making a reference to the conditions for such grants in the scheme documents of the respective state Governments and checking the due evidence of fulfillment of such conditions by the Company. We verifying the correspondence between the Company and relevant Government authorities to assess the recoverability of grants / subsidies already recognized
Subsidiary Company	<p>Capitalization and useful life of Property, Plant & Equipment</p> <p>During the year ended March 31, 2022, the subsidiary Company has incurred capital expenditure on project included in capital work in progress. Items of property, plant and equipment (PPE) that are ready for its intended use as determined by the management have been capitalized in the current year.</p> <p>Judgement is involved to determine that the aforesaid capitalization meet the recognition requirement under Ind AS. specifically in relation to determination of whether the criteria for intended use has been met. Further, the Company has assessed the useful life of its PPE. Assessment of useful life of plant and machinery involves management judgement, technical assessment, anticipated technological changes etc.</p>	<p>The audit procedures applied by the component auditor of the component included and were not limited to the following:</p> <ul style="list-style-type: none"> Examined the management assessment of the assumptions considered in estimation of useful life. Examined the technical evaluation by third party specialist appointed by management. Assessed the nature of the additions made to PPE, intangible assets, capital work-in-progress and intangible asset under development on a test check basis to test whether they meet the recognition criteria of Ind AS 16- Property, Plant and Equipment, including intended use of management.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditors' report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditor as furnished to us, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and

maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated financial statements made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- a) We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of 34,703 lakhs as at March 31, 2022, total revenues of 19,729 lakhs and net cash outflows of

985 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the audit report of the other auditor.

- b) The audit of the consolidated financial statements of the Company for the year ended March 31, 2021, was carried out and reported by Chitresh Gupta & Associates, Chartered Accountants, having firm registration no. 017079N, who has expressed an unmodified opinion on those financial statements/financial result vide their report dated June 05, 2021.

Our opinion on the consolidated financial statements is not modified in respect of above matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 (the 'Order' or 'CARO'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiaries incorporated in India, there are no matters which require reporting as specified in paragraph 3(xxi) of the Order.
 2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of such subsidiary as was audited by other auditor, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor;
 - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";
 - g) In our opinion and based on the consolidation of reports of the other statutory auditors of the subsidiaries, incorporated in India, the managerial remuneration for the year ended March 31, 2022 has been paid/provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provision of section 197 read with schedule V of the Act;
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements of the subsidiary as noted in the 'Other Matters' paragraph:
 - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements - Refer Note 40 to the consolidated financial statements.
 - ii. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2022.
 - iv. a) The respective managements of the Holding Company and its subsidiaries incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in Note 45 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiaries to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly

lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary companies or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

- b) The respective managements of the Holding Company and its subsidiaries incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the Note 45 to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary companies shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries (including step down subsidiary) and associate, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

- v. No dividend has been declared or paid during the year by the Company and the subsidiaries.

For S.S. Kothari Mehta & Company

Chartered Accountants
Firm Registration No. 000756N

Amit Goel

Partner
Membership No: 500607

Place: New Delhi
Date : May 28, 2022
UDIN: 22500607AMLXVI1510

Annexure A

to the Independent Auditors' Report to the members of PG Electroplast Limited dated May 28, 2022
on its Consolidated Financial Statements

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section.

Our reporting on the internal financial control with reference to consolidated financial statement is not applicable in respect of one subsidiary.

In conjunction with our audit of the consolidated financial statements of PG Electroplast Limited ('the Holding Company') as of and for the year ended March 31, 2022, we have audited the Internal Financial Controls over Financial Reporting of PG Electroplast Limited (hereinafter referred to as "the Company" or "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") incorporated in India, for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and

plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. 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.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditor of the relevant subsidiary in terms of their report referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

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

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

Opinion

In our opinion, the Holding Company and its relevant subsidiary, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by the such companies considering the essential components of such internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statement in so far as it relates to one subsidiary incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India. Our opinion is not qualified in respect of this matter

For S.S. Kothari Mehta & Company

Chartered Accountants
Firm Registration No. 000756N

Amit Goel

Partner
Membership No: 500607

Place: New Delhi
Date : May 28, 2022
UDIN: 22500607AMLXVI1510

Consolidated Balance Sheet

as at 31st march,2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

Particulars	Note	As at 31st March, 2022	As at 31st March, 2021
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	44,028.77	27,257.70
Capital Work-in-Progress	3	488.98	601.15
Goodwill	4	0.34	0.34
Other Intangible Assets	4	66.78	55.24
Financial Assets			
Investments	7	69.02	15.45
Other Financial Assets	8	837.39	311.99
Other Non-Current Assets	9	553.89	1,393.37
Total Non-Current Assets		46,045.17	29,635.24
Current Assets			
Inventories	11	28,603.25	9,261.07
Financial Assets			
Trade Receivables	5	21,332.74	14,725.64
Cash and Cash Equivalents	12(a)	2,385.29	741.93
Bank Balances Other than Cash and Cash Equivalents	12(b)	1,533.07	999.13
Loans	6	275.28	31.32
Other Financial Assets	8	1,936.63	232.52
Other Current Assets	9	4,304.24	2,128.65
Income Tax Assets (Net)	10	436.94	182.93
Total Current Assets		60,807.44	28,303.18
TOTAL ASSETS		1,06,852.61	57,938.42
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	13	2,122.49	1,969.40
Other Equity	14	29,107.31	17,277.48
Total Equity		31,229.80	19,246.88
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	15	17,178.48	8,708.81
Other Financial Liabilities	18	178.37	242.48
Lease Liabilities	20	1,339.81	53.96
Deferred Tax Liabilities (Net)	31	1,655.70	493.04
Provisions	16	447.66	560.07
Total Non-Current Liabilities		20,800.02	10,058.37
Current Liabilities			
Financial Liabilities			
Borrowings	15	21,206.63	9,621.31
Trade Payables			
- Total outstanding dues of micro and small enterprises	17	1,358.05	1,104.25
- Total outstanding dues other than micro and small enterprises	17	25,562.65	14,230.48
Other Financial Liabilities	18	4,453.34	2,017.14
Lease Liabilities	20	137.37	98.73
Other Current Liabilities	19	2,013.83	1,520.23
Provisions	16	90.92	41.03
Total Current Liabilities		54,822.79	28,633.17
Total Liabilities		75,622.81	38,691.54
TOTAL EQUITY AND LIABILITIES		1,06,852.61	57,938.42
Significant Accounting Policies	2		

The accompanying notes are an integral part of consolidated financial statements.

As Per Our Report of Even Date Attached

For **S.S.Kothari Mehta & Company**

Chartered Accountants

Firm Registration No. 000756N

Amit Goel

Partner
M. No. 500607

Place: Greater Noida, U.P.
Dated: 28th May, 2022

For and on behalf of Board of Directors

PG Electroplast Ltd

Anurag Gupta

Chairman & Executive Director
DIN-00184361

Sanchay Dubey

Company Secretary
ACS No: A51305

Vishal Gupta

Managing Director - Finance
DIN-00184809

Promod C Gupta

Chief Financial Officer

Consolidated Statement of Profit and Loss

for the year ended 31st march,2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

Particulars	Note	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Income			
Revenue from operations	21	1,09,771.79	70,320.65
Other Income	22	1,824.09	261.98
Total Income		1,11,595.88	70,582.63
Expenses			
Cost of Materials Consumed	23	73,149.77	51,831.18
Purchase of Traded Goods	24	18,161.84	3,501.38
Changes in inventories of finished goods and work-in-progress	25	(2,908.06)	318.90
Employee benefits expenses	26	7,785.34	5,499.51
Finance costs	27	2,249.99	1,843.58
Depreciation and amortisation expenses	28	2,211.27	1,801.23
Other expenses	29	6,134.57	4,193.65
Total Expenses		1,06,784.72	68,989.44
Profit before exceptional items & tax		4,811.16	1,593.19
Exceptional Items	29.1	(93.06)	81.55
Profit before tax		4,904.22	1,511.64
Tax expenses			
Current tax	31	-	-
Deferred tax	31	1,162.66	350.46
Total tax expenses		1,162.66	350.46
Profit for the year		3,741.56	1,161.18
Other comprehensive income			
A. Items that will not be reclassified to profit or loss in subsequent years			
Remeasurement gain on the defined benefit plans		47.09	52.20
Income tax effect		-	-
Other comprehensive income for the year		47.09	52.20
Total comprehensive income for the year		3,788.65	1,213.38
Profit for the year attributable to			
Equity share holders of the parent company		3,741.55	1,161.18
Non controlling interests		-	-
Other comprehensive income for the year attributable to			
Equity share holders of the parent company		47.09	52.20
Non controlling interests		-	-
Total comprehensive income for the year attributable to			
Equity share holders of the parent company		3,788.65	1,213.38
Non controlling interests		-	-
Earnings per equity share of Rupee 10 each			
Basic earnings per share	30	18.08	5.95
Diluted earnings per share	30	17.03	5.95

The accompanying notes are an integral part of consolidated financial statements.

As Per Our Report of Even Date Attached

For **S.S.Kothari Mehta & Company**

Chartered Accountants

Firm Registration No. 000756N

Amit Goel

Partner

M. No. 500607

Place: Greater Noida, U.P.

Dated:28th May,2022

For and on behalf of Board of Directors

PG Electroplast Ltd

Anurag Gupta

Chairman & Executive Director

DIN-00184361

Sanchay Dubey

Company Secretary

ACS No:A51305

Vishal Gupta

Managing Director - Finance

DIN-00184809

Promod C Gupta

Chief Financial Officer

Consolidated Statement of Cash Flow

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	4,904.22	1,511.64
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expenses	2,211.27	1,801.23
Employees expenses non operating	47.09	52.20
Loss on sale of property, plant and equipment & assets written off	4.27	18.69
Profit on sale of property, plant and equipment	(7.80)	(44.37)
Misc balances written off	19.29	62.94
Provision for warranty expenses- post sales	50.00	-
Provision for doubtful receivable & debts	221.07	38.68
Provision for doubtful advance to suppliers & capital advance	105.00	30.00
Provision for slow & non moving Inventories	18.01	67.75
Impairment allowance	-	4.99
Loss on Inventory due to Fire	1.53	146.94
Loss on property, plant and equipment due to Fire	11.41	-
Liabilities no longer required written back	(28.17)	(9.09)
Employee stock option scheme	206.78	-
Interest expense on lease liabilities	74.81	18.13
Fair value gain on Investment recognised through FVTPL	(4.24)	(1.45)
Interest expense	2,175.18	1,825.45
Interest income	(205.53)	(117.39)
Cash flow generated from operating activity before working capital adjustments	9,804.19	5,406.34
Working capital adjustments:		
Increase/(decrease) in trade Payables	11,614.14	4,712.39
Increase/(decrease) in non - current provisions	(112.41)	(14.56)
Increase/(decrease) in short - term provisions	(0.11)	(19.57)
Increase/(decrease) in other current liabilities	493.60	1,045.87
Increase/(decrease) in current financial liabilities	914.82	403.73
Decrease/(increase) in trade receivables	(6,952.46)	(4,738.63)
Decrease/(increase) in inventories	(19,361.72)	(1,017.79)
Decrease / (increase) in short - term loans	(243.96)	(13.29)
Decrease/(Increase) in other current assets	(2,175.60)	(370.16)
Decrease/(Increase) in other current financial assets	(1,533.32)	248.02
Decrease/(increase) in other non current assets	(36.97)	12.90
Decrease/(Increase) in other non financial assets	(99.13)	(46.63)
Cash generated (used in)/generated from operations	(7,688.94)	5,608.62
Direct taxes (paid)/refund	(254.01)	120.96
Net cash flow (used in)/generated from operating activities (A)	(7,942.95)	5,729.58
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property Plant and equipment including CWIP and Intangible assets	(15,710.22)	(4,409.27)
Proceeds from sale of Property plant and equipment	584.88	155.74
Investments made during the year	(49.33)	(14.00)
Maturity of bank deposit having maturity more than 3 months	(1,106.03)	(219.29)
Interest received	180.55	113.00
Net cash flow used in investing activities (B)	(16,100.15)	(4,373.82)

Consolidated Statement of Cash Flow

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	12,607.38	5,687.58
Repayment of long-term borrowings	(3,510.91)	(2,076.48)
Proceeds from issue of equity share capital	4,407.23	410.63
Proceeds from cumulative compulsory convertible debentures	3,629.17	-
Proceeds from/(Repayment of) Short-term borrowings (Net)	10,909.65	(3,828.63)
Payment of principal portion of lease liabilities	(144.95)	(99.41)
Payment of interest portion of lease liabilities	(74.81)	(18.13)
Interest paid	(2,136.30)	(1,818.33)
Net cash flow (used in)/generated from financing activities (C)	25,686.46	(1,742.77)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	1,643.36	(387.01)
Cash and cash equivalents at the beginning of the year	741.93	1,128.94
Cash and cash equivalents at the end of the year	2,385.29	741.93
Components of cash and cash equivalents		
Cash on hand	11.97	4.82
With banks:		
- on current account	2,373.33	737.11
Total cash and cash equivalents	2,385.29	741.93

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS 7) "Statement of Cash Flows".

The accompanying notes are an integral part of consolidated financial statements.

As Per Our Report of Even Date Attached

For **S.S.Kothari Mehta & Company**

Chartered Accountants

Firm Registration No. 000756N

For and on behalf of Board of Directors

PG Electroplast Ltd

Amit Goel

Partner

M. No. 500607

Anurag Gupta

Chairman & Executive Director

DIN-00184361

Vishal Gupta

Managing Director - Finance

DIN-00184809

Place: Greater Noida, U.P.

Dated: 28th May, 2022

Sanchay Dubey

Company Secretary

ACS No: A51305

Promod C Gupta

Chief Financial Officer

Consolidated Statement of Changes in Equity

for the year ended 31ST MARCH,2022

(All Amounts are in Rupees, unless otherwise stated)

A EQUITY SHARE CAPITAL

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

Particulars	Note	Amount
As at 1st April 2020		1,952.90
Issue of Share Capital	13	16.50
As at 31st March, 2021		1,969.40
Issue of Share Capital	13	153.10
As at 31st March, 2022		2,122.49

B OTHER EQUITY

Particulars	Reserves and surplus		Equity Components of cumulative compulsory convertible debentures	Other Comprehensive Income	Employee Share Option Reserve	Money Received against Share Warrants	Total other equity
	Securities premium	Retained earnings					
Balance as at 1st April, 2020	13,898.86	1,765.64	-	5.15	-	-	15,669.64
Profit for the year	-	1,161.18	-	-	-	-	1,161.18
Remeasurement gain on defined benefit plans	-	-	-	52.20	-	-	52.20
Amount received on issue of share warrants	-	-	-	-	-	163.13	163.13
Amount received on issue of equity share capital	231.00	0.34	-	-	-	-	231.33
Balance as at 31st March, 2021	14,129.86	2,927.16	-	57.35	-	163.13	17,277.48
Profit for the year	-	3,741.55	-	-	-	-	3,741.55
Remeasurement gain on defined benefit plans	-	-	-	47.09	-	-	47.09
Amount received on issue of equity share capital	4,379.75	-	-	-	-	(125.62)	4,254.13
Amount received on issue of CCCDs	-	-	3,629.17	-	-	-	3,629.17
Dividend on Equity Component of CCCDs	-	(488.88)	439.99	-	-	-	(48.89)
Share based employee expenses	-	-	-	-	206.78	-	206.78
Balance as at 31st March, 2022	18,509.61	6,179.83	4,069.16	104.44	206.78	37.50	29,107.31

Kindly refer Note No. 14.

The accompanying notes are an integral part of consolidated financial statements.

As Per Our Report of Even Date Attached

For **S.S.Kothari Mehta & Company**

Chartered Accountants

Firm Registration No. 000756N

For and on behalf of Board of Directors

PG Electroplast Ltd

Amit Goel

Partner

M. No. 500607

Anurag Gupta

Chairman & Executive Director

DIN-00184361

Vishal Gupta

Managing Director - Finance

DIN-00184809

Place: Greater Noida, U.P.

Dated:28th May,2022

Sanchay Dubey

Company Secretary

ACS No:A51305

Promod C Gupta

Chief Financial Officer

Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

1 CORPORATE INFORMATION

The consolidated financial statements comprise financial statements of PG Electroplast Limited ("the Parent group") and its subsidiaries (collectively, "the Group") for the year ended March 31, 2022. PG Electroplast Limited ("the Parent group") is a public group domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its equity shares are listed with the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The registered office of the group is located at DTJ - 209, DLF Tower B, Jasola, New Delhi - 110025. The Group is an Electronic Manufacturing Services (EMS) provider for Original Equipment Manufacturers (OEMs) of consumer electronic products in India. The group manufactures and / or assemble a comprehensive range of consumer electronic components and finished products such as Kitchen Appliances, air conditioners (ACs) sub- assemblies, Air Cooler, Washing Machine, Mobile handsets, LED for third parties.

These consolidated financial statements were approved for issue in accordance with a resolution of directors on May 28, 2022.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation and presentation

(i) Compliance with Ind AS

These consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III). These consolidated financial statements are presented in INR and all values are rounded to the nearest lakhs, except when otherwise indicated.

(ii) Historical cost convention

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

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

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

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

(iii) The Group has prepared the consolidated financial statements on the basis that it will continue to operate as going concern.

(b) Basis of Consolidation

The consolidated financial statements comprises the financial statement of the PG Electroplast Limited ('the Parent company') and subsidiaries (collectively "the Group") as at March 31, 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (ii) Exposure, or rights, to variable returns from its involvement with the investee, and
- (iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including

- (i) The contractual arrangement with the other vote holders of the investee
- (ii) Rights arising from other contractual arrangements
- (iii) The Group's voting rights and potential voting right
- (iv) The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31. When the end of the reporting period of the parent company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent company to enable the parent company to consolidate the financial information of the subsidiary, unless it is impracticable to do so or there are no significant transaction or event between the date of those financial statement and date of financial statement of parent company.

(c) Consolidation Procedures - Subsidiary

- (i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.
- (ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (iii) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS - 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for noncontrolling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the Group recognises the gain directly in equity as capital reserve, without routing the same through OCI.

(d) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

(e) Foreign currencies

(i) Functional and presentation currency

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

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses average rate if the average approximates the actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

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

(iv) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

(f) Revenue recognition

Revenues from contract with customers is recognized when controls of the goods or services transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange of goods or services.

Revenue is stated net of Goods and Service tax and net of returns, trade allowances and discounts.

(i) Sale of goods

Revenue from sale of goods is recognized on transfer of control of goods to the customers, which is usually on dispatch of goods to customers premises.

Variable Consideration

The Group recognizes revenue from the sale of goods measured at the standalone selling price of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(ii) Sale of services

Revenue from services represents the job work services and repairing of moulds performed by the Group for its customers, Revenue from services is recognized as per the terms of the contract with the customer over the period of time when the control of services is transferred to the customers.

(iii) Contract balance

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract assets are in the nature of unbilled receivables, which arises when Group satisfies a performance obligation but does not have an unconditional rights to consideration. A receivables represents the Group's right to an amount of consideration that is unconditional. Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (Financial instruments – initial recognition and subsequent measurement).

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group

Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

performs under the contract (i.e., transfers control of the related goods or services to the customer).

A trade receivable is recognized if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (Financial instruments – initial recognition and subsequent measurement).

(iv) Other Income

Other income comprise interest income, rental income, liabilities no longer required written back, refund of electricity duty, government incentive and others.

Interest income is accrued on a timely basis, by reference to the principal outstanding and recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. When calculating the EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Rental income arising from operating lease is accounted on a straight line basis over the lease term.

In respect of others, Group recognized income when the right to receive is established.

(g) Government grants

Grants from the government are recognised where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

(h) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Income Tax expense for the year comprises of current tax and deferred tax.

(i) Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date where the Group operates and generates taxable income.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

(ii) Deferred tax

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that

Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or direct in equity.

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

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(i) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

Group as a lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of lowvalue assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-Use assets (ROU)

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The Group classifies ROU assets as part of Property, plant and equipment in Balance Sheet and lease liability in "Financial Liability".

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability

Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

for each period. Variable lease payments that depend on sales are recognized in profit or loss in the period in which the condition that triggers those payments occurs.

(iii) Short term leases and leases of low-value of assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

(j) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(k) Earnings Per Share (EPS)

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) if any that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity

shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

(l) Property, plant and equipment

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

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

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

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

Depreciation methods, estimated useful lives and residual value

Depreciation commences when the assets are ready for their intended use. Depreciation is calculated using the straight-line

Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

method to allocate their cost, net of their residual values, over their estimated useful lives.

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

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

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

(m) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

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

Estimated useful lives of the intangible assets are as follows:

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

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

Research and development costs

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

- (i) the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;

- (ii) its intention to complete and its ability and intention to use or sell the asset;

- (iii) how the asset will generate probable future economic benefits;

- (iv) the availability of adequate technical, financial and other resources to complete the development and to use or sell the asset; and

- (v) the ability to measure reliably the expenditure attributable to asset during its development.

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

(n) Inventories

Inventories are valued at the lower of cost and net realisable value. However, materials and other items held for use in the 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. The comparison of cost and net realizable value is made on an item-by-item basis

- (i) Inventories of raw materials, components, stores and spares are valued at lower of cost (net of recoverable taxes) and net realizable value. Cost for the purpose of valuation of such inventories is determined using the first-in, first-out (FIFO) method. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale.

- (ii) Finished goods and work-in-progress are valued at lower of cost and net realizable value. The cost of finished goods and work-in-progress includes raw material costs (net of recoverable taxes), direct cost of conversion and proportionate allocation of indirect costs incurred in bringing the inventories to their present location and condition.

- (iii) Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

- (iv) The provision for inventory obsolescence is assessed regularly based on estimated usage and shelf life of inventory.

(o) Provisions and Contingent liabilities, Contingent assets

(i) Provision

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Warranty Provision

Provision for warranty-related costs are recognized when the product is sold or service is provided to customer. Initial recognition is based on historical experience. The Group periodically reviews the adequacy of product warranties and adjust warranty percentage and warranty provisions for actual experience, if necessary.

(ii) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

(iii) Contingent assets

Contingent assets are not recognized. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

(p) Employee benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

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

Earned leaves

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

(iii) Post-employment obligations

The Group operates the following post employment schemes:

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

Defined benefit plans

The Group provides for gratuity obligations through a defined benefit retirement plan (the 'Gratuity Plan') covering all employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement/

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(All Amounts are in Rupees lakhs, unless otherwise stated)

termination of employment or death of an employee, based on the respective employees' salary and years of employment with the Group.

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

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

Defined contribution plans

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

* Provident Fund Plan & Employee Pension Scheme

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

* Employee State Insurance

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

* Leave Encashment

The Group has recognised liability for short term compensated absences on full cost basis with

reference to unavailed earned leaves at the year end. To the extent, the compensated absences qualify as a long term benefit, the Group has provided for the long term liability at year end as per the actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses arising from adjustments and changes in actuarial assumptions are charged or credited to the Statement of profit and loss in the year in which such gains or losses arise.

(q) Share-based payment

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity Settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. Further details are given in Note 33.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

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When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through statement of profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(r) Financial Instruments

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

(i) Financial assets

* Initial Recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value

through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

* Subsequent Measurement

* Financial assets carried at amortised cost

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

* Financial assets at fair value through other comprehensive income

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

* Financial assets at fair value through profit or loss

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

* Impairment of financial assets

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

The Group recognises life-time expected losses for all trade receivables. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The amount of

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expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

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

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

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

(ii) Financial liabilities

* Initial Recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

* Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities at amortised cost (Loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

* Derecognition

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

* Offsetting of financial instruments

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

* Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those

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assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the group either begins or ceases to perform an activity that is significant to its operations. If the group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

(s) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

(t) Critical accounting estimates, assumptions and judgements

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to Group's exposure to risk and uncertainties includes;

Capital Management Note 39.

Financial risk management objective and policies Note 37.

Sensitivity analysis disclosures note 37.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an

option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) Property, plant and equipment

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

(ii) Intangibles

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

(iii) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation

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is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed in notes to accounts.

(iv) Share based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 33.

(v) Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include

the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Further details about gratuity obligations are given in Note 32.

(vi) Leases- Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

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3 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

	Property, Plant and Equipment					Right-of-Use			Total	Capital Work in Progress
	Buildings, Lease hold Improvement	Plant and Equipments	Electric installation	Furniture and Fixtures	Vehicles	Office equipment	Leasehold Land	Buildings, Lease hold Improvement		
Carrying amount (at cost)										
At 1st April, 2020	8,791.86	18,904.67	615.07	417.58	620.83	159.17	591.98	285.87	30,387.03	548.79
Additions	1,151.64	2,202.02	159.82	99.71	57.89	102.47	-	73.13	3,846.68	3,257.58
Disposals/adjustments	-	(176.43)	(43.55)	(4.84)	(4.05)	(44.74)	-	(93.00)	(366.61)	(3,205.22)
At 31st March, 2021	9,943.50	20,930.26	731.34	512.45	674.67	216.90	591.98	266.00	33,867.10	601.15
Additions	3,424.04	12,564.48	558.85	115.43	327.72	170.46	929.52	1,469.44	19,559.93	17,806.76
Disposals/adjustments	(9.76)	(761.94)	-	-	(25.10)	-	-	(8.30)	(805.10)	(17,918.93)
At 31st March, 2022	13,357.78	32,732.80	1,290.19	627.88	977.29	387.36	1,521.50	1,727.14	52,621.93	488.98
Accumulated Depreciation										
At 1st April, 2020	834.34	3,455.04	246.06	95.28	230.19	100.39	30.41	73.93	5,065.63	-
Charge for the year	312.09	1,120.21	70.94	44.85	86.36	30.09	8.28	107.50	1,780.32	-
Disposals/adjustments	(0.00)	(88.53)	(41.13)	(4.60)	(3.84)	(42.45)	-	(56.00)	(236.55)	-
At 31st March, 2021	1,146.43	4,486.72	275.87	135.53	312.71	88.03	38.69	125.43	6,609.40	-
Charge for the year	361.42	1,362.77	76.36	51.91	87.97	56.10	9.84	189.72	2,196.10	-
Disposals/adjustments	-	(180.83)	-	-	(21.75)	-	-	(9.76)	(212.34)	-
At 31st March, 2022	1,507.85	5,668.66	352.23	187.44	378.93	144.13	48.53	305.39	8,593.16	-
Net carrying amount										
At 31st March, 2021	8,797.07	16,443.54	455.47	376.92	361.96	128.87	553.29	140.57	27,257.70	601.15
At 31st March, 2022	11,849.93	27,064.14	937.96	440.44	598.36	243.23	1,472.97	1,421.75	44,028.77	488.98

(i) Leasehold Land

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

Plot no	Period of Lease	Balance Period of Lease as on 31st March, 2022
P-4/2 to 4/6 at Unit-I	90 years	72 years
E-14, E-15 at Unit-III	83 years	72 years
F-20 at Unit-III	59 years	55 years
I-26, I-27 at Unit-V	64 years	59 years
A-20/2 at Supa, Unit IV	85 Years	80 years
C-11 at Unit-IV	76 years	72 years
A-18, Supa, MIDC, Taluka-Parner, Ahmednagar	95 years	73 years

These leases of lands have been classified as finance lease in terms of criteria specified in Ind AS 116 leases, including the facts that the market value of the land (as on the date of transaction) had been paid to the lessor at the inception of the lease.

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(ii) Restrictions on Property, plant and equipment

Refer note no. 15 for information on charges created on property, plant and equipment.

(iii) Contractual commitments

Refer note no. 40(ii) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iv) The Group has not revalued its Property, Plant & Equipments (including Right to Use assets) or intangible assets or both during the year.

(v) Capital work-in-progress ageing schedule

CWIP	Amount In CWIP for the period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31st March 2022					
Projects in Progress	488.98	-	-	-	488.98
Projects Temporarily suspended	-	-	-	-	-

CWIP	Amount In CWIP for the period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31st March 2021					
Projects in Progress	573.41	27.74	-	-	601.15
Projects Temporarily suspended	-	-	-	-	-

4 GOODWILL AND OTHER INTANGIBLE ASSETS

Particulars	Goodwill	Computer Softwares	Product Developments	Total
Carrying amount (at cost)				
At 1st April, 2020	-	75.07	55.19	130.26
Additions	0.34	24.26	-	24.60
Disposals/adjustments	-	-	-	-
At 31st March, 2021	0.34	99.33	55.19	154.86
Additions	-	26.71	-	26.71
Disposals/adjustments	-	-	-	-
At 31st March, 2022	0.34	126.04	55.19	181.57
Accumulated Depreciation				
At 1st April, 2020	-	33.21	40.17	73.38
Charge for the year	-	10.88	10.03	20.91
Disposals/adjustments	-	-	-	-
Impairment loss recognized during the year	-	-	4.99	4.99
At 31st March, 2021	-	44.09	55.19	99.28
Charge for the year	-	15.17	-	15.17
Disposals/adjustments	-	-	-	-
At 31st March, 2022	-	59.26	55.19	114.45
Net carrying amount				
At 31st March, 2021	0.34	55.24	-	55.58
At 31st March, 2022	0.34	66.78	-	67.12

(a) Goodwill is acquired on acquisition of PG Technoplast Private Limited on 17th December 2020 having indefinite useful life.

(b) There are no intangible assets under development as at the end of current reporting year and previous year.

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(All Amounts are in Rupees lakhs, unless otherwise stated)

5 TRADE RECEIVABLES

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current		
- Unsecured, considered good	21,332.74	14,725.64
- Unsecured, credit impaired	34.84	211.80
	21,367.58	14,937.44
Less: Allowance for trade receivables	(34.84)	(211.80)
Total trade receivables	21,332.74	14,725.64

Trade Receivables Aging Schedule

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	Total
As at 31st March 2022						
Undisputed Trade Receivables						
- Considered good	21,173.26	80.87	75.82	2.79	-	21,332.74
Disputed Trade Receivables						
- Credit impaired	-	-	-	-	34.84	34.84
Gross Carrying Amount	21,173.26	80.87	75.82	2.79	34.84	21,367.58
Less: Allowance for trade receivable	-	-	-	-	(34.84)	(34.84)
Net Carrying Amount	21,173.26	80.87	75.82	2.79	-	21,332.74

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	Total
As at 31st March 2021						
Undisputed Trade Receivables						
- Considered good	14,247.79	116.15	43.43	39.82	71.71	14,518.89
- Which have significant increase in credit risk	-	-	2.33	1.40	379.98	383.71
Disputed Trade Receivables						
- Credit impaired	-	-	-	-	34.84	34.84
Gross Carrying Amount	14,247.79	116.15	45.76	41.22	486.53	14,937.44
Less: Allowance for trade receivable	-	-	(2.33)	(1.40)	(208.07)	(211.80)
Net Carrying Amount	14,247.79	116.15	43.43	39.82	278.46	14,725.64

Note:

- Neither trade nor other receivables are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies in which any director is a partner, a director or a member, except as mentioned above.
- Information about the Group's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 37. Provision as disclosed above is on case to case basis as identified by the management.
- Trade receivables are no-interest bearing and are generally on terms of 30-90 days of credit period.

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6 LOANS

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current		
- Unsecured, considered good		
Loan to Employees	35.28	31.32
Loan to Others*	240.00	-
Total loans	275.28	31.32

* Loan to others includes loan given to Indkal Technologies Private Limited for the purpose of arranging materials for LED TV which would be supplied to group subsequently.

7 INVESTMENTS

Particulars	As at 31st March, 2022	As at 31st March, 2021
Non-Current		
Unquoted		
Equity instruments in Others at fair value through profit and loss		
248,000 (31st March 2021: Nil) equity shares in Solarstream Renewable Services Private Limited	24.80	-
525 (31st March 2021: Nil) equity shares in Indkal Technologies Private Limited	0.52	-
	25.33	-
Quoted		
Investment in Mutual Funds at fair value through profit and loss		
2,073.82 units (31st March 2021: 865.97 units) in HDFC index Funds- Sensex plan	10.90	3.83
6,775.75 units (31st March 2021: 2,870.93 units) in HDFC Index Funds-Nifty 50 plan	10.91	3.86
17,061.38 units (31st March 2021: 7,255.97 units) in ICICI Prudential Bluechip Funuds	11.19	3.89
20,559.62 units (31st March 2021: 8,605.05 units) in Kotak Flexicap Funds-Growth	10.69	3.87
	43.69	15.45
Total Non-Current Investments	69.02	15.45
Aggregate book value of quoted investments	43.69	15.45
Aggregate market value of quoted investments	43.69	15.45
Aggregate book value of unquoted investments	25.33	-
Aggregate market value of unquoted investments	25.33	-

8 OTHER FINANCIAL ASSETS

Particulars	As at 31st March, 2022	As at 31st March, 2021
Non-Current (at amortised cost)		
Security Deposits		
Unsecured, considered good	360.65	261.51
Bank Deposits		
with maturity of more than 12 months	476.74	50.48
	837.39	311.99

Deposits of Rs. 471.44 lakhs (31st March 2021: Rs. 50.48 lakhs) pledged as margin money with the bank for various type of credit limits.

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current (at amortised cost)		
Security Deposits		
Unsecured, considered good	15.62	21.46
Interest Receivables		
Interest accrued on bank and other deposit	38.59	23.69
Interest accrued on others	16.67	6.60
Government grant and others*	1,865.75	180.77
Total other financial assets	1,936.63	232.52

* Others includes amount recoverable from Maharashtra Government on account of stamp duty paid amounted Rs. 59.07 lakhs (31st March 2021: Nil) and fire claim receivable amounted Rs. 264.41 lakhs (31st March 2021: 170.70 lakhs).

Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

9 OTHER ASSETS

Particulars	As at 31st March, 2022	As at 31st March, 2021
Non-Current (at amortised cost)		
Unsecured, considered good		
Capital advances	450.00	1,326.45
Prepaid expenses	103.89	66.92
	553.89	1,393.37
Less: Allowances for doubtful advance	-	-
	553.89	1,393.37
Current (at amortised cost)		
Unsecured, considered good		
Advances to suppliers	1,587.58	1,062.48
Balances with Government Authorities	2,456.44	751.19
Prepaid expenses and others	257.19	313.70
Imprest to employees	3.03	1.28
Unsecured, considered doubtful		
Advances to suppliers	289.32	184.32
	4,593.56	2,312.97
Less: Allowances for doubtful advance	(289.32)	(184.32)
	4,304.24	2,128.65
Total other assets	4,858.13	3,522.02

10 INCOME TAX ASSETS

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advance Income tax/TDS Recoverable	436.94	182.93
Less: provision for income tax	-	-
	436.94	182.93

11 INVENTORIES

(Valued at lower of cost or net realisable value)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Raw material and components	23,114.69	6,704.16
Work-in-progress	3,005.06	1,542.57
Finished goods	2,485.78	1,040.21
Stores and spares	83.47	41.87
	28,689.00	9,328.81
Less: Provision for Slow/Non Moving Inventories	(85.75)	(67.74)
Total Inventory	28,603.25	9,261.07
(a) The above includes goods in transit as under		
Raw material and components	868.20	329.44
(b) The above includes goods at bonded warehouse		
Raw material and components	4,655.73	-

(c) Refer note 15, for information on hypothecation created on inventory with the bankers against working capital.

(d) The write-down of inventories to net realisable value during the year amounting to Nil (31st March 2021: nil). These are recognised as expenses during the respective period and included in changes in inventories.

Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

12 CASH AND BANK BALANCES

(a) Cash and cash equivalents

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balances with banks		
- In current accounts	2,373.33	737.12
Cash on hand	11.97	4.81
Total cash and cash equivalents	2,385.29	741.93

(b) Bank balances other than cash and cash equivalents

PARTICULARS	As at 31st March, 2022	As at 31st March, 2021
Bank deposits		
with maturity of more than 3 months and upto 12 months	1,533.07	999.13
Total bank balances other than cash and cash equivalents	1,533.07	999.13

Deposits of Rs. 1,143.82 lakhs (31st March, 2021: Rs. 755.70 lakhs) pledged as margin money with bank for various type of credit limits.

Deposits with banks are made with banks for varying periods, depending on immediate cash requirement of the Group and to earn interest at the respective term deposit rates.

13 SHARE CAPITAL

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Authorised share capital		
3,50,00,000 (31st March, 2021: 3,50,00,000) equity shares (Par value of Rs. 10 per share)	3,500.00	3,500.00
	3,500.00	3,500.00
(b) Issued, Subscribed And Fully Paid Up Share Capital		
2,12,24,866 (31st March, 2021: 1,96,93,916) equity shares (Par value of Rs. 10 per share)	2,122.49	1,969.40
	2,122.49	1,969.40

(c) Movements in equity share capital

Particulars	No. of shares	Amount in Rs.
As at 1st April 2020	1,95,28,916	1,952.90
Increase during the year *	1,65,000	16.50
As at 31st March 2021	1,96,93,916	1,969.40
Increase during the year **	15,30,950	153.10
As at 31st March 2022	2,12,24,866	2,122.49

*During the year 2020-21, the group had allotted 1,65,000 equity shares of Face value of Rs.10/- on conversion of share warrants allotted to promoters & non-promoters on private placement basis to Mr. Anurag Gupta, Mr. Vishal Gupta, Mr. Vikas Gupta and Mr. Arvind Yeshwant Pradhan.

- **1. During the year 2021-22, the group allotted 11,95,950 equity shares of face value of Rs.10/- each at an issue price of Rs.337/- per share to the persons belonging to Non-Promoter category by way of preferential allotment.
2. During the year 2021-22, the group on December 10, 2021 allotted 3,35,000 equity shares of face value of Rs. 10/- each pursuant to conversion of 3,35,000 share warrants, issued on 31st March, 2021 at an issue price of Rs. 150/- each, by way of preferential allotment to Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta (Promoter Category) and Mr. Arvind Yeshwant Pradhan (Public Category).

There were no buy back of shares or issue of shares pursuant to contract without payment being received in cash during the previous 5 years.

Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

(d) Terms and rights attached to equity shares

The group has only one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the group, the equity shareholders are eligible to receive the remaining assets of the group after distribution of all preferential amounts, in proportion to their shareholding.

(e) Particulars of shareholders holding more than 5% shares of fully paid up equity shares

Name of Shareholder	31st March 2022		31st March 2021	
	No. of shares	% holding	No. of shares	% holding
Mr Anurag Gupta	29,91,201	14.09%	24,61,201	12.50%
Mr Vishal Gupta	50,51,474	23.80%	28,51,991	14.48%
Mr Vikas Gupta	50,73,531	23.90%	28,47,701	14.46%
Mrs Sudesh Gupta	-	0.00%	47,60,313	24.17%

(f) Details of share held by promoters

Promoter Name	31st March 2022			31st March 2021		
	No. of shares	% holding	% Change during the year	No. of shares	% holding	% Change during the year
Mr Anurag Gupta	29,91,201	14.09%	1.59%	24,61,201	12.50%	0.08%
Mr Vishal Gupta	50,51,474	23.80%	9.32%	28,51,991	14.48%	0.06%
Mr Vikas Gupta	50,73,531	23.90%	9.44%	28,47,701	14.46%	0.06%
Mrs Sudesh Gupta	-	-	-24.17%	47,60,313	24.17%	-0.19%
Mrs Neelu Gupta	5,11,000	2.41%	-0.18%	5,11,000	2.59%	0.42%
Mrs Sarika Gupta	1,71,016	0.81%	-0.06%	1,71,016	0.87%	0.67%
Mrs Nitasha Gupta	1,48,959	0.70%	-0.06%	1,48,959	0.76%	0.56%

(g) Shares reserved for issue under options

Information relating to Employee Stock Option Plan, including details of option issued, exercised and lapsed during the financial year and options outstanding as at end of the reporting period are set out in note 33.

14 OTHER EQUITY

Particulars	As at 31st March, 2022	As at 31st March, 2021
Securities premium	18,509.61	14,129.86
Retained earnings	6,179.83	2,927.16
Other comprehensive income	104.44	57.35
Money received against share Warrants	37.50	163.13
Cumulative Compulsarily Convertible Debentures	4,069.16	-
Employee Share Option reserve	206.78	-
Total other equity	29,107.31	17,277.48

(a) Securities premium

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening balance	14,129.86	13,898.86
Increased during the year*	4,379.75	231.00
Closing balance	18,509.61	14,129.86

* Refer note 13(c) for changes during the year.

Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

(b) Retained earnings

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening balance	2,927.15	1,765.65
Net profit for the year	3,741.56	1,161.17
Transaction on account of acquisition of interest in subsidiary	-	0.34
Less: Dividend on CCCDs	(488.88)	-
Closing balance	6,179.83	2,927.16

(c) Other comprehensive income

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening balance	57.35	5.15
Increased during the year*	47.09	52.20
Closing balance	104.44	57.35

* Other comprehensive income is increased during the year due to actuarial gain on gratuity provision.

(d) Money received against share warrants

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening balance	163.13	-
Received during the year against issue of share warrants	376.87	410.63
Converted into equity shares during the year	(502.50)	(247.50)
Closing balance	37.50	163.13

(e) Cumulative Compulsarily Convertible Debentures (CCCDs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening balance	-	-
Equity Component of CCCDs	3,629.17	-
Dividend on equity component of CCCDs	439.99	-
Closing balance	4,069.16	-

(f) Employee Share Option reserve

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening balance	-	-
Employee share option expenses during the year	206.78	-
Closing balance	206.78	-

(g) Nature and Purpose of Reserves

(i) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

(ii) Retained earnings

Retained Earnings are profits that the Group has earned till date less transfer to other reserve, dividend or other distribution or transaction with shareholders.

Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

(iii) Employee share option reserve

The share option outstanding account is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

(iv) Other Comprehensive Income

Other comprehensive income is the actuarial gain/(loss) on defined benefit plans (i.e Gratuity) till the date which will not be reclassified to statement of profit and loss subsequently.

(v) Money Received against share warrants

It pertains to the application money received on grant of share warrants, this will be transferred to equity share and securities premium on conversion into equity share capital.

(vi) Cumulative Compulsorily Convertible Debentures (CCCDs)

It pertains to equity component of cumulative compulsorily convertible debentures.

15 BORROWINGS

Particulars	As at 31st March, 2022	As at 31st March, 2021
Non-Current (at amortised cost)		
Secured		
Term loans		
- From banks		
- Rupees Loans	18,657.65	10,180.29
- From Others	706.54	738.36
Vehicle loans		
- From banks	178.11	139.70
- From Others	120.55	11.35
Unsecured		
- Deferred Payment against Plant and Machinery	1,249.92	697.73
	20,912.77	11,767.43
Less: Current maturity of long term borrowings	(3,734.29)	(3,058.62)
Total non-current borrowings	17,178.48	8,708.81
Current (at amortised cost)		
Secured		
Repayable on demand		
- From banks	9,399.63	3,004.53
Term & Vehicle loan from banks- Current maturity of borrowings	2,800.74	2,521.41
Term & Vehicle loan from others- Current maturity of borrowings	109.38	82.99
Unsecured		
Deferred Payment against Plant and Machinery- Current maturity of borrowings	824.17	454.22
Bill discounting		
- From banks	4,572.71	3,558.16
- From Others	3,500.00	-
Total current borrowings	21,206.63	9,621.31

As on Balance sheet date, there is no default in repayment of loan and interest.

Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

Changes in liabilities arising from financial activities

Particulars	As at 1st April, 2021	Cash Flows	Fair Value Change	Foreign exchange movement	Interest Amortisation	As at 31st March, 2022
Non current borrowings (including current maturities of non current borrowings)	11,767.43	9,096.47	-	-	48.87	20,912.77
Current borrowings	6,562.69	10,909.65	-	-	-	17,472.34

Particulars	As at 1st April, 2020	Cash Flows	Fair Value Change	Foreign exchange movement	Interest Amortisation	As at 31st March, 2021
Non current borrowings (including current maturities of non current borrowings)	8,431.34	3,611.10	-	-	(275.01)	11,767.43
Current borrowings	10,391.32	(3,828.63)	-	-	-	6,562.69

A. Term Loan

Sr. No.	Bank Name	Type of loan	As at 31st March, 2022		As at 31st March, 2021		Term of Repayments	Security
			Non-Current	Current	Non-Current	Current		
Secured- From Banks								
1	State Bank of India	Term loan	-	39.00	39.00	240.00	1 Monthly installment of Rs. 20 lakhs in April 2022 and balance is paid in May 2022.	(i). Hypothecation of P&M, Prefabricated building and other utilities acquired out of banks finance & Personal guarantee of promoter directors i.e Mr.Anurag Gupta, Mr.Vishal Gupta and Mr.Vikas Gupta. (ii). Collateral Security: Factory Land and Building situated at Plot no- P-4/2 - 4/5, Plot No E-14 & E-15, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of Company and Building situated at Khasra No 268 & 275, Village Raipur, Roorkee, Haridwar, Uttarakhand, and factory land which is in the name of M/s PG Electronics and Mr. Vishal Gupta. (iii). Corporate Guarantee of PG Electronics (Partnership Firm)
2	State Bank of India	Term loan	679.99	390.00	1,069.99	300.00	6 monthly installment of Rs. 30 lakhs from April-September 2022, 12 monthly installment of Rs. 35 lakhs from October-September 2023, 11 monthly installment of Rs. 40 lakhs from October-August 2024 and balance in September 2024.	(i). Hypothecation of P&M, factory land situated at P-4/6 and F-20, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of the Company & Personal guarantee of promoter directors i.e Mr.Anurag Gupta, Mr.Vishal Gupta and Mr.Vikas Gupta. (ii). Collateral Security: Factory Land and Building situated at Plot no- P-4/2 - 4/5, Plot No E-14 & E-15, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of Company and Building situated at Khasra No 268 & 275, Village Raipur, Roorkee, Haridwar, Uttarakhand, and factory land which is in the name of M/s PG Electronics and Mr. Vishal Gupta. (iii). Corporate Guarantee of PG Electronics (Partnership Firm)

Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

Sr. No.	Bank Name	Type of loan	As at 31st March, 2022		As at 31st March, 2021		Term of Repayments	Security
			Non-Current	Current	Non-Current	Current		
3	State Bank of India	Term loan	992.81	216.00	1,208.81	216.00	"67 monthly installment of Rs. 18 lakhs from April 2022 to October 2027 and balance in November 2027. Monthly interest is being charged at the end of each month."	(i). Hypothecation of P&M, factory land & building situated at Khasra no 268 & 275, Raipur, Bhagwanpur, Roorkee, P-4/2 to 4/6 and E-14 & E-15, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of the Company & Personal guarantee of promoter directors i.e Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta. (ii). Collateral Security: Factory Land and Building situated at Plot no- P-4/2 - 4/5, Plot No E-14 & E-15, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of Company and Building situated at Khasra No 268 & 275, Village Raipur, Roorkee, Haridwar, Uttarakhand, and factory land which is in the name of M/s PG Electronics and Mr. Vishal Gupta. (iii). Corporate Guarantee of PG Electronics (Partnership Firm)
4	State Bank of India	GECL*2	602.52	221.00	828.75	55.25	68 monthly installment of Rs. 18.42 lakhs from April 2022 to November 2027 and balance in December 2027.	Collateral free Guaranteed Emergency Credit Line (GECL), which is fully guaranteed by NCGTC. Secured by extension of second ranking charge over existing primary and collateral securities including mortgages created in favour of the Bank.
5	State Bank of India	GECL*3	442.00	-	-	-	Monthly installment of Rs. 9.20 lakhs from November 2023 to October 2027 and balance in December 2027.	Personal Guarantee are also given by promoter directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta.
6	HDFC Bank	Term loan	1,961.67	628.80	2,590.47	809.19	(i). Rs. 25.89 lakhs payable in monthly installment in April 2022. (ii). Rs. 884 lakhs, repayable in monthly installment of Rs. 20.34 lakhs from April 2022 to December 2024 and Rs. 30.52 lakhs from January 2025 to May 2025 and balance amount in June 2025. (iii). Rs. 576.51 lakhs, repayable in monthly installment from April 2022 to July 2027 and remaining amount in November 2027. (iv). Rs. 1,104.07 lakhs, repayable in monthly installments of Rs. 20.54 lakhs from April 2022 to June 2026 and balance in July 2026. Monthly interest is being charged at the end of each month.	Secured by way of exclusive charge over land, Building, at I-26 & I-27, Site-C, UPSIDC Industrial Area, Surajpur Greater Noida, U.P. (Unit 5) and land, Building, at A-20/2. MIDC Supa, District-Ahmednagar Maharashtra (Unit 4). Term loan are also secured by way of exclusive charge on plant and machinery situated at Unit 5 of Greater Noida and specific plant & machinery generated out of the term loan, situated at Unit 4 of Ahmednagar, Maharashtra. Personal Guarantee are also given by promoter directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta.

Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

Sr. No.	Bank Name	Type of loan	As at 31st March, 2022		As at 31st March, 2021		Term of Repayments	Security
			Non-Current	Current	Non-Current	Current		
7	HDFC Bank	Term loan	5,570.81	371.39	-	-	Repayable in monthly instalment of Rs 61.90 lakhs in the month of October 2022 to September 2026 and Rs 82.53 lakhs from October 2026 to September 2029.	Secured by way of exclusive charge over land, Building, at A-18, Village Supa, Taluka-Parner, Distt.-Ahmednagar, Maharashtra-414302 measuring 40011 Sq.mete. Term loan are also secured by way of exclusive charge on plant and machinery situated at Unit-1 at Greater Noida Extension, UP, Unit-2 at Supa, Ahmednagar. Personal Guarantee are also given by directors i.e. Mr.AnuragGupta, Mr.VishalGupta and Mr.VikasGupta. PDC cheque of total sanctioned loan amount. Corporate Gurantee of PG Electroplast Ltd is also given.
8	HDFC Bank	Moratorium Loan Covid -19 converted from existing loans	71.80	1.01	72.82	-	Repayable in the month of April 2022, June 2025, June 2026 and November 2027.	Moratorium Loan Covid -19 of deferment of existing term loans & interest amount was granted as per Covid -19 Panedemic Relief by RBI.
9	HDFC Bank	Covid-19	-	-	-	750.00	Repayable in 9 EMI of Rs. 83.33 lakhs	Secured by extention of second ranking charge over existing primary and collateral securities including mortgages created in favour of the Bank.
10	HDFC Bank	ECGLC-02	1,500.00	500.00	1,916.67	83.33	Repayable in monthly installment of Rs. 41.67 lakh from April 2022 to March 2026. Monthly Interest is being charged at the end of the each month.	Personal Guarantee are also given by promoter directors i.e. Mr.Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta.
11	HDFC Bank	ECGLC-03	928.00	-	-	-	Repayable in monthly installment of Rs. 19.33 lakh from December 2022 to November 2026. Monthly Interest is being charged at the end of the each month.	Secured by extention of second ranking charge over existing primary and collateral securities including mortgages created in favour of the Bank. Personal Guarantee are also given by promoter directors i.e. Mr.Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta.
12	ICICI Bank	Term loan	1,020.83	250.00	-	-	Repayable in monthly installment of Rs. 20.83 lakh from April 2022 to April 2027 along with interest.	First Pari Passu charge on all current assets of Unit-4. Guaranteed by promoter directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta .
13	ICICI Bank	Term loan	1,895.20	104.80	-	-	Repayable in monthly instalment of Rs 21.60 lakhs in the month of November 2022 to October 2026 and Rs 27.80 lakhs from November 2026 to October 2029. Monthly Interest is being charged at the end of the month.	Secured by way of exclusive charge over land, Building, at A-18, Village Supa, Taluka-Parner, Distt.-Ahmednagar, Maharashtra-414302 measuring 40011 Sq.mete. Term loan are also secured by way of exclusive charge on plant and machinery situated at Unit-1 at Greater Noida Extension, UP, Unit-2 at Supa, Ahmednagar. Personal Guarantee are also given by directors i.e. Mr.AnuragGupta, Mr.VishalGupta and Mr.VikasGupta. PDC cheque of total sanctioned loan amount. Corporate Gurantee of PG Electroplast Ltd is also given.
14	Yes Bank	Term loan	270.00	-	-	-	Repayable in monthly instalment of Rs. 2.81 lakhs from April 2023 to March 2027 and Rs. 3.75 lakhs from April 2027 to March 2030. Monthly Interest is being charged at the end of the month.	Secured by way of exclusive charge by way of hypothecation on entire existing and future specific assets which are procured out of term loan taken from Yes Bank. Personal Guarantee are also given by directors i.e. Mr.AnuragGupta, Mr.VishalGupta and Mr.VikasGupta. Corporate Gurantee of PG Electroplast Ltd is also given.

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for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

Sr. No.	Bank Name	Type of loan	As at 31st March, 2022		As at 31st March, 2021		Term of Repayments	Security
			Non-Current	Current	Non-Current	Current		
15	HDFC Bank	Vehicle loan	7.40	5.43	0.00	3.00	Repayment in 27 EMIs	Secured by hypothecation of vehicle acquired under the respective vehicle loan.
16	HDFC Bank	Vehicle loan	27.62	14.63	-	-	Repayment in the range of 32-34 EMIs	
17	ICICI Bank	Vehicle loan	-	0.67	0.67	19.28	Repayment in 2 EMIs	
18	ICICI Bank	Vehicle loan	5.74	2.55	-	-	Repayment in 36 EMIs	
19	Axis Bank	Vehicle loan	58.60	51.63	67.55	40.01	Repayment in EMIs ranging from 08 to 33 months for 7 loan accounts	
20	Yes Bank	Vehicle loan	-	3.84	3.84	5.34	Repayment in 8 EMIs	
			16,035.01	2,800.74	7,798.58	2,521.41		
Secured- From Others								
1	Tata Capital Financial Services Limited	Loan against plant	178.87	79.72	258.59	71.63	Repayable in monthly installments from April 2022 to February 2025.	Machineries purchased from the term loan. Guaranteed by promoter directors i.e Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta .
2	Uttar Pradesh Financial Corporation Ltd	Interest Free Term loan	447.94	-	408.14	-	Repayable in lumpsum amount after 7 years from the date of disbursement without any interest.	Bank Guarantee of 100% value of loan was issued by State bank of India, Noida in favour of lender for entire period of 7 years plus 6 months delay period interest @ 15% p.a., In case of non payment on due date. Guaranteed by promoter directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta.
3	Vehicle loan from Sundaram Finance Limited	Vehicle loan	48.15	15.71	-	11.35	In ranging from 25 to 44 Nos EMIs - 2 nos loan accounts	Secured by hypothecation of vehicle acquired under the respective vehicle loan.
4	Vehicle loan from Sundaram Finance Limited	Vehicle loan	42.75	13.94	-	-	Repayment in 47 EMIs	Secured by hypothecation of vehicle acquired under the respective vehicle loan.
			717.72	109.37	666.73	82.99		
Unsecured- Deferred payments								
1	Deferred Payment against P&M Haitian Huayuan Machinery India Pvt Ltd.	Deferred Payment	17.88	159.86	196.56	196.56	Repayable in the range of 9 to 21 monthly installment from April 2022 to December 2023.	
	Haitian Huayuan Machinery India Pvt Ltd.	Deferred Payment	151.91	233.47	-	-	Repayable in 19 monthly instalment of Rs. 19.46 lakhs April 2022 to October 2023 and remaining amount in November 2023.	
	Haitian Huayuan (Hongkong) Limited	Deferred Payment	24.68	94.70	46.95	257.66	Rs. 48.51 lakhs repayable in 5 monthly installment of Rs. 9.70 lakhs from April 2022 to August 2022. Rs. 70.86 lakhs repayable in 6 quarterly installment of Rs. 11.55 lakhs from May 2022 to May 2023 and remaining is payable in August 2023.	Not Applicable
	Haitian Huayuan (Hongkong) Limited	Deferred Payment	231.29	336.13	-	-	Repayable in 20 monthly instalment of Rs. 28.01 lakhs April 2022 to December 2023 and remaining amount in January 2024.	Not Applicable
			425.75	824.17	243.51	454.22		

Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

B. Repayable on demand

Sr. No.	Bank Name	Type of loan	As at 31st March, 2022		As at 31st March, 2021		Term of Repayments	Security
			Non-Current	Current	Non-Current	Current		
Secured- From Banks								
1	State Bank of India	Cash Credit Limit	-	2,350.85	-	1,745.52	Repayable on demand	(i). Secured by way of hypothecation of entire current assets including raw material, work-in-progress, finished goods, Book debts, advance payments, stock in transit, other current assets, cash margins of Unit 1 at Greater Noida, 2 at Roorkee & 3 at Greater Noida of the Company
2	State Bank of India	Demand loan Covid-19	-	-	-	0.01	Repayable on demand	
3	State Bank of India	Working Capital Demand Loan	-	1,000.00	-	-	Repayable on demand	(ii). Collateral Security : Factory Land and Building situated at Plot no- P-4/2 - 4/6 and Plot No E-14 & E-15, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida of Company and Building situated at Khasra No 268 & 275, Village Raipur, Roorkee, Haridwar, Uttarakhand, factory land which is in the name of M/s PG Electronics and Mr. Vishal Gupta. (iii). Secured by Personal Guarantee of promoter directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta and Corporate Guarantee of M/s PG Electronics. (iv). Factory land and building of Plot no F-20, Site, B, UPSIDC Industrial Area, Surajpur, Greater Noida, District Gautam Budh Nagar is the prime security. (v). Hypothecation of all fixed assets except land & building and specified machinery charged under term loans of Unit-1, 2 & 3. Secured against term deposits.
4	State Bank of India	Overdraft	-	2.67	-	-	Repayable on demand	
5	HDFC Bank	Cash Credit Limit	-	1,278.14	-	239.94	Repayable on demand	(i). Secured by way of hypothecation of entire current assets present and future of Unit 4 & 5 of the Company and First PP Charge on Current assets of Unit-4 & 5 with ICICI Bank
6	HDFC Bank	Working Capital Demand Loan	-	2,000.00	-	1,000.00	Repayable on demand	(ii). Collateral Security : Factory Land and Building situated at I-26 & I-27, Site C, UPSIDC Industrial Area, Surajpur, Greater Noida, U.P (Unit-5) and A-20/2. MIDC Supa, District- Ahmednagar Maharashtra (Unit-4) of Company (iii). Secured by Personal Guarantee of promoter directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta. Secured against term deposits.
7	State Bank of India	Overdraft	-	44.67	-	19.06	Repayable on demand	
8	ICICI Bank	Cash Credit Limit	-	792.93	-	-	Repayable on demand	Secured by way of hypothecation of entire current assets present and future, plant & machinery of unit 1 at Greater Noida extension UP, Unit-2 at Supa Ahmednagar, Maharashtra.
9	HDFC Bank	Cash Credit Limit	-	1,430.37	-	-	Repayable on demand	Collateral Security: Factory land & building situated at A-18, MIDC Supa Distt: Ahmednagar, maharashtra. Personal Guarantee are also given by directors i.e. Mr. Anurag Gupta, Mr. Vishal Gupta and Mr. Vikas Gupta. PDC cheque of total sanctioned loan amount. Corporate Guarantee of PG Electroplast Ltd is also given.
10	Yes Bank	Working Capital Demand Loan	-	500.00	-	-	Repayable on demand	
			-	9,399.63	-	3,004.54		

Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

Sr. No.	Bank Name	Type of loan	As at 31st March, 2022		As at 31st March, 2021		Term of Repayments	Security
			Non-Current	Current	Non-Current	Current		
Unsecured- From Banks								
1	HDFC Bank	Bill Discounting	-	4,025.29	-	3,558.16	Repayable on due date	Secured by personal guarantee of promoter directors i.e Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta & PDC cheque for whole facility.
2	ICICI Bank	Bill Discounting	-	547.42	-	-	Repayable on due date	Secured by personal guarantee of promoter directors i.e Mr. Anurag Gupta, Mr. Vishal Gupta & Mr. Vikas Gupta & PDC cheque for whole facility.
3	Bajaj Finance Limited	Bill Discounting	-	3,500.00	-	-	Repayable on due date	I. Exclusive charge on specified receivables discounted. II. Sales invoice discounting of supplies to Whirlpool & Voltas Limited.
			-	8,072.71	-	3,558.16		

16 PROVISIONS

Particulars	As at 31st March, 2022	As at 31st March, 2021
Non-Current		
Provision for employee benefits		
Gratuity (refer note 32)	230.63	269.99
Compensated absences (refer note 32)	217.03	290.08
	447.66	560.07
Current		
Provision for employee benefits		
Gratuity (refer note 32)	21.98	20.81
Compensated absences (refer note 32)	18.94	20.22
Provision for warranty expenses-Post Sales	50.00	-
	90.92	41.03
Total provisions	538.58	601.10

17 TRADE PAYABLES

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current		
Total outstanding dues of micro enterprise and small enterprise	1,358.05	1,104.25
Total outstanding dues of creditors other than micro enterprise and small enterprise	25,562.65	14,230.48
	26,920.70	15,334.73

Trade Payable Aging Schedule

Particulars	Less than 1 year	1-2 years	2-3 years	more than 3 years	Total
As at 31st March 2022					
Total outstanding dues to micro enterprises and small enterprises	1,358.05	-	-	-	1,358.05
Total outstanding dues of creditors other than micro enterprises and small enterprises	25,468.84	6.59	9.32	77.90	25,562.65
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-

Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

Particulars	Less than 1 year	1-2 years	2-3 years	more than 3 years	Total
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Carrying Amount	26,826.89	6.59	9.32	77.90	26,920.70
As at 31st March 2021					
Total outstanding dues to micro enterprises and small enterprises	1,104.25	-	-	-	1,104.25
Total outstanding dues of creditors other than micro enterprises and small enterprises	13,994.82	2.68	6.12	226.87	14,230.49
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Carrying Amount	15,099.07	2.68	6.12	226.87	15,334.74

(a) Trade Payables include due to related parties Rs. 1.22 lakhs (March 31, 2021 : Rs. 10.42 lakhs) (refer note 36)

(b) The amounts are unsecured and non interest-bearing and are usually on varying trade term.

(c) For terms and conditions with related parties. (refer to note 36)

(d) Trade payables includes acceptances of Rs. 8,313.28 lakhs (March 31, 2021: Rs. 3,192.46 lakhs)

18 OTHER FINANCIAL LIABILITIES

Particulars	As at 31st March, 2022	As at 31st March, 2021
Non-Current		
Security deposits	2.06	17.31
Deferred cost of Interest Free Loan	176.31	225.17
	178.37	242.48
Current		
Security deposits	-	0.57
Deferred cost of Interest Free Loan	49.84	49.84
Interest accrued and due on borrowings	167.60	79.83
Capital creditors	1,692.84	274.48
Expenses creditors - services	1,994.92	1,302.76
Employee benefits & other dues payable	548.14	309.66
	4,453.34	2,017.14
Total other financial liabilities	4,631.71	2,259.62

(a) Other financial liability include due to related parties Rs. 25.82 lakhs (31st March, 2021 : Rs. 32.78 lakhs) (refer note 36)

19 OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current		
Advance from customers	1,380.16	109.41
Statutory dues	633.67	1,410.82
	2,013.83	1,520.23

Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

20 LEASE LIABILITIES

Particulars	As at 31st March, 2022	As at 31st March, 2021
Non-Current		
Leases (refer note 34)	1,339.81	53.96
	1,339.81	53.96
Current		
Leases (refer note 34)	137.37	98.73
	137.37	98.73

21 REVENUE FROM OPERATIONS

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Revenue from contract with customers		
Sale of products		
Manufactured goods	1,03,399.46	66,315.57
Trading goods	5,654.93	3,609.67
Sale of services	346.05	172.26
	1,09,400.44	70,097.50
Other Operating Income		
Sale of scrap	371.35	223.15
	371.35	223.15
	1,09,771.79	70,320.65
i) Timing of revenue recognition		
Goods transferred at a point in time	1,09,425.74	70,148.39
Service transferred over a period of time	346.05	172.26
Total revenue from contracts with customers	1,09,771.79	70,320.65
ii) Revenue by location of customers		
India	1,09,688.83	70,308.58
Outside India	82.96	12.07
Total revenue from contracts with customers	1,09,771.79	70,320.65
iii) Reconciliation of revenue recognised in Statement of profit and loss with contracted price		
Revenue as per contracted price	1,09,826.89	70,360.33
Less: Discount	(55.10)	(39.68)
Total revenue from contracts with customers	1,09,771.79	70,320.65

iv) Performance Obligation

Sale of products: Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on dispatch of the goods and payment is generally due as per the terms of contract with customers.

Sales of services: The performance obligation in respect of services is satisfied over a point of time and acceptance of the customer. Payment is generally due upon completion of service and acceptance of the customer.

Particulars	As at 31st March, 2022	As at 31st March, 2021
Contract balances		
Trade receivables	21,332.74	14,725.64
Contract Liabilities	1,380.16	109.41

Trade receivable are non-interest bearing and are generally on terms of 30-90 days.

Contract liabilities include advances received from the customers to deliver the finished goods.

Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

22 OTHER INCOME

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
i) Interest income		
Interest income from bank deposits	79.89	58.95
Interest income from financial liabilities at amortised cost	83.97	40.89
Interest income from others*	41.66	17.55
	205.52	117.39
* Interest income from others includes Rs. 14.02 lakhs (31st March 2021: Nil) interest on Income tax refund.		
ii) Other Non operating Income		
Rental income	-	74.76
PSI Incentive 2007 from Maharashtra Government	1,391.71	-
Miscellaneous income	0.82	0.01
	1,392.53	74.77
iii) Others		
Profit on sale of property, plant and equipment	7.80	44.37
Liability no longer required written back	28.17	9.09
Gain on lease termination	0.82	3.62
Fair value gain on Investment recognised through FVTPL	4.24	1.45
Rent concession on lease	-	8.04
Refund of Electricity Duty	176.17	-
Others	8.84	3.25
	226.04	69.82
Total Other Income	1,824.09	261.98

Incentive under Electronic Policy 2016

The parent company unit located at Supa, Taluka-Parner, MIDC district Ahemdnagar in Maharashtra is eligible for incentives under the Electronic Policy-2016 of Maharashtra Government and have been availing incentives in the form of Gross SGST refund for the period of January 2020 to October 2028. The group currently recognises income for such government grants based on Gross SGST payable, having maximum ceiling of Rs. 618.31 lakhs p.a. in accordance with the relevant notifications issued by the State of Maharashtra.

During the year, the group has received an in principal approval for eligibility from the Government of Maharashtra in response to the application filed for incentive under Electronic Policy-2016 on its investment for expansion for the period from March 2017 to February 2021. Accordingly, the group has recognised grant income amounting to Rs. 1,391.71 lakhs for the year ended on 31st March 2022. The cumulative amount receivable in respect of the same is Rs. 1,391.71 lakhs as at 31st March 2022.

23 COST OF MATERIAL CONSUMED

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Inventory at the beginning of the year (excluding goods in transit and bonded warehouse)	6,374.72	5,406.60
Add: Purchases	1,02,575.55	56,390.69
Less: Discount received from suppliers	(21.90)	(90.01)
Less: Cost of traded goods	(18,161.85)	(3,501.38)
Less: Stock loss due to Fire	(25.99)	-
Less: Inventory at the end of the year (excluding goods in transit and bonded warehouse)	(17,590.76)	(6,374.72)
	73,149.77	51,831.18

Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

24 PURCHASE OF TRADED GOODS

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Purchases	18,161.84	3,501.38
	18,161.84	3,501.38

25 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Inventories at the beginning of the year:		
Work-in-progress	1,542.57	1,976.06
Finished goods	1,040.21	925.62
Total inventories at the beginning of the year	2,582.78	2,901.68
Inventories at the end of the year:		
Work-in-progress	3,005.06	1,542.57
Finished goods	2,485.78	1,040.21
Total inventories at the end of the year	5,490.84	2,582.78
Total changes in inventories of finished goods and work-in-progress	(2,908.06)	318.90

26 EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Salaries,wages and bonus	6,814.65	4,904.88
Contribution to provident and other funds (refer note 32)	289.07	204.33
Leave encashment (refer note 32)	25.39	62.57
Gratuity expense (refer note 32)	117.19	102.35
Employee stock option scheme (refer note 33)	217.02	-
Staff welfare expenses	322.02	225.38
	7,785.34	5,499.51

27 FINANCE COST

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Interest on borrowings		
- Interest to Bank	1,357.69	988.41
- Interest on vehicle loan	18.00	14.91
- Other interest expense	65.83	117.92
Interest on lease liabilities (refer note 34)	12.17	18.13
Other borrowing costs		
- Discounting Charges, Processing fee	796.30	704.21
	2,249.99	1,843.58

28 DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Depreciation of property, plant and equipment (refer note 3)*	2,196.10	1,780.32
Amortisation of intangible assets (refer note 4)	15.17	20.91
	2,211.27	1,801.23

* Included depreciation on ROU amounted Rs. 189.72 lakhs (31st March 2021: Rs. 107.50 lakhs).

Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

29 OTHER EXPENSES

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Consumption of store, spares & tools	660.44	293.96
Power and fuel	2,061.98	1,612.72
Sub-contracting expenses	473.90	368.18
Freight and forwarding charges	706.00	394.73
Rent	69.53	85.53
Rates and taxes	58.75	77.46
Insurance	161.04	133.06
Repairs and maintenance:		
Machinery	320.22	275.03
Building	59.42	154.03
Others	36.52	54.14
Travelling and conveyance	71.57	42.46
Vehicle running & maintenance	79.94	110.16
Communication costs	14.95	14.52
Printing and stationery	23.32	16.42
Security expenses	209.65	142.92
Legal and professional fees	355.76	74.63
Provision for doubtful debts & advances (Net)	326.07	68.68
Provision for Slow/Non moving inventories	18.01	67.75
Bad Debts written off	398.03	170.65
Reversal of provision for doubtful debts & advances	(398.03)	(170.65)
Payment to auditor (Refer details below Note-29.2)	24.58	15.10
Payment to cost auditor	3.85	3.00
Directors sitting fees	8.50	7.80
Loss on sale of property, plant and equipment	4.27	5.86
Property, Plant & Equipments written off	-	12.83
Late delivery charges paid to customers	4.00	5.40
Misc. Balance Written off	19.29	62.94
Miscellaneous expenses	363.05	94.34
	6,134.57	4,193.65

29.1 Exceptional Items

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Foreign Exchange rate fluctuation (Net)	(104.47)	(65.39)
Losses due to Fire-Inventory (Net)	1.54	146.94
Losses due to Fire-property, plant and equipments (Net)	9.87	-
	(93.06)	81.55

29.2 Detail of payment to auditors

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Audit fee	13.18	4.60
Tax audit fee	2.50	1.00
Limited review fee	8.90	9.50
	24.58	15.10

Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

30 EARNING PER SHARE

a) Basic Earning per share

Particulars		For the year ended 31st March, 2022	For the year ended 31st March, 2021
Numerator for earnings per share			
Profit after tax	(Rs. in lakhs)	3,741.55	1,161.18
Denominator for earnings per share			
Weighted average number of equity shares outstanding during the year	(Numbers)	2,06,94,492	1,95,29,368
Earnings per share- Basic (one equity share of Rs. 10/- each)		18.08	5.95

b) Diluted Earning per share

Particulars		For the year ended 31st March, 2022	For the year ended 31st March, 2021
Numerator for earnings per share			
Profit after tax	(Rs. in lakhs)	3,741.55	1,161.18
Denominator for earnings per share			
Weighted average number of equity shares outstanding during the year	(Numbers)	2,06,94,492	1,95,29,368
Effect of dilution			
Share Options	(Numbers)	1,72,631	752
Share warrants	(Numbers)	79,483	-
Cumulative Compulsory Convertible Debentures	(Numbers)	10,26,216	-
Weighted average number of equity shares outstanding during the year adjusted for effect of dilution	(Numbers)	2,19,72,822	1,95,30,120
Earnings per share- Diluted (one equity share of Rs. 10/- each)		17.03	5.95

31 INCOME TAX EXPENSES

Income tax expenses recognized in Statement of Profit and Loss:

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Current income tax:		
Current income tax charge	-	-
Adjustments in respect of current income tax of previous year	-	-
Total current tax expense	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	1,162.66	350.46
Total deferred tax expense recognized	1,162.66	350.46
Income tax expenses charged in Statement of Profit & Loss	1,162.66	350.46

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

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Accounting Profit before income tax	4,904.22	1,511.64
Applicable Income Tax rate - u/s 115BAA	25.17%	25.17%
Computed tax expenses	1,234.39	380.48
Permanent differences	59.18	7.19
Additional allowed for tax purpose	-	-
Others	(130.91)	(37.21)
Tax expenses in Statement of profit & loss	1,162.66	350.46

Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

Deferred tax liabilities (net)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Opening balance as per last balance sheet	493.04	142.58
Deferred tax charged/(credited) to profit and loss during the year	1,162.66	350.46
Closing Balance	1,655.70	493.04
Deferred tax liabilities comprises:		
Deferred tax liabilities		
- Difference in carrying values of property, plant & equipment and intangible assets	2,577.66	2,200.77
Deferred tax assets		
- Arising on account of temporary difference	(103.17)	(99.69)
- Provisions of financial/other assets made in books, but tax deductible only on Actual write-off	(170.20)	(185.36)
- Carry forward losses and unabsorbed depreciation	(648.60)	(1,422.67)
Deferred tax liabilities (net)	1,655.70	493.04

The Companies included in Group has opted for reduced tax rate as per section 115BAA of the Income Tax Act, 1961 (introduced by the Taxation Laws (Amendment) Ordinance, 2019). Accordingly, the Group has recognised Provision for Income Tax for the year and re-measured its Deferred tax liability basis the rate prescribed in the said section and unutilised MAT credit entitlement has been written off.

Group has carried forward unabsorbed depreciation, having indefinite time period to adjust against taxable income of the group.

32 EMPLOYEE BENEFIT PLANS:

A) Defined Contribution Plans:

The Group makes contribution in the form of provident funds as considered defined contribution plans and contribution to Employees Provident Fund Organisation. The Group has no further payment obligations once the contributions have been paid. Following are the schemes covered under defined contributions plans of the Group:

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

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

The Group has charged the following costs in contribution to Provident and Other Funds in the Statement of Profit and Loss:

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Group's contribution to Provident Fund	246.56	170.50
Administrative charges on above fund	11.28	7.60
Group's contribution to Employee State Insurance Scheme	31.08	26.23
	288.92	204.33

B) Defined Benefit Plans:

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

Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

(ii) Risk exposure

a) Risk to the beneficiary

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

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

b) Risk Parameter

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

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

c) Risk of illiquid Assets

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

d) Risk of Benefit Change

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

e) Asset liability mismatching risk

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

(iii) Changes in defined benefit obligation

Particulars	Gratuity		Leave Encashment	
	For the year ended 31st March, 2022	For the year ended 31st March, 2021	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Changes in present value of obligation				
Present value of obligation as at beginning of the year	478.73	473.17	310.30	288.13
Interest cost	32.60	32.18	21.13	19.59
Current service cost	97.38	78.75	78.29	67.00
Benefits paid	(34.05)	(51.18)	(99.72)	(40.40)
Remeasurement-Actuarial loss/(gain)	-	-	(74.04)	(24.02)
Remeasurement gains / (losses) recognised in other comprehensive income:				
Actuarial (gain)/ loss arising from				
- Changes in financial assumptions	(20.13)	(53.66)	-	-
- Changes in demographic assumptions	-	-	-	-
- Changes in experience adjustments	(27.54)	(0.53)	-	-
	526.99	478.73	235.96	310.30

Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

(iv) Fair Value of Plan Assets

Particulars	Gratuity		Leave Encashment	
	For the year ended 31st March, 2022	For the year ended 31st March, 2021	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Fair value of plan assets at the beginning of the year	187.94	126.08	-	-
Expenses recognised in profit and loss account				
Expected return on plan assets	12.80	8.57	-	-
Actuarial gain/(loss)	(0.59)	(1.99)	-	-
Remeasurement gains / (losses) recognised in other comprehensive income:				
Contribution by employer directly settled	13.40	34.46	-	-
Contributions by employer	94.88	72.00	-	-
Benefit payments	(34.05)	(51.18)	-	-
Fair value of plan assets at the end of the year	274.38	187.94	-	-

(v) Amount recognised in Balance Sheet

Particulars	Gratuity		Leave Encashment	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Defined benefit obligation at the end of the year	(526.99)	(478.73)	(235.96)	(310.30)
Fair value of plan assets at the end of the year	274.38	187.94	-	-
Recognised in the balance sheet	(252.61)	(290.80)	(235.96)	(310.30)
Current portion of above	(21.98)	(20.81)	(18.94)	(20.22)
Non Current portion of above	(230.63)	(269.99)	(217.03)	(290.08)

(vi) Expense recognised in the Statement of profit & loss

Particulars	Gratuity		Leave Encashment	
	For the year ended 31st March, 2022	For the year ended 31st March, 2021	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Current service cost	97.38	78.75	78.29	67.00
Interest expense	32.60	32.18	21.13	19.59
Interest Income on plan assets	(12.80)	(8.57)	-	-
Remeasurement-Actuarial loss/(gain)	-	-	(74.04)	(24.02)
Components of defined benefit costs recognised in profit or loss	117.19	102.35	25.39	62.57
Remeasurement on the net defined benefit liability:				
Return on plan assets (excluding amount included in net interest expense)				
Actuarial (gain)/ loss arising form changes in financial assumptions	(19.55)	(51.67)	-	-
Actuarial (gain) / loss arising form changes in demographic assumptions	-	-	-	-
Actuarial (gain) / loss arising form experience adjustments	(27.54)	(0.53)	-	-
Components of defined benefit costs recognised in other comprehensive income	(47.09)	(52.20)	-	-

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(vii) The significant actuarial assumptions used for the purposes of the actuarial valuation were as follows:

Particulars	Gratuity		Leave Encashment	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Discounting rate	7.28%	6.81%	7.28%	6.81%
Future salary growth rate	10.00%	10.00%	10.00%	10.00%
Life expectancy/ Mortality rate*	100% of IALM 2012-14	100% of IALM 2012-14	100% of IALM 2012-14	100% of IALM 2012-14
withdrawal rate	5.00%	5.00%	5.00%	5.00%
Method used	Projected unit credit Actuarial method	Projected unit credit Actuarial method	Projected unit credit Actuarial method	Projected unit credit Actuarial method

* Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics (i.e. IALM 2012-14 ultimate/PY-IALM 2012-14 ultimate). These assumptions translate into an average life expectancy in years at retirement age.

(viii) Sensitivity Analysis

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

Particulars	Gratuity		Leave Encashment	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Changes in liability for 0.5% increase in discount rate	(26.89)	(25.29)	(11.78)	(15.17)
Changes in liability for 0.5% decrease in discount rate	29.38	27.71	12.84	16.50
Changes in liability for 0.5% increase in salary growth rate	51.08	49.18	25.33	32.27
Changes in liability for 0.5% decrease in salary growth rate	(44.56)	(42.18)	(21.85)	(27.99)
Changes in liability for 0.5% increase in withdrawal rate	(20.78)	(22.20)	(7.90)	(11.34)
Changes in liability for 0.5% decrease in withdrawal rate	27.28	29.91	10.42	14.93

(ix) The followings payments are expected contributions to the defined benefit plan in future years

Particulars	Gratuity		Leave Encashment	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Within next 12 months	47.80	35.40	20.32	21.60
Between 2 to 5 years	115.17	97.33	50.76	71.43
Beyond 5 years	1,286.00	1,127.00	560.54	656.34

The average duration of the defined benefit plan obligation at the end of the reporting period is 13 years (31st March 2021: 13 years)

The Plan assets are maintained with Life Insurance Corporation of India.

33 SHARE BASED PAYMENTS

During the year 2020-21, the Group has established PG Electroplast Employee Stock Option Scheme 2020 "ESOP 2020" and the same was approved at the general meeting of the parent company held on 28th February 2021. The plan was set up so as to offer and grant, for the benefit of employees of the Group, who are eligible under "Securities and Exchange Board of India" (SEBI) (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, option of the Group in one or more tranches, and on such terms and conditions as may be fixed or determined by the board, in accordance with the law or guidelines issued by the relevant authorities in this regard;

As per the plan, each option is exercisable for one equity share of face value of Rs. 10 each, at a price to be determined in accordance with ESOP 2020. ESOP information is given for the number of shares.

Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

(i) Set out below is a summary of options granted and vested during the year under the plan

Summary of Stock Options	31st March 2022		31st March 2021	
	Number of Stock Options	Weighted average exercise price per share option	Number of Stock Options	Weighted average exercise price per share option
Options outstanding at the beginning of the year	-	-	-	-
Options granted during the year	3,05,000	250	-	-
Options vested and exercised during the year	-	-	-	-
Options lapsed during the year	28,000	250	-	-
Options outstanding at the end of the year	2,77,000			

(ii) Share options outstanding at the end of the year have the following expiry dates and exercise price:

Grant	Grant Date	Vesting Date	Expiry Date	Exercise Price	Fair Value	Share Option Outstanding	
						31st March 2022	31st March 2021
Grant 1							
Vesting 1	17th April 2021	16th April 2022	16th October 2022	250.00	137.08	53,400	-
Vesting 2	17th April 2021	16th April 2023	16th October 2023	250.00	167.03	53,400	-
Vesting 3	17th April 2021	16th April 2024	17th October 2024	250.00	188.28	80,100	-
Vesting 4	17th April 2021	16th April 2025	17th October 2025	250.00	203.34	80,100	-
Grant 2							
Vesting 1	17th July 2021	15th July 2022	15th January 2023	250.00	190.67	2,000	-
Vesting 2	17th July 2021	15th July 2023	15th January 2024	250.00	224.77	2,000	-
Vesting 3	17th July 2021	15th July 2024	15th January 2025	250.00	251.15	3,000	-
Vesting 4	17th July 2021	15th July 2025	15th January 2026	250.00	265.40	3,000	-

(iii) Fair value of options granted

The fair value at grant date is determined using the Black Scholes Model as per an independent valuer's report having taken into consideration the market price being the latest available closing price prior to the date of the grant, exercise price being the price payable by the employees for exercising the option and other assumptions are as below:

Tranche	Vesting	Market Price	Volatility	Average life of option	Risk free interest rate	Dividend yield rate
Grant 1	Vesting 1	319.60	67.48%	1.50	4.24%	0.00%
	Vesting 2	319.60	69.21%	2.50	4.81%	0.00%
	Vesting 3	319.60	68.62%	3.50	5.26%	0.00%
	Vesting 4	319.60	66.68%	4.50	5.63%	0.00%
Grant 2	Vesting 1	391.90	62.40%	1.50	4.24%	0.00%
	Vesting 2	391.90	67.30%	2.50	4.81%	0.00%
	Vesting 3	391.90	69.31%	3.50	5.26%	0.00%
	Vesting 4	391.90	66.09%	4.50	5.63%	0.00%

(iv) Expense arising from share based payment transaction

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Expense charged to Statement of Profit & Loss based on the fair value of options	206.78	-
	206.78	-

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for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

34 Leases

- The Group's lease asset primarily consist of leases for land and buildings for offices and warehouses having the various lease terms. The Group also has certain leases of with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.
- The carrying value of right to use assets and movement thereof are disclosed in note 3.
- The following is the carrying value lease liability and movement thereof;

Particulars	Amount
Balance as at 1st April, 2020	221.74
Addition during the year	73.12
Finance cost accrued during the year	18.13
Deletion during the year	(40.62)
Payment of lease liabilities including interest	(110.86)
Rent concession on lease liabilities	(8.82)
Balance as at 31st March, 2021	152.70
Addition during the year	1,469.44
Finance cost accrued during the year	74.80
Deletion during the year	(9.12)
Payment of lease liabilities including interest	(210.64)
Balance as at 31st March, 2022	1,477.18

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current maturity of lease liability	137.37	98.73
Non Current lease liability	1,339.81	53.96

- The maturity of lease liabilities are disclosed in note 37.
- Amounts recognised in the statement of profit and loss during the year

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Depreciation charge of right-of-use assets - leasehold building	189.32	107.10
Depreciation charge of right-of-use assets - leasehold land	0.40	0.40
Finance cost accrued during the year (included in finance cost) (refer note 27)	74.80	18.13
Expense related to short term leases (included in other expense) (refer note 29)	69.53	85.53

- The Group has applied a single discount rate to a portfolio of leases of a similar assets in similar economic environment with similar end date.

35 FAIR VALUE MEASUREMENT

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

Summary of Stock Options	As at 31st March, 2022		As at 31st March, 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets at amortised cost				
Fixed deposits with banks (Non Current)	476.74	476.74	50.48	50.48
Cash and bank balances	3,918.36	3,918.36	1,741.06	1,741.06
Trade receivables	21,332.74	21,332.74	14,725.64	14,725.64
Loans (current)	275.28	275.28	31.32	31.32
Other financial assets (Non Current)	360.65	360.65	261.51	261.51
Other financial assets (Current)	1,936.62	1,936.62	232.52	232.52

Notes to the Consolidated Financial Statements

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(All Amounts are in Rupees lakhs, unless otherwise stated)

Summary of Stock Options	As at 31st March, 2022		As at 31st March, 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets at FVTPL				
Investment in mutual funds	43.69	43.69	15.45	15.45
Investment in equity shares	25.33	25.33	-	-
Financial liabilities at amortised cost				
Borrowings (Non Current)	17,178.48	17,178.48	8,708.81	8,708.81
Borrowings (Current)	21,206.63	21,206.63	9,621.31	9,621.31
Trade Payable	26,920.70	26,920.70	15,334.73	15,334.73
Other financial liabilities (Non current)	178.37	178.37	242.48	242.48
Other financial liabilities (Current)	4,453.34	4,453.34	2,017.14	2,017.14

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current financial assets and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments

35.1 FAIR VALUE HIERARCHY

- i) The Group uses the following hierarchy for fair value measurement of the group's financials assets and liabilities:

Level 1: Quoted prices/NAV (unadjusted) in active markets for identical assets and liabilities at the measurement date.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

	Carrying Value 31st March, 2022	Fair Value		
		Level 1	Level 2	Level 3
Assets at fair Value				
Fair Value through Profit & Loss				
Investment in mutual funds	43.69	43.69	-	-
Investment in equity shares	25.33	25.33	-	-
Fair Value through amortised cost				
Loan	275.28	-	-	275.28
Trade Receivables	21,332.74	-	-	21,332.74
Other Financial Assets (Non Current)	837.39	-	-	837.39
Other Financial Assets (Current)	1,936.62	-	-	1,936.62
Liability at fair Value				
Fair Value through amortised cost				
Borrowings (Non Current)	17,178.48	-	-	17,178.48
Borrowings (Current)	21,206.63	-	-	21,206.63
Trade Payables	26,920.70	-	-	26,920.70
Other Financial Liabilities (Non Current)	178.37	-	-	178.37
Other Financial Liabilities (Current)	4,453.34	-	-	4,453.34
Lease liabilities (Non Current)	1,339.81	-	-	1,339.81
Lease liabilities (Current)	137.37	-	-	137.37

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(All Amounts are in Rupees lakhs, unless otherwise stated)

	Carrying Value	Fair Value		
	31st March, 2021	Level 1	Level 2	Level 3
Assets at fair Value				
Fair Value through Profit & Loss				
Investment in mutual funds	15.45	15.45	-	-
Fair Value through amortised cost				
Loan	31.32	-	-	31.32
Trade Receivables	14,725.64	-	-	14,725.64
Other Financial Assets (Non Current)	311.99	-	-	311.99
Other Financial Assets (Current)	232.52	-	-	232.52
Liability at fair Value				
Fair Value through amortised cost				
Borrowings (Non Current)	8,708.81	-	-	8,708.81
Borrowings (Current)	9,621.31	-	-	9,621.31
Trade Payables	15,334.73	-	-	15,334.73
Other Financial Liabilities (Non Current)	242.48	-	-	242.48
Other Financial Liabilities (Current)	2,017.14	-	-	2,017.14
Lease liabilities (Non Current)	53.96	-	-	53.96
Lease liabilities (Current)	98.73	-	-	98.73

There are no transfers among levels 1, 2 and 3 during the year.

ii) Fair valuation techniques

The Group maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values:

- 1) Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.
- 2) Borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings approximates their carrying values.

36 RELATED PARTY DISCLOSURE

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

Related Parties where control exists

i) Other related parties with whom transactions have taken place during the year

Key Management Personnel

Mr. Vishal Gupta (Executive Director)

Mr. Vikas Gupta (Executive Director)

Mr. Anurag Gupta (Executive Director)

Mr. Ram Dayal Modi (Non Executive Director) w.e.f. 26.05.2021

Mr. Sharad Jain (Non Executive Director)

Mr. Devendra Jha (Non Executive Director) till 08.02.2021

Dr. Rita Mohanty (Non Executive Director) till 15.05.2021

Mr. Promod Chimmanlal Gupta (Non Executive Director) till 25.01.2021

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Mrs. Ruchika Bansal (Non Executive Director) w.e.f. 14.08.2021
 Mr. Kishor Kumar Kaul (Non Executive Director) w.e.f. 26.01.2021
 Mrs. Mitali Chitre (Non Executive Director) w.e.f. 02.07.2021
 Mr. Mahabir Prasad Gupta (Chief Financial Officer) w.e.f.23.06.2020 till 31.01.2021
 Mr. Sanchay Dubey (Company Secretary)
 Mr. Praveen Datt Agarwal (Chief Financial Officer) till 31.05.2020
 Mr. Bhawa Nand Choudhary- Managing Director till 31.03.2021
 Mr. Promod Chimmanlal Gupta (Chief Financial Officer) w.e.f. 01.02.2021

Relatives of Key Management Personnel

Mrs. Sarika Gupta (Wife of Mr. Vishal Gupta)
 Mrs. Nitasha Gupta (Wife of Mr. Vikas Gupta)
 Mrs. Neelu Gupta (Wife of Mr. Anurag Gupta)
 Mrs. Sudesh Gupta (Mother of Executive Directors)
 Mr. Pranav Gupta (Son of Mr. Anurag Gupta)
 Mr. Aditya Gupta (Son of Mr. Anurag Gupta)
 Mrs. Kanika Gupta (Daughter in law of Mr. Anurag Gupta)
 Mr Vatsal Gupta (Son of Mr. Vishal Gupta)
 Mr Raghav Gupta (Son of Mr. Vikas Gupta)
 Mrs. Anju Choudhary (Wife of Mr. Bhawa Nand Choudhary) till 31.03.2021
 Mrs Sarita Gupta (Wife of Mr. Mahabir Prasad Gupta) w.e.f.23.06.2020 till 31.01.2021

Enterprises in which the Key Management Personnel or relatives of them of the group are interested

PG International (Parent Company's Directors are partner)
 J. B. Electronics (Parent Company's Directors are partner)
 PG Electronics (Parent Company's Directors are partner)

ii) Key Management Personnel Compensation

Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Short-term employee benefits	441.57	380.88
Post Employment benefits	-	10.38
Share based payments	76.14	-
Other Expenses, Sitting Fee and reimbursement of expenses	45.16	48.07
	562.87	439.33

iii) Related Party transaction

Description	For the year ended 31st March 2022			For the year ended 31st March 2021		
	Key Management Personnel	Relative of Key Management Personnel	Others	Key Management Personnel	Relative of Key Management Personnel	Others
Loan Repayment						
Mr. Vishal Gupta	-	-	-	41.73	-	-
Mr. Vikas Gupta	-	-	-	41.44	-	-
Mr. Anurag Gupta	-	-	-	58.73	-	-

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Description	For the year ended 31st March 2022			For the year ended 31st March 2021		
	Key Management Personnel	Relative of Key Management Personnel	Others	Key Management Personnel	Relative of Key Management Personnel	Others
Money received against share warrants						
Mr. Vishal Gupta	73.13	-	-	76.88	-	-
Mr. Vikas Gupta	73.13	-	-	76.88	-	-
Mr. Anurag Gupta	73.13	-	-	76.88	-	-
Issue of Equity share capital on conversion of share warrant including security premium						
Mr. Vishal Gupta	97.50	-	-	52.50	-	-
Mr. Vikas Gupta	97.50	-	-	52.50	-	-
Mr. Anurag Gupta	97.50	-	-	52.50	-	-
Other Expenses (rent paid)						
Mr. Vishal Gupta	0.66	-	-	0.15	-	-
Mrs. Sudesh Gupta	-	-	-	-	16.20	-
PG Electronics	-	-	0.60	-	-	0.60
Remuneration						
Mr. Vishal Gupta	122.90	-	-	111.88	-	-
Mr. Vikas Gupta	124.34	-	-	115.18	-	-
Mr. Anurag Gupta	94.88	-	-	85.07	-	-
Mr. Mahabir Prasad Gupta	-	-	-	9.01	-	-
Mr.Sanchay Dubey	4.74	-	-	3.55	-	-
Mr. Praveen Datt Agarwal	-	-	-	6.18	-	-
Mr. Bhawa Nand Choudhary	-	-	-	27.66	-	-
Mr. Promod Chimmanlal Gupta	54.63	-	-	9.41	-	-
Mrs. Sarika Gupta	-	28.30	-	-	25.47	-
Mrs. Nitasha Gupta	-	28.30	-	-	25.42	-
Mrs. Neelu Gupta	-	28.30	-	-	25.50	-
Mrs. Sudesh Gupta	-	28.30	-	-	25.42	-
Mr. Pranav Gupta	-	21.65	-	-	19.46	-
Mr. Aditya Gupta	-	9.20	-	-	4.89	-
Mrs. Kanika Gupta	-	8.60	-	-	7.70	-
Mr Vatsal Gupta	-	9.01	-	-	5.23	-
Mr Raghav Gupta	-	6.69	-	-	-	-
Mrs. Anju Choudhary	-	-	-	-	7.99	-
Mrs Sarita Gupta	-	-	-	-	3.80	-
Reimbursement of Expenses						
Mr. Mahabir Prasad Gupta	-	-	-	0.91	-	-
Mr. Praveen Datt Agarwal	-	-	-	1.40	-	-
Mr. Bhawa Nand Choudhary	-	-	-	1.81	-	-
Mr. Anurag Gupta	12.00	-	-	12.00	-	-
Mr. Vishal Gupta	12.00	-	-	12.00	-	-
Mr. Vikas Gupta	12.00	-	-	12.00	-	-
Mr. Pranav Gupta	-	4.20	-	-	4.20	-
Mr. Aditya Gupta	-	1.20	-	-	1.20	-
Mrs. Kanika Gupta	-	3.24	-	-	3.24	-
Shares Based Expenses						
Mr. Promod Chimmanlal Gupta	74.65	-	-	-	-	-
Mr.Sanchay Dubey	1.49	-	-	-	-	-

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(All Amounts are in Rupees lakhs, unless otherwise stated)

Description	For the year ended 31st March 2022			For the year ended 31st March 2021		
	Key Management Personnel	Relative of Key Management Personnel	Others	Key Management Personnel	Relative of Key Management Personnel	Others
Director Sitting Fee						
Mr. Devendra Jha	-	-	-	1.70	-	-
Mr. Sharad Jain	2.80	-	-	2.10	-	-
Mrs. Rita Mohanty	0.10	-	-	1.80	-	-
Mr. Pramod Chimmanlal Gupta	-	-	-	1.70	-	-
Mr. Kishore Kumar Kaul	2.50	-	-	0.50	-	-
Mr Ram Dayal Modi	1.90	-	-	-	-	-
Mrs Ruchika Bansal	1.20	-	-	-	-	-
Leave Encashment paid during the year						
Mr. Bhawa Nand Choudhary	-	-	-	12.69	-	-
Mr. Praveen Datt Agarwal	-	-	-	0.25	-	-
Mr. Vishal Gupta	14.56	-	-	-	-	-
Mr. Vikas Gupta	14.38	-	-	-	-	-
Mr. Anurag Gupta	11.15	-	-	-	-	-
Mrs. Anju Choudhary	-	-	-	-	3.10	-
Mrs. Sarika Gupta	-	3.99	-	-	-	-
Mrs. Nitasha Gupta	-	3.96	-	-	-	-
Mrs. Neelu Gupta	-	3.96	-	-	-	-
Mrs. Sudesh Gupta	-	3.96	-	-	-	-
Mr. Pranav Gupta	-	1.83	-	-	-	-
Gratuity paid during the year						
Mr. Bhawa Nand Choudhary	-	-	-	10.38	-	-
Mrs. Anju Choudhary	-	-	-	-	2.54	-

iv) Outstanding Balances

Description	As at 31st March 2022			As at 31st March 2021		
	Key Managerial Personnel	Relative of Key Managerial Personnel	Others	Key Managerial Personnel	Relative of Key Managerial Personnel	Others
Security Deposit Receivable						
Mrs. Sudesh Gupta	-	-	-	-	4.50	-
Trade Payables						
PG International	-	-	-	-	-	6.65
J. B. Electronics	-	-	0.92	-	-	3.62
PG Electronics	-	-	0.30	-	-	0.15
Other Financial Liabilities						
Mr. Vishal Gupta	0.08	-	-	0.04	-	-
Remuneration Payable						
Mr. Vishal Gupta	4.61	-	-	5.85	-	-
Mr. Vikas Gupta	4.64	-	-	10.51	-	-
Mr. Anurag Gupta	3.35	-	-	4.50	-	-
Mr. Sanchay Dubey	0.49	-	-	0.33	-	-
Mr. Pramod Chimmanlal Gupta	2.56	-	-	1.75	-	-
Mrs. Sarika Gupta	-	1.32	-	-	1.39	-
Mr Vatsal Gupta	-	0.58	-	-	0.51	-
Mrs. Nitasha Gupta	-	1.32	-	-	2.27	-

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Description	As at 31st March 2022			As at 31st March 2021		
	Key Managerial Personnel	Relative of Key Managerial Personnel	Others	Key Managerial Personnel	Relative of Key Managerial Personnel	Others
Mrs. Neelu Gupta	-	2.18	-	-	1.37	-
Mrs. Sudesh Gupta	-	1.32	-	-	2.27	-
Mr. Pranav Gupta	-	1.12	-	-	1.02	-
Mr. Aditya Gupta	-	0.78	-	-	0.43	-
Mrs. Kanika Gupta	-	0.64	-	-	0.50	-
Mr Raghav Gupta	-	0.74	-	-	-	-

v) Terms & Conditions

- Remuneration does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for the Group as a whole. Based on the recommendation of the Nomination and remuneration committee, all decisions relating to the remuneration of the KMPs are taken by the Board of Directors of the Group, in accordance with shareholders approval, wherever necessary.
- All Transactions entered with related parties defined under the Companies Act, 2013 during the year based on the terms that would be available to third parties. All other transactions were made in the ordinary course of business and at arm's length price.
- All outstanding balances are unsecured and are repayable in cash.

37 FINANCIAL RISK MANAGEMENT

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

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

A) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk.

(i) Interest rate risk

Most of the borrowings availed by the Group are subject to interest on floating rate of basis linked to the base rate or MCLR (marginal cost of funds based lending rate). In view of the fact that the total borrowings of the Group are quite substantial, the Group is exposed to interest rate risk. The above strategy of the Group to opt for floating interest rates is helpful in declining interest scenario. Further, most of the loans and borrowings have a prepayment clause through which the loans could be prepaid with pre payment premium. The said clause helps the Group to arrange debt substitution to bring down the interest costs or to prepay the loans out of the surplus funds held. While adverse interest rate fluctuations could increase the finance cost, the total impact, in respect of borrowings on floating interest rate basis.

Interest rate sensitivity of borrowings

With all other variable held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on floating rate portion of loans and borrowings as on date.

Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

Currency	31st March, 2022		31st March, 2021	
	Increase/ decrease in base points	Impact on profit before tax an equity	Increase/ decrease in base points	Impact on profit before tax an equity
Term Loan	+0.50	(98.31)	+0.50	(55.35)
	-0.50	98.31	-0.50	55.35

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in foreign currency). The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

The Group's exposure to foreign currency risk at the end of the reporting period expressed in Rs. are as follows;

Currency	31st March, 2022		31st March, 2021	
	Foreign Currency	Indian Rupee	Foreign Currency	Indian Rupee
Financial liabilities				
Trade payables				
USD	103.13	7,886.41	22.35	1,653.61
CNY	0.43	5.10	-	-
Net exposure to foreign currency risk (liabilities)	103.56	7,891.51	22.35	1,653.61

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arise mainly from foreign currency denominated financial instruments.

Particulars	Impact on Profit and Loss for the year ended 31st March, 2022		Impact on Profit and Loss for the year ended 31st March, 2021	
	Gain/(Loss) on appreciation	Gain/(Loss) on depreciation	Gain/(Loss) on appreciation	Gain/(Loss) on depreciation
1% appreciation / depreciation in Indian Rupees against following foreign currencies				
Trade payables				
USD	(78.86)	78.86	(16.54)	16.54
CNY	(0.05)	0.05	-	-
	(78.92)	78.92	(16.54)	16.54

(iii) Commodity price risk

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

B) Liquidity Risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price.

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

Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Total current assets	60,807.44	28,303.18
Total current liabilities	54,822.79	28,633.17
Current ratio	1.11	0.99

Maturities analysis of financial liabilities:

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

Particulars	on demand	< 1 year	1-3 year	3-5 year	More than-5 years	Total
As at 31st March 2022						
Borrowings	9,399.63	11,807.00	7,624.96	5,556.87	3,996.65	38,385.11
Trade payable	-	26,920.70	-	-	-	26,920.70
Other financial liabilities	-	4,453.34	-	178.37	-	4,631.71
Lease liabilities (undiscounted)	-	246.59	443.78	468.12	896.69	2,055.19
	9,399.63	43,427.63	8,068.74	6,203.36	4,893.34	71,992.71

Particulars	on demand	< 1 year	1-3 year	3-5 year	More than-5 years	Total
As at 31st March 2021						
Borrowings	3,004.53	6,616.78	4,477.32	3,243.22	988.27	18,330.12
Trade payable	-	15,334.73	-	-	-	15,334.73
Other financial liabilities	-	2,017.14	-	242.48	-	2,259.62
Lease liabilities (undiscounted)	-	107.36	50.35	1.50	7.50	166.71
	3,004.53	24,076.01	4,527.67	3,487.20	995.77	36,091.18

C) Credit Risk

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

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

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

The trade receivables position is provided here below:

Particulars	As at 31st March, 2022	As at 31st March, 2021
Total receivables (note 5)	21,332.74	14,725.64
Receivables individually in excess of 10% of the total receivables	5,356.00	8,144.37
Percentage of above receivables to the total receivables of the Group	25.11%	55.31%

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

38 SEGMENT INFORMATION

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

39 CAPITAL MANAGEMENT

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

Particulars	As at 31st March, 2022	As at 31st March, 2021
Non-current borrowings (note 15)	17,178.48	8,708.81
Current borrowings (note 15)	17,472.34	6,562.69
Current maturities of long term borrowings (note 15)	3,734.29	3,058.62
Total debts	38,385.11	18,330.12
Less: Cash and cash equivalent (note 12(a))	(2,385.29)	(741.93)
Net Debt (A)	35,999.82	17,588.19
*Total equity (note 13 & note 14) (B)	31,229.80	19,246.88
Gearing ratio (A/B)	115.27%	91.38%

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March 2022 and 31st March, 2021.

40 CONTINGENCIES AND COMMITMENTS

- i) Contingent Liabilities (to the extent not provided for)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Claims against the group not acknowledged as debts (excluding interest & penalty)		
- Central Excise (FY 2008-09 to 2011-12)	765.73	765.73
- Anti-Dumping duty on Import	738.54	-
- Claims by third party	47.59	-
	1,551.86	765.73

- (a) Excise department has issued show cause notice dated 22nd December, 2011 for Rs 765.73 in respect of CTV sold to ELCOT, Tamil Nadu (a Govt. of Tamil Nadu undertaking) during the period February 2009 to October 2011 for free distribution by the state Govt. to poor section of the people by paying excise duty on the basis of value determined under section 4A instead of determining the value under section 4 of the Central Excise Act, 1944. The department has the contention that sale is institutional sale & valuation based on MRP under Section 4A is not applicable to the sale to ELCOT. The appeal made by the Group was allowed by the CESTAT, New Delhi vide order dated 12th March, 2014. However, the excise department has filed the appeal with Supreme Court, which has been admitted by the Supreme Court on 5th January, 2015 by condoning the delay in filing the appeal. This matter was last time listed on 2nd January, 2017. Case is pending before Supreme Court for final decision.
- (b) Directorate of Revenue Intelligence (DRI) had conducted a search on the factory premises of the parent company and the residence of the Promoters on 8th March 2011. The group has deposited Rs 145 lakhs as anti-dumping duty on import of CPT during the period from May 2010 to Dec 2010, which is refunded later on. A show cause notice dated 29th May 2015 has been issued on the group and raised the demand of Anti-Dumping Duty worth Rs. 738.54 lakhs along with interest and penalty. The Principal Commissioner of custom has passed an order dated 28th February 2017, confirming the demand of Rs. 738.54 lakhs along with interest & penalty. The group has filed an appeal before CESTAT, Allahabad Bench on 1st June 2017. The CESTAT vide its order dated 18th June 2019 has allowed the appeal in favour of the group and refunded the deposited amount and set aside the order passed by Principal Commissioner of customs, Noida. However, the Department has filed a Civil Appeal (No. 6544/2020) against the aforesaid Final order of CESTAT, Allahabad dated 18th June 2019. But till date no hearing was held at Hon'ble Supreme Court and no stay has been granted to the Department.

Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

- (c) The group has received a notice under the jurisdiction of West District, Tis Hazari Court, Delhi from M/s Polyblends (India) Pvt. Ltd for recovery of outstanding amount of Rs. 45.54 lakhs with respect to purchase of plastic raw material and plastic filled compounds. The authorised representative appeared on behalf of the group on 20th May, 2022 before the Hon'ble Court. The Hon'ble Court directed the Company to file written statements. The next date of hearing is on 21st July, 2022.

The group has received a notice under the jurisdiction of West District, Tis Hazari Court, Delhi from M/s Niyati Industries through Mr. Vijay Jain for recovery of outstanding amount of Rs. 2.04 lakhs with respect to job work of re-enforced (Polystyrene) of plastic raw materials. The authorised representative appeared on behalf of the group on 12th May, 2022 before the Hon'ble Court and filed the written statements. The Hon'ble Court referred the matter to the Mediation Centre, THC, Delhi for 23rd May, 2022 at 02:00 PM. However, the matter could not be settled through mediation. The next date of hearing is on 23rd July, 2022.

ii) Commitments

Particulars	As at	As at
	31st March, 2022	31st March, 2021
Estimated amount of contracts remaining to be executed on Capital account and not provided for (Net of advances)	1,403.55	1,288.52
Other Commitments*	74.40	-
	1,477.95	1,288.52

* During the year, Group has entered into an agreement with the Solar Stream Renewable Services Private Limited to invest Rs. 99.20 lakhs in 3 tranches in the equity shares of the group. Till 31st March 2022, group has invested Rs. 24.80 lakhs for tranche 1 and 1A, remaining amount to be invested in upcoming year.

41 DETAILS REQUIRED UNDER SECTION 22 OF MICRO, SMALL AND MEDIUM ENTERPRISE DEVELOPMENT ACT, 2006

Based on the intimation received by the Group from its suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the relevant information is provided here below:

Particulars	As at	As at
	31st March, 2022	31st March, 2021
The principle amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;		
(i) Principal Amount	1,358.05	1,104.25
(ii) Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the suppliers beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the year on delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006,	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due above are actually paid to the Small enterprise, for the purpose of disallowances of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006,	-	-

42 CORPORATE SOCIAL RESPONSIBILITY (CSR)

The group has contributed NIL towards CSR activities during financial year 2021-22 (Previous Year Rs Nil). However, the group does not fall under the ceiling limit as prescribed under section 135 of the companies act 2013.

Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

43 STANDARD NOTIFIED BUT NOT YET EFFECTIVE

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1st April, 2022. These amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

44 EVENTS AFTER BALANCE SHEET DATE

No adjusting or significant non-adjusting events have occurred between the reporting date and date of authorization of these consolidated financial statements.

45 RECONCILIATION OF QUARTERLY BANK RETURNS

(i). Parent Company

Name of the Bank	Particulars	Quarter	Amount as per books	Amount as per reported in quarterly returns	Amount of Difference
State Bank of India	Inventory	31st March 2022	7,268.12	7,186.97	81.15
	Debtors	31st March 2022	10,538.68	10,538.69	(0.01)
	Creditors-LC creditors only)	31st March 2022	(2,555.87)	(2,556.00)	0.13
	Net Total	31st March 2022	15,250.93	15,169.65	81.28
	Inventory	31st December 2021	5,813.38	5,838.98	(25.60)
	Debtors	31st December 2021	8,985.99	8,985.99	0.00
	Creditors-LC creditors only)	31st December 2021	(1,988.01)	(1,241.00)	(747.01)
	Net Total	31st December 2021	12,811.36	13,583.96	(772.60)
	Inventory	30th September 2021	6,125.00	6,065.33	59.67
	Debtors	30th September 2021	7,608.39	7,608.39	(0.00)
	Creditors-LC creditors only)	30th September 2021	(1,872.70)	(1,266.00)	(606.70)
	Net Total	30th September 2021	11,860.68	12,407.72	(547.03)
	Inventory	30th June 2021	4,216.34	4,174.91	41.43
	Debtors	30th June 2021	4,360.22	4,386.14	(25.92)
	Creditors-LC creditors only)	30th June 2021	(1,678.20)	(1,221.00)	(457.20)
Net Total	30th June 2021	6,898.36	7,340.05	(441.69)	
HDFC Bank	Inventory	31st March 2022	13,074.91	12,560.15	514.76
	Debtors	31st March 2022	6,754.04	6,754.04	-
	Creditors-Trade & LC creditors	31st March 2022	(11,070.84)	(11,070.84)	-
	Net Total	31st March 2022	8,758.11	8,243.35	514.76
	Inventory	31st December 2021	9,817.62	9,553.49	264.13
	Debtors	31st December 2021	7,596.88	7,596.68	0.20
	Creditors-Trade & LC creditors	31st December 2021	(10,932.30)	(10,024.22)	(908.08)
	Net Total	31st December 2021	6,482.20	7,125.95	(643.75)
	Inventory	30th September 2021	4,712.11	4,625.84	86.26
	Debtors	30th September 2021	3,772.24	3,772.24	-
	Creditors-Trade & LC creditors	30th September 2021	(3,117.41)	(2,992.55)	(124.85)
	Net Total	30th September 2021	5,366.93	5,405.52	(38.59)
	Inventory	30th June 2021	4,556.09	4,562.70	(6.61)
	Debtors	30th June 2021	2,610.07	2,610.08	(0.01)
	Creditors-Trade & LC creditors	30th June 2021	(2,600.91)	(2,596.11)	(4.80)
Net Total	30th June 2021	4,565.25	4,576.66	(11.42)	

Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

Note for discrepancies

- The difference in inventory is due to goods in transit included in books of accounts which is not considered in DP statements filled with bankers.
- The difference in creditors is due to Letter of credit taken in books of account on the basis of LC open with banks but in DP statements are taken on basis of acceptances.
- The difference in debtors is due to subsequent adjustment made in the books of account which is not considered in DP statements filled with bankers.

(ii). Subsidiaries Company

Name of the Bank	Particulars	Quarter	Amount as per books	Amount as per reported in quarterly returns	Amount of Difference
HDFC Bank	Inventory	31st March 2022	8,301.88	8,114.20	187.68
	Debtors	31st March 2022	5,502.96	5,502.96	-
	Creditors-Trade & LC creditors	31st March 2022	8,619.79	8,619.79	-
	Net Total	31st March 2022	22,424.64	22,236.96	187.68
	Inventory	31st December 2021	3,309.92	3,286.78	23.15
	Debtors	31st December 2021	1,997.79	1,997.79	-
	Creditors-Trade & LC creditors	31st December 2021	3,605.61	3,605.96	(0.36)
	Net Total	31st December 2021	8,913.31	8,890.53	22.79

Note for discrepancies

- The difference in inventory is due to goods in transit included in books of accounts which is not considered in DP statements filled with bankers.

46 OTHER STATUTORY INFORMATION

- The Group does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Group does not have any transactions with companies struck off Company.
- The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Group is not a declared wilful defaulter by any bank or financial Institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended 31 March 2022 and 31 March 2021.
- The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Notes to the Consolidated Financial Statements

for the year ended 31st march, 2022

(All Amounts are in Rupees lakhs, unless otherwise stated)

47 GROUP INFORMATION

The Consolidated financial statement of the group includes entities as mentioned below;

S No.	Name of entity	Country of Incorporation	Nature	Ownership interest held by the group	Year Ended	Net Assets i.e total assets minus total liabilities		Share in profit and loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
						As % of consolidated net assets	Amount (Rs. In lakhs)	As % of consolidated net assets	Amount (Rs. In lakhs)	As % of consolidated net assets	Amount (Rs. In lakhs)	As % of consolidated net assets	Amount (Rs. In lakhs)
(I) Parent													
	PG Electroplast Limited	India	Parent Company		31st March 2022	98.63%	30,802.20	88.11%	3,296.78	135.95%	64.02	88.71%	3,360.80
					31st March 2021	100.00%	19,247.11	100.05%	1,161.75	100.00%	52.20	100.05%	1,213.95
(II) Subsidiaries having no non-controlling interest													
	PG Technoplast Private Limited	India	Wholly owned subsidiary	100.00%	31st March 2022	25.62%	8,000.57	13.37%	500.22	-35.95%	(16.93)	12.76%	483.30
				100.00%	31st March 2021	0.00	1.43	-0.05%	(0.57)	0.00%	-	-0.05%	(0.57)
	PG Plastronics Private Limited	India	Wholly owned subsidiary	100.00%	31st March 2022	0.00%	(0.60)	-0.02%	(0.60)	0.00%	-	-0.02%	(0.60)
				100.00%	31st March 2021	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	Elimination on Consolidation				31st March 2022	-24.25%	(7,572.37)	-1.47%	(54.87)	0.00%	-	-1.45%	(54.87)
					31st March 2021	-0.01%	(1.66)	0.00%	-	0.00%	-	0.00%	-
	Total - 31st March 2022					100.00%	31,229.80	100.00%	3,741.54	100.00%	47.09	100.00%	3,788.63
	Total - 31st March 2021					100.00%	19,246.88	100.00%	1,161.18	100.00%	52.20	100.00%	1,213.38

48 Previous year figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As Per Our Report of Even Date Attached

For **S.S.Kothari Mehta & Company**

Chartered Accountants

Firm Registration No. 000756N

Amit Goel

Partner

M. No. 500607

Place: Greater Noida, U.P.

Dated:28th May,2022

For and on behalf of Board of Directors

PG Electroplast Ltd

Anurag Gupta

Chairman & Executive Director

DIN-00184361

Sanchay Dubey

Company Secretary

ACS No:A51305

Vishal Gupta

Managing Director - Finance

DIN-00184809

Promod C Gupta

Chief Financial Officer

GENERAL INFORMATION

- Our Company was incorporated as ‘*PG Electroplast Private Limited*’ on March 17, 2003, as a private limited company under the Companies Act, 1956, as amended pursuant to a certificate of incorporation granted by the RoC. Subsequently, pursuant to a special resolution passed at the meeting of the shareholders of our Company at an extraordinary general meeting held on July 15, 2010, our Company became a public limited company, and the name of our Company was changed to “PG Electroplast Limited” and consequently, a fresh certificate of incorporation, dated August 6, 2010, was issued by the RoC. For further details, see the section titled, “*Organisational Structure of our Company*” on page 231.
- The Equity Shares of our Company were listed on BSE Limited and the NSE Limited on September 26, 2011. Our Company has received in-principle approvals to list the Equity Shares to be issued pursuant to the Issue from each BSE and NSE on December 4, 2024, under Regulation 28(1) of the SEBI Listing Regulations.
- Our Registered Office is located at DTJ-209, 2nd Floor, DLF Tower B-Jasola, Plot 11 Non-Hierarchical Commercial Centre, Jasola New Delhi – 110 025 Delhi, India.
- Our Corporate Office is located at P – 4/2 to 4/6, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida, Dist. Gautam Budh Nagar – 201 306, Uttar Pradesh, India,
- The CIN of the Company is L32109DL2003PLC119416.
- The website of our Company is www.pgel.in.
- The authorised share capital of our Company is ₹350,000,000 divided into 350,000,000 Equity Shares of ₹1 each.
- The Issue was authorised and approved by the Board pursuant to the resolution dated October 19, 2024, and by our Shareholders through resolution on November 13, 2024. Our Company has been authorised to raise funds up to ₹ 15,000 million by way of issue of securities including the Equity Shares.
- In compliance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CRISIL Ratings Limited as the Monitoring Agency, for monitoring the utilisation of the proceeds in relation to the Issue. The Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.
- As of the date of this Preliminary Placement Document, our Company has registered its logo under class 9 and class 11 of the Trademarks Act, respectively.
- Copies of our Memorandum of Association and Articles of Association will be available for inspection between 9:30 am to 5:30 pm on any weekday (except Saturdays and public holidays) at our Corporate Office.
- Except as disclosed in this Preliminary Placement Document, our Company has obtained all necessary consents, approvals and authorisations as may be required in connection with the Issue.
- There has been no material change in the financial or trading position of our Company since September 30, 2024, the date of the Unaudited Interim Condensed Consolidated Financial Statements prepared in accordance with applicable accounting standards included in this Preliminary Placement Document, except as disclosed herein.
- Except as disclosed in this Preliminary Placement Document, there are no material litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue. For further details, see “*Legal Proceedings*” on page 279.
- As on the date of this Preliminary Placement Document, S S Kothari Mehta & Co. LLP, Chartered Accountants, having Firm Registration No. 000756N is the statutory auditor of our Company
- No change in the control of our Company will occur consequent to the Issue.
- Our Company is in compliance with the minimum public shareholding requirements as required under the SEBI Listing Regulations and Rule 19A of the SCRR.
- The Floor Price is ₹ 705.18 per Equity Share, calculated in accordance with the provisions of Chapter VI of the SEBI ICDR Regulations, as certified by our Statutory Auditor, S S Kothari Mehta & Co. LLP, Chartered Accountants. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of our Board resolution dated October 19, 2024 and the shareholders of the Company accorded through a resolution dated November 13, 2024, and Regulation 176(1) of the SEBI ICDR Regulations.

- Our Company and the BRLM accept no responsibility for statements made otherwise than in this Preliminary Placement Document and anyone placing reliance on any other source of information, including our website, would be doing so at their own risk.

- Sanchay Dubey is the Company Secretary and Compliance Officer of our Company. His details are as follows:

Sanchay Dubey

Company Secretary and Compliance Officer

PG Electroplast Limited

DTJ-209, 2nd Floor, DLF Tower B-Jasola,

Plot 11 Non-Hierarchical Commercial Centre,

Jasola New Delhi – 110 025

Delhi, India

Tel: +91 120 2569323

E-mail: investors@pgel.in

DETAILS OF PROPOSED ALLOTTEES

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made at the sole and absolute discretion of our Company, in consultation with the BRLM, to Eligible QIBs. The names of the proposed Allottees and the percentage of post-Issue capital that may be held by them is set forth below. These details of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, will be included in the Placement Document to be sent to such proposed Allottees.

S. No.	Name of the proposed Allottees	Percentage of the post-Issue share capital held (%) ⁽¹⁾⁽²⁾
1.	[●]	[●]
2.	[●]	[●]
3.	[●]	[●]
4.	[●]	[●]
5.	[●]	[●]
6.	[●]	[●]
7.	[●]	[●]
8.	[●]	[●]
9.	[●]	[●]
10.	[●]	[●]

(1) Based on beneficiary position as on [●]

(2) Subject to receipt of funds and allotment in the Issue. The above table has been intentionally left blank and shall be updated in the Placement Document.

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

Signed by:

Vishal Gupta
Managing Director, Finance

Date: December 4, 2024

Place: Supa, Ahmednagar

DECLARATION

We, the Board of the Company, certify that:

- (i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;
- (ii) the compliance with the Companies Act, 2013 and the rules thereunder does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government;
- (iii) the monies received under the Issue shall be used only for the purposes and objects indicated in this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4).

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

Signed by:

Vishal Gupta
Managing Director, Finance

I am authorized by the Board of the Company, *vide* resolution dated December 4, 2024 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed:

Vishal Gupta
Managing Director, Finance

Date: December 4, 2024

Place: Supa, Ahmednagar

PG ELECTROPLAST LIMITED

CIN: L32109DL2003PLC119416

Registered Office

DTJ-209, DLF Tower-B, Jasola,
Plot 11, Non-Hierarchical Commercial Centre,
New Delhi-110025

Corporate Office

P-4/2 to 4/6, P-4/2 to 4/6, Site-B,
UPSIDC Industrial Area,
Surajpur, Greater Noida,
Gautam Budh Nagar, Uttar Pradesh – 201306

Tel: +91 114 1421 439

Email: investors@pgel.in

Website: www.pgel.in

CIN: L32109DL2003PLC119416

Contact Person:

Sanchay Dubey

Designation: Company Secretary and Compliance Officer

Tel: +91 120 2569323

E-mail: investors@pgel.in

Address: DTJ-209, DLF Tower-B, Jasola,
Plot 11, Non-Hierarchical Commercial Centre,
New Delhi-110025

BOOK RUNNING LEAD MANAGER

JM Financial Limited

7th floor, Cnergy Appasaheb Marathe Marg Prabhadevi
Mumbai, 400 025 Maharashtra, India

STATUTORY AUDITORS OF OUR COMPANY

S S Kothari Mehta & Co. LLP, Chartered Accountants

Plot No. 68, Okhla Industrial Area,
Phase-III, New Delhi – 110020
New Delhi, India

LEGAL COUNSEL TO THE ISSUE AS TO INDIAN LAW

Trilegal

One World Centre
10th Floor, Tower 2A and 2B
Senapati Bapat Marg
Lower Parel (West), Mumbai 400 013
Maharashtra, India


**INTERNATIONAL LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGER WITH RESPECT TO
SELLING AND TRANSFER RESTRICTIONS**

Hogan Lovells Lee & Lee

50 Collyer Quay
#10-01 OUE Bayfront
Singapore - 049321
Republic of Singapore

SAMPLE APPLICATION FORM

“An indicative form of the Application Form is set forth below:”

 PG Electroplast Limited	APPLICATION FORM
<p><i>(Incorporated in the Republic of India under the provisions of the Companies Act, 1956)</i> Registered Office: DTJ-209, 2nd Floor, DLF Tower B-Jasola, Plot 11, Non-Hierarchical Commercial Centre, Jasola, New Delhi – 110 025 Delhi, India Corporate Office: P-4/2 to 4/6, Site-B, UPSIDC Industrial Area, Surajpur, Greater Noida, Dist. Gautam Budh Nagar – 201 306, Uttar Pradesh, India Telephone: +91 114 1421 439 Facsimile: +91 12025 69131 Contact Person: Sanchay Dubey, Company Secretary and Compliance Officer E-mail address: investors@pgel.in Website: https://www.pgel.in/ CIN: L32109DL2003PLC119416 LEI: 335800KCTBN8PT395N87 ISIN: INE457L01029</p>	Name of Bidder: _____ Form No: _____ Date: _____

QUALIFIED INSTITUTIONS PLACEMENT OF [●] EQUITY SHARES OF FACE VALUE ₹ 1 EACH (THE “EQUITY SHARES”) FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (“ISSUE PRICE”), INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE, AGGREGATING TO ₹ [●] MILLION UNDER CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE “SEBI ICDR REGULATIONS”) AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE “COMPANIES ACT”), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE “PAS RULES”), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER BY PG ELECTROPLAST LIMITED (THE “COMPANY”) (HEREINAFTER REFERRED TO AS THE “ISSUE”). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 705.18 AND THE COMPANY MAY OFFER A DISCOUNT ON THE FLOOR PRICE IN TERMS OF REGULATION 176(1) OF THE SEBI ICDR REGULATIONS AND IN ACCORDANCE WITH THE APPROVAL OF ITS SHAREHOLDERS.

Only Qualified Institutional Buyers (“QIBs”) as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and who (a) are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, (b) which are not prohibited or debarred by any regulatory authority for buying or selling or dealing in securities or restricted from participating in the Issue under the SEBI ICDR Regulations including foreign exchange related laws and other applicable laws; (c) hold a valid and existing registration under the applicable laws in India (as applicable); and (d) are eligible to invest in the Issue and submit this Application Form. In addition to the foregoing, with respect to the Issue, Eligible QIBs shall consist of QIBs which are residents in India or Eligible FPIs (as defined herein below) participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 (“FEMA Rules”), can submit this Application Form. However, except as provided herein, other non-resident QIBs, in terms of the FEMA Rules, are not permitted to participate in the Issue. The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or any state securities laws in the United States, and unless so registered, and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable U.S. state securities laws. You understand that the Equity Shares offered in the Issue are being offered and sold only outside the United States in “offshore transactions”, as defined in, and in reliance on, Regulation S under the Securities Act (“Regulation S”) and you represent that you were outside the United States when the offer to purchase the Equity Shares was made to you and you are currently outside the United States and that you are not acquiring or subscribing for the Equity Shares as a result of any “directed selling efforts” (as defined in Regulation S). You should note and observe the solicitation and distribution restrictions contained in the sections titled “Selling Restrictions” and “Transfer Restrictions and Purchaser Representations” beginning on pages 259 and 266, respectively in the accompanying preliminary placement document dated December 4, 2024 (the “PPD”).

ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THIS ISSUE, UNDER SCHEDULE II OF THE FEMA RULES, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. ALLOTMENTS MADE TO AIFs AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, INCLUDING THE FEMA RULES. PURSUANT TO FDI POLICY READ ALONG WITH PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA NON DEBT RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE, AS PRESCRIBED IN THE FEMA RULES AND SHALL HAVE TO BE IN CONFORMITY WITH THE APPLICABLE PROVISIONS OF THE FEMA RULES. ALLOTMENTS MADE TO AIFs AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY INCLUDING THE FEMA RULES. OTHER ELIGIBLE NON-RESIDENT QIBS SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES. FVCI ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE. FVCI ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

STATUS (Please ☐)			
FI	Scheduled Commercial Banks and Financial Institutions	AIF	Alternative Investment Fund*
MF	Mutual Funds	IF	Insurance Funds
FPI	Eligible Foreign Portfolio Investors**	NIF	National Investment Fund
VCF	Venture Capital Funds*	SI-NBFC	Systemically Important Non-Banking Financial Companies
IC	Insurance Companies	OTH	Others _____ (Please specify)

Total shares currently held by QIB or QIBs belonging to the same group or those who are under common control. For details of what constitutes “same group” or “common control”, see “Application Form” under Issue Procedure section of the PPD.

* Sponsor and Manager should be Indian owned and controlled.

**Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue

To,

The Board of Directors

PG ELECTROPLAST LIMITED

DTJ-209, 2nd Floor, DLF Tower B-Jasola,

Plot 11, Non-Hierarchical Commercial Centre, Jasola,

New Delhi – 110 025 Delhi, India

Dear All,

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, at the terms and price indicated below. We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the PPD and this Application Form. We confirm that we are an Eligible QIB as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations. We are not a promoter of the Company directly or indirectly (as defined in the SEBI ICDR Regulations), or any person related to the promoters of the Company, directly or indirectly and this Application Form does not directly or indirectly represent the promoter or promoter group or persons related to the promoter. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with promoters or persons related to promoters of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company. We confirm that we are either an Eligible QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Non- Debt Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue.

We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**"). We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations. We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted a separate Application Form, and asset management companies of mutual funds have specified the details of each scheme for which the application is being made along with the Bid Amount and number of shares to be Allotted under each scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant authorisations. We note that the Company is entitled, in consultation with JM Financial Limited (the "**BRLM**"), in its sole discretion, to accept or reject this Application Form without assigning any reason thereof.

We hereby agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, Placement Document and the the confirmation of allocation note ("**CAN**"), when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of Application Form and the Bid Amount towards the Equity Shares that may be Allocated to us. The amount payable by us as Bid Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to the Bid/Issue Closing Date and such Bid Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the BRLM; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if we withdraw the Bid before Bid / Issue Closing Date, or if there is a cancellation of the Issue, or the listing of the Equity Shares does not occur in the manner described in the PPD, the Placement Document, the SEBI ICDR Regulations and other applicable laws, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We acknowledge and agree that (i) our names, address, contact details, PAN, bank account details and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLM; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, National Capital Territory of Delhi & Haryana at Delhi (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of the National Stock Exchange of India Limited and BSE Limited (together, the "**Stock Exchanges**"), and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the RBI and other applicable laws.

By signing and submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections "*Notice to Investors*", "*Representations by Investors*", "*Issue Procedure*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" sections of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the BRLM, each of whom is entitled to rely on, and is relying on, these representations and warranties in consummating the Issue.

By signing and submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section “Risk Factors” therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the BRLM or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document, this Application Form, CAN, when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Bid/Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the discretion of the Company, in consultation with the BRLM, and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLM; (8) if we are participating in the issue as an Eligible FPI, we are not an individual, body corporate or family office; (9) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the BRLM. For the purposes of this representation: The expression ‘belong to the same group’ shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other QIB; and ‘control’ shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; and (10) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

By signing and submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares. We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB.

We acknowledge that the Equity Shares offered in the Issue have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. **By signing this Application Form and checking the applicable box above, we hereby represent, warrant, acknowledge and agree that we are located outside the United States and purchasing the Equity Shares in an ‘offshore transaction’ as defined in, and in reliance on, Regulation S and in compliance with the applicable laws of the jurisdiction where those offers and sales are made.**

BIDDER DETAILS (in Block Letters)		
NAME OF BIDDER*		
NATIONALITY		
REGISTERED ADDRESS		
CITY AND CODE		
COUNTRY		
TELEPHONE NO.	FAX.	
EMAIL ID		
FOR ELIGIBLE FPIs**	SEBI FPI REGISTRATION NO. _____	
FOR MFs	SEBI MF REGISTRATION NO. _____	
FOR AIFs***	SEBI AIF REGISTRATION NO. _____	
FOR VCFs***	SEBI VCF REGISTRATION NO. _____	
FOR SI-NBFC	RBI REGISTRATION DETAILS _____	
FOR INSURANCE COMPANIES	IRDAI REGISTRATION DETAILS _____	
FOR PENSION FUNDS	PFRDA REGISTRATION DETAILS-----	

*Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the Bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Issuer and the BRLM.

****In case you are an FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.**
*****Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.**

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under Form PAS-4 of the PAS Rules. For such information, the BRLM will rely on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

ESCROW ACCOUNT - BANK ACCOUNT DETAILS FOR PAYMENT OF AMOUNT THROUGH ELECTRONIC FUND TRANSFER REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER BY [2.00 PM] (IST), [DATE], [DAY]	
Name of the Account	PG Electroplast Limited QIP Escrow Account 2024
Name of the Bank	Yes Bank Limited
Address of the Branch of the Bank	Ground Floor, Mayank Arcade, Dadri Main Road, Surajpur, Noida, UP-201306
Legal Entity Identifier Code	335800KCTBN8PT395N87
Account Type	Escrow Account
Account Number	002581000000043
IFSC	YESB0000025
Tel No.	+91 9643509081
E-mail	ashish.gupta6@yesbank.in

The Bid Amount should be transferred pursuant to the Application Form. All payments must be made only by way of electronic funds transfer, in favour of "PG Electroplast Limited QIP Escrow Account 2024". Payment of the entire Bid Amount should be made along with the Application Form on or before the closure of the Bid/Issue Period, i.e., prior to the Bid/Issue Closing Date. **The payment for subscription to the Equity Shares Allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.**

DEPOSITORY ACCOUNT DETAILS										
Depository Name(Please <input type="checkbox"/>)	National Security Depository Limited					Central Depository Services (India) Limited				
Depository Participant Name										
DP – ID	I	N								
Beneficiary Account Number										

(16-digit beneficiary account. No. to be mentioned above)

The Demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. **However, for the purpose of refund, if any, only the bank details as mentioned below, from which remittance towards subscription has been made, will be considered.**

The Bidders are responsible for the accuracy of the bank account details mentioned below and acknowledge that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank account details provided by them. The Company and the BRLM shall not be liable in any manner for refunds that are not processed due to incorrect bank account details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	
NO. OF EQUITY SHARES BID		PRICE PER EQUITY SHARE (RUPEES)	
(In figures)	(In words)	(In figures)	(In words)
BID AMOUNT (RUPEES)			
(In Figures)		(In Words)	

DETAILS OF CONTACT PERSON			
NAME			
ADDRESS			
TEL. NO.		FAX NO.	
EMAIL			

OTHER DETAILS	
PAN*	

ENCLOSURES ATTACHED
Attested/ certified true copy of the following: <ul style="list-style-type: none"> Copy of PAN Card or PAN allotment letter

Legal Entity Identifier Code (“LEI”)		<ul style="list-style-type: none"> • Copy of FPI Registration Certificate /MF Registration certificate / SEBI certificate of registration for AIFs/VCF/SI-NBFC/IC/IF • Certified copy of the certificate of registration issued by the RBI as an SI-NBFC/ a Scheduled Commercial Bank • Copy of notification as a public financial institution • FIRC • Copy of IRDAI registration certificate • Intimation of being part of the same group • Certified true copy of power of attorney • Other, please specify
Date of Application		
Signature of Authorised Signatory (<i>may be signed either physically or digitally</i>)**		

**It is to be specifically noted that the Bidder should not submit the GIR Number or any other identification number instead of the PAN as the applications are liable to be rejected on this ground, unless the Bidder is exempted from the requirement of obtaining a PAN number under the Income-tax Act, 1961.*

***A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practical.*

**** The Application Form is liable to be rejected if any information provided is incomplete and / or inadequate.*

Note:

- (1) Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD and PD, unless specifically defined herein.
- (2) The application form is liable to be rejected if any information provided is incomplete or inadequate at the discretion of the Company in consultation with the BRLM. The duly filed Application Form along with all enclosures shall be submitted to the BRLM either through electronic form at the email mentioned in the PPD or through physical deliver at the address mentioned in PPD.
- (3) This Application Form, the PPD and the Placement Document sent to you/ be sent to you, either in physical form or electronic form or both, are specific to you and you may not distribute or forward the same and are subject to disclaimer and restrictions contained in or accompanying these documents.

(Note: The format of the Application Form included herein above is indicative and for the illustrative purposes only and no Bids in this Issue can be made through the sample Application Form. The Company, in consultation with the BRLM, shall identify Eligible QIBs and circulate serially numbered copies of this Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of this Preliminary Placement Document and the Application Form and not on the basis of the indicative format above.)