



PG ELECTROPLAST LIMITED

Annual Report

2010-11



NOTICE FOR THE ANNUAL GENERAL MEETING

Notice is hereby given that an Annual General Meeting of the members of **PG ELECTROPLAST LIMITED** will be held on Tuesday, 14th day of June, 2011 at 11.00 a.m. at Hotel The Lalit, Barakhamba Avenue, Connaught Place, New Delhi – 110001 to transact the following business: -

Ordinary Business

1. To receive, consider and adopt the audited balance sheet as on 31st March, 2011 and Profit & Loss account for the period ended on 31st March, 2011 together with the report of the Auditors and Directors thereon.
2. To appoint auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to approve the remuneration as fixed by Board.
3. To re-appoint Mr. P P Malhotra as the director in the event of retirement of director by rotation in terms of section 256 of the Companies Act, 1956.
4. To re-appoint Mr. Suresh Chandra Gupta as the director in the event of retirement of director by rotation in terms of section 256 of the Companies Act, 1956.
5. To re-appoint Mr. Vikas Gupta as the director in the event of retirement of director by rotation in terms of section 256 of the Companies Act, 1956.

Special Business

6. APPOINTMENT OF MR. PRAMOD KUMAR MITRA AS DIRECTOR

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

“Resolved that Mr. Pramod Kumar Mitra, who was appointed as an Additional Director of the company, by the Board of Directors under Section 260 of the Companies Act 1956 and who shall hold office up to the date of this Annual General Meeting and for the appointment of whom the company had received a notice under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of the Director and that he has given his consent and is not disqualified to be appointed as a Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

7. BORROWING UNDER SECTION 293(1)(d)

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

“RESOLVED THAT pursuant to section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, consent of the shareholders be and is hereby accorded to the Board of Directors of the Company to borrow such sums of moneys from time to time, as they may deem requisite for the purpose of business of the company with or without security and upon such terms and conditions as the Board may think fit, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the company (apart from the temporary loans borrowed from the company’s bankers in the ordinary course of business) exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided the total sum so borrowed by the Board of Directors shall not exceed at any point of time a sum of Rs. 300 Crores (Rupees Three Hundred Crore only), exclusive of interest.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do and execute all such acts, deeds and things including executing such deeds of mortgage, charge, hypothecation, lien, promissory notes and other instruments or writing as they may think fit and containing such conditions and covenants as may be necessary for giving effect to the above resolution.”

8. APPROVAL UNDER SECTION 293(1)(a)

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

“RESOLVED THAT pursuant to section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 consent of the shareholders be and is hereby accorded to the Board of Directors of the Company to create, charge, hypothecate, mortgage, pledge any movable or immovable properties of the Company where so ever situated, both present and future and the whole or substantially whole of the undertaking of the Company, for securing any loans/facilities/borrowings limits/LC limits obtained or as may be obtained from any banks, financial institutions, hire-purchase/lease companies, body corporate or any other persons together with interest, costs, charges, expenses and any other moneys payable, on such terms and conditions as the Board may think fit for the benefit of the Company and as agreed between the Board and lender towards security for the purpose of borrowing funds for the Company from time to time not exceeding Rs. 300 Crore (Rupees Three Hundred Crore only), at any point of time over and above the paid up capital and free reserves of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise the documents for creating mortgages, charges, hypothecations and to accept any alterations, changes, variations in terms and

conditions and to do all such acts, deeds and things as may be necessary for giving effect to the above resolution.”

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

**Date: 18.05.2011
Place: Greater Noida**

**(Promod Gupta)
Managing Director**

Note: -

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT A MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. THE INSTRUMENT OF APPOINTING PROXIES SHALL HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 (FORTY EIGHT) HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The documents relating with these businesses are available for inspection till the date of **Annual General Meeting** on all working days (except on Saturday and Sunday) at the Registered Office of the Company from 10:00 a.m. to 1:00 p.m.
4. Balance Sheet as on 31st March, 2011 and Profit & loss Account for the period ending on that date are enclosed.
5. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of Item Nos. 6 to 8 is appended hereto.

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

**Date: 18.05.2011
Place: Greater Noida**

**(Promod Gupta)
Managing Director**

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

Item Nos. 6

Mr. Pramod Kumar Mitra was appointed as Additional Director of the Company by the Board of Directors in their meeting. Pursuant to the provisions of Section 260 of the Companies Act, 1956 read with the Articles of Association of the Company, the term of office of the said Additional Director expire at the ensuing Annual General Meeting of the Company.

As required under Section 257 of the said Act, notices have been received from the member alongwith deposits of Rs. 500/- for candidate signifying their intention to propose them for the office of Director.

The Board recommends the appointment of aforesaid person as the Director of the Company for approval of the members.

Mr. Pramod Kumar Mitra deemed to be interested in the proposed resolution to the extent of his appointment as a Director.

Item Nos. 7 & 8

Under section 293 (1) (d) of the Companies Act, 1956, the Board of Directors of a company cannot, except with the consent of the company in general meeting, borrow monies, (apart from temporary loans from the company's banker, in the ordinary course of business) which may exceed the aggregate of the paid-up capital and free reserves of the company.

Further as per section 293 (1) (a) of the Companies Act, 1956 the Board of Directors of a company cannot, except with the consent of the company in general meeting, sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the company, or where the company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking.

Taking into consideration the requirements of additional funds to meet the cost of the company's capital expenditure programs and consequent need to create, charge, hypothecate, mortgage, pledge any movable or immovable properties of the Company. The consent of the shareholders is therefore, sought in accordance with the provisions of Section 293 (1)(d) and 293 (1) (a) of the Act, to enable the Board of Directors to increase the borrowing limit from Rs. 200 Cr. to the extent of Rs. 300 Crores.

The Board recommends the resolution for your approval.

None of the Directors of the Company are concerned and interested in the resolution.

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

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

**Date: 18.05.2011
Place: Greater Noida**

**Promod Gupta)
Managing Director**



PG ELECTROPLAST LIMITED

DIRECTORS' REPORT

Dear Shareholders,

Your Directors take immense pleasure in presenting the Directors' Report together with the Audited Accounts for the financial year ended on 31st March, 2011.

FINANCIAL PERFORMANCE

For the financial year ended 31st March, 2011 is as under:

(Rs. in Lacs)

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Income	42754.33	35335.76
Less: Expenditures	40430.77	34083.62
Prior Period Adjustments	Nil	Nil
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Profit before Tax	2323.56	1252.14
Provision for the Taxation :		
- Fringe Benefit Tax	Nil	Nil
- Current Tax	463.09	219.08
- Deferred Tax	72.41	46.68
- Income Tax for earlier years	2.73	Nil
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Profit after Tax	1785.33	986.38
Add: Balance brought forward from last year	1274.68	288.31
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Profit/ (Loss) carried to Balance Sheet	3060.01	1274.69

During the year under review the turnover increased significantly, this is due to completion of ELCOT Order and addition of Nine more moulding machine to the present production capacity. The Company has started production of CFL's at Roorkee factory. The Profit after Tax for the current financial year is of Rs. 1785.33 lacs as against Profit after Tax of Rs. 986.38 lacs during the previous financial year. With your continuous support we are looking forward for the same growth in the Financial Year 2011-12.

DIVIDEND

Your directors wish to plough back the profit of the Company in its operations so we are not recommending any dividend for the period under review.

RESERVES

Your Directors do not recommend any transfer to reserves for the period under review.

PUBLIC DEPOSITS

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

SUBSIDIARY COMPANY

Pursuant to Section 212 of the Companies Act, 1956, the Audited Statement of Accounts of 'Diamond Mattress Co. Private Limited', Wholly Owned Subsidiary of the Company is annexed to the Annual Report 2010-11 of the Company.

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

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

DIRECTORS RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the annual accounts, applicable accounting standards had been followed along with proper explanation relating to material departures,
- (ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the company for that period,
- (iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities,
- (iv) the directors have prepared annual accounts for the financial year 2009-10 on a going concern basis.

DIRECTORS

During the period under review Mr. L M Gupta, Independent Director of the Company has resigned from the directorship of the Company w.e.f. 08.03.2011.

Sh. P P Malhotra, Sh. Suresh Chandra Gupta and Sh. Vikas Gupta who retires by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

AUDITORS

M/s. Hem Sandeep & Co., Chartered Accountants, Delhi being retiring at the ensuing Annual General Meeting under the provisions of Section 224 of the Companies Act, 1956 offers for re-appointment as auditors of the Company. The necessary certificate

pursuant to the provisions of Section 224 (1B) of the Companies Act, 1956 has been received from them.

AUDITORS REPORT

M/s. Hem Sandeep & Co., Chartered Accountants, have given their report on accounts of the company for the Financial Year ending on 31st March 2011, the auditors report is self explanatory and there is no adverse remark, statement or qualification in their report.

STATUTORY DISCLOSURES

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

A) Conservation of energy:

(a.) Energy conservation measures taken:

i.) The Company has changed the power consuming Bulbs with power saving CFL's and has fitted the motion sensor systems at various place. To save on Electric Power consumption the Company has also installed the ultra modern molding machines which are environment friendly and energy saving.

ii.) More open space and glass window is provided in the proposed new constructions of the factory buildings so that sufficient natural light will be there during the day hours.

(b.) Additional investments and proposals:

i.) Installed high technology generator set which switches off automatically when the electricity supply resumes.

iv.) Regular inspection and oiling of the machinery so that less power consumption will be there.

c.) Impact of the measures taken:

With the measures taken at the point (a.) and (b.) above, the Company has saved the consumption of energy in relation to the sales and production.

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

(Rs. In Lacs)

<i>Power and Fuel consumption:</i>	<i>Current year (Rs.)</i>	<i>Previous year (Rs.)</i>
<i>Opening Stock</i>	5.22	2.68
<i>Electric Expenses</i>	273.43	215.57
<i>Diesel Expenses</i>	128.80	83.16

<i>Less: Closing stock</i>	<i>2.70</i>	<i>5.22</i>
<i>Total</i>	<i>404.75</i>	<i>296.20</i>

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

i.) Experienced Product design team keeps on developing new designs as per the requirements of the customers.

ii.) Process standardization for consistent quality to meet our customer requirements.

iii.) New process development to overcome working problems in production and manufacturing process.

C) Foreign Exchange Earnings/Outgo and Activities relating to Exports: -

Foreign Exchange Earnings : Nil

Foreign Exchange Outgo : Rs.10361.60 lacs

ACKNOWLEDGEMENT

We are grateful to our Shareholders, Employees, Bankers, Creditors and other Government and Private Agencies for their continuous cooperation and faith they have shown in the Company.

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

**Place: Greater Noida
Date: 18.05.2011**

**(Promod Gupta)
Chairman & Managing Director**