



BIGGER. BETTER.



BIGGER.

BIGGER

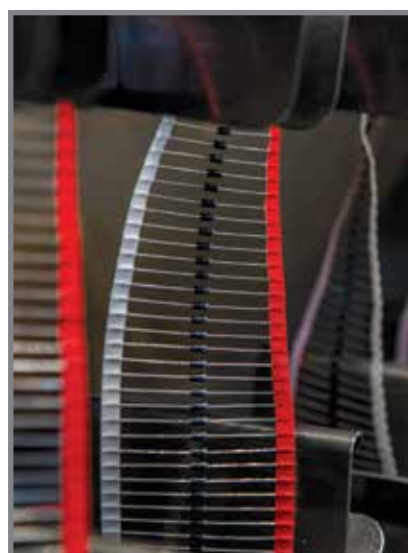
BETTER.

For us at PGEL, our credo in the year under review was to perform better than ever before and set the stage for bigger things to follow. And true to form, the year 2018-19 was a watershed year as reflected by our top line numbers, crossing ₹ 500 crore for the first time ever since our inception in 2003. This was possible because of our resilience to overcome adverse conditions and headwinds plaguing the industries we operate in. We achieved this feat by consolidating our core strengths of a sound business model, committed people, progressive work culture, and time-tested processes. Our penchant for doing things better manifested itself especially during the past few years when we developed capabilities and made a rather diversified expansion.

From a single one-dimensional plastic moulding business, we have graduated into a multi-dimensional corporate straddling diverse businesses that cover a wide spectrum of capabilities in the Electronic Manufacturing Services (EMS) space and Original Design Manufacturing (ODM) for our discerning OE customers.

Our unique position today is the bedrock on which we set our twin objective of achieving the tag of the fastest growing EMS Company in the industry as well as becoming one of the biggest EMS (Electronic Manufacturing Services) companies in the country. We have set our sights on doing things far better than competition and becoming bigger on our industry's canvas.





CAUTION REGARDING FORWARD LOOKING STATEMENTS

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

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

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Bigger Challenges. Better Performance.

In many ways FY19 was a rough year for the Indian economy mirroring the global economic situation posing a bigger challenge for us. The trickle-down effects of the policy initiatives such as demonetization and GST created turbulence in the industry especially the unorganized sectors. NBFC crisis added to the pain and affecting our businesses too.

We started the year under review facing huge first half challenges from lower demand for ACs and Coolers which are the main drivers of our revenue. The challenges in the second half came from the trough into which the NBFCs had fallen affecting the consumer durable demand significantly and thereby dampening our revenues further. However, we faced these challenges squarely and came back strongly in the fourth quarter achieving timely turnaround enabling us to achieve a record turnover.

The fourth quarter performance was a reflection of the resilience displayed by us as well as our ability to stay ahead of the learning curve. We did not let our performance in the first three quarters affect the fourth quarter performance. We had sown the seeds for weathering any kind of turbulence in the past few years with an accent on transforming our capabilities into productive output which helped us to tide over the situation. Indeed, bigger is always better for us.



Increased Financing Capacities

To meet business growth needs, PGEL improved its financing capacities. Converted promoter directors' interest free loan of ₹28 crore into 22.40 lakh equity shares, improving leverage ratios as well.





₹ 500 Crore
Turnover

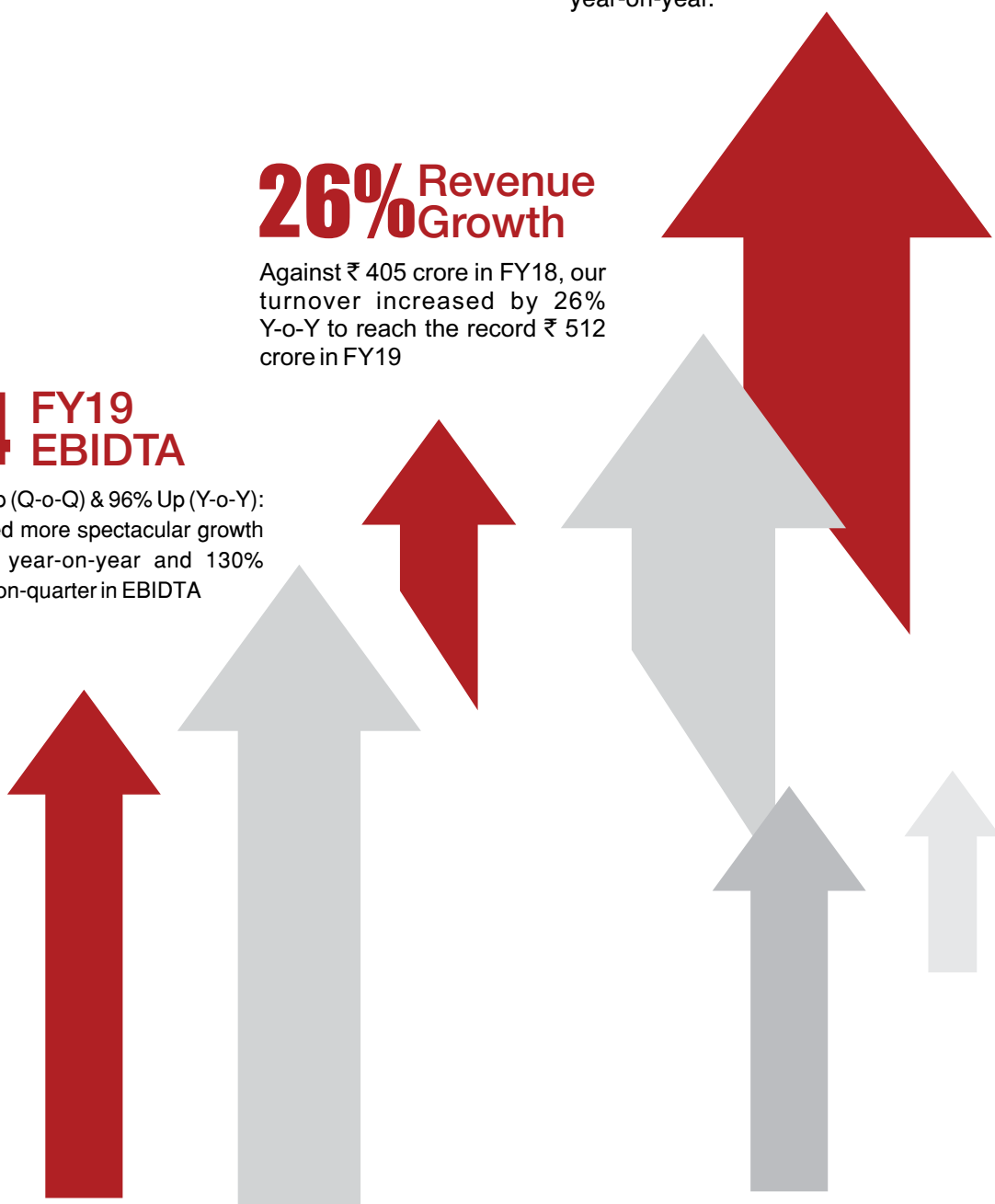
Best ever revenues in the history of the Company, crossing ₹ 500 crore. Recorded Q4 revenue growth of 59% quarter-on-quarter and 45% year-on-year.

26% Revenue
Growth

Against ₹ 405 crore in FY18, our turnover increased by 26% Y-o-Y to reach the record ₹ 512 crore in FY19

Q4 FY19
EBIDTA

130% Up (Q-o-Q) & 96% Up (Y-o-Y): Recorded more spectacular growth of 96% year-on-year and 130% quarter-on-quarter in EBIDTA





Better Strategy. Bigger Outcomes.

Our steady gradual growth in the initial years was marked by laying the foundation for bigger outcomes. This strategy bore fruit in the last few years when the turnover nearly doubled from ₹ 257 crore in FY16 to ₹ 512 crore in FY19 recording a CAGR of 18%.

We brainstormed to break down the strategy into smaller elements and implemented them with utmost sincerity to come out on top.

DIVERSIFICATION

The success of various businesses encourages entry into other untapped potential in existing businesses and new businesses which provide synergy with our capabilities and strengths



NEW PRODUCT ASSEMBLY

The success of the first model of washing machine assembly prompted the launch of the second model

PURSUIT OF OEM CLIENTS

Strategic relationships have been formed with large Tier-1 OEMs

JUDICIOUS BACKWARD INTEGRATION

We started thermoset moulding and developed capability for complete assembly of AC IDU including all parts such as cooling coil.

EFFICIENT FINANCIAL MANAGEMENT

We strengthened our balance sheet, converted promoter directors' loan into equity thus reducing debt allowing scope for more borrowings in the future, besides expanding our capital base

PURSUIT OF SET GOALS

We have been following a set of strategic goals to have clearly charted growth path. These included judicious investments in capacities and capabilities; tie-ups with key segment leaders; improvements in operational efficiencies including operating margins; achievement of higher scale and exploring opportunities in Air conditioner product segments under ODM model

NEW CLIENT ACQUISITION

We added Large Tier-I client in AC IDU business and in process of acquiring few more marquee brands in AC and washing machine segment in coming years

COMMITMENT TO CORE VALUES

The core values were never lost sight of and became the strong foundation on which to mount the other strategic elements

**CONSOLIDATION AND GROWTH OF EXISTING BUSINESSES**

We registered growth in new products launched in the previous two years, acquired new clients for the PU Paint Shop business, better utilization of UF Toilet Seat capacities and in process of acquiring more OE Customers in Fan Business

Bigger Steps for Better Future.

The management at PGEL charted the judicious implementation of strategies that underlined our commitment to core values and hot pursuit of set goals.

We have reached a leadership role in the plastic moulding business serving the consumer durable industry admirably in the manufacture of washing machines, air conditioners, refrigerators, ceiling fans and sanitary ware.

Our diversified portfolio of carving a bigger share of consumer segment is paying off because we don't depend on just a few products but a host of them.

Our strategy of developing in-house capabilities offers us better competitive advantage that is quite unique in our industry.

We have built a bigger client base to include the better brands in the consumer durable industry. We have developed a symbiotic relationship with all of them.

We are expanding the ODM business model by actively pursuing business opportunities through

Air Conditioners, Air Coolers and Washing Machines.

We are ramping up our existing capacities in all product categories to scale up to meet increased demand in all our businesses.

We actively pursued financial prudent strategies to strengthen our balance sheet and exercised strict control over fiscal policies.

We take pride in our human capital. We took various steps to improve upon the already high morale of our employees. We instituted training and development programs to equip our employees with the latest skills.

This diligent execution of strategies contributed immensely to the high growth we witnessed in recent years. This gives us confidence to march forcefully forward to achieve greater heights in all our businesses.

Our financial discipline has helped us to attain competitive advantage.

