

**PG ELECTROPLAST LIMITED**

Annual Report 2020-21



# Expanding Possibilities-



**to Thrive and Succeed**

## 02-21

### Corporate Overview

- 02 Introducing PG Electroplast
- 04 Our Journey So Far
- 06 Message from the Chairman
- 08 Our Offerings & Clientele
- 12 Key Performance Indicators
- 14 Combating COVID-19
- 15 Empowering our people
- 16 Building capacity to nurture excellence
- 18 Profile of Board of Directors
- 20 Key Managerial Persons
- 21 Corporate Information

## 22-64

### Statutory Reports

- 22 Management Discussion and Analysis
- 29 Board's Report
- 37 Report on Corporate Governance

## 65-168

### Financial Statements

- 65 **Standalone Financial Statements**
- 72 Balance sheet
- 73 Profit & Loss Statements
- 74 Cash flow
- 77 Notes forming Part of the Financial Statements
- 117 **Consolidated Financial Statements**
- 124 Balance sheet
- 125 Profit & Loss Statements
- 126 Cash flow
- 129 Notes forming Part of the Financial Statements

## 169-184

### Notice

- 169 Notice of the 19th Annual General Meeting



Online Report



Check out our online report for simple navigation across your devices.

[www.pgcl.in/financial-information.php](http://www.pgcl.in/financial-information.php)

# READ INSIDE



## 14



Combating  
COVID-19



## 12

Key Performance  
Indicators



## 06

Message from  
the Chairman



## 04

Our Momentous  
Journey



## 15



Empowering  
our people

### Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

**Remaining true to our commitment to uphold excellence and enhance stakeholder value, we continue to chart new trajectories of growth. Adding fuel to our aspirations, we are relentlessly focusing on investments and strategic executions to further expand our manufacturing capacity.**

**Resting on a robust business model, we are consistently upgrading our facilities to become a 'one-stop-solution' for our esteemed clients. With every step forward, we are strengthening relationships with customers, improving our market leadership and exploring avenues to diversify our offerings. Brimming with enthusiasm, we are expanding possibilities for growth – securing our future needs to thrive and succeed!**





### Company overview

**PG Electroplast Limited is the flagship company of the PG Group, which began its operations in 1977, and is one of the leading players in India in Electronics Manufacturing Services. It is a diversified EMS providing OEM and ODM solutions for complete product and component manufacturing. PG has a vast range of capabilities to manufacture plastic moulded components, sheet metal components, printed circuit board assemblies, finished product assemblies, tools and dies, and specialized air conditioner components.**

**The company is one of the largest plastic component manufacturers for the consumer durables and consumer electronics industries in India. It today provides one-stop solutions to 30+ leading Indian and Global brands.**

# INTRODUCING PG ELECTROPLAST

We have emerged as one of India's leading players in our industry space, with our products finding application across multiple diverse downstream industries across Consumer Electronics, Domestic Appliances, Automotive Industry, Lighting Systems, Mobile Phones and Sanitary fittings.



### Our Vision



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

### Our Mission



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



## 30+

Indian and Global brands served



## 6

Manufacturing units



## 2500+

Employees



## 69.83%

Promoter shareholding as on March 31, 2021



## 794.73

Market capitalisation as on March 31, 2021  
(₹ in Crore)



## 346.23

Gross block as on March 31, 2021  
(₹ in Crore)



## 15

New models in pipeline



## 220+

Capex over last 5 years  
(₹ in Crore)



# OUR JOURNEY SO FAR

**1977**

PG Group starts as a small electronic component manufacturing unit in Delhi

**1995**

A TV manufacturing plant was set up in Noida

**1997**

Started manufacturing Colour TVs & Audio Products

**1999**

A PCB Assembly Line was set up at Noida

**2003**

Started Plastic Injection Molding Plant

**2008**

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

**2009**

Started Manufacturing of CFL Lights

**2010**

- Diversified into Automotive industry and started working with Leading Indian and Global Automotive OEMs
- PGEL rated the biggest manufacturer in India for Consumer Electronics

**2011**

Expanded foot print by setting up state-of-the-art plastic injection molding plant near Pune



**2012**

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

**2014**

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

**2015**

Assembly Plant for Set-Top-Box gets started

**2016**

In-house Tool Manufacturing Facility

**2016**

- Developed and designed a completely new platform for Air Coolers for a leading Indian brand as their ODM.
- Started manufacturing indoor units for air conditioners.
- Designed and developed Semi-Automatic Washing Machine as an ODM.

**2018**

- Installed a state-of-the-art PU Paint Shop to provide high-quality surface finishes to plastic moulded components.
- Ventured into the sanitary fittings industry to provide premium bathroom fittings for leading luxury brands.

**2019**

- Added capacities for manufacturing heat exchangers for air conditioners.

**2020**

- Investments for manufacturing outdoor units of air conditioners.

**2021**

- Developed the company's first platform for fully automatic washing machines.
- Added capabilities to manufacture sheet metal components with powder coating finish.
- Developed and launched crossflow fans for RAC.
- Developed two platforms each for indoor and outdoor units of Room ACs.



**“Our sales have grown ~2.7 times in the past six years, from a sum of ₹ 263 crores in 2015-16, to ₹ 703 crores in 2020-2021.”**

## **MESSAGE FROM THE CHAIRMAN**

**“We have played a pioneering role in the emergence of a globally competitive Indian electronics sector. We relied on our own strength as well as collaborative exploration of technological advances.”**



## Dear Shareholders,

The human race is facing possibly the most severe global health crisis of the last 100 years. The Covid-19 pandemic has also ravaged the global economic activities to an unimaginable extent. Yet we have delivered a resilient performance in the current financial year, during a very challenging year for the global economy.

We have played a pioneering role in the emergence of a globally competitive Indian electronics sector. We relied on our own strength as well as collaborative exploration of technological advances. We believe that businesses have to consistently work on improving their quality of output to attract customers and retain their position in the market. To ensure that we are equipped to address our consumer's needs, we prioritise embracing new ideas and technology. When merged with our experience, insights and intuition, this helps us overcome every challenge that comes our way.

## Our response to COVID-19

The Company has executed all possible strategies that protect the safety and wellbeing of our employees, our customers and partners, as well as communities. Where necessary, and in compliance with local government requirements, we took steps to safeguard employees and give them medical assistance, if impacted by Covid-19. Through the robust actions, we have remained largely operational with key safety protocols in place.

## Performance Overview

PGEL has emerged as a leading and prominent player in plastic moulding and electronic manufacturing services. We are an end-to-end solutions provider for product design and final product assemblies for products like Washing Machines, Air Conditioners, Air-Coolers, LED TVs, Toilet Seats, In-Wall Tanks etc. Our company currently caters to both OEM and ODM demand, with a continuous focus on delivering on the highest standards of quality.

Our sales have grown ~2.7 times in the past six years, from a sum of ₹ 263 crores in 2015-16, to ₹ 703 crores in 2020-2021. Despite the pandemic, we are today preferred and reliable partner for leading brands in Washing Machines and Air Conditioner manufacturing. The work from home culture brought a steady rise in demand for consumer electronics and durables. We performed well across both our ODM and OEM business, delivering double digit growth across topline and bottomline on a full year basis.

At PGEL, we have an experienced R&D team which enables us to offer comprehensive, end-to-end product development services like: Product Conceptualization, Design and Prototyping, Performance And Energy Optimization, Product and Tool Costing, Tool Development and Supply Chain Development. We have achieved new milestone this year by developing and launching of ODM platform for Fully Automatic Washing Machines and Air Coolers. We have also developed similar capabilities in AC Outdoor unit assembling.

## Our employees

As a company, we would not achieve anything meaningful without the help and support of our employees. Despite the many COVID-related difficulties, our employees continued to serve customer needs throughout the year. Their technical expertise, deep domain knowledge and good customer relationships formed an important aspect of growth. Alongside this, they have also shown dedication, hard work and an ability to go beyond the normal in difficult conditions to get tasks done well and on-time.

## Delivering Value

In our endeavour to create long-term value for stakeholders, we focus strategic pillars that form an important aspect of our growth story. One, our new product development in ODM and OEM business stems from a deeper insight and inputs we receive from our customers. Two, our revenue has diversified from new products substantially backed by disruptive innovations introduced by our R&D team. Three, as consumer preference shifts towards more energy efficient and environment-friendly products, we have aligned our offerings in line with Bureau of Energy Efficiency and Ministry of Environment & Forests standards.

## Looking forward

PG Electroplast will focus on making consistent investments in capacity building. We expect to double our capacities in AC and washing machines with proposed expansion at Ahmednagar plant. This is planned with our proposed investments of ₹ 300 crore in the next three-four years. While capacities of existing products will be expanded, we also intend to expanding our offerings into LED TV and other consumer durable products. The proposed investment will be through internal accruals and debt, ensuring a balanced books of accounts for sustainable value creation.

Lastly, I conclude with placing my sincere appreciation to our employees for their continued pursuit of excellence and thanks to our customers for believing in our quest for excellence. Our journey of excellence remains fuelled by your unstinting support and confidence. We look forward to another year of growth and success.

## Stay Safe. Stay Healthy.

**Anurag Gupta**  
Chairman

# OUR OFFERINGS & CLIENTELE



**Air  
Conditioners**



**Washing  
Machines**



**LED  
Televisions**



**Air  
Coolers**



**Mobile  
Components**



**Automotive  
Components**



**Bathroom  
Fittings**

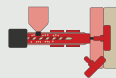


**Consumer  
Electronics**

## Key Manufacturing capabilities



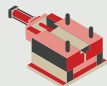
**Finished Product  
Assemblies**



**Plastic Moulding**



**Specialised AC  
components**



**Tool Manufacturing**



**PCB Assemblies**



**PU Paint Shop**



## Finished Product Assemblies

PG Electroplast is an end -to -end solutions provider for product design and final product assemblies for products like Washing Machines, Air Conditioners, Air-Coolers, LED TVs, Toilet Seats, In-Wall Tanks etc. We currently cater to both OEM and ODM demand, with a continuous focus on delivering on the highest standards of quality.

