



**Improving.
Integrating.
Innovating.**

Improving. Integrating. Innovating.

At PG Electroplast (PGEL), we are performing and transforming ourselves with emphasis on improvement in operations, integration and innovation. Strong relationships with prominent brands and forays into emerging segments have sustained our growth momentum.

Building on our engineering expertise, we have continued to integrate cutting-edge technologies into our products, further enhancing and future-proofing our portfolio.

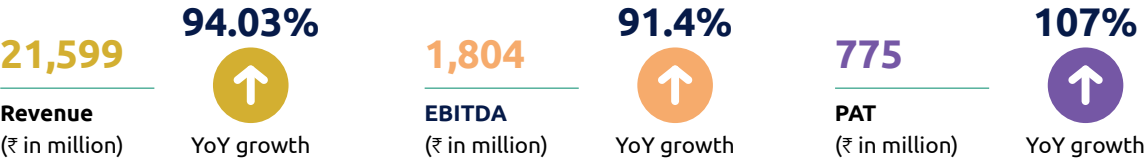
We have consistently upgraded our facilities to become a preferred 'one stop' destination for our esteemed clients. With every step forward, we have strengthened relationships with customers, reaffirmed our market leadership and explored avenues to diversify our offerings.

We have grown ~3x in two years with total income rising at a ~75% CAGR from ~ ₹ 7,058 million in fiscal 2021 to ~ ₹ 21,643 million in fiscal 2023.

Rapid urbanisation, a growing aspirational population and rising income levels, along with favourable government policies, augur well for our sustainable growth even in the coming years. Through adept cost management, strategic product pricing and operational leverage, we have been able to improve our operating margins. Going forward, we remain focused on leveraging the growing market potential for our products.

Innovating for new products, integrating emerging technologies and customer insights and further improving our financial and operational metrics remain our foremost priority to create sustainable value for all stakeholders.

Sterling performance



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Online Report



Check out our online report for simple navigation across your devices.
www.pgell.in/financial-information.php

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.

Sharpening our innovative precision

Established in 1977, the PG Group has emerged as a leading Electronics Manufacturing Services provider. PG Electroplast, the flagship company of the group, was incorporated in 2003, offering a diverse range of solutions. With a comprehensive approach, PGEL serves as a one-stop destination for leading Indian and global brands.

We are an established Original Design Manufacturing (ODM) and contract manufacturer (CM) in India, specialising in consumer durables such as air conditioners, washing machines and plastic moulding. We offer end-to-end solutions to over 50 renowned Indian and global brands, including product design, tool manufacturing, supply chain development and final assembly. Our revenue has grown at a 50% CAGR from 2020 to 2023, primarily owing to our ability to adapt to our clients' evolving needs.

In our pursuit of organic growth, we focus on enhancing our capacities and capabilities across all product verticals. This strategic approach aims to augment the value proposition of our offerings, while simultaneously benefiting from better economies of scale through extensive backward integration efforts.

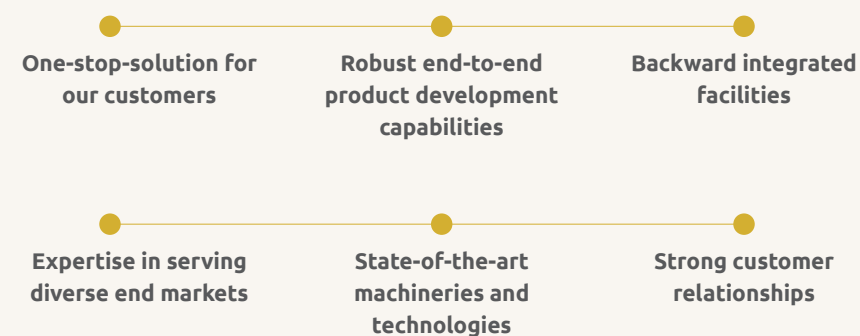
Vision

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.

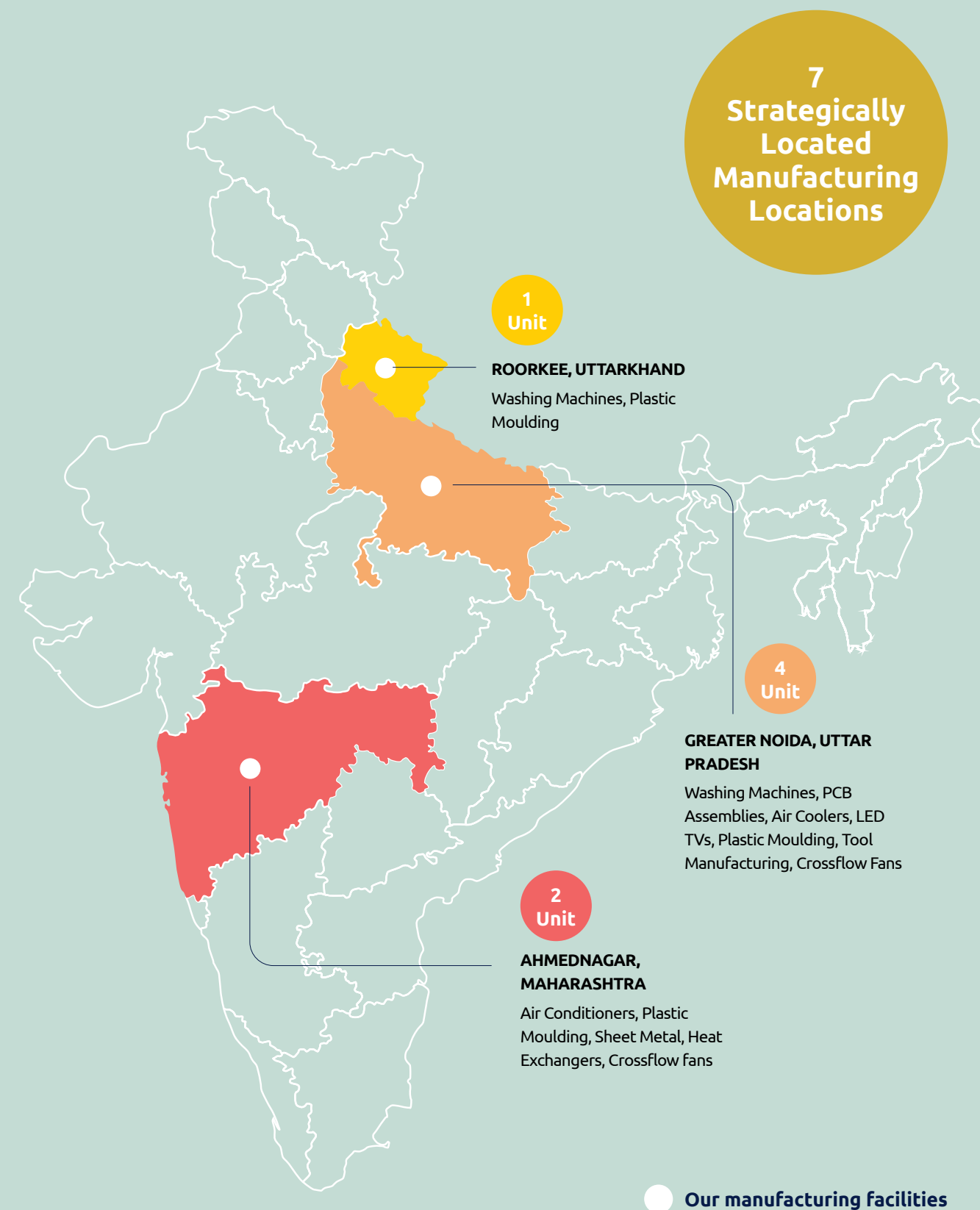
Mission

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.

Our core competencies



Expanding our reach



Clients who rely on us

We have remained agile, while adapting to the dynamic operating environment and shifting customer preferences; forging strong relationships with our valued clientele. Currently, we serve most major domestic and international brands in the Indian market.

97

Customers served in FY 2023

Key Clients



Transforming over the years

PG Group starts as a small electronic component manufacturing unit in Delhi
1977

A TV manufacturing plant was set up in Noida
1995

A TV Manufac Started manufacturing Colour TVs and Audio Products turing plant was set up in Noida
1997

A PCB Assembly Line was set up in Noida
1999

Diversified into the automotive industry and started working with leading Indian and global automotive OEMs. PGEL was rated the biggest manufacturer in India for consumer electronics
2010

Started manufacturing CFL lights
2009

Got the first tender from the Tamil Nadu government for supplying CTV. Supplied 2.5 million CTV in the next three years
2008

Started Plastic Injection moulding plant
2003

Expanded footprint by setting up a state-of-the-art plastic injection moulding plant near Pune
2011

Expanded the plastic injection moulding business by adding a new factory in Greater Noida
2012

Diversified into the small domestic appliances industry by setting up a state-of-the-art motor plant and started manufacturing juicers, mixer grinders for leading Indian brands
2014

The assembly plant for the set-top-box gets commenced operations
2015

Crossed the ₹ 500 crore mark in revenues. Successfully launched the 2nd model of Semi-Automatic Washing Machine. A product showroom at the Corporate Office was set up
2019

Installed PU Paint Shop facility. Set up of the Thermoset – Urea-Formaldehyde (UF) Toilet Seats manufacturing facility
2018

Adopted the 'Process Excellence' approach to focus on process improvement, ongoing business process management and continuous improvement in overall operations
2017

A new tooling division was setup to cater to the burgeoning demand of our existing customers
2016

Achieved the highest ever revenue. Crossed the ₹ 6 billion (₹ 600 crore) mark. Commissioned the assembly of the AC IDU (Indoor Unit) along with the heat exchanger coil.
2020

AC Outdoor Unit Assembly capabilities were developed. Developed and launched an ODM platform for fully Automatic Washing Machines. Developed and launched an ODM platform for Air Coolers.
2021

Achieved the highest ever revenue – crossed the ₹ 10 billion (₹ 1000 crore) mark. Developed and launched 2 new platforms of SAWM and FATL washing machines. Developed and launched 4 platforms ODM platform for air conditioners. Got approved under the PLI Scheme for air conditioner components.
2022

Crossed ₹ 20 billion (₹ 2000 crore) mark in consolidated revenues. PG Technoplast crossed ₹ 10 billion (₹ 1000 crore) mark. Doubled capacities for Air Conditioners, Washing Machines, and Air Coolers. Developed and launched new ODM platform for Washing Machines.
2023

Chairman's message



Focus on capital efficiency, driven by improving asset turns through product business growth has been the hallmark of our strategy and we aim to deliver industry leading growth with best in class return ratios in coming years.

Dear Shareholder,

I am delighted to present you an update on the company's performance for 2022-23. Our teams managed to scale operations at an incredible pace and have delivered another stellar performance this year through meticulous planning and tireless efforts.

This year saw us cross multiple milestones and was full of important highlights. All engines of growth for the company are now firing and the company has firmly established itself as a credible contract manufacturer & ODM player in Room AC and Washing Machine industry.

Growth outlook across current focus segments remains robust and with new initiatives, Company's addressable market in Consumer Electronics and Consumer Durables will see multifold increase.

Performance review

In the last seven years, we have grown an a 35% Compounded Annual Growth Rate (CAGR), expanding over 8 times in terms of revenue, reaching ₹ 2,148 crores in the fiscal year 2022-2023. Our EBITDA has also grown in tandem, at a CAGR of 36%, a testament to the strength of our steady financial performance.

During the year, our consolidated sales grew by 95.7%, surpassing ₹ 2,147 crores. The product business reported

phenomenal numbers with a 62% share in our overall sales. In FY2022-23, our net profit grew by 107%, at around ₹ 77.5 crores. We have also made capital expenditures of around ₹ 155 crores in Fiscal 2023 to add impetus to our business expansion plans.

Securing overall business growth

We are an established original design manufacturer and contract manufacturer, for the consumer durables industry in India, with primary focus on manufacture of room air conditioners, 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 50 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. With our distinctive portfolio offering end-to-end solutions across the product value chain, we have consistently reported strong performances across our business verticals.

The products division, primarily responsible for the manufacturing of washing machines, room air conditioners and air coolers, has reported growth of 182%, from around ₹ 475 crores in FY22 to approximately ₹ 1,338 crores during the current financial year. To fulfil evolving consumer demands, we remain committed to launch innovative products at different price points. It is not only expected to solidify our market presence but, also deepen our reach.

Our Room Air Conditioner (RAC) business clocked a revenue of ₹ 1041 crores, achieving an extraordinary growth rate of 255% during FY23. We have a positive outlook on this segment and are confident about our ability to keep growing this segment in the coming years.

Alongside, the washing machine division also witnessed remarkable growth, surging by 56% year-on-year. The phenomenal success rides on our ability to broad base our product offerings, with an emphasis on delivering customised models that are precisely tailored to customer requirements along with a recent introduction of Fully Automatic Top Load (FATL) washing machines to our product portfolio.

Future roadmap

We believe in the immense potential of the consumer durables industry. It propels us to capitalise on emerging opportunities, and to develop innovative products for our customers. With our backward integrated manufacturing plants, we are constantly honing our processes and policies, and adopting technology to aid our productivity and enhance efficiency across the value chain.

The order book for our products business continues to be robust and we have witnessed significant traction for the newly launched products. Our relentless emphasis on Research and Development (R&D) has played a significant role in developing new products that are aligned to cater to the belly of the market. We are now also working on developing cutting-edge, line-leading products which can help us crack new niches.

Focus on capital efficiency, driven by improving asset turns through product business growth has been the hallmark of our strategy and we aim to deliver industry leading growth with best in class return ratios in coming years. We believe that our new initiatives and planned capacities will open new growth horizon for Company in near future.

Looking ahead, we are optimistic about our growth trajectory and seek to explore new avenues of success. Thank you for your unwavering support and trust in PG Electroplast. Together, we are confident of embarking on an exciting journey towards a brighter and more prosperous future.

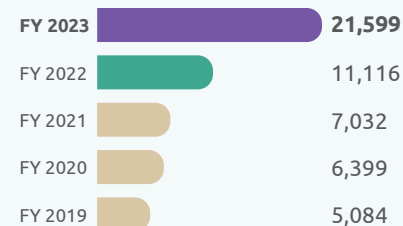
Warm regards,

Anurag Gupta
Chairman

Financial metrics

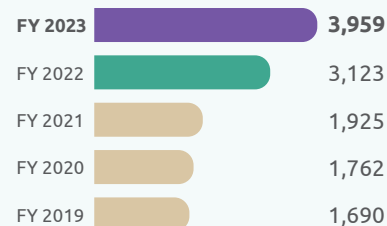
Revenue (₹ million)

21,599



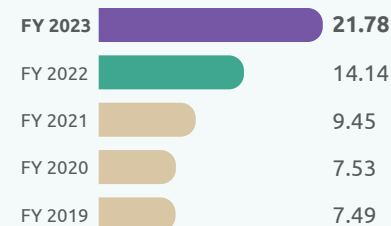
Net Worth (₹ million)

3,959



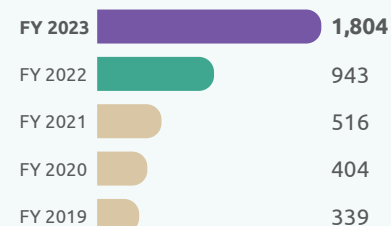
ROCE (%)

21.78



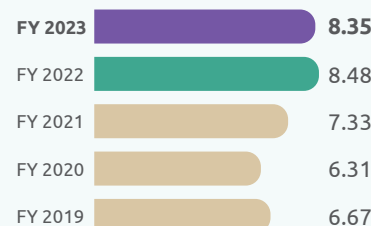
EBITDA (₹ million)

1,804



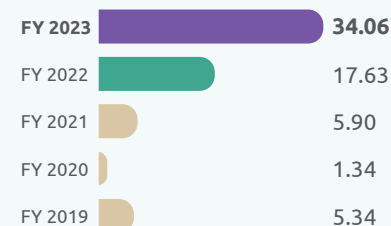
EBITDA margin (%)

8.35



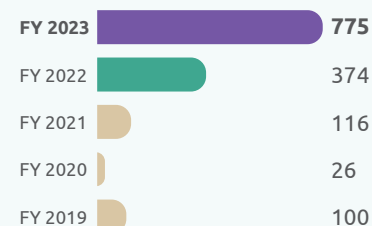
EPS (₹)

34.06



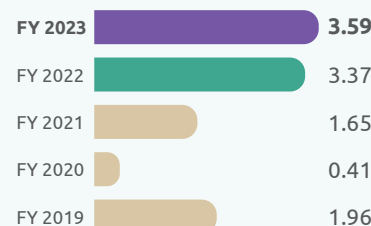
PAT (₹ million)

775



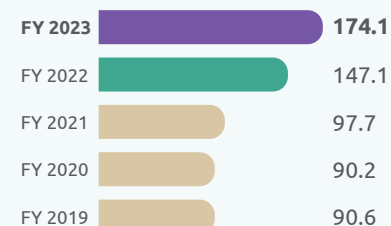
PAT margin (%)

3.59



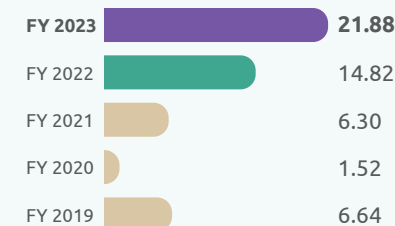
Book value (%)

174.1



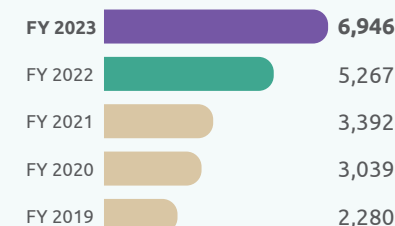
ROE (%)

21.88



Gross block (₹ million)

6,946



Performance snapshot

In FY 2023, the Product business generated 62.0% of the total revenues. While the Washing Machines business performed well, showing a growth of 55.5% year-on-year and selling over 4.58 lakh units during the period, the Room AC business witnessed an impressive growth of 254.6%, contributing ₹ 10,412 million to the revenue. PG Technoplast, a wholly owned subsidiary, achieved remarkable success, surpassing ₹ 10,000 million in revenue in just the second year of its operation.

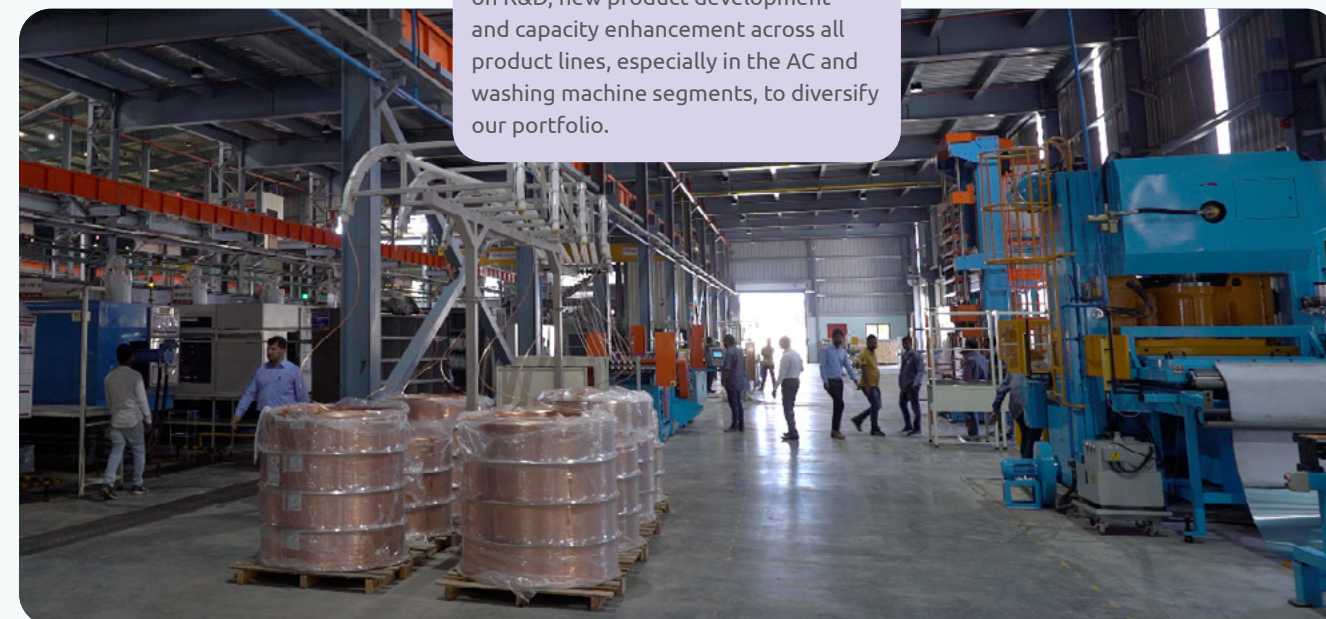
Operating margins have been steady at ~8.4% year-on-year despite higher growth in the low-margin TV and Electronics. This can be attributed to effective cost control, favourable commodity prices and operating leverage. However, there has been an increase in net debt by approximately ₹ 1,580 million in FY 2023 due to capital expenditures and higher working capital demands driven by substantial sales growth.

For FY 2024, we will prioritise capital efficiency and working capital optimisation. Emphasis will be placed on R&D, new product development and capacity enhancement across all product lines, especially in the AC and washing machine segments, to diversify our portfolio.

Operational highlights

As of March 31, 2023, we have become the second-largest manufacturer in India for Original Design Manufacturer (ODM) and contract manufacturer of Room Air Conditioners (RACs) based on unit sales volume. Our role includes being the ODM for RACs, washing machines and air coolers. With a sharp focus on maintaining cost leadership and reliable supply chain services, we have produced RACs for over 14 different brands in less than three years since starting RAC Completely Built Units (CBUs) manufacturing.

Our sustained growth across various financial indicators can be attributed to our emphasis on business expansion and capital efficiency. Going above and beyond to meet the requirements of our clients has helped us achieve robust revenue growth at a remarkable 50% Compound Annual Growth Rate (CAGR) from FY 2020 to FY2023.



Offerings that set us apart

We engage in the production and assembly of a diverse range of products using two distinct business models.

Contract Manufacturing (CM)

Within the CM model, we produce and deliver products according to designs created by our customers. These products are subsequently distributed by our customers under their own brand names.

Original Design Manufacturing (ODM)

In the ODM model, we not only manufacture, but also conceive and design products. These products are subsequently provided to our customers, who then distribute them under their own brand names.



Developing an innovative product line

At PGEL, our expertise ranges from comprehensive product conceptualisation, designing and prototyping to production and product management services for companies spanning diverse downstream industries and end markets. With our innovative offerings, we enable our customers to optimise manufacturing costs, deliver top-notch products with minimum lead time, enhance supply-chain efficiency, reduce inventory obsolescence and lower product fulfilment time.

Products



Room air conditioners

- Indoor units
- Outdoor units



Washing machines

- Semi-automatic top load
- Fully automatic top load



Air coolers

- Window
- Desert
- Personal



Plastic moulding

- Consumer Durables
- Sanitaryware
- Automotive
- Consumer Electronics
- Others



Electronics

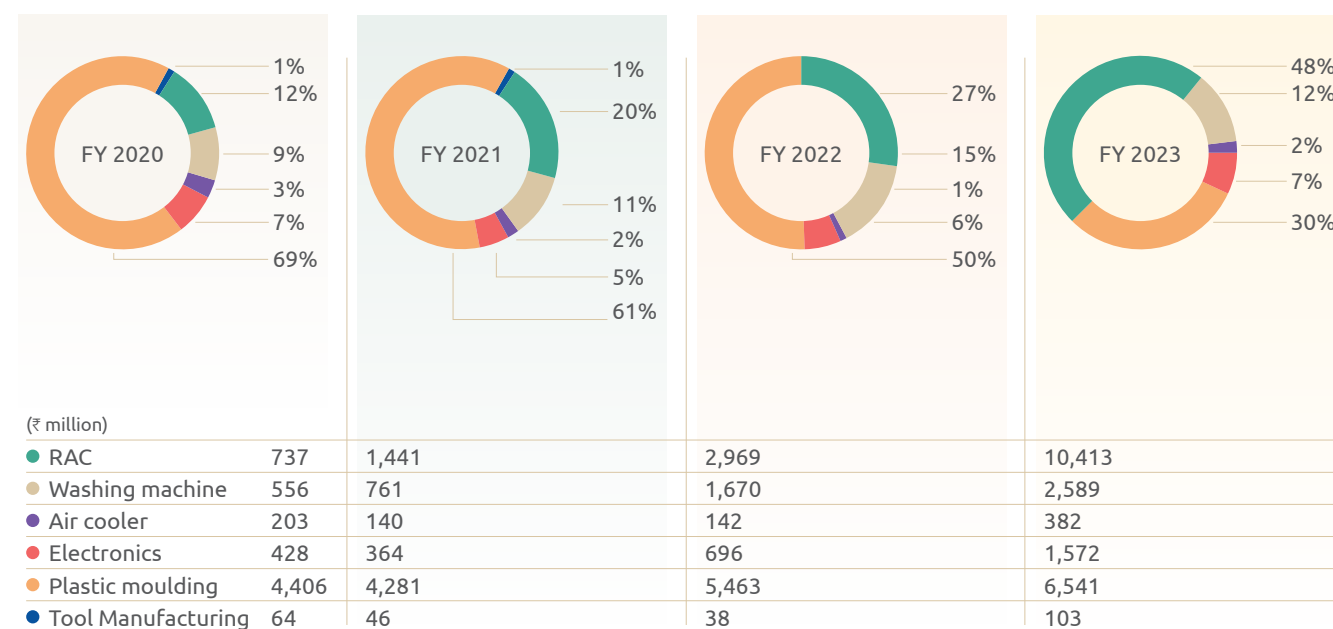
- Televisions
- PCB Assemblies

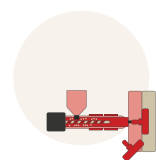


Tool manufacturing

- Consumer Durables
- Sanitaryware
- Automotive
- Others

Business composition across verticals





Plastic moulding

Our commitment to quality and customer satisfaction has earned us a strong reputation in the industry. We are the primary manufacturer of plastic-moulded components for both the consumer durables and electronics sectors. Our competitive edge stems from our integration of cutting-edge technologies as well as our proficient in-house design and engineering capabilities.

Determined to serve the diverse needs of our clientele, we deliver an extensive array of products, ranging from small to large-sized, high-precision, surface-critical injection-moulded components. These components are subsequently employed in the production of an array of automotive, electronic equipment and sanitaryware products, such as in-wall tank assemblies, toilet seats and fan parts painting. We also provide a comprehensive array of post-moulding processes, including ultrasonic welding, heat staking, hot stamping, pad printing and screen printing.

Way forward

We have over 300 moulding machines, ranging from 90T to 1,850T, across five manufacturing units in Greater Noida, Roorkee and Ahmednagar. We 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.

Downstream industries served



Automotive components



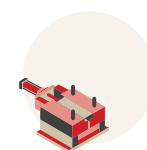
Sanitaryware



Fans



Consumer Durables



Product business

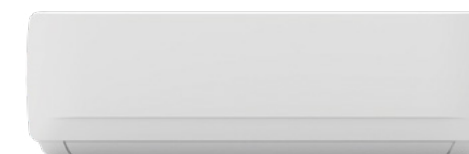
As an Original Design Manufacturer (ODM) and Original Equipment Manufacturer (OEM) in the consumer appliances industry, we are engaged in the production of washing machines, air conditioners and coolers. Our product business vertical continues to perform well and has consistently received encouraging responses from the market.

Consequently, our focus remains on bolstering this division. We plan on increasing our investments in this segment primarily to foray into additional product categories and enhance our existing offerings.

Downstream industries served



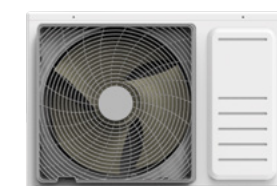
Semiautomatic Washing Machines



Air Conditioner Indoor Units



Fully Automatic washing machines



Air Conditioner Outdoor Units



Coolers

Way forward

We are an innovation led company with a dedicated focus on developing products, customized to the specific needs of our customers. 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.

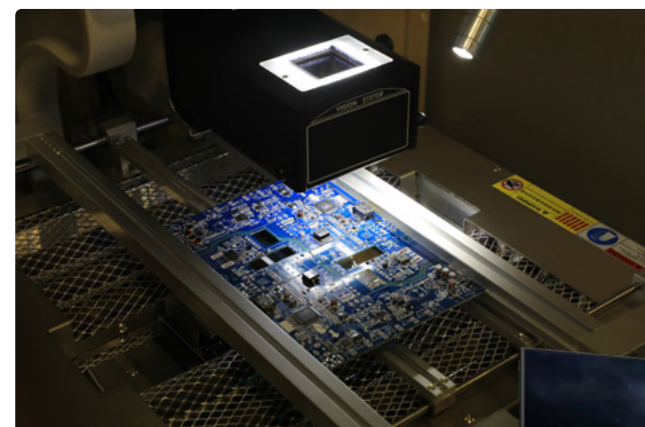


Consumer electronics

We engage in contract manufacturing for LED TVs of different sizes. Additionally, we offer end-to-end services for the development and production of printed circuit board (PCB) assemblies for various applications, including procurement, Surface Mount Technology (SMT), Auto-Insertion (AI), Manual Insertion (MI), testing, packaging and shipping. We also handle the assembly of set-top boxes and cameras.

Our manufacturing capacity enables us to produce up to 5,00,000 television units with screen sizes of up to 70 inches. We operate from a fully integrated facility, featuring SMT lines for PCB assembly, dedicated Clean Rooms for LCM Module assembly and capabilities for Final Product assembly and Plastic Moulding.

Downstream industries served



EMS

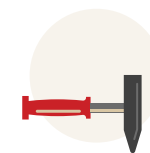


LED TV

Way forward

The company is seeing an increased opportunity in this segment. We have We are planning to ramp up capacity utilisation in FY23 along with increasing value addition to be more cost-competitive which will help us in both, acquiring new customers, and increasing our wallet share.

We are also starting the production of Controller Assemblies for Air Conditioners in Supa, Maharashtra and will also explore more EMS opportunities for the new facilities.



Tool manufacturing

Leveraging cutting-edge CAD/CAM facilities, we develop intricate 3D profiles. Building on our engineering expertise and proven design capability, we transform customer requirements into top notch products. We also develop small to medium-sized moulds for various applications in the automotive, white goods, home and kitchen appliances, lighting and electrical industries.



Way forward

Outlook for tool manufacturing business remains very promising as an increasing number of customers are looking to localize their tool sourcing. The customers are also looking for end-to-end solutions for product conceptualization, research and development, tool manufacturing, product manufacturing, and supply chain management. We have taken a decision to focus on catching tool manufacturing orders from Consumer Durables and the Sanitaryware industries where we can leverage these factors to tie in with our company's current business objectives to create good synergies for both our company and our customers.

Improving our operations

With a steadfast focus on manufacturing, a robust and agile supply chain, cutting-edge research and development, and rigorous quality control, our capabilities enable us to deliver products that redefine industry standards. These pillars form the foundation of our success, ensuring that every aspect of our operations is finely tuned to meet and exceed the evolving needs of our valued customers.

Manufacturing expertise



With state-of-the-art manufacturing units strategically located across Uttar Pradesh, Uttarakhand and Maharashtra, we have gained a strong footprint in production. Our facilities are equipped with high-quality machinery, efficient assembly lines and full power backup, ensuring that we meet stringent quality standards and deliver on time.

Among our manufacturing facilities, our unit in Ahmednagar, Maharashtra, stands as a testament to our commitment to innovating and scaling. It ranks as one of the largest and most backward integrated AC manufacturing plants at a single location in India, showcasing our dedication to integrating cutting-edge technologies to create futuristic solutions.

We specialise in Original Design Manufacturing (ODM), Original Equipment Manufacturing (OEM) and plastic injection moulding for the consumer durables industry. This unique blend of capabilities enables us to offer end-to-end solutions to consumer durable brands, positioning us as a trusted partner in their quest for quality and innovation.

Backward integration



We have implemented backward integration in our supply chain strategy, streamlining our manufacturing operations across a spectrum of critical components. From plastic moulding, sheet metal fabrication, powder coating paint shops, to heat exchangers, copper tubing, crossflow fans, PCB assemblies, NABL-accredited psychometric labs and complete product assembly lines for Room Air Conditioner (RAC) Indoor Units (IDUs) and Outdoor Units (ODUs), we have effectively woven every aspect of the production process into our supply chain.

This comprehensive approach reinforces our value proposition, offering end-to-end solutions to our clientele. We serve various industries, including air conditioners, washing machines, LED TVs and air coolers, automotive components, bathroom fittings and consumer electronics. Our diverse offerings underscore our commitment to providing our clients with the quality products and solutions; and reaffirms our position as a trusted partner across multiple sectors.

R&D strengths



Prioritising R&D, we invest prudently in product development, enhancing our product development services across the entire product lifecycle.

Our competent R&D teams employ best-in-class technologies and are involved from the very conceptualisation and design phases to prototyping, and assembly of products under our Original Design Manufacturing (ODM) model.

We focus on enhancing our in-house manufacturing capabilities for various components to deliver comprehensive end-to-end solutions for all the products we manufacture.

Stringent quality control



We conduct rigorous in-house quality testing of our products, ensuring that they consistently meet our customers' expectations. Our adherence to quality control ensures that each product leaving our facilities is marked by precision, reliability and efficiency.

We have received third-party certifications for our quality management systems, environmental management systems and occupational health and safety management systems across our manufacturing units. These certifications, including ISO 9001:2015, 14001:2015, ISO 45001:2018, UL E520496 and IATF 16949:2016, reflecting our dedication to ensuring compliance with the highest standards across every organisational aspect.