

P G INDUSTRY LIMITED

Regd. Off: D – 22, 301, Third Floor, Chattarpur Enclave, Phase – II, 100 Ft. Road, New Delhi – 110074

CIN: L74899DL1993PLC056421

REPORT ON CORPORATE GOVERNANCE

1) COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE:

The Corporate Governance philosophy is scripted as:

“As a good corporate citizen, the Company is committed to sound corporate governance based on conscience, openness, fairness, professionalism and accountability in building confidence of its various stakeholders in it thereby paving the way for its long term success.”

We believe that our company shall go beyond adherence to regulatory framework. Our corporate structure, business and disclosure practices have been aligned to our Corporate Governance Philosophy. Transparency, accountability, fairness and intensive communication with stakeholders are integral to our functioning. We believe in system driven performance and performance oriented systems. We accord highest priority to these systems and protect the interests of all our shareholders, particularly the minority shareholders.

We have tried to blend growth and efficiency with governance and ethics. Our Board of Directors, guided by the mission statement, formulate strategies and policies having focus on optimizing value for various stakeholders like consumers, shareholders and the society at large.

2) COMPOSITION OF BOARD OF DIRECTORS:

(A) As on March 31, 2015, the board comprised of Four Directors with an optimum combination of Executive, Non Executive and Independent Directors. The composition of the Board and category of Directors is as follows:

S. NO.	NAME OF DIRECTOR	CATEGORY
1	Shri Saket Dalmia	Promoter, Managing & Executive Director
2	Shri Amit Dalmia	Promoter & Non-Executive Director
3	Shri Anil Kumar	Independent Non-Executive Director
4	Shri Pardip Asopa	Independent Non-Executive Director

The Board meets regularly and is responsible for the proper direction and management of the Company.

The composition of the Board, number of meetings held, attendance of the Directors at the Board Meetings and last Annual General Meeting and number of Directorship and Chairmanship/Membership of committees in other companies in respect of each Director is given herein below:

<u>Name of Directors</u>	<u>Category</u>	Particulars of Attendance			Other Directorships*
		at Board Meetings held during 2014-2015		at AGM held on 30/09/2014	
		Held	Attended		
Mr. Saket Dalmia (Managing Director)	Promoter & Executive	13	13	Yes	13
Mr. Amit Dalmia (Director)	Promoter & Non-Executive	13	13	Yes	6
Mr. Anil Kumar (Director)	Independent Non-Executive	13	12	Yes	1
Ms. Pardip Asopa (Director)	Independent Non-Executive	13	12	Yes	1

* No. of other Directorships indicated above is inclusive of Directorship of Private/Public Limited companies as on March 31, 2015.

(B) Date and No. of Board Meetings held

During the Financial year ended March 31, 2015, the Board met 13 (Thirteen) times on 15th April 2014, 30th May 2014, 22nd July 2014, 14th August 2014, 16th September 2014, 27th September 2014, 27th October 2014, 05th November 2014, 13th November 2014, 05th December 2014, 13th February 2015, 24th February 2015 and 30th March 2015. Requisite quorum was present for all the meetings. The maximum gap between any two meetings did not exceed four months.

3. AUDIT COMMITTEE:

(A) As on March 31, 2015, the Audit Committee of the company comprises Three Non-Executive Directors, of which two of them are Independent. The Chairman of the committee is an independent Director having financial and accounting knowledge. The composition of Audit Committee and attendance of Directors at committee meetings is shown below:

Name of the Director	Designation	Attendance at Committee Meetings	
		Held	Attended
Mr. Pardip Asopa	Chairman	5	5
Mr. Amit Dalmia	Member	5	5
Mr. Anil Kumar	Member	5	5

Statutory Auditors were invited to participate in the meetings of Audit Committee wherever necessary.

(B) Meeting / Attendance:

During the financial year ended 31st March 2015 the Audit Committee of the company met five times. The dates of the meetings were 21st May 2014, 01st August 2014, 31st October 2014, 29th January 2015 and 28th March 2015.

(C) Terms of Reference:

The terms of reference of Audit committee cover the matters specified for audit committee under clause 49 of the Listing Agreement as well as in Section 177 of the Companies Act, 2013. The Audit Committee has been granted powers as prescribed under the Listing Agreement.

4. NOMINATION AND REMUNERATION COMMITTEE:

(A) As on March 31, 2015, the Nomination and Remuneration Committee comprised of three Directors with Mr. Pardip Asopa as Chairman, Mr. Amit Dalmia and Mr. Anil Kumar as members. The terms of reference of the Remuneration Committee include fixation of salary, perquisites etc. of Managing/Executive Directors and for recommending the amount of commission payable to Executive Directors.

(B) All the members had full attendance in the meetings of the Committee during the year.

(C) The Company has adopted a Remuneration Policy for remuneration of Directors, KMP and other employees, which is aligned to the philosophy of the Company. The principles governing the Company's Remuneration Policy is provided in the Board's Report.

(D) The following are the details of the remuneration paid to Managing/Executive Directors during the Financial Year under discussion:

Name of the Director	Designation	Remuneration (Rs.)	Perquisites
Mr. Saket Dalmia	Managing Director	9,00,000	NIL
Mr. Amit Dalmia	Director	6,00,000	NIL

5. STAKEHOLDER'S GRIEVANCE COMMITTEE:

As on March 31, 2015, Shareholder's Grievance Committee comprised of Mr. Anil Kumar as Chairman of the committee and Mr. Amit Dalmia and Mr. Pardip Asopa as its members to look into redressal of shareholders and investors grievances with respect to transfer of share, dematerialisation of shares, non receipt of declared dividend or Annual report etc. and other matters relating to shareholder relationship.

Mr. Davender Kumar, Company Secretary has been designated as Compliance Officer of the Company. The Shareholders grievance committee met to take note of redressal of shareholders complaint, But the Company didn't receive any complaint during the year.

No complaint has been received from any shareholder during the year under review. All the members of the committee were present in meetings held during the year.

6. ANNUAL GENERAL MEETINGS:

The last three Annual General Meetings of the company were held at:

1. 10:00 A.M. on 30th September, 2014 at A-30, 2nd Floor, Kailash Colony, New Delhi-110 048;
2. 03:30 P.M. on 28th September, 2013 at A-30, 2nd Floor, Kailash Colony, New Delhi-110 048;
and
3. 03:30 P.M. on 29th September, 2012 at A-30, 2nd Floor, Kailash Colony, New Delhi-110 048;

No special resolution had been passed in the previous three Annual General Meetings held.

No special resolution was passed through Postal Ballot during the year under review.

7. DISCLOSURES:

The disclosures on related party transactions are as per Accounting Standard 18 issued by the Institute of Chartered Accounts of India are given in notes attached to the Balance Sheet.

There were no penalties, strictures imposed on the company by the Stock Exchange or SEBI or any Statutory Authority or any matter related to Capital Market during the last three years.

As per the criteria 1.a. of the SEBI Circular No. CIR/CFD/POLICY CELL/7/2014 dated 15th September 2014, compliance with the provisions of Clause 49 is not mandatory, for the time being, in respect of Companies having paid up equity share capital not exceeding ₹ 10 Crore and Net Worth not exceeding ₹ 25 Crore, as on the last day of the previous financial year. Therefore, compliance of Clause 49 of the Listing Agreement is not mandatory for Company with effect from 01st October 2014.

8. MEANS OF COMMUNICATION:

The means of communication between the Company and the shareholders are transparent and investor friendly. The Annual, Half yearly and Quarterly results are submitted to the Stock Exchange in accordance with Listing Agreement. All price sensitive information is intimated at the earliest to the Stock Exchanges. Management discussions and Analysis forms part of Annual Report, which is posted to the Shareholders of the Company.

- (i) Quarterly results are normally published in the Hindi and English language of Business Standards of Delhi edition.
- (ii) Quarterly results are also displayed on the Website of the Company.

www.pgil.com

9. CEO/CFO CERTIFICATION:

As required under Clause 49 of the Listing Agreement, a Certificate duly signed by Managing Director and C. F. O. was placed at the meeting of the Board of Directors held on 13th August 2015.

10. GENERAL SHAREHOLDER INFORMATION:

(i) The 22nd Annual General Meeting of the Members of the Company is scheduled to be held on Wednesday the 30th day of September, 2015 at 09:30 A.M. at D – 22, 301, Third Floor, Chattarpur Enclave, Phase – II, 100 Ft. Road, New Delhi – 110074.

(ii) **Financial calendar for the year 2014-15:**

Financial Year

: April 1, 2014- March 31, 2015

Adoption of Quarterly Results

First Quarter Unaudited Financial Results	August 14, 2014
Second Quarter Unaudited Financial Results	November 13, 2014
Third Quarter Unaudited Financial Results	February 13, 2015
Fourth Quarter audited Financial Results	May 30, 2015

(iii) **Details of Book Closure:**

From 24th September 2015 to 30th September, 2015 (both days inclusive).

(iv) Dividend shall be paid after 05th October 2015.

(v) **Listing on Stock Exchanges:**

As on March 31, 2015, the Equity Shares of Company are listed at following Stock Exchanges:

(a) **Bombay Stock Exchange Limited, Mumbai**

P J Towers, Dalal Street, Mumbai- 400 001

(b) **The Calcutta Stock Exchange Limited**

7, Lyons Range, Kolkata – 700 001

(vi) **Stock Code:**

Stock Code: **531281 (BSE)**

Demat ISIN: **INE 807H01015** (NSDL and CDSL)

(vii) **Market Price Data:**

YEAR	MONTH	HIGH (₹)	LOW (₹)	NO. OF SHARES
2014	April	9.70	9.70	699
2014	May	9.30	7.40	2,250
2014	June	7.05	5.53	7,520
2014	July	7.38	5.80	630
2014	August	8.52	7.74	581
2014	September	8.90	6.26	1,066
2014	October	5.95	5.66	300
2014	November	6.23	5.94	1,084
2014	December	8.65	6.54	5,910
2015	January	14.03	9.08	7,360
2015	February	19.40	13.75	3,710
2015	March	22.40	19.00	5,567

(viii) Registrar and Transfer Agents:

M/s MAS SERVICES PRIVATE LIMITED
T – 34, 2nd Floor
Okhla Industrial Area, Phase -II
New Delhi – 110 020
TEL: 011-26387281/82/83

(ix) Share Transfer System:

Presently the majority of Shares of the Company are in dematerialized form.

(x) Shareholding Pattern as on 31st March, 2015:

Categories	No. of Shares	% of Shareholding
Indian Promoters	12,33,349	26.67
Persons Acting in Concert	--	--
Institutional Investors	1,45,000	3.14
Bodies Corporate	22,18,210	47.97
Indian Public	10,27,661	22.22
Non Resident Indians	--	--
Total	46,24,220	100.00

(xi) Dematerialization of shares:

The Company has arrangement with National Securities Depository Limited (NSDL) as well as Central Depository Services (India) Limited (CDSL) for dematerialization of shares of the company with ISIN NO. INE807H01015 for both NSDL & CDSL.

Those shareholders who wish to know more about the same may contact the company's Registrar and Share Transfer Agent or Share Department of the company.

(xii) The Company has not issued any GDRs/ADRs/ warrants or any Convertible Instruments.

(xiii) Plant Location:

E-236,237 and I-2, Phase – II
RIICO Industrial Area
Behror, Rajasthan

(xiv) Code of Conduct:

The Board has laid down a code of conduct for all board members and senior management of the company. All the board members and senior management personnel have affirmed compliance with the code for the financial year ended 31st March, 2015.

(xv) Reconciliation of Share Capital Audit:

In compliance with SEBI (Depository & Participants) Regulations, 1996, reconciliation of share capital Audit was carried out by a qualified Practicing Company Secretary on a quarterly basis for the purpose of reconciliation of share capital held in depositories and in physical form with the total issued and listed capital of the Company. The Audit Report issued by the Practicing Company Secretary confirms that the total issued/listed capital is in agreement with the total number of shares held in physical form and in dematerialized form with NSDL & CDSL.

(xvi) **Address for correspondence:**

Shareholder`s Correspondence may be addressed to:

<u>Registered Office:</u> M/s P G INDUSTRY LIMITED D – 22, 301, Third Floor, Chattarpur Enclave, Phase – II, 100 Ft. Road New Delhi – 110 048 <u>Email: pgindustryLtd@gmail.com</u> Phone: 011-26654053	<u>OR</u>	<u>Registrar & Transfer Agent :</u> M/s MAS SERVICES LIMITED T – 34, 2 nd Floor, Okhla Industrial Area, Phase -II New Delhi – 110 020 <u>Email: info@masserv.com</u> Phone: 011-26387281/82/83
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DECLARATION ON CODE OF CONDUCT

**To
The Members of P G Industry Limited**

All the Board members and the senior management personnel have, for the financial year ended 31st March, 2015 affirmed compliance with the code of conduct laid down by the Board of Directors of the company in terms of the Clause 49 of the listing agreement with stock exchange.

For P G INDUSTRY LIMITED

**Sd/-
Saket Dalmia
(Managing Director)
DIN: 00083636**

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Chief Executive Officer (CEO) and Chief Finance Officer (CFO) **Certification**

We, Saket Dalmia, Managing Director and Aman Agrawal, C. F. O., to the best of our knowledge and belief, certify that:

- 1) We have reviewed financial statement and the cash flow statement for the year and that to the best of our knowledge and belief:
 - a) These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
 - b) These statements together present a true and fair view of the Company's affairs and are compliance with existing accounting standard, applicable laws and regulations.
- 2) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or which violate the company's code of conduct.
- 3) We are responsible for establishing and maintaining internal controls for financial reporting and we have:
 - a) Evaluated the effectiveness of internal control systems of the company pertaining to financial reporting;
 - b) Disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware.
 - c) The steps they have taken or propose to take to rectify these deficiencies.
- 4) We have indicated to the company's auditors and the Audit committee of the Board of Directors
 - (a) Significant changes that have occurred in the internal control over financial reporting during the year;
 - (b) All significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;
 - (c) Instances of significant fraud, if any, of which we are aware and the involvement therein of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: New Delhi
Date: 13/08/2015

Sd/-
Saket Dalmia
Managing Director
DIN: 00083636

Sd/-
Aman Agrawal
C. F. O.
ACA - 501723