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**P G INDUSTRY LIMITED**

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**ANNUAL REPORT**

**2010-2011**

# P G INDUSTRY LIMITED

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## **BOARD OF DIRECTORS**

As on 02.09.2011

1. Shri Saket Dalmia (Managing Director)
2. Shri Amit Dalmia
3. Shri Piyush Sharma
4. Shri Pardip Asopa
5. Shri Anil Kumar

## **AUDIT COMMITTEE -**

1. Shri Pardip Asopa
2. Shri Amit Dalmia
3. Shri Anil Kumar

## **SHAREHOLDERS GRIEVANCE COMMITTEE**

1. Shri Amit Dalmia
2. Shri Anil Kumar
3. Shri. Piyush Sharma

# P G INDUSTRY LIMITED

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**COMPANY SECRETARY -**

Shri Gaurav Kumar Kanodia

**REGISTERED OFFICE**

A -30, S-11, IInd Floor  
Kailash Colony  
New Delhi – 110 048  
TEL: 011- 26654051, 26654052  
FAX : 011- 26654052

Website: [www.pgil.com](http://www.pgil.com)  
EMAIL: [pgindustryLtd@gmail.com](mailto:pgindustryLtd@gmail.com)

**BANKERS**

**Vijaya Bank**  
Defence Colony  
New Delhi – 110 048

**STATUTORY AUDITORS**

**M/s Vishal G Goel & Co.**  
(Chartered Accountants)  
304, A. J. Chamber, Gali no. 4  
Pyare Lal Road, Naiwala  
Karol Bagh, New Delhi – 110 005  
TEL: 011 -28751044

**PLANT LOCATION**

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

**REGISTRAR AND  
TRANSFER AGENTS**

**M/s MAS SERVICES LIMITED**  
T – 34, 2nd Floor  
Okhla Industrial Area, Phase – II,  
New Delhi - 110 020  
TEL: 011-26387281, 26387282

EMAIL: [info@masserv.com](mailto:info@masserv.com)

**INVESTOR HELPDESK**

TEL: 011- 26654051, 26654052  
EMAIL: [pgindustryLtd@gmail.com](mailto:pgindustryLtd@gmail.com)

# P G INDUSTRY LIMITED

Regd. Off: A - 30, 2nd Floor, Kailash Colony, New Delhi - 110 048

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## NOTICE

Notice is hereby given that the 18<sup>th</sup> Annual General Meeting of the Members of **M/s P G INDUSTRY LIMITED** will be held at A - 30, 2<sup>nd</sup> Floor, Kailash Colony, New Delhi - 110 048 on Friday 30<sup>th</sup> September, 2011 at 4.00 P. M. to transact the following business.

### ORDINARY BUSINESS

1. To receive, consider and adopt the Annual Balance Sheet as at 31<sup>st</sup> March, 2011 and the Profit & Loss Account for the year ended on that date and the reports of Directors' and Auditors thereon.
2. To appoint a Director in place of Mr. Pardip Asopa, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Anil Kumar, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting and to fix their remuneration.

**By Order of the Board**  
**For P G INDUSTRY LIMITED**

**Place: New Delhi**  
**Date: 02.09.2011**

**Sd/-**  
**Gaurav Kumar Kanodia**  
**(Company Secretary)**

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE VALID MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY AT A – 30, S-11, 2<sup>ND</sup> FLOOR, KAILSAH COLONY, NEW DELHI – 110 048, NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING. PROXY FORM IS ANNEXED.**
2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
5. The Register of members and share Transfer Books will remain closed from 24<sup>th</sup> September, 2011 to 30<sup>th</sup> September, 2011 (both days inclusive).
6. The Members are requested to notify change of address, if any to, the company's Registrar & Transfer Agent, M/s **MAS Services Limited**, T – 34, 2<sup>nd</sup> Floor, Okhla Industrial Area, Phase – II, New Delhi – 110 020.
7. It will be appreciated that queries, if any, on the accounts and operations of the company are sent to the company 10 days in advance of the meeting so that the answer could be made readily available.
8. Recognizing the spirit of the Green Initiative in Corporate Governance initiated by the Ministry of Corporate Affairs, the Company proposes to send Annual Report and other documents/notices to shareholders to the email address provided to the Depository/Company. Shareholders are requested to register and/or update email address with the respective Depository Participant or the Company, to ensure that documents from the Company reach their preferred email address.

**IMPORTANT INTIMATION TO MEMBERS**

Ministry of Corporate Affairs, Government of India ('MCA') has recently introduced 'Green Initiative in Corporate Governance' by allowing paper less compliance by Companies, i.e. service of notice/documents including Annual Report by e-mail to its members. Keeping in view the underlying spirit and pursuant to the said initiative of MCA, Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses in respect of electronic holding with the Depository through their respective Depository Participants. Members holding the shares in physical mode are also requested to register their e-mail addresses with Company's Registrar & Share Transfer Agent viz. MAS Services Limited.

# P G INDUSTRY LIMITED

Regd. Off: A - 30, 2nd Floor, Kailash Colony, New Delhi – 110 048

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Dear Shareholder,

**Sub: Green Initiative in Corporate Governance – Electronic Mode of Service of Documents**

1. Ministry of Corporate Affairs, Government of India (MCA), vide its Circular Nos. 17 and 18 dated 21st April, 2011 and 29th April, 2011, respectively, has clarified that the Company would be in compliance of the provisions of the Companies Act, 1956, if the Company serves the Notice of General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report, etc., to its shareholders through electronic mode, at the e-mail address provided by them to the Company.
2. **Shareholders holding shares in demat (electronic) form**
  - (a) In case you are holding shares of the Company in demat (electronic) form, the Company proposes to send the aforesaid documents to you in electronic form, at the e-mail address provided by you, and which will be made available to us by your Depository Participant (DP).
  - (b) In case of any change in your e-mail address, we request you to inform the said change to your Depository Participant (DP) to enable them to update their records.
  - (c) As such, the e-mail address registered by you with your DP will henceforth be used by the Company for service of the said documents, including those covered under Section 219 of the Companies Act, 1956.
  - (d) If, however, you wish to continue to receive the said documents in physical mode, please send us an e-mail at [pgindustry ltd@gmail.com](mailto:pgindustry ltd@gmail.com), or write to the Company at its Registered Office at A - 30, S-11, 2<sup>nd</sup> Floor, Kailash Colony, New Delhi – 110 048 quoting reference of your DP ID and Client ID and name of the first Registered shareholder.

**3. Shareholders holding shares in physical form**

In case you are holding shares of the Company in physical form, please register your email address with the Company at [pgindustry ltd@gmail.com](mailto:pgindustry ltd@gmail.com), mentioning your Folio Number, name of First Registered Holder and the e-mail ID, so that all such documents can be served upon you henceforth in electronic mode at the said e-mail address.

4. Please note that the said documents will be made available by the Company on its website, [www.pgil.com](http://www.pgil.com).
5. Upon receipt of a request from you, your Company shall also send you the physical copy of the above documents free of cost.

Thanking you

Yours faithfully,  
For P G Industry Limited

Sd/-  
(Company Secretary)

# P G INDUSTRY LIMITED

Regd. Off: A - 30, 2nd Floor, Kailash Colony, New Delhi - 110 048

## DIRECTORS' REPORT

To,  
The Shareholders

Your Directors take pleasure in presenting the 18<sup>th</sup> Annual General Report of the Company together with the Audited Statement of the Accounts for the year ended on 31<sup>st</sup> March, 2011.

<b>FINANCIAL HIGHLIGHTS</b>	<b>(Rs. In Lacs)</b>	
<b>PARTICULARS</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
Sales	3765.79	2837.55
Other Income	23.83	90.90
Total Income	3789.63	2928.45
Total Expenditure	3654.42	2742.04
Profit/(Loss) before taxation, depreciation	135.20	186.41
Less: Depreciation	35.84	26.00
Less: Short term capital loss/ speculation loss	--	224.83
Profit/(Loss) before taxation	99.36	(64.42)
Provision for Current Tax	26.14	55.54
Deferred Tax Liabilities	(23.25)	(8.81)
Balance Surplus Carried to Balance Sheet	96.47	(112.32)

## **WORKING RESULTS**

During the year under review, the Company achieved the sales turnover of Rs. 3765.79 Lacs as against Rs. 2837.55 Lacs of the previous Financial Year. The profit before tax and profit after tax were higher at Rs. 99.36 Lacs and Rs. 96.47 Lacs respectively for the Financial Year 2010-11 as against Rs. (64.42) Lacs and Rs. (112.32) Lacs for the previous Financial Year.

## **DIVIDEND**

The Company is putting continuous effort to expand its existing infrastructure, so the Company is not in a position to declare any dividend for the year. Therefore no dividend is proposed to be declared.

## **DEPOSIT**

The Company has not accepted any deposits from the public or its employees during the year under review.

## **CAPITAL**

The paid up equity capital of the Company is Rs. 4,62,42,200 divided into 46,24,220 equity shares of Rs. 10 each. The Company has not come out with any share issue during the year.

## **INSURANCE**

The Properties and insurable assets and interest of your Company such as buildings, plant & machinery and stocks among others, are adequately insured.

## **BONUS ISSUE**

During the year the Company has not issued any bonus shares.

## **DIRECTORS**

In accordance with the provisions of the Articles of Association of the Company, Mr. Anil Kumar and Mr. Pardip Asopa retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **FORWARD LOOKING STATEMENTS**

This MD&A includes information that is forward-looking in nature. Such statements concern the future earnings of the Company, its operations, its financial results and its financial situation. Such forward-looking statements can be identified through use of expressions such as "believe", "foresee", "anticipate", "estimate", "expect" and other similar types of terms. Such statements are based on the information available at the time that they were made and on the good faith of management according to information available at this time. The statements include an element of uncertainty and the actual results may be significantly different from the assumptions and estimations described in the forward looking statements. The actual results will be affected by numerous factors over which the Company has no influence. Consequently, we recommend against placing undue trust in such forward-looking statements since future events and actual results may differ significantly from our forecasts.

### **The Industry: opportunities & Threats**

The Company's main business is cutting, finishing and trading of Imported Marbles, but it can be done only after the raw material has been purchased / imported. The Government of India has laid down certain policies for granting Import License, which is followed by strict rules and regulations. The person who gets the license can import the raw materials during the year.

P G Industry is exposed to risk of price fluctuation on raw materials as well as finished products in all its products as due to import of raw materials it has the risk of delaying or loss in the shipment which may cause rise in the price of the raw materials and finished goods too. Due to increase in the Import tariff or import duties it also affects the flexibility of the prices of the raw materials.

### **Business Outlook and Overview:**

The Company main business is to Manufacture and Trading of Imported Marbles. The Company strategy is to strengthen its business with the objective of long term growth. Its growth depends on the development of the Real Estate Sector. Now a day's Real Estate Sector is developing day by day and the demand for the Imported Marbles also increasing.

The Company's Import is based on the Government policies as laid by them. Its Import is on the basis of licensees granted by Ministry of Commerce & Industry, Government of India.



**Internal Control Systems and Cost:**

The Company has a proper and adequate system of internal controls to ensure that all the assets are safeguarded, protected against loss from unauthorized use or disposition and that transactions are authorized, recorded and reported correctly. The company conducts audit of various departments based on an annual audit plan through Senior Executive of the Company along with the head of finance department. The views of the statutory auditors are also considered to ascertain the adequacy of the internal control system.

**Human Resource Development:**

The Company believes that its human resources have been pivotal force to accelerate the growth of the organization right from its inception and it has been the company's continuous endeavour to create an environment where people excel and feel a sense of belongingness to the organization. The Company makes a continuous and concerted efforts not only to groom its human resources to meet with the present and future challenges in the field of Technology and Management functions but also focuses on providing an environment conducive for growth of employees and organization in the rapidly changing industrial scenario. To support the growing and expanding business needs, talent acquisition and development at all levels have been regularly groomed through need based training & development programmes organized by inviting expert faculties from outside as well as with the help of internal faculties the employees to attend specialized training programmes organized by the reputed training institutes in the country.

The Company has always remained conscious about the importance of safety, environment and health aspects and accordingly, training programmes on safety awareness, etc were organized in house during the year.

The Company is continuously endeavoring to improve industrial relations by proactive initiatives / actions and results, very harmonious, cordial and healthy industrial relations though out the year led to an atmosphere conducive for the sustenance of growth and enrichment of value for the shareholders.

**AUDITORS AND AUDITORS' REPORT**

M/s Vishal G Goel & Co., Chartered Accountants, Statutory Auditor of the Company, hold office until the conclusion of ensuing Annual General Meeting and being eligible offer themselves for reappointment.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the annual accounts for the financial year ended March 31, 2011 the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the year under review

- (iii) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (iv) That the directors had prepared the accounts for the financial year March 31, 2011 on a going concern basis.

#### **SECRETARIAL AUDIT REPORT**

As a measure of good corporate governance practice, the Board of Directors of the Company appointed M/s Mukesh Arora & Company, Company Secretaries, to conduct Secretarial Audit of the Company.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Pursuant to Section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of particulars in the report of the Board of Directors) Rules, 1988, the following information is provided:

##### **A. CONSERVATION OF ENERGY**

Our Company is not an energy intensive unit, however regular efforts are made to conserve energy.

##### **B. RESEARCH AND DEVELOPMENT**

The Company did not have any activity during the year.

##### **C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year, the Company had Nil Foreign Exchange Earnings.

#### **PERSONNEL UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956**

There were no personnel in receipt of remuneration as prescribed under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

#### **ACKNOWLEDGEMENT**

Your Directors express their sincere thanks and appreciation for the cooperation received from the Investors, Shareholders, Banks and Business Associates during the year under review. Your Directors also wish to place on record their appreciation for the excellent performance and contribution of the Employees to the Company's progress during the year under review.

**For and on behalf of the Board**

**Place: New Delhi**

**Date: 02.09.2011**

**Sd/-  
SAKET DALMIA  
(CHAIRMAN)**

# P G INDUSTRY LIMITED

Regd. Off: A - 30, 2nd Floor, Kailash Colony, New Delhi – 110 048

## ATTENDANCE SLIP

**PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL**

Joint shareholders may obtain additional Slip at the venue of the meeting.

DP Id	
Client Id	

Master Folio No.	
No. of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the 18<sup>th</sup> ANNUAL GENERAL MEETING of the Company held on 30<sup>th</sup> September, 2011 at 4.00 P.M., A- 30, 2<sup>nd</sup> Floor, Kailash Colony, New Delhi – 110 048.

Signature of Shareholder/proxy

### **P G INDUSTRY LIMITED**

Regd. Off: A - 30, 2<sup>nd</sup> Floor, Kailash Colony, New Delhi – 110 048

DP Id	
Client Id	

Master Folio No.	
------------------	--

I/We.....of.....being a member/members of M/s P G INDUSTRY LIMITED hereby appoint Shri/Smt.....of.....or failing him/her, Shri/Smt.....of..... as my/our proxy to vote for me/us on my/our behalf at the 18<sup>th</sup> Annual General Meeting of the Company to be held on 30<sup>th</sup> September, 2011 at 4.00 P.M and any adjournment thereof.

I wish my above Proxy to vote in the manner as indicated in the box below:

Resolutions	For	Against
1. Adoption of Accounts, Reports of the Board of Directors and Auditors		
2. Re-appointment of the Directors retiring by rotation:		
(a) Shri. Pardip Asopa		
(b) Shri. Anil Kumar		
3. Appointment of Auditors		

Signed this ..... Day of.....2011

Signature

Affix a  
15 paise  
Revenue  
Stamp

# P G INDUSTRY LIMITED

Regd. Off: A - 30, 2nd Floor, Kailash Colony, New Delhi - 110 048

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## REPORT ON CORPORATE GOVERNANCE

### 1) CORPORATE GOVERNANCE

Corporate Governance is the application of best management practices, compliance of laws, rules, regulations and adherence to standards to achieve the objects of the Company, enhance shareholder value and discharge of social responsibility. The Corporate Governance Structure in the Company assigns responsibility and authority to Board of Directors, its committees and the executive management, senior management employees etc.

### 2) COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company acknowledges its responsibilities to its Stakeholders. The Company believes that Corporate Governance helps to achieve commitment and goals to enhance stakeholder value by focusing towards all stakeholders. The core values of the Company are based on integrity, emphasis on product quality and transparency in its dealings with all stakeholders. Any good corporate governance provides an appropriate framework for the Board, its committees and the executive Management to carry out the objectives that are in the interest of the Company and the Stakeholders. The Company maintains highest levels of transparency, accountability and good management practices through the adoption and monitoring of corporate strategies, goals and procedures to comply with its legal and ethical responsibilities. The Company is committed to meeting the aspirations of all our stakeholders. The associate's satisfaction is reflected in the stability in all the levels of management.

The Company has three tiers of the governance pyramid:

- Shareholders - Board of Directors
- Committees of the Board
- Executive Management

Each of the tiers operates within the given parameters as per prevailing laws and regulations or the practices prevalent in the industry.

### 3) COMPOSITION OF BOARD OF DIRECTORS:

(A) Your Company is managed by Five Directors with an optimum combination of Executive, Non Executive and Independent Directors, of which Four Directors are the Non-Executive Directors, constituting more than half of the total strength of the Board. Managing Director of the Company is the only Executive Director on the Board of the Company. The composition of the Board is in conformity with the Clause 49 of the Listing Agreement entered into with the Stock Exchange. 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:

Name of Directors	Category	Attendance particulars		Other Directorships #	
		at Board Meetings held during 2010-2011	at AGM held on 30/09/2010		
		Held	Attended		
<b>Directors</b>					
Mr. Saket Dalmia (Mangaing Director)	Promoter & Executive	15	15	Yes	10
Mr. Amit Dalmia	Promotor & Non-Executive	15	13	Yes	8
Mr. Anil Kumar	Independent Non-Executive	15	15	NO	-
Ms. Pardip Asopa	Independent Non-Executive	*10	8	Yes	1
Mr. Piyush Sharma	Independent Non-Executive	*10	8	No	2

# No. of other Directorships indicated above is inclusive of Directorship of Privat/Public Limited companies. None of the Directors is either Chairman or Member of committees in other companies.

\* No. of Board Meetings held during the tenure of the Directorship.

#### (B) Date and No. of Board Meetings held

During the Financial year ended March 31, 2011, the Board met 15 (fifteen) times on 1<sup>st</sup> April 2010, 26<sup>th</sup> April 2010, 27<sup>th</sup> April 2010, 10<sup>th</sup> June 2010, 30<sup>th</sup> June 2010, 1<sup>st</sup> July 2010, 15<sup>th</sup> July 2010, 27<sup>th</sup> July 2010, 25<sup>th</sup> August 2010, 1<sup>st</sup> September 2010, 25<sup>th</sup> September 2010, 8<sup>th</sup> November 2010, 12<sup>th</sup> January 2011, 8<sup>th</sup> February 2011 and 4<sup>th</sup> March 2011. Requisite quorum was present for all the meetings.

### 3. AUDIT COMMITTEE:

(A) The Scope of the Audit Committee has been defined by the Board of Directors in accordance with the provisions of the Companies Act read with Clause 49 of the Listing Agreement, which among others, includes:-

- Reviewing the Company's financial reporting processes and systems
- Reviewing the Company's financial and risk management policies
- Reviewing with management the quarterly and annual financial statements.

The Audit Committee of the company presently consists of 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	*2	2
Mr. Amit Dalmia	Member	4	4
Mr. Anil Kumar	Member	4	4

\* No. of Meetings held during the tenure of the Committee Membership.

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

#### (B) Meeting / Attendance

During the financial year ended 31<sup>st</sup> March 2011 the Audit Committee of the company met four times. The dates of the meetings were 28<sup>th</sup> June 2010, 26<sup>th</sup> July 2010, 6<sup>th</sup> November 2010 and 8<sup>th</sup> February 2011.

**(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 292 A of the Companies Act, 1956.

**4. REMUNERATION COMMITTEE:**

(A) The Remuneration Committee consists of three Non Executive Independent Directors with Mr. Piyush Sharma as Chairman and Mr. Anil Kumar and Mr. Pardip Asopa 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) The following are the details of the remuneration paid to Managing/Executive Directors during the Financial Year under discussion:

<b>Name of the Director</b>	<b>Designation</b>	<b>Remuneration (Rs.)</b>	<b>Perquisites</b>
Mr. Saket Dalmia	Managing Director	12,50,000	NIL
Mr. Amit Dalmia	Non Executive Director	12,50,000	NIL

**4) SHAREHOLDER'S GRIEVANCE COMMITTEE:**

Shareholder's Grievance Committee consisting of Mr. Amit Dalmia, as Chairman of the committee and Mr. Anil Kumar & Mr. Piyush Sharma 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. The Shareholders grievance committee met to take note of redressal of shareholders complaint, But the Company didn't receive any complaint during the year. All the members of the committee were present in meetings.

**6. ANNUAL GENERAL MEETINGS:**

(A) The last three Annual General Meetings of the company were held at 2.00 P.M. on 30<sup>th</sup> September, 2010 at A-30, 2<sup>nd</sup> Floor, Kailash Colony, New Delhi – 110 048; 1.00 P.M. on 30<sup>th</sup> September, 2009 at A-30, 2<sup>nd</sup> Floor, Kailash Colony, New Delhi – 110 048; 11.00 A.M. on 30<sup>th</sup> September, 2008 at A-30, 2<sup>nd</sup> Floor, Kailash Colony, New Delhi – 110 048.

All resolutions moved at the last Annual General Meeting were passed by show of hands with the requisite majority of members attending the meeting.

**(B) Extra-Ordinary General Meeting**

During the financial year ended 2010-2011, One Extra-Ordinary General Meeting was held on 25<sup>th</sup> March 2011 at 3.00P.M., A-30, S-11, Second Floor, Kailash Colony, New Delhi – 110 048.

**7. DISLOSURES:**

The disclosures on related party transactions are as per Accounting Standards 18 issued by the Institute of Chartered Accounts of India are given in Note No. B - 6 of the Notes to Accounts (schedule-19)

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.

**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.

## 9. CEO/CFO CERTIFICATION:

As required under Clause 49 of the Listing Agreement, a Certificate duly signed by Managing Director and Director was placed at the meeting of the Board of Directors held on 2<sup>nd</sup> September 2011.

## 10. GENERAL SHAREHOLDER INFORMATION:

(i) The 18<sup>th</sup> Annual General Meeting of the Members of the Company is scheduled to be held on Friday the 30<sup>th</sup> day of September, 2010 at 4.00 P.M. at A- 30, 2<sup>nd</sup> Floor, Kailash Colony, New Delhi -110048.

### (ii) Financial calendar for the year 2011-12

First Quarter Unaudited Financial Results	Second Week of August, 2011
Second Quarter Unaudited Financial Results	Second Week of November, 2011
Third Quarter Unaudited Financial Results	First Week of February, 2012
Audited Financial Results	First Week of August, 2012

### (iii) Details of Book Closure:

From Saturday, 24<sup>th</sup> September 2011 to Friday, 30<sup>th</sup> September, 2011 (both days inclusive)

(iv) Listing on Stock Exchanges: The Equity Shares of Company are listed at following Stock Exchanges:

- (a) **Bombay Stock Exchange Limited, Mumbai**  
Rotunda Building, P J Towers, Dalal Street, Mumbai- 400 001
- (b) **The Delhi Stock Exchange Limited**  
DSE House, 3/1, Asaf Ali Road, New Delhi – 110 002
- (c) **The Calcutta Stock Exchange Limited**  
7, Lyons Range, Kolkata – 700 001
- (d) **Madras Stock Exchange Limited**  
11, Second Lines Beach, Chennai – 600 001

### (v) Stock Code

Stock Code: **531281 (BSE)**

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

### (vi) Market Price Data:

The Shares of the Company are not traded on stock exchange.

### (vii) Postal Ballot:

There were no ordinary or special resolutions passed by the Shareholders of the Company through postal ballot during the year ended 31.03.2011.

### (viii) Registrar and Transfer Agents:

M/s MAS SERVICES PRIVATE LIMITED  
T – 34, 2<sup>nd</sup> Floor  
Okhla Industrial Area, Phase -II  
New Delhi – 110 020  
TEL: 011-26387281, 7282

### (ix) Share Transfer System

Presently the majority of Shares of the Company are in physical forms.

**(x) Shareholding Pattern as on 31<sup>st</sup> March, 2011:**

Categories	No. of Shares	% of Shareholding
Indian Promoters	3319820	71.79
Persons Acting in Concert	Nil	Nil
Institutional Investors	145000	3.14
Corporate Bodies	128900	2.79
Indian Public	1030500	22.28
Non Resident Indians	Nil	Nil
<b>Total</b>	<b>4624220</b>	<b>100</b>

**(xi) Dematerialisation 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. INE 807H01015 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) 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 31<sup>st</sup> March, 2011.

**(xiv) 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.

**(xv) Code of prevention of Insider Trading Practices:**

In compliance with SEBI Regulations on prevention of Insider trading, the Company has framed a comprehensive code of conduct for prevention of Insider trading practices in the equity shares of the Company. The same has been amended in line with the amended SEBI Regulations. The Code lays down the guidelines, which advises the connected persons mentioned in the code, on the procedure to be followed and disclosures to be made by them, while dealing with the shares of the company and cautioning them of the consequences of the violations.

**(xvi) Whistle Blower Policy:**

A formal whistle blower policy is not in place. The Company however takes cognizance of complaints, if any, made by the employees and others. Complaints are looked into and wherever necessary, suitable corrective measures are taken. No employee of the Company has been denied access to the Audit Committee of the Board of Directors.

**(xvii) Address for correspondence :**

Shareholder Correspondence may be addressed to:

**Registered Office:**

M/s P G INDUSTRY LIMITED

A - 30, S-11, 2<sup>nd</sup> Floor

Kailash Colony

New Delhi - 110 048

Email: [pgindustry ltd@gmail.com](mailto:pgindustry ltd@gmail.com)

**OR**

**Registrar & Transfer Agent :**

M/s MAS SERVICES LIMITED

T - 34, 2<sup>nd</sup> Floor, Okhla Industrial Area,

Phase -II

New Delhi - 110 020



# P G INDUSTRY LIMITED

Regd. Off: A - 30, 2nd Floor, Kailash Colony, New Delhi - 110 048

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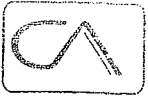
## DECLARATION ON CODE OF CONDUCT

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

All the Board members and the senior management personnel have, for the financial year ended 31<sup>st</sup> March, 2011 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)**



**VISHAL G GOEL & CO.**  
Chartered Accountants

Mobile No. +91-09212250265  
Landline No. +91-011-28751044  
Resident No. +91-130-6450265  
Mail ID vishal@cavishalgoel.com  
vishalggoyal@rediffmail.com  
Website : www.cainindia.in

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To,

The Members of P G Industry Limited.

We have examined the compliance of Corporate Governance by P G Industry Limited (the Company) for the year ended on March 31, 2011 as stipulated in *Clause 49* of the *Listing Agreement* of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the Directors and the management, we certify that the company has complied with the conditions of corporate governance as stipulated in *Clause 49* of the *Listing Agreement*.

We state that no shareholder Complaint was received during the year as per the records maintained by the Shareholder's Grievance Committee.

We further state that such compliance is neither an assurance as to further viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For: Vishal G Goel & Co.  
Chartered Accountants

*Sd/-*  
Ca Vishal Goel  
(Proprietor)  
M. No. 094685

Place: New Delhi  
Dated: 2<sup>nd</sup> September, 2011

# P G INDUSTRY LIMITED

Regd. Off: A - 30, 2nd Floor, Kailash Colony, New Delhi - 110 048

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## **Chief Executive Officer (CEO) and Finance Head Certification**

We, Saket Dalmia, Managing Director and Amit Dalmia, Director, 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: 02.09.2011

Sd/-  
Saket Dalmia  
(Managing Director)

Sd/-  
Amit Dalmia  
(Director)



**Vishal G Goel & Co.**

**Chartered Accountants**

Mobile No. +91-09212250265  
Landline No. +91-011-28751044  
Resident No. +91-0130-6450265  
Mail ID [vishal@cavishalgoel.com](mailto:vishal@cavishalgoel.com)  
[vishalgoel@rediffmail.com](mailto:vishalgoel@rediffmail.com)

## AUDITOR'S REPORT

To,

The Members of P G Industry Limited

1. We have audited the attached Balance Sheet of **P G Industry Limited** as at 31<sup>st</sup> March 2011 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2003 and amendments thereto issued by the Central Government of India in terms of Sec 227(4A) of The Companies Act 1956, and on the basis of such checks as we considered appropriate, and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said order, to the extent applicable to the Company.
4. We further to our comments in the Annexure referred above, we report that :
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us.
  - c) The Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet and Profit and Loss account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

Address:

**Head Office**

Chotta Halwai Hatta,  
Sunaro Wali Gali  
Sonipat- 131001 (Haryana)

Second Office:

304, A.J. Chamber, Gali No- 04  
Pyare Lal Road, Naiwala,  
Karol Bagh, New Delhi- 05



**Vishal G Goel & Co.**  
**Chartered Accountants**

- e) On the basis of written representations received from the directors, as on 31<sup>st</sup> March 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2011 from being appointed as a director in terms of clause (g) of sub-section(1) of section 274 of the Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Accounting Policies and Explanatory Notes in Schedule -19 give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (i) in the case of the Balance Sheet of the state of affairs of the Company as at 31<sup>st</sup> March 2011; and
  - (ii) in the case of Profit and Loss Account, of the Profit for the year ended on that date: and
  - (iii) in case of cash flow statement of the cash flows for the year ended on that date.

**For: Vishal G Goel & Co.**  
(Chartered Accountants)

Sd/-  
**Ca Vishal Goel**  
(Proprietor)  
F.C.A., DISA  
Membership No.- 094685  
Firm Regn. No.- 020330 N

Place: New Delhi  
Date: 11<sup>th</sup> Aug, 2011



**Vishal G Goel & Co.**  
Chartered Accountants

**Annexure to Auditors' Report for the year ended on 31<sup>st</sup> March, 2011**

Annexure referred to in paragraph 3 of the auditors report to the members of **P G Industry Limited**, for the year ended 31st March, 2011

- 1) a) The company has maintained proper record showing full particulars including quantitative details and situations of fixed assets.
  - b) We are informed that management has carried out the physical verification of a portion of the fixed assets, which is considered reasonable having regard to the size of the Company and the nature of its business and no material discrepancies have been noticed on such physical verification to the extent verification was made during the year.
  - c) The company has not disposed off any part of its fixed assets so as to affect its going concern assumptions.
- 2) a) As explained to us physical verification of inventory has been conducted by the management during the year at reasonable intervals
  - b) In our opinion procedure of physical verification of the inventories followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
  - c) The Company has maintained proper records of inventories and discrepancies noticed on physical verification of inventories with regard to the size and nature of operations of the company were not material and have been properly dealt with in the books of accounts of the Company.
- 3) a) The company has granted interest free unsecured loans to party covered in the register maintained under section 301 of the Companies Act, 1956.
  - b) The loans has been provided free of interest and the loans are repayable on demand.
  - c) Since loans are interest free and are repayable on demand, and hence there is no irregularity in receipt of these amounts.
  - d) The amount overdue is Nil and hence no steps are required to be taken for recovery.
  - e) The company has taken unsecured loan from the parties covered in the register maintained under section 301 of the Companies Act, 1956.
  - f) The loans have been taken free of interest and are repayable on demand, and hence there is no irregularity in payment of these amounts.
  - g) The amount overdue is Nil and hence no steps are required to be taken for recovery.



**Vishal G Goel & Co.**  
**Chartered Accountants**

- 4) In our opinion and according to the information and explanation given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of inventories, fixed assets and for the sale of goods and services. Further on the basis of our examination of the books and records of the company, and according to the information and explanation given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in internal control systems.
- 5) According to the information and explanation given to us, we are of opinion that there are no contract or arrangements referred to in Section 301 of the Act during the year that need to be entered into the register maintained under that Section. Accordingly, clause (v) (b) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the company for the current year.
- 6) According to the information and explanation given to us, the company has not accepted any deposits during the year from the public within the meaning of the sections 58A, 58AA or any other relevant provision of the Act and the rules framed there.
- 7) The Company has adequate Internal Audit system commensurate with its size and nature of its business.
- 8) No cost records has been prescribed by the Central Government under Clause (d) of sub section (1) of section 209 of the Act.
- 9) According to the information and explanation given to us, in our opinion, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty and Excise Duty, Cess and any other material statutory dues as applicable with appropriate authorities. There are no undisputed amount payable in respect of such statutory which have remained outstanding as at 31st March, 2011 for a period more then six months from the date they became payable.
- 10) The company has accumulated profit of Rs.369.19 lacs at the end of the financial year 2010-11 and it has earned profit in current financial year of Rs. 96.47 lacs.
- 11) According to the records of the company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of its dues to banks and financial institutions.
- 12) The company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
- 13) The provisions of any Special Statute applicable to Chit Fund, Nidhi Fund or Mutual Benefit Fund/Societies are not applicable to the company.
- 14) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments.
- 15) In our opinion and according to the information and explanation given to us, the company has not given any guarantee for loan taken by others from banks and financial institutions.



**Vishal G Goel & Co.**  
**Chartered Accountants**

- 16) As per information and explanation given to us, the company has not obtained any term loan during the year.
- 17) According to the information and explanation given to us and on an overall examination the Balance Sheet of the company, we report that no fund raised on short term basis have been used for long term investment.
- 18) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- 19) The company has not issued any equity shares and debentures during the year.
- 20) The company has not raised any money by way of public issue during the year.
- 21) No fraud on or by the Company has been noticed or reported during the year.

**For: Vishal G Goel & Co.**  
(Chartered Accountants)

Sd/-  
**Ca Vishal Goel**  
(Proprietor)  
F.C.A., DISA  
Membership No.- 094685  
Firm Regn. No.- 020330 N

Place : New Delhi

Date: 11<sup>th</sup> Aug, 2011



**P G INDUSTRY LIMITED**  
**A-30, IInd floor, Kailash Colony, New Delhi-110048**  
**BALANCE SHEET AS AT 31ST MARCH, 2011**

PARTICULARS	SCH	Amount (Rs.) As at 31.03.11 Audited	Amount (Rs.) As at 31.03.10 Audited
<b>SOURCES OF FUNDS</b>			
<b>1. Shareholders' Funds</b>			
a) Share Capital	1	46,242,200.00	46,242,200.00
b) Reserve & Surplus	2	36,918,965.67	27,271,703.90
<b>2. Loan Funds</b>			
a) Secured Loans	3	141,729,982.90	120,777,881.53
b) Unsecured Loans		115,887,780.37	232,447,307.00
<b>3. Deferred Tax Liabilities</b>			
<b>TOTAL</b>		<b>340,778,928.94</b>	<b>426,739,092.43</b>
<b>APPLICATION OF FUNDS</b>			
<b>1. Fixed Assets</b>			
a) Gross Block	4	75,401,187.93	46,607,879.46
b) Less: Depreciation		18,799,777.21	15,215,581.21
c) Net Block		<b>56,601,410.72</b>	<b>31,392,298.25</b>
<b>2. Capital Work in Progress</b>		2,345,089.00	12,081,034.00
<b>3. Investments</b>	5	114,381.00	4,695,672.00
<b>4. Current Assets, Loans and Advance</b>			
a) Inventories	6	150,540,633.00	163,686,115.00
b) Sundry Debtors	7	100,924,889.96	105,522,364.96
c) Cash & Bank Balances	8	1,307,710.37	3,900,522.03
d) Other Current Assets	9	10,655,124.00	11,244,473.00
e) Loans & Advances	10	58,251,542.07	160,661,365.43
		321,679,899.40	445,014,840.42
<b>Less: Current Liabilities and Provisions</b>	11		
a) Current Liabilities		40,437,016.18	61,654,821.24
b) Provisions		2,614,000.00	5,554,000.00
<b>Net Current Assets</b>		<b>278,628,883.22</b>	<b>377,806,019.18</b>
<b>5. Deferred Tax Assets</b>		3,089,165.00	764,069.00
<b>TOTAL</b>		<b>340,778,928.94</b>	<b>426,739,092.43</b>
Notes on Accounts	19		

As per Our Report of Even date attached  
For Vishal G Goel & Co.  
(Chartered Accountants)

For P G INDUSTRY LIMITED

Sd/-  
Ca Vishal Goel  
(Proprietor)

Sd/-  
Saket Dalmia  
(Managing Director)

Sd/-  
Amit Dalmia  
(Director)

Place: Delhi  
Date: 11th Aug, 2011

**P G INDUSTRY LIMITED**

A-30, IInd floor, Kailash Colony, New Delhi-110048

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

PARTICULARS	SCH	Amount (Rs.)	Amount (Rs.)
		As at 31.03.11 Audited	As at 31.03.10 Audited
<b>INCOME</b>			
Sales		376,579,453.00	283,755,136.00
Other Income	12	2,383,716.00	9,090,310.00
		<b>378,963,169.00</b>	<b>292,845,446.00</b>
<b>EXPENDITURE</b>			
Material Consumed	13	277,012,699.91	207,102,562.22
Manufacturing Expenses	14	40,899,347.00	30,707,228.58
Personnel Expenses	15	5,129,530.00	4,375,861.00
Administrative Expenses	16	12,144,486.84	8,056,683.23
Selling & Distribution Expenses	17	11,248,312.83	9,003,354.74
Financial Expenses	18	19,008,430.65	14,958,405.81
		<b>365,442,807.23</b>	<b>274,204,095.58</b>
Profit/ (Loss) Before Depreciation & I. Tax		13,520,361.77	18,641,350.42
Less: Depreciation		3,584,196.00	2,600,693.00
Business Profit Before Tax		<b>9,936,165.77</b>	<b>16,040,657.42</b>
Less: Short Term Capital Loss		-	20,913,269.88
Less: Loss from Speculation Business		-	1,570,176.00
Profit Before Tax		9,936,165.77	(6,442,788.46)
Less: Provision for Income Tax		2,614,000.00	5,554,000.00
Deferred Tax Liabilities		(2,325,096.00)	(881,190.00)
Prior Period Expenses		-	116,581.00
Net Profit Carried to Balance Sheet		<b>9,647,261.77</b>	<b>(11,232,179.46)</b>

Notes on Accounts 19

As per Our Report of Even date attached  
For Vishal G Goel & Co.  
(Chartered Accountants)

For P G INDUSTRY LIMITED

Sd/-  
Ca Vishal Goel  
(Proprietor)

Sd/-  
Saket Dalmia  
(Managing Director)

Sd/-  
Amit Dalmia  
(Director)

Place: Delhi  
Date: 11th Aug, 2011

**P G INDUSTRY LIMITED**  
A-30, IInd floor, Kailash Colony, New Delhi-110048

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011**

PARTICULARS	Amount (Rs.) As at 31.03.11 Audited	Amount (Rs.) As at 31.03.10 Audited
<b>CASH FROM OPERATING ACTIVITIES</b>		
Net Profit as per P & L Account	9,936,166.00	16,040,657.00
Adjustment for:		
Provision for Depreciation	3,584,196.00	2,600,693.00
Interest Income	(54,240.00)	(8,438,916.00)
Prior Period Expenses	0.00	(116,581.00)
Dividend	0.00	(7,300.00)
Rental Income	(72,000.00)	(72,000.00)
Interest Expenses	17,595,060.00	13,836,833.00
Operating Profit before Working Capital Changes	<u>30,989,182.00</u>	<u>23,843,386.00</u>
Adjustment for:		
-Trade and Other Receivables	5,186,824.00	(65,565,017.00)
-Inventories	13,145,482.00	(92,571,182.00)
-Trade Payable	(21,217,805.00)	44,570,977.00
	28,103,683.00	(89,721,836.00)
INCOME TAXES PAID	(5,554,000.00)	(2,003,706.00)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u><b>22,549,683.00</b></u>	<u><b>(91,725,542.00)</b></u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Cash flow from Investing Activities		
-Purchases of Fixed Assets	(28,793,308.00)	(15,368,136.00)
-Capital Work in Progress	9,735,945.00	(12,081,034.00)
-Loss on Sale of Shares	0.00	(20,913,270.00)
-Loss on Speculation Business	0.00	(1,570,176.00)
-Purchase of Investments		(4,695,672.00)
-Sale of Investments	4,581,291.00	
-Increase/(Decrease) in Loan & Advances	102,409,823.00	(126,698,379.00)
-Rent Received	72,000.00	72,000.00
-Dividend	0.00	7,300.00
-Interest Received	54,240.00	8,438,916.00
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<u><b>88,059,991.00</b></u>	<u><b>(172,808,451.00)</b></u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
-Proceeds from Bank Borrowings	20,952,101.00	51,548,558.00
-Proceeds from Unsecured Loans	(116,559,527.00)	223,024,438.00
-Interest Paid	(17,595,060.00)	(13,836,833.00)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<u><b>(113,202,486.00)</b></u>	<u><b>260,736,163.00</b></u>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u><b>(2,592,812.00)</b></u>	<u><b>(3,797,830.00)</b></u>
Cash and Cash Equivalent at the beginning of the period	3,900,522.00	7,698,352.00
Cash and Cash Equivalent at the end of the period	1,307,710.00	3,900,522.00

As per Our Report of Even date attached  
For Vishal G Goel & Co.  
(Chartered Accountants)

For P G INDUSTRY LIMITED

Sd/-  
Ca Vishal Goel  
(Proprietor)

Sd/-  
Saket Dalmia  
(Managing Director)

Sd/-  
Amit Dalmia  
(Director)

Place: Delhi  
Date: 11th Aug, 2011

**P G INDUSTRY LIMITED****SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT**

PARTICULARS	Amount (Rs.)	Amount (Rs.)
	As at 31.03.11 Audited	As at 31.03.10 Audited
<b>SCHEDULE 1 SHARE CAPITAL</b>		
Authorised 70,00,000 Equity Shares of Rs. 10/- each	70,000,000.00	70,000,000.00
Issued, Subscribed & Paid up Capital 46,24,220 Equity Shares of Rs. 10/- each	46,242,200.00	46,242,200.00
	<b>46,242,200.00</b>	<b>46,242,200.00</b>
<b>SCHEDULE 2 RESERVE &amp; SURPLUS</b>		
Profit & Loss Account as per last Balance Sheet	27,271,703.90	38,503,883.36
Add: Profit during the year	9,647,261.77	(11,232,179.46)
	<b>36,918,965.67</b>	<b>27,271,703.90</b>
<b>SCHEDULE 3 LOAN FUNDS</b>		
Secured Loans		
-From ICICI Bank (Secured against Hypothecation of Vehicle financed)	122,577.94	467,943.04
-From Vijaya Bank, Defence Colony Cash Credit Account (Secured against Hypothecation of Stock in Trade, Book debts and collateral Security of Factory Land & Building, Office at Kailash Colony)	141,607,404.96	120,309,938.49
	<b>141,729,982.90</b>	<b>120,777,881.53</b>
Unsecured Loans		
-From Directors & Relatives	10,836,445.91	-
-From Others	105,051,334.46	232,447,307.00
	<b>115,887,780.37</b>	<b>232,447,307.00</b>
	<b>257,617,763.27</b>	<b>353,225,188.53</b>
<b>SCHEDULE 5 INVESTMENTS</b>		
Advance for Flat- Faridabad	-	1,556,440.00
Advance for Flat- Motinagar	-	3,139,232.00
Vishal Enclave Pvt. Ltd.	4,485.00	-
Newlook Vinimay Pvt. Ltd.	2,405.00	-
Kinita Real Estate Pvt. Ltd.	105,000.00	-
Capetown Merchandise Pvt. Ltd.	2,491.00	-
	<b>114,381.00</b>	<b>4,695,672.00</b>
<b>SCHEDULE 6 INVENTORIES</b>		
Raw Material	79,604,251.00	48,740,310.00
Finished Goods	70,936,382.00	114,945,805.00
(As taken, Valued & Certified by the Management)	<b>150,540,633.00</b>	<b>163,686,115.00</b>

For P G INDUSTRY LIMITED

Sd/-  
Saket Dalmia  
(Managing Director)

Sd/-  
Amit Dalmia  
(Director)

**P G INDUSTRY LIMITED**

**SCHEDULE 4 FIXED ASSETS AS ON 31ST MARCH, 2011**

As per provision of the Companies Act 1956 depreciation provided at SLM

Assets	Rate of Dep.	COST		DEPRECIATION			W.D.V.		
		As at 01.04.2010	Additions/ Sales During the year	As at 31.03.2011	Upto 31.03.2010	For the year	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
Land (Lease Hold)		1,308,609.50	-	1,308,609.50	-	-	-	1,308,609.50	1,308,609.50
Land (Lease Hold) New		9,450,118.00	4,748,162.00	14,198,280.00	-	-	-	14,198,280.00	9,450,118.00
Factory Building	3.34%	7,333,972.86	-	7,333,972.86	3,339,705.59	244,955.00	3,584,660.59	3,749,312.27	3,994,267.27
Plant & Machinery	4.75%	18,556,486.60	22,008,881.00	40,565,367.60	7,738,866.94	1,351,849.00	9,090,715.94	31,474,651.66	10,817,619.66
Furniture & Fixture	6.33%	752,541.00	-	752,541.00	559,309.83	47,636.00	606,945.83	145,595.17	193,231.17
Office Equipment	4.75%	1,179,310.50	1,019,315.23	2,198,625.73	787,506.05	79,977.00	867,483.05	1,331,142.68	391,804.45
Vehicle	9.50%	5,753,042.00	54,530.00	5,807,572.00	1,742,938.80	546,556.00	2,289,494.80	3,518,077.20	4,010,103.20
Computer	16.21%	421,000.00	338,260.24	759,260.24	37,600.00	95,802.00	133,402.00	625,858.24	383,400.00
Blades/Segments	100.00%	1,852,799.00	624,160.00	2,476,959.00	1,009,654.00	1,217,421.00	2,227,075.00	249,884.00	843,145.00
<b>Total</b>		<b>46,607,879.46</b>	<b>28,793,308.47</b>	<b>75,401,187.93</b>	<b>15,215,581.21</b>	<b>3,584,196.00</b>	<b>18,799,777.21</b>	<b>56,601,410.72</b>	<b>31,392,298.25</b>
<b>Previous Year</b>		<b>31,239,743.46</b>	<b>15,368,136.00</b>	<b>46,607,879.46</b>	<b>12,614,888.21</b>	<b>2,600,693.00</b>	<b>15,215,581.21</b>	<b>31,392,298.25</b>	<b>18,624,855.25</b>
<b>Capital Work in Process</b>		<b>12,081,034.00</b>	<b>(9,735,945.00)</b>	<b>2,345,089.00</b>				<b>2,345,089.00</b>	<b>12,081,034.00</b>

**For P G INDUSTRY LIMITED**

Sd/- Saket Dalmia (Managing Director)      Sd/- Amit Dalmia (Director)

**P G INDUSTRY LIMITED**

**SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT**

PARTICULARS	Amount (Rs.)	Amount (Rs.)
	As at 31.03.11	As at 31.03.10
	Audited	Audited
<b>SCHEDULE 7 SUNDRY DEBTORS</b>		
(Unsecured considered good)		
Exceeding Six months	11,137,131.00	-
Others	89,787,758.96	105,522,364.96
	<b>100,924,889.96</b>	<b>105,522,364.96</b>
<b>SCHEDULE 8 CASH &amp; BANK BALANCES</b>		
Cash in Hand (As Certified by the Management)	493,478.98	59,729.24
Balance with Schedule Banks		
-FDR with Vijaya Bank	152,046.00	3,441,650.00
-In Current Account	662,185.39	399,142.79
	<b>1,307,710.37</b>	<b>3,900,522.03</b>
<b>SCHEDULE 9 OTHER CURRENT ASSETS</b>		
Security Deposit	1,639,200.00	2,937,776.00
Income Tax Refund due	298,640.00	298,640.00
Income Tax Refund due AY 2009-10	146,769.00	146,769.00
Income Tax Refund due AY 2010-11	6,839.00	-
Tax Deducted at Source AY 2010-11	-	2,860,839.00
Tax Deducted at Source AY 2011-12	59,759.00	-
Modvat Credit on Excise Duty Receivable	7,264,976.00	4,121,624.00
Excise Duty Receivable on Capital Goods	310,272.00	78,353.00
E. Cess 2% Receivable on Capital Goods	10,005.00	1,566.00
E. Cess 1% Receivable on Capital Goods	4,998.00	781.00
E. Cess 2% Receivable on Cenvet Credit	129.00	-
E. Cess 1% Receivable on Cenvet Credit	46.00	-
Vat Credit Receivable on Capital Goods	118,412.00	7,226.00
Intt on Security Electricity Behror Receivable	21,972.00	17,792.00
Additional Custom Duty Receivable on Slabs	773,107.00	773,107.00
	<b>10,655,124.00</b>	<b>11,244,473.00</b>
<b>SCHEDULE 10 LOANS &amp; ADVANCES</b>		
(Unsecured considered good)		
Advance Recoverable in cash or in kind or value to be received	58,251,542.07	160,661,365.43
	<b>58,251,542.07</b>	<b>160,661,365.43</b>
<b>SCHEDULE 11 CURRENT LIABILITIES</b>		
Sundry Creditors for Purchase	13,310,914.00	32,481,338.84
Advance from Customers	5,731,656.00	22,934,040.00
Expenses Payable	21,394,446.18	6,239,442.40
	<b>40,437,016.18</b>	<b>61,654,821.24</b>
<b>PROVISIONS</b>		
Provision for Taxes	2,614,000.00	5,554,000.00
	<b>2,614,000.00</b>	<b>5,554,000.00</b>
	<b>43,051,016.18</b>	<b>67,208,821.24</b>

For P G INDUSTRY LIMITED

Sd/-  
Saket Dalmia  
(Managing Director)

Sd/-  
Amit Dalmia  
(Director)

**P G INDUSTRY LIMITED**

**SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT**

PARTICULARS	Amount (Rs.)	Amount (Rs.)
	As at 31.03.11	As at 31.03.10
	Audited	Audited
<b>SCHEDULE 12 OTHER INCOME</b>		
Interest Income	54,240.00	264,785.00
Other Income	2,257,476.00	572,094.00
Dividend Income		7,300.00
Rent Received	72,000.00	72,000.00
Interest Received on Land Compensation		8,174,131.00
	<b>2,383,716.00</b>	<b>9,090,310.00</b>
<b>SCHEDULE 13 MATERIAL CONSUMED</b>		
<b>Raw Material Consumed</b>		
Opening Stock	48,740,310.00	34,768,326.55
Add: Purchases & Direct Expenses	144,572,081.91	149,808,164.58
Less: Closing Stock	79,604,251.00	48,740,310.00
<b>Production</b>	<b>113,708,140.91</b>	<b>135,836,181.13</b>
Less: Transferred to Finished Goods Consumed	113,708,140.91	135,836,181.13
	-	-
<b>Finished Goods Consumed</b>		
Opening Stock	114,945,805.00	36,346,606.09
Add: Purchases	119,295,136.00	149,865,580.00
Add: Production during the year	113,708,140.91	135,836,181.13
Less: Closing Stock	70,936,382.00	114,945,805.00
	<b>277,012,699.91</b>	<b>207,102,562.22</b>
<b>Cost of Material Consumed</b>		
Material Consumed	277,012,699.91	207,102,562.22
	<b>277,012,699.91</b>	<b>207,102,562.22</b>
<b>SCHEDULE 14 MANUFACTURING EXPENSES</b>		
Consumable Stores	23,846,577.00	15,561,937.00
Power & Fuel Expenses	3,138,895.00	2,896,287.00
Wages & Salaries	1,290,776.00	429,338.00
ESI Expenses	19,817.00	20,401.00
PF Expenses	29,592.00	30,489.00
Repair & Maintenance (Plant & Machinery)	1,346,727.00	1,503,029.00
Transportation	9,054,711.00	8,039,591.00
Labour Fooding	285,439.00	244,854.00
Other Manufacturing Expenses	1,886,813.00	1,981,302.58
Job Work Paid	-	-
	<b>40,899,347.00</b>	<b>30,707,228.58</b>
<b>SCHEDULE 15 PERSONNEL EXPENSES</b>		
Salary	4,841,674.00	4,164,000.00
Provision for Gratuity	7,000.00	7,000.00
Staff Welfare Expenses	280,856.00	204,861.00
	<b>5,129,530.00</b>	<b>4,375,861.00</b>

**For P G INDUSTRY LIMITED**

Sd/-  
Saket Dalmia  
(Managing Director)

Sd/-  
Amit Dalmia  
(Director)

**P G INDUSTRY LIMITED**

**SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT**

PARTICULARS	Amount (Rs.)	Amount (Rs.)
	As at 31.03.11 Audited	As at 31.03.10 Audited
<b>SCHEDULE 16 ADMINISTRATIVE EXPENSES</b>		
Auditors' Remuneration	20,000.00	20,000.00
Books & Periodicals	37,915.00	35,421.00
Car Running & Maintenance	862,503.77	505,678.26
Directors Remuneration	2,500,000.00	2,500,000.00
Donation	158,350.00	-
Fuel & Electricity Expenses	847,873.00	315,596.00
Godown Maintenance	593,887.00	-
Insurance Expenses	68,077.00	210,855.00
Legal & Professional Charges	288,913.00	408,833.00
Local Conveyance	1,324,719.00	747,154.53
Meeting & Proceedings	28,385.00	18,304.00
Membership & Subscription	543,571.21	243,125.00
Office General Expenses	684,716.85	446,175.72
Penalty	8,000.00	67,986.00
Postage Expenses	214,483.31	18,304.00
Printing & Stationery	162,307.00	97,226.00
Rates, Fees & Taxes	191,105.00	141,375.00
Rent	1,920,000.00	1,157,500.00
Sales Tax Expenses	36,268.00	-
Securities Expenses	362,659.00	483,443.00
Telephone Expenses	1,290,753.70	639,706.72
	<b>12,144,486.84</b>	<b>8,056,683.23</b>
<b>SCHEDULE 17 SELLING &amp; DISTRIBUTION EXPENSES</b>		
Advertisement Expenses	2,130,846.00	11,085.00
Business Promotion	1,800,717.00	117,806.52
Foreign Travelling Expenses	4,993,321.26	8,874,463.22
Local Travelling Expenses	1,108,678.19	-
Discount Allowed	1,214,750.38	-
	<b>11,248,312.83</b>	<b>9,003,354.74</b>
<b>SCHEDULE 18 FINANCIAL EXPENSES</b>		
Bank Charges	1,413,370.75	1,121,572.63
Interest on CC A/c	17,495,281.00	13,756,007.00
Interest Other	99,778.90	80,826.18
	<b>19,008,430.65</b>	<b>14,958,405.81</b>

**For P G INDUSTRY LIMITED**

Sd/-  
**Saket Dalmia**  
(Managing Director)

Sd/-  
**Amit Dalmia**  
(Director)



## **P G INDUSTRY LIMITED**

### **SCHEDULE -19 NOTES TO THE ACCOUNTS ANNEXED TO AND FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR 2010-2011**

#### **A) SIGNIFICANT ACCOUNTING POLICIES**

##### **a) Basis of Accounting**

The accounts of the Company are prepared on going concern basis, under the historical cost convention, as per applicable accounting standards and generally accepted Accounting principles, and the company adopts the accrual basis in the preparation of the accounts, unless otherwise stated.

##### **b) Income and Expenditure**

Income and Expenditure have been recognized on accrual basis.

##### **c) Fixed Assets**

- i) Fixed Assets are stated at original cost of acquisition and includes insurance, freight and installation expenses.
- ii) The costs of leasehold land shown in the balance sheet represent the consideration paid to RIICO at the time of transfer in favour of the Company.

##### **d) Depreciation**

- i) Depreciation has been provided on assets under the Straight Line Method at the rates and in the manner specified under schedule XIV of the Companies Act, 1956 as amended up to the date.
- ii) Lease hold land is not depreciable.

##### **e) Inventories**

Inventories are valued at cost. Cost includes cost for manufactured goods/process stock components of material, custom duty, shipping freight, inland freight, transportation cost, consumables and labour charges etc. Closing stock has been calculated following FIFO method.

##### **f) Revenue Recognition**

Revenue from sale of goods is recognized on completion of sale of goods.

##### **g) Sales**

Sales have been booked in the books when the ownership of the material transferred to the buyers.

#### **h) Foreign Exchange Transaction**

Transactions in the foreign exchange are recorded at prevailing rate on/or near to the date of transaction. All exchange gains and losses are accounted for in the Profit and Loss Account.

#### **i) Contingent Liabilities**

Contingent Liabilities are generally not provided for in the accounts.

### **B) NOTES TO THE ACCOUNTS**

1. Income Tax assessment has been completed provisionally up to assessment year 2009-10. Sales Tax assessment has been completed up to assessment year 2006-07
2. In the opinion of the management, all the Current Assets, Loan and Advances have a value at which they are stated in the Balance Sheet, if realized in the ordinary course of the business and the provision for all known liabilities are adequate and are not in excess of the amount payable.
3. The accounts of sundry Debtors/Creditors and advances are subjected to confirmation from parties.

#### **4. Auditor's Remuneration:-**

<b>Particulars</b>	<b>2010-11</b>	<b>2009-10</b>
Statutory Audit Fees	12500.00	12500.00
Tax Audit Fees	7500.00	7500.00
<b>Total</b>	<b>20000.00</b>	<b>20000.00</b>

#### **5. SEGMENT REPORTING PRIMARY SEGEMENT:**

<b>Segment</b>	<b>2010-11</b>	<b>2009-10</b>
Domestic Market	376,579,453.00	26,66,44,896.00
International Market	Nil	1,71,10,240.00
<b>Total</b>	<b>376,579,453.00</b>	<b>28,37,55,136.00</b>

## 6. RELATED PARTY DISCLOSURE

Following parties have been identified to be related to the company and/or its directors.

Saket Dalmia (Director)	Remuneration	12,50,000.00
Amit Dalmia (Director)	Remuneration	12,50,000.00
Raja Ram Dalmia (Relative)	Salary paid	60,000.00
Manju Devi Dalmia (Relative)	Rent paid	2,28,000.00
Priceless Overseas Ltd (Sister Concern)	Rent Received	72,000.00
Priceless Overseas Ltd (Sister Concern)	Purchase	3,66,559.00
Priceless Overseas Ltd (Sister Concern)	Sales	3,69,31,069.00

## 7. EARNING PER SHARE

Particulars	2010-11	2009-10
Net Profit attributable to Equity Shareholders	Rs. 96,47,262	(11,232,179)
Weighted average number of Equity Share outstanding	4,624,220	4,624,220
Earning Per Share	Rs. 2.09	-

## 8. PARTICULARS OF PURCHASE, SALES & STOCK OF FINISHED GOODS

Class of Goods	Year	Unit	Opening Stock		Purchase/ Processed	Sales/ Processed	Closing Stock	
			Qty	Value (Rs.)	Qty	Qty	Qty	Value (Rs.)
Marble Slabs	C.Y.	Sqft	881,833	114,945,805	1,617,328	1,882,323	616,838	70,936,382
	P.Y.	Sqft	381,647	36,346,606	1,562,613	1,062,427	881,833	114,945,805
Marble Block	C.Y.	M.T.	3,399	48,740,310	10,339	10,680	3,058	79,604,251
	P.Y.	M.T.	2,505	34,768,327	14,049	13,155	3,399	48,740,310

## 9. EXPENDITURE IN FOREIGN CURRENCY

Year Ending	31.03.2011	31.03.2010
Travelling	16,79,682.00	25,90,612.00
Others for Material Cost	12,26,41,243.00	191,792,246.00

10. Value of Imported and Indigenous raw material consumed and the percentage of each to total consumption.

Category	2010-2011		2009-2010	
	Imported	75,482,889.00	38.75%	191,792,246.00
Indigenous	119,295,136.00	61.25%	59,413,271.00	23.65%
	<b>194,778,025.00</b>	<b>100.00%</b>	<b>251,205,517.00</b>	<b>100.00%</b>

11. Earning in Foreign Exchange

Particulars	2010-2011	2009-2010
FOB Value of Sales	Nil	1,71,10,240.00
	<b>Nil</b>	<b>1,71,10,240.00</b>

12. Director's remuneration per annum is as under:-

Particulars	2010-2011	2009-2010
Remuneration	25,00,000.00	20,00,000.00

Computation of net profit for calculation of managerial remuneration under section 349 of the companies Act, 1956 has been done.

13. Figures given within brackets indicate the corresponding figures related to previous year.

14. Previous year figures have been re-arranged/re-grouped wherever necessary.

15. Notes No's 1 to 14 form an integral part of Balance Sheet and Profit and Loss Account.

As per Our Report of Even date attached  
For Vishal G Goel & Co.  
(Chartered Accountants)

For P.G. INDUSTRY LIMITED

Sd/-  
Ca Vishal Goel  
(Proprietor)

Sd/-  
Saket Dalmia  
(Managing Director)

Sd/-  
Amit Dalmia  
(Director)

Place: New Delhi  
Date: 11<sup>th</sup> Aug, 2011