

P G INDUSTRY LIMITED

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

NOTICE

Notice is hereby given that the 16th Annual general Meeting of the Members of P G INDUSTRY LIMITED will be held at A - 30, 2nd Floor, Kailash Colony, New Delhi - 110 048 on Wednesday, 30th September, 2009 at 1.00 P. M. to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Annual Balance Sheet as at 31st March, 2009 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 Smt. Manju Devi Dalmia, who retires by rotation and, being eligible, offers herself for reappointment.
3. 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

Sd/-
SAKET DALMIA
Director

Place: New Delhi
Date: 01.09.2009

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, 2ND 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 23rd September, 2009 to 30th September, 2009 (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 PRIVATE LIMITED, AB – 4, Safdarjung Enclave, New Delhi – 110 029.
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.

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 16th Annual General Report of the Company together with the Audited Statement of the Accounts for the year ended on 31st March, 2009.

FINANCIAL HIGHLIGHTS	(Rs In Lacs)	
PARTICULARS	31.03.2009	31.03.2008
Sales	2353.49	2231.19
Profit/(Loss) before taxation, depreciation	95.88	1437.88
Less: Depreciation	15.19	15.18
Profit/(Loss) before taxation	80.69	128.61
Provision for Tax	19.93	17.62
Balance Surplus Carried to Balance Sheet	60.76	110.99

WORKING RESULTS

Turnover of the Company is increased 105% to Rs. 2353.49 Lac during the year 2008 -2009, against the turnover of Rs. 2231.19 Lac during the preceeding year 2007-2008.

DIVIDEND

The Company wants to expand its business, 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 4,624,220 equity shares of Rs. 10 each aggregating Rs. 46,242,200. The Company has not come out with any share issue during the year.

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, Smt. Manju Devi Dalmia retire by rotation at the ensuing Annual General Meeting and being eligible, offer herself for re-appointment.

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, 2009 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, 2009 on a going concern basis.

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.

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: 01.09.2009

Sd/-
SAKET DALMIA
(CHAIRMAN)

AUDITORS' REPORT

To,
The Members of P G Industry Limited

We have audited the attached Balance Sheet of **P G INDUSTRY LIMITED** as at 31st March, 2009 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 responsibilities of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the 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 financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In accordance with the provisions of section 227 of the Companies Act, 1956, we report that:

1. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India under sub section (4A) of section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records of the company 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 paragraph 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 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 purpose 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 the 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.
- (e) 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-18 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 31st March, 2009; and
- (ii) In case of Profit and Loss Account of the profit for the year ended on that date; and
- (iii) In the case of cash flow statements of the cash flows for the year ended on that date.

For **VISHAL G GOYAL & CO.**
Chartered Accountants

Sd/-
Vishal Goyal
Prop.

Date: 28th August, 2009
Place: New Delhi

ANNEXURE TO THE AUDITORS' REPORT

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its 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 nature of its business and no material discrepancies were noticed on such 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 status.
2. (a) As explained to us physical verification of inventory has been conducted by the management under Perpetual Inventory

(b) In our opinion procedures of physical verification of inventory, followed by the management are 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 inventory and the discrepancies noticed on physical verification of inventory 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 account of the Company.
3. (i) The company has granted interest free unsecured loans to companies covered in the register maintained under section 301 of the Companies Act, 1956.

(ii) The loan has been provided free of interest and the loan is repayable on demand.

(iii) Since loan is interest free and is repayable on demand, there is no irregularity in receipt of these amounts.

(iv) The amount overdue is Nil and hence no steps are required to be taken for recovery.

(v) The Company has taken unsecured loan from parties covered in register maintained under section 301 of the Companies Act, 1956.

(vi) The loan has been taken free of interest and is repayable on demand, and hence is no irregularity in payable of these amounts.

(vii) The amount overdue is Nil and hence no steps are required to be taken for recovery.

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 inventory, fixed assets and 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 the opinion that there are no contracts and arrangements referred to in Section 301 of the Act during the year that need to be entered in 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 company for the current year.
6. According to the information and explanation given to us, the company has not accepted any deposits from public during the year within the meaning of sections 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules 1975 framed there under.
7. 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, Excise Duty, Customs Duty, Cess and any other material statutory dues as applicable with appropriate authorities. There were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Excise Duty, Customs Duty, Cess and other statutory dues outstanding as at 31st March, 2009 for a period of more than six months from the date they become payable.
8. The Company has no accumulated losses as at March 31, 2009 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
9. According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
10. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

11. The provisions of any special statute applicable to Chit fund/Nidhi/Mutual benefit fund/Societies are not applicable to the company.
12. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
13. In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
14. As per information and explanations given to us, the company has not obtained nay term loan during the year.
15. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
16. 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.
17. In our opinion, the company has not issued any debentures during the year.
18. The company has not raised any money by public issue during the year.

For **VISHAL G GOYAL & CO.**
Chartered Accountants

Date: 28th August, 2009
Place: New Delhi

Sd/-
Vishal Goyal
Prop.

P G INDUSTRY LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2009

	SCH	AMOUNT AS AT 31.03.09	AMOUNT AS AT 31.03.08
SOURCES OF FUNDS			
1. SHAREHOLDERS' FUNDS			
a) SHARE CAPITAL	1	46,242,200.00	46,242,200.00
b) RESERVE & SURPLUS	2	38,503,883.36	32,427,765.05
2. LOAN FUNDS			
a) SECURED LOANS	3	69,229,323.65	61,914,863.48
b) UNSECURED LOANS		9,422,869.00	5,365,510.00
		117,121.00	127,376.00
3. DEFERRED TAX LIABILITIES		163,515,397.01	146,077,714.53
APPLICATION OF FUNDS			
1. FIXED ASSETS			
a) GROSS BLOCK	4	31,239,743.46	31,216,743.46
b) LESS: DEPRECIATION		12,614,888.21	11,095,788.32
c) NET BLOCK		18,624,855.25	20,120,955.14
2. CURRENT ASSETS, LOANS AND ADVANCES			
a) INVENTORIES	5	71,114,932.64	67,342,860.00
b) SUNDRY DEBTORS	6	47,261,897.84	28,823,668.00
c) CASH & BANK BALANCES	7	7,698,351.07	20,141,726.39
d) OTHER CURRENT ASSETS	8	3,939,869.33	2,253,603.00
e) LOAN & ADVANCES	9	33,962,986.92	21,667,084.00
		163,978,037.80	140,228,941.39
LESS: CURRENT LIABILITIES AND PROVISIONS		10	
CURRENT LIABILITIES		17,083,790.04	12,582,182.00
PROVISIONS		2,003,706.00	1,690,000.00
NET CURRENT ASSETS		144,890,541.76	125,956,759.39
		163,515,397.01	146,077,714.53

NOTES TO ACCOUNTS

As per our report of even date attached

For and on behalf of the Board
FOR P G INDUSTRY LIMITED

For VISHAL G GOYAL & CO.
Chartered Accountants

Sd/-
Saket Dalmia
(Director)

Sd/-
Amit Dalmia
(Director)

Sd/-
Vishal Goyal
Prop.

Date: 28th August, 2009
Place: New Delhi

P G INDUSTRY LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

PARTICULARS	SCH	AMOUNT AS AT 31.03.09	AMOUNT AS AT 31.03.08
INCOME			
SALES		235,349,023.84	219,405,992.00
OTHER INCOME	11	827,548.00	-
		<u>236,176,571.84</u>	<u>219,405,992.00</u>
EXPENDITURE			
MATERIAL CONSUMED	12	161,567,590.49	172,612,794.00
MANUFACTURING EXPENSES	13	25,370,098.92	11,011,142.61
PERSONNEL EXPENSES	14	4,110,099.00	1,572,225.00
ADMINISTRATIVE EXPENSES	15	20,182,254.76	11,719,139.51
SELLING & DISTRIBUTION EXPENSES	16	4,623,574.00	3,264,876.00
FINANCIAL EXPENSES	17	10,734,285.47	4,846,969.82
		<u>226,587,902.64</u>	<u>205,027,146.94</u>
PROFIT/(LOSS) BEFORE DEPRECIATION & I.TAX		9,588,669.20	14,378,845.06
LESS: DEPRECIATION		1,519,099.89	1,518,594.04
PROFIT BEFORE TAX		8,069,569.31	12,860,251.02
LESS: PROVISION FOR INCOME TAX		1,763,706.00	1,500,000.00
PROVISION FOR F B T		240,000.00	190,000.00
DEFERRED TAX LIABILITIES		(10,255.00)	71,817.00
NET PROFIT CARRIED TO BALANCE SHEET		<u>6,076,118.31</u>	<u>11,098,434.02</u>

NOTES TO ACCOUNTS

As per our report of even date attached

For and on behalf of the Board
FOR P G INDUSTRY LIMITED

For VISHAL G GOYAL & CO.
Chartered Accountants

Sd/-
Saket Dalmia
(Director)

Sd/-
Amit Dalmia
(Director)

Sd/-
Vishal Goyal
Prop.

Date: 28th August, 2009
Place: New Delhi

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

PARTICULARS	AMOUNT AS AT 31.03.09	AMOUNT AS AT 31.03.08
SCHEDULE 1 SHARE CAPITAL		
AUTHORIZED		
70,00,000 EQUITY SHARES OF RS. 10/- EACH	<u>70,000,000.00</u>	<u>70,000,000.00</u>
ISSUED, SUBSCRIBED & PAID UP CAPITAL		
4624220 EQUITY SHARES OF RS. 10/- EACH	<u>46,242,200.00</u>	<u>46,242,200.00</u>
	<u>46,242,200.00</u>	<u>46,242,200.00</u>
SCHEDULE 2 RESERVE & SURPLUS		
PROFIT & LOSS ACCOUNT		
AS PER LAST BALANCE SHEET	32,427,765.05	21,329,331.03
ADD: PROFIT DURING THE YEAR	<u>6,076,118.31</u>	<u>11,098,434.02</u>
	<u>38,503,883.36</u>	<u>32,427,765.05</u>
SCHEDULE 3 LOAN FUNDS		
SECURED LOAN		
-FROM ICICI BANK	875,617.10	1,067,984.10
SECURED AGAINST HYPOTHECATION OF VEHICLE FINANCED		
-FROM VIJAYA BANK, DEFENCE COLONY		
CASH CREDIT ACCOUNT	68,353,706.55	60,846,879.38
SECURED AGAINST HYPOTHECATION OF STOCK IN TRADE, BOOK DEBTS AND COLLETROL SECURITY OF FACTORY LAND & BUILDING, OFFICE AT KAILASH COLONY	<u>69,229,323.65</u>	<u>61,914,863.48</u>
	9,422,869.00	5,365,510.00
UNSECURED LOANS	<u>78,652,192.65</u>	<u>67,280,373.48</u>
FROM DIRECTORS & RELATIVE		
SCHEDULE 5 INVENTORIES		
(AS TAKEN, VALUED & CERTIFIED BY THE MANAGEMENT)	<u>71,114,932.64</u>	<u>67,342,860.00</u>
	<u>71,114,932.64</u>	<u>67,342,860.00</u>
SCHEDULE 6 SUNDRY DEBTORS		
(UNSECURED CONSIDERED GOOD)		
EXCEEDING SIX MONTHS	-	1,658,798.00
OTHERS	<u>47,261,897.84</u>	<u>27,164,870.00</u>
	<u>47,261,897.84</u>	<u>28,823,668.00</u>
SCHEDULE 7 CASH & BANK BALANCES		
CASH IN HAND (AS CERTIFIED BY THE MANAGEMENT)	155,940.24	615,222.09
BALANCE WITH SCHEDULE BANKS		
-FDR WITH VIJAYA BANK	7,170,000.00	19,270,000.00
IN CURRENT ACCOUNT	<u>372,410.83</u>	<u>256,504.30</u>
	<u>7,698,351.07</u>	<u>20,141,726.39</u>
SCHEDULE 8 OTHER CURRENT ASSETS		
SECURITY DEPOSITS	2,062,076.00	1,865,876.00
TAX DEDUCTED AT SOURCE	298,640.00	128,165.00
DEBIT BALANCE IN PLA ACCOUNT	-	49,015.00
MODVAT CREDIT ON EXCISE DUTY RECEIVABLE	1,502,461.70	210,547.00
EXCISE DUTY RECEIVABLE IN CAPITAL GOODS	73,318.00	-
2% E. CESS RECEIVABLE ON CAPITAL GOODS	2,628.75	-
1% E. CESS RECEIVABLE ON CAPITAL GOODS	<u>744.88</u>	<u>-</u>
	<u>3,939,869.33</u>	<u>2,253,603.00</u>
SCHEDULE 9 LOAN & ADVANCES		
(UNSECURED, CONSIDERED GOOD)		
ADVANCES RECOVERLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED	33,962,986.92	21,667,084.00
	<u>33,962,986.92</u>	<u>21,667,084.00</u>
SCHEDULE 10 CURRENT LIABILITIES		
SUNDRY CREDITORS FOR PURCHASE	13,845,874.00	9,113,384.00
ADVANCE FROM CUSTOMER	382,487.00	-
EXPENSES PAYBLE	<u>2,855,429.04</u>	<u>3,468,798.00</u>
	<u>17,083,790.04</u>	<u>12,582,182.00</u>
PROVISIONS		
PROVISIONS FOR TAXES	1,763,706.00	1,500,000.00
PROVISION FOR F B T	<u>240,000.00</u>	<u>190,000.00</u>
	<u>2,003,706.00</u>	<u>1,690,000.00</u>
SCHEDULE 11 OTHER INCOME		
INTEREST ON F D R	827,548.00	-
	<u>827,548.00</u>	<u>-</u>

SCHEDULE-4 FIXED ASSETS

ASSETS	Rate of Depreciation	Cost As At 01.04.2007	COST Additions/Sales During the year	Cost As At 31.03.2008	Upto 31.03.08	DEPRECIATION For the Year	Upto 31.03.09	W.D.V. AS AT	
								As At 31.03.09	As At 31.03.08
LAND (LEASE HOLD)		606,248.50	-	606,248.50	-	-	-	606,248.50	606,248.50
FACTORY BUILDING	3.34%	7,333,972.86	-	7,333,972.86	2,849,795.90	244,954.69	3,094,750.59	4,239,222.27	4,484,176.96
PLANT & MACHINERY	4.75%	18,272,386.60	-	18,272,386.60	5,995,172.58	867,938.36	6,863,110.94	11,409,275.66	12,277,214.02
FURNITURE & FIXTURE	6.33%	752,541.00	-	752,541.00	464,037.98	47,635.85	511,673.83	240,867.17	288,503.02
OFFICE EQUIPMENT	4.75%	964,975.50	23,000.00	987,975.50	691,487.87	46,342.18	737,830.05	250,145.45	273,487.63
VEHICLE	9.50%	3,286,619.00	-	3,286,619.00	1,095,294.00	312,228.81	1,407,522.80	1,879,096.20	2,191,325.01
		31,216,743.46	23,000.00	31,239,743.46	11,095,788.33	1,519,099.89	12,614,888.21	18,624,855.25	20,120,955.14

SCHEDULE 12 MATERIAL CONSUMED**RAW MATERIAL**

OPENING STOCK	24,687,981.00	-
ADD: PURCHASES	104,441,197.63	141,507,167.00
LESS: CLOSING STOCK	34,768,326.55	24,687,981.00
RAW MATERIAL CONSUMED	94,360,852.08	116,819,186.00

FINISHED MATERIAL CONSUMED

OPENING STOCK	42,654,879.00	22,765,874.00
ADD: PURCHASED	60,898,465.50	75,682,613.00
LESS: CLOSING STOCK	36,346,606.09	42,654,879.00
	67,206,738.41	55,793,608.00

COST OF MATERIAL CONSUMED

RAW MATERIAL CONSUMED	94,360,852.08	116,819,186.00
FINISHED MATERIAL CONSUMED	67,206,738.41	55,793,608.00
	161,567,590.49	172,612,794.00

SCHEDULE 13 MANUFACTURING EXPENSES

CONSUMABLE STORES	15,564,849.17	8,097,588.61
POWER & FUEL EXPENSES	2,312,537.00	2,365,144.00
WAGES & SALARIES	377,446.00	307,095.00
ESI EXPENSES	17,930.00	14,587.00
PF EXPENSES	26,855.00	15,027.00
REPAIR & MAIN (PLANT & MACHINERY)	1,192,762.75	-
TRANSPORTATION	3,943,635.00	-
FACTORY MAINTENANCE	-	167,567.00
GENERATOR MAINTENANCE	-	19,580.00
LABOUR FOODING	140,300.00	-
OTHER DIRECT EXPENSES	1,721,800.00	-
JOB WORK PAID	71,984.00	-
FACTORY LEAST RENT	-	24,554.00
	25,370,098.92	11,011,142.61

SCHEDULE-14 PERSONNEL EXPENSES

SALARY	3,937,865.00	1,432,657.00
PROVISION FOR GRATUITY	7,000.00	7,000.00
STAFF WELFARE EXPENSES	165,234.00	132,568.00
	4,110,099.00	1,572,225.00

SCHEDULE-15 ADMINISTRATIVE EXPENSES

ADVERTISEMENT EXPENSES	5,000.00	-
RENT	912,000.00	300,000.00
RINTING & STATIONERY	87,600.00	102,658.00
POSTAGE EXPENSES	166,560.00	24,687.00
SALES TAX EXPENSES	13,848,995.00	7,723,877.00
TELEPHONE EXPENSES	366,594.00	386,487.00
FUEL & ELECTRICITY EXPENSES	625,487.00	565,846.00
LEGAL & PROFESSIONAL CHARGES	18,654.00	12,500.00
SECURITIES EXPENSES	340,023.00	-
AUDITORS' REMUNERATION	16,854.00	16,854.00
BOOKS AND PERIODICALS	30,657.00	26,587.00
INTEREST ON SALES TAX	6,000.00	-
INTEREST ON CAR LOAN	89,180.76	114,976.51
ESI PENALTY	33,192.00	-
DIRECTOR'S REMUNERATION	2,000,000.00	1,000,000.00
MEMBERSHIP & SUBSCRIPTION	11,000.00	-
MEETING & PROCEEDINGS	16,257.00	36,879.00
CAR RUNNING & MAINTENANCE	882,421.00	846,879.00
CAR INSURANCE	33,746.00	46,265.00
OFFICE GENERAL EXPENSES	265,487.00	165,876.00
LOCAL CONVEYANCE	426,547.00	348,768.00
	20,182,254.76	11,719,139.51

SCHEDULE-16 SELLING & DISTRIBUTION EXPENSES

FOREIGN TRAVELLING EXPENSES	4,623,574.00	3,264,876.00
	4,623,574.00	3,264,876.00

SCHEDULE-17 FINANCIAL EXPENSES

BANK CHARGES	836,117.47	1,064,701.82
INTEREST ON CC A/C	9,898,168.00	3,782,268.00
	10,734,285.47	4,846,969.82

**SCHEDULE- NOTES TO THE ACCOUNTS ANNEXED TO AND FORMING
PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE
YEAR 2008-2009**

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 cost of leasehold land shown in the balance sheet represents 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 XIV of the Companies Act, 1956 as amended up to date.
- ii) Lease hold lands are not depreciable.

e) Inventories

Inventories are valued at lower of cost and net realizable value. Cost includes cost for manufactured goods/process stock components of material, custom duty, shipping freight, inland freight, transportation cost, Consumables and labour charges etc.

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 buyer.

h) Foreign Exchange Transaction

Transactions in 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 2007-08. Sales Tax assessment has been completed up to assessment year 2005-06.
2. In the opinion of the management, all the Current Assets, Loans 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. None of the employees were in receipt of or entitled to receive remuneration in aggregate of Rs. 24,00,000/- for the year or Rs. 2,00,000/- per month. Who were in employment for the part of the year.
4. The accounts of Sundry Debtors/Creditors and advances are subjected to confirmation from parties.

5. Auditor's Remuneration :-

	2008 - 09	2007 - 08
Statutory Audit Fees	16,854.00	16,854.00
	-----	-----
	16,854 00	16,854.00
	-----	-----

6. RELATED PARTY DISCLOSURE

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

SAKET DALMIA (DIRECTOR)

Remuneration 10,00,000.00

AMIT DALMIA (DIRECTOR)

Remuneration 10,00,000.00

7. SEGMENT REPORTING**PRIMARY SEGMENT:**

The Primary segment is the main product of the company which are marble slabs, granites and Rough Marble Blocks. All the sales during the year have been to domestic customers. No Secondary segment is being reported as the entire sales are in India only.

8. EARNING PER SHARE

Net Profit attributable to Equity Shareholders	Rs. 6076118.00
Weighted average number of Equity Share outstanding	46,24,220
Earning Per Share	Rs. 1.31

9. Particulars of purchase, sales & stock of finished goods

Class of Goods (with units)	Year	Opening Stock		Purchase/ Processed	Sales/ Processed	Closing Stock	
		Qty.	Value(Rs.)	Qty.	Qty.	Qty.	Value
Marble Slabs	C.Y.	473943	42654879	1246794	1339090	381647	36346606
(Sq. Mtr.)	P.Y.	325227	22765874	1098046	949330	473943	42654879
Marble Block	C.Y.	1353.09	24687981	5218.81	4067.30	2504.60	34768327
(M. Ton)	P.Y.	-	-	4783.21	3430.12	1353.09	24687981

10. Expenditure in Foreign Currency

Year Ending	31.03.2009	31.03.2008
Travelling	2816398.00	2446276.00
Others for Material Cost	83638962.00	61648734.00

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

	2008-2009		2007-2008	
Imported	8,36,38,962.00	84.90%	6,16,48,734.00	80.76%
Indigenous	1,48,76,453.00	15.10%	1,46,82,247.00	19.24
	-----	-----	-----	-----
	9,85,15,415.00	100.00%	2,41,13,108.00	100.00%
	-----	-----	-----	-----

**12. Earning in Foreign Exchange
(FOB Value of Sales)**

Current Year Rs. Nil
Previous Year Rs. Nil

13. Value of Imported and Indigenous material traded and the percentage of each to total material sold, whether exported or sold in domestic market:- Nil (Previous Year Nil)

14. Director's remuneration is as under:-

Salary	2008-2009	2007-2008
	Rs. 10,00,000.00	Rs. 10,00,000.00

Computation of net profit for calculation of managerial remuneration under section 349 of the Companies Act, 1956 has not been done since the company has incurred loss during the year.

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

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

17. Notes No's 1 to 16 form an integral part of Balance Sheet and Profit & Loss Account.

FOR P G INDUSTRY LIMITED

**AS PER OUR REPORT OF EVEN DATE ANNEXED
For VISHAL G GOYAL & CO.
Chartered Accountants**

Sd/-
Saket Dalmia
(Director)

Sd/-
Amit Dalmia
(Director)

Sd/-
Vishal Goyal
Prop.

Date: 28th August, 2009
Place: New Delhi