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**P G INDUSTRY LIMITED**

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**ANNUAL REPORT**

**2009-2010**

# **P G INDUSTRY LIMITED**

## **CONTENTS**

1. Board of Directors	1
2. Notice	3
3. Directors' Report	6
4. Corporate Governance Report	11
5. Auditors' Report	17
6. Annual Accounts (Balance Sheet, Profit & Loss Account)	22
7. Notes to Accounts	28
8. Proxy Form	32

# **P G INDUSTRY LIMITED**

## **BOARD OF DIRECTORS**

**As on 01.09.2010**

1. Shri Saket Dalmia
2. Shri Amit Dalmia
3. Shri Piyush Sharma
4. Shri Pardip Asopa
5. Shri Anil Kumar
6. Shri Tirath Ram Sabharwal

## **AUDIT COMMITTEE**

1. Shri Tirath Ram Sabharwal
2. Shri Amit Dalmia
3. Shri Anil Kumar

## **SHAREHOLDERS GRIEVANCE COMMITTEE**

1. Shri Anil Kumar
2. Shri Tirath Ram Sabharwal
3. Smt. Manju Devi Dalmia

## **REGISTERED OFFICE**

A -30, 2<sup>nd</sup> Floor  
Kailash Colony  
New Delhi – 110 048  
Website: [pgil.com](http://pgil.com)  
Email: [pgindustryLtd@gmail.com](mailto:pgindustryLtd@gmail.com)

**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  
Phone : 011 -28751044

**BANKERS**

**Vijaya Bank, Defence Colony, New Delhi**

**REGISTRAR AND TRANSFER AGENTS**

**M/s MAS SERVICES PRIVATE LIMITED**  
AB – 4, Safdarjung Enclave  
New Delhi – 110 029

# P G INDUSTRY LIMITED

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

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## NOTICE

Notice is hereby given that the 17<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 Thursday, 30<sup>th</sup> September, 2010 at 2.00 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, 2010 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. Amit Dalmia, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Tirath Ram Sabharwal, 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.

### SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Pardip Asopa, Additional Director of the Company, who holds office till the date of AGM and being eligible to become director of the company, be and is hereby appointed as director of the company."

6. To consider and, if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Piyush Sharma, Additional Director of the Company, who hold office till the date of AGM and being eligible to become director of the company, be and is hereby appointed as director of the company."

By Order of the Board  
For P G INDUSTRY LIMITED

  
SAKET DALMIA  
Director

Place: New Delhi  
Date: 01.09.2010

**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, 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. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Item No 5 and 6 are annexed thereto.**
- 3. 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.**
- 4. Members are requested to bring their attendance slip along with their copy of annual report to the Meeting.**
- 5. In case of joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.**
- 6. The Register of members and share Transfer Books will remain closed from 25<sup>th</sup> September, 2010 to 30<sup>th</sup> September, 2010 (both days inclusive).**
- 7. 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.**
- 8. 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.**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

**ITEM NO. 5:**

Mr. Pardip Asopa was appointed as Additional Director of the Company as on July 1, 2010 by the Board of Directors of the Company. According to the provisions of Section 260 of the Companies Act, 1956, he holds office as a Director only upto the date of the ensuing Annual General Meeting. As required by Section 257 of the Companies Act, 1956, a notice has been received from member signifying his intention to propose appointment of Mr. Pardip Asopa as a Director.

None of the Directors of the Company except Mr. Pardip Asopa are concerned or interested in this resolution.

**ITEM NO. 6:**

Mr. Piyush Sharma was appointed as Additional Director of the Company as on July 1, 2010 by the Board of Directors of the Company. According to the provisions of Section 260 of the Companies Act, 1956, he holds office as a Director only upto the date of the ensuing Annual General Meeting. As required by Section 257 of the Companies Act, 1956, a notice has been received from member signifying his intention to propose appointment of Mr. Piyush Sharma as a Director.

None of the Directors of the Company except Mr. Piyush Sharma are concerned or interested in this resolution.

# P G INDUSTRY LIMITED

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

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## DIRECTORS' REPORT

To,  
The Shareholders

Your Directors take pleasure in presenting the 17<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, 2010.

<b>FINANCIAL HIGHLIGHTS</b>	<b>(Rs In Lacs)</b>	
<b>PARTICULARS</b>	<b>31.03.2010</b>	<b>31.03.2009</b>
Sales/ Other Income	2928.45	2361.76
Profit/(Loss) before taxation, depreciation	186.41	95.88
Less: Depreciation	26.00	15.19
Less: Short term capital loss/ speculation loss	224.83	-
Profit/(Loss) before taxation	(64.42)	80.69
Provision for Tax	46.72	19.93
Balance Surplus Carried to Balance Sheet	(112.32)	60.76

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### **WORKING RESULTS**

Turnover of the Company is increased 120% to Rs. 2837.55 Lac during the year 2009 -2010, against the turnover of Rs. 2353.49 Lac during the preceding year 2008-2009. During the year the Company earns business profit of Rs. 160.40 Lac but due to loss from speculation business and short term capital loss, your company suffered a loss of Rs. 112.32 Lac. The management is looking forward that such losses do not occur in future.

### **DIVIDEND**

The Company is in process of expansion of its existing infrastructures, 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, Mr. Amit Dalmia and Mr. Tirath Ram Sabharwal retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **FORWARD LOOKING STATEMENTS**

Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projects in any such forward- looking statements.

The Company assumes no responsibility to Company amends, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

P G Industry Ltd. is a well known by its brand name "MARBLE CITY" in trading of Imported Italian Marbles for last many years. Over the years P G Industry Ltd. has built a formidable reputation of being a completely professionally managed Company where customer satisfaction is of paramount consideration.

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

The economic growth in India for the year 2009-10 was at 7.0% showing its strength to recover the economy in worldwide recession at the fastest. A 5.8% growth rate during the last quarter of the fiscal at a time when most developed economics have shrunk puts India among the top most growing nations. India economy has picked up and despite the economic slowdown the Infrastructure Sector has registered growth in the fiscal which is positive indication for the company future.

The main trading activity of the company is Imported Italian Marbles.

The Government of India has set certain criteria to grant Import Licence. The person who satisfied all that criteria will be provided with that licence and will be eligible to import the Italian Marbles. Due to less number of Importers there is less competition in the Market and great demand for the products.

If Government start providing licence to everyone than there will be tough competition in the market and which may leads to degradation of the quality of the marbles.

**Business Outlook and Overview:**

In line with the objectives of Long-term growth, the Company is developing the strategic competency and enhancing its operational efficiencies. Our strategy is to strengthen business, where we have competencies and remain leaders.

The Company is aggressively strengthening its Marble business by increasing its network and source of supplies. In addition of this Company has explored new quality of products from the International market, as there is huge demand of new designs and finest quality of Marbles.

The overall performance of the Company depends largely on trading of Marbles, the core of its business portfolio.

**Internal Control Systems and Cost:**

The Company presently has an adequate internal control system. The Company has an Internal Audit Department headed by a senior executive of the Company. The Company has also appointed an External firm of Chartered Accountant for a continuous Internal Audit of the affair of the Company and the Reports are sent to the Directors of the Company. At the Branches, External Firm of Chartered Accountants specifically appointed for the purpose of Internal Audit simultaneously audits all the expenses.

The Company has undertaken an extensive exercise to control the overall cost and has finalized expenditure budget for all the Branches as well as the corporate office. All the Branches/Regional offices of the Company have been given specific cost budgets in order to monitor the costs as well as to explore and finalize ways of cost reduction.

**Human Resource Development:**

P G Industry Ltd. believes that human resources are the key resources for the success of any organisation. Thus the Company strives to create a culture of openness and empowerment amongst its employees and provide good carrier development. The Company is committed to the welfare of the employees and their families.

Your Company believes in trust transparency & teamwork to improve employees productivity at all levels.

**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, 2010 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, 2010 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: 01.09.2010**

  
**SAKET DALMIA**  
**(CHAIRMAN)**

## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

At P G Industry, Corporate Governance is not merely about adhering to the letter of the law to comply with the statutory obligations, but also centers on following the spirit underlying the same.

The Corporate Governance practices followed by the Company include the corporate structure, its culture, policies and practices, personal belief, timely and accurate disclosed of information, commitment to enhancing the shareholder value while protecting the interest of all the stakeholders.

The Company has the full support of the Board for its Corporate Governance practices. The Board of Directors have central role in implementing the Corporate Governance philosophy of the Company. The Board reviews all information, details and transactions relating to significant business decisions, including strategic and regulating matters and also monitors the effectiveness and transparency of the Managerial decisions.

### 2. COMPOSITION OF BOARD OF DIRECTORS:

(A) Presently the Board of the company consists of Five Directors with an optimum combination of Executive, Non Executive and Independent Directors. The composition of the Board is in conformity with the Listing Agreement. The Board meets regularly and is responsible for the proper direction and management of the Company. The composition of the Board, number of meetings held, attendance of the Directors at the Board Meetings and last Annual General Meeting and number of Directorship and Chairmanship/Membership of committees in other companies in respect of each Director is given herein below:

<u>Name of Directors</u>	<u>Category</u>	<u>Attendance particulars</u>		<u>Other Directorships #</u>	
		<u>at Board Meetings held during 2009-2010</u>	<u>at AGM held on 30/09/2009</u>		
		Held	Attended		
<b>Directors</b> Mr. Saket Dalmia	Promoter & Executive	11	11	Yes	11
Mr. Amit Dalmia	Promotor & Executive	11	11	Yes	8
Mr. Anil Kumar	Independent Non-Executive	11	8	Yes	-
Ms. Manju Devi Dalmia	Independent Non-Executive	11	8	No	1
Mr. Tirath Ram Sabharwal	Independent Non-Executive	11	7	No	-

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

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

During the Financial year ended March 31, 2010, the Board met 11 (eleven) times on 27<sup>th</sup> April 2009, 25<sup>th</sup> May 2009, 19<sup>th</sup> June 2009, 3<sup>rd</sup> July 2009, 28<sup>th</sup> August 2009, 9<sup>th</sup> October 2009, 16<sup>th</sup> November 2009, 29<sup>th</sup> December 2009, 15<sup>th</sup> January 2010 20<sup>th</sup> February 2010 and 18<sup>th</sup> March 2010.

**3. AUDIT COMMITTEE:**

(A) The Audit Committee of the company presently consists of One Executive and Two Non-Executive Independent Directors. 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. Tirath Ram Sabharwal	Chairman	5	5
Mr. Amit Dalmia	Member	5	5
Mr. Anil Kumar	Member	5	4

Internal Auditors, 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 2010 the Audit Committee of the company met five times. The dates of the meetings were 3<sup>rd</sup> July 2010, 28<sup>th</sup> August 2010, 16<sup>th</sup> November 2010, 15<sup>th</sup> January 2010 and 18<sup>th</sup> March 2010.

**(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. Tirath Ram Sabharwal as Chairman and Mr. Anil Kumar and Ms. Manju Devi Dalmia 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:

Name of the Director	Designation	Remuneration (Rs.)	Perquisites
Mr. Saket Dalmia	Executive Director	12,50,000	NIL
Mr. Amit Dalmia	Executive Director	12,50,000	NIL

Non Executive Directors of the company were not paid any remuneration during the year under review.

**5. SHAREHOLDER'S GRIEVANCE COMMITTEE:**

Shareholder's Grievance Committee consisting of Mr. Anil Kumar, as Chairman of the committee and Mr. Tirath Ram Sabharwal & Ms. Manju Devi Dalmia 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 on 1<sup>st</sup> September, 2009, 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 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, 10.30 A.M. 30<sup>th</sup> September, 2007 at A-30, 2<sup>nd</sup> Floor, Kailash Colony, New Delhi – 110 048.

## 7. DISCLOSURES:

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 - 8 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. GENERAL SHAREHOLDER INFORMATION:

(i) The 17<sup>th</sup> Annual General Meeting of the Members of the Company is scheduled to be held on Thursday the 30<sup>th</sup> day of September, 2010 at 11.30 A.M. at A- 30, 2<sup>nd</sup> Floor, Kailash Colony, New Delhi -110048.

(ii) Financial calendar for the year 2010-11

First Quarter Unaudited Financial Results	First Week of August, 2010
Second Quarter Unaudited Financial Results	First Week of November, 2010
Third Quarter Unaudited Financial Results	First Week of February, 2011
Audited Financial Results	First Week of July, 2011

(iii) Details of Book Closure:

From Saturday, 25<sup>th</sup> September 2010 to Thursday, 30<sup>th</sup> September, 2010 (both days inclusive)

(iv) Listing on Stock Exchange :

Name of the Stock Exchange	Address of the Stock Exchanges
The Stock Exchange Mumbai	1 <sup>st</sup> Floor, New Trading Ring, Rotunda Building, P J Towers, Dalal Street, Fort, Mumbai- 400 001.

(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) **REGISTRAR AND TRANSFER AGENTS:**

M/s MAS SERVICES PRIVATE LIMITED  
AB - 4, Safdarjung Enclave  
New Delhi - 110 029

(viii) **SHARE TRANSFER SYSTEM**

Presently the Shares of the Company are in physical forms.

(ix) **Shareholding Pattern as on 31<sup>st</sup> March, 2010 :**

<b>Categories</b>	<b>No. of Shares</b>	<b>% of Shareholding</b>
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>

(x) 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.

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

(xii) 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, 2010. A declaration to this effect for part of the report.

(xiii) Address for correspondence :

Shareholder Correspondence may be addressed to:

**Registered Office:**

M/s P G INDUSTRY LIMITED  
A - 30, 2<sup>nd</sup> Floor  
Kailash Colony  
New Delhi - 110 048

OR

**Registrar & Transfer Agent :**

M/s MAS SERVICES PRIVATE  
LIMITED  
AB - 4, Safdarjung Enclave  
New Delhi - 110 029

Email: [pgindustryLtd@gmail.com](mailto:pgindustryLtd@gmail.com)



**Declaration-Code of Conduct**

All the Board members and the senior management personnel have, for the financial year ended 31<sup>st</sup> March, 2010 affirmed compliance with the code of conduct laid down by the Board of Directors of the company in terms of the listing agreement with stock exchange.

**For P G INDUSTRY LIMITED**

  
**Saket Dalmia**  
**Director**

**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, 2010 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 M/s Vishal G Goel & Co.*  
**CHARTERED ACCOUNTANTS**



*Vishal Goel*  
**Vishal Goel**  
**Prop.**  
**M. No. 094685**

**PLACE: NEW DELHI**  
**DATED: 1<sup>st</sup> SEPTEMBER, 2010**



**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)  
[vishalggoyal@rediffmail.com](mailto:vishalggoyal@rediffmail.com)

## AUDITORS' 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 2010 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

- e) On the basis of written representations received from the directors, as on 31<sup>st</sup> March 2010, 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 2010 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 2010; and
  - (ii) in the case of Profit and Loss Account, of the Loss 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.

Place: New Delhi  
Date: 30<sup>th</sup> June, 2010



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

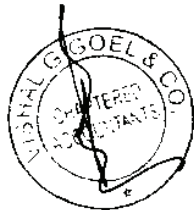
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Vishal Goel  
Prop.

**Annexure to Auditors' Report for the year ended on 31<sup>st</sup> March, 2010**

Annexure referred to in paragraph 3 of the auditors report to the members of **P G Industry Limited**, for the year ended 31st March, 2010

- 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.



- 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) 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, 2010 for a period more then six months from the date they became payable.
- 8) The company has accumulated profit of Rs.272.72 lacs at the end of the financial year 2009-10 and it has incurred losses in current financial year of Rs. 112.32 lacs.
- 9) According to the records of the company examined by us and the information and explanation given to us, the Company has no defaulted in repayment of its dues to banks and financial institutions.
- 10) The company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
- 11) The provisions of any Special Statute applicable to Chit Fund, Nidhi Fund or Mutual Benefit Fund/Societies are not applicable to the company.
- 12) In our opinion, the company is dealing in or trading in shares, securities, debentures and other investments. Proper records have been maintained of the transactions and contracts and timely entries have been made therein. Shares, securities, debentures and other investments have been held by the company, in its own name.
- 13) 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.
- 14) As per information and explanation given to us, the company has not obtained any term loan during the year.
- 15) 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.



- 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) The company has not issued any equity shares and debentures during the year.
- 18) The company has not raised any money by way of public issue during the year.

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



Vishal Goel  
Prop.

Place: New Delhi  
Date: 30<sup>th</sup> June, 2010

**P G INDUSTRY LIMITED**

**BALANCE SHEET AS AT 31ST MARCH, 2010**

PARTICULARS	SCH	Amount (Rs.)	Amount (Rs.)
		As at 31.03.10 Audited	As at 31.03.09 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	27,271,703.90	38,503,883.36
<b>2. Loan Funds</b>			
a) Secured Loans	3	120,777,881.53	69,229,323.65
b) Unsecured Loans		232,447,307.00	9,422,869.00
<b>3. Deferred Tax Liabilities</b>			
		-	117,121.00
<b>TOTAL</b>		<b>426,739,092.43</b>	<b>163,515,397.01</b>
<b>APPLICATION OF FUNDS</b>			
<b>1. Fixed Assets</b>			
a) Gross Block	4	46,607,879.46	31,239,743.46
b) Less: Depreciation		15,215,581.21	12,614,888.21
c) Net Block		<b>31,392,298.25</b>	<b>18,624,855.25</b>
<b>2. Capital Work in Progress</b>			
		12,081,034.00	-
<b>3. Investments</b>			
	5	4,695,672.00	-
<b>4. Current Assets, Loans and Advance</b>			
a) Inventories	6	163,686,115.00	71,114,932.64
b) Sundry Debtors	7	105,522,364.96	47,261,897.84
c) Cash & Bank Balances	8	3,900,522.03	7,698,351.07
d) Other Current Assets	9	11,244,419.00	3,939,869.33
e) Loans & Advances	10	160,661,365.43	33,962,986.92
		445,014,786.42	163,978,037.80
<b>Less: Current Liabilities and Provisions</b>			
a) Current Liabilities	11	61,654,767.24	17,083,790.04
b) Provisions		5,554,000.00	2,003,706.00
<b>Net Current Assets</b>		<b>377,806,019.18</b>	<b>144,890,541.76</b>
<b>5. Deferred Tax Assets</b>			
		764,069.00	-
<b>TOTAL</b>		<b>426,739,092.43</b>	<b>163,515,397.01</b>
Notes on Accounts	19		

For P G INDUSTRY LIMITED

  
(Saket Dalmia)  
Director

  
(Amit Dalmia)  
Director



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

  
Vishal Goel  
Prop.

Place: Delhi  
Date: 30th June, 2010



**P G INDUSTRY LIMITED**

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

PARTICULARS	SCH	Amount (Rs.)	Amount (Rs.)
		As at 31.03.10 Audited	As at 31.03.09 Audited
<b>INCOME</b>			
Sales		283,755,136.00	235,349,023.84
Other Income	12	9,090,310.00	827,548.00
		<b>292,845,446.00</b>	<b>236,176,571.84</b>
<b>EXPENDITURE</b>			
Material Consumed	13	207,102,562.22	161,567,590.49
Manufacturing Expenses	14	30,707,228.58	25,370,098.92
Personnel Expenses	15	4,375,861.00	4,110,099.00
Administrative Expenses	16	8,266,400.93	20,182,254.76
Selling & Distribution Expenses	17	8,874,463.22	4,623,574.00
Financial Expenses	18	14,877,579.63	10,734,285.47
		<b>274,204,095.58</b>	<b>226,587,902.64</b>
Profit/ (Loss) Before Depreciation & I. Tax		18,641,350.42	9,588,669.20
Less: Depreciation		2,600,693.00	1,519,099.89
Business Profit Before Tax		<b>16,040,657.42</b>	<b>8,069,569.31</b>
Less: Short Term Capital Loss		20,913,269.88	-
Less: Loss from Speculation Business		1,570,176.00	-
Profit Before Tax		(6,442,788.46)	8,069,569.31
Less: Provision for Income Tax		5,554,000.00	1,763,706.00
Provision for FBT		-	240,000.00
Deferred Tax Liabilities		(881,190.00)	(10,255.00)
Prior Period Expenses		116,581.00	-
Net Profit Carried to Balance Sheet		<b>(11,232,179.46)</b>	<b>6,076,118.31</b>

Notes on Accounts

19

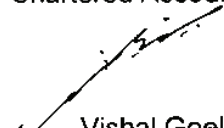
For P G INDUSTRY LIMITED

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

  
(Saket Dalmia)  
Director

  
(Amit Dalmia)  
Director



  
Vishal Goel  
Prop.

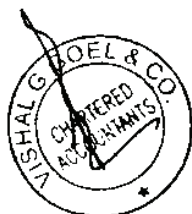
Place: Delhi

Date: 30th June, 2010


**P G INDUSTRY LIMITED**

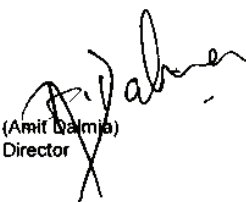
**SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT**

PARTICULARS	Amount (Rs.) As at 31.03.10 Audited	Amount (Rs.) As at 31.03.09 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 <u>46,242,200.00</u>	46,242,200.00 <u>46,242,200.00</u>
<b>SCHEDULE 2 RESERVE &amp; SURPLUS</b>		
Profit & Loss Account as per last Balance Sheet	38,503,883.36	32,427,765.05
Add: Profit during the year	(11,232,179.46)	6,076,118.31
	<u>27,271,703.90</u>	<u>38,503,883.36</u>
<b>SCHEDULE 3 LOAN FUNDS</b>		
Secured Loans		
-From ICICI Bank (Secured against Hypothecation of Vehicle financed)	467,943.04	875,617.10
-From Vijaya Bank, Defence Colony Cash Credit Account (Secured against Hypothecation of Stock in Trade, Book debts and colletral Security of Factory Land & Building, Office at Kailash Colony)	120,309,938.49	68,353,706.55
	<u>120,777,881.53</u>	<u>69,229,323.65</u>
Unsecured Loans		
-From Directors & Relatives	-	9,422,869.00
-From Others	232,447,307.00	-
	<u>232,447,307.00</u>	<u>9,422,869.00</u>
	<u>353,226,188.53</u>	<u>78,652,192.65</u>
<b>SCHEDULE 5 INVESTMENTS</b>		
Advance for Flat- Faridabad	1,556,440.00	-
Advance for Flat- Motinagar	3,139,232.00	-
	<u>4,695,672.00</u>	<u>-</u>
<b>SCHEDULE 6 INVENTORIES</b>		
Raw Material	48,740,310.00	34,768,326.55
Finished Goods (As taken, Valued & Certified by the Management)	114,945,805.00	36,346,606.09
	<u>163,686,115.00</u>	<u>71,114,932.64</u>
<b>SCHEDULE 7 SUNDRY DEBTORS</b> (Unsecured considered good)		
Exceeding Six months	-	-
Others	105,522,364.96	47,261,897.84
	<u>105,522,364.96</u>	<u>47,261,897.84</u>
<b>SCHEDULE 8 CASH &amp; BANK BALANCES</b>		
Cash in Hand (As Certified by the Management)	59,729.24	155,940.24
Balance with Schedule Banks		
-FDR with Vijaya Bank	3,441,650.00	7,170,000.00
-In Current Account	399,142.79	372,410.83
	<u>3,900,522.03</u>	<u>7,698,351.07</u>
<b>SCHEDULE 9 OTHER CURRENT ASSETS</b>		
Security Deposit	2,937,776.00	2,062,076.00
Income Tax Refund due	298,640.00	298,640.00
Income Tax Refund due AY 2009-10	146,769.00	-
Tax Deducted at Source AY 2010-11	2,860,839.00	-
Modvat Credit on Excise Duty Receivable	4,123,424.00	1,502,461.70
Excise Duty Receivable on Capital Goods	76,553.00	73,318.00
2% E. Cess Receivable on Capital Goods	1,530.00	2,628.75
1% E. Cess Receivable on Capital Goods	763.00	744.88
Vat Credit Receivable on Capital Goods	7,226.00	-
Intt on Security Electricity Behror Receivable	17,792.00	-
Additional Custom Duty Receivable on Slabs	773,107.00	-
	<u>11,244,419.00</u>	<u>3,939,869.33</u>



For P G INDUSTRY LIMITED

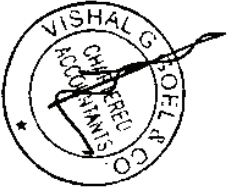
  
 (Saket Dalmia)  
 Director

  
 (Amit Dalmia)  
 Director

P G INDUSTRY LIMITED

SCHEDULE 4 FIXED ASSETS

Assets	Rate of Dep.	As at 01.04.2009	COST		DEPRECIATION		W.D.V.		
			Additions/ Sales During the year	As at 31.03.2010	Upto 31.03.2009	For the year	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
Land (Lease Hold)		606,248.50	702,361.00	1,308,609.50	-	-	-	1,308,609.50	606,248.50
Land (Lease Hold) New		-	9,450,118.00	9,450,118.00	-	-	-	9,450,118.00	-
Factory Building	3.34%	7,333,972.86		7,333,972.86	3,094,750.59	244,955.00	3,339,705.59	3,994,267.27	4,239,222.27
Plant & Machinery	4.75%	18,272,386.60	284,100.00	18,556,486.60	6,863,110.94	875,756.00	7,738,866.94	10,817,619.66	11,409,275.66
Furniture & Fixture	6.33%	752,541.00		752,541.00	511,673.83	47,636.00	559,309.83	193,231.17	240,867.17
Office Equipment	4.75%	987,975.50	191,335.00	1,179,310.50	737,830.05	49,676.00	787,506.05	391,804.45	250,145.45
Vehicle	9.50%	3,286,619.00	2,466,423.00	5,753,042.00	1,407,522.80	335,416.00	1,742,938.80	4,010,103.20	1,879,096.20
Computer	16.21%		421,000.00	421,000.00		37,600.00	37,600.00	383,400.00	-
Blades/Segments	100.00%		1,852,799.00	1,852,799.00		1,009,654.00	1,009,654.00	843,145.00	-
		31,239,743.46	15,368,136.00	46,607,879.46	12,614,888.21	2,600,693.00	15,215,581.21	31,392,298.25	18,624,855.25



PARTICULARS	Amount (Rs.) As at 31.03.10 Audited	Amount (Rs.) As at 31.03.09 Audited
<b>SCHEDULE 10 LOANS &amp; ADVANCES</b>		
(Unsecured considered good)		
Advance Recoverable in cash or in kind or value to be received	160,661,365.43	33,962,986.92
	<u>160,661,365.43</u>	<u>33,962,986.92</u>
<b>SCHEDULE 11 CURRENT LIABILITIES</b>		
Sundry Creditors for Purchase	32,481,338.84	13,845,874.00
Advance from Customers	22,934,040.00	362,487.00
Expenses Payable	6,239,388.40	2,855,429.04
	<u>61,654,767.24</u>	<u>17,063,790.04</u>
<b>PROVISIONS</b>		
Provision for Taxes	5,554,000.00	1,763,706.00
Provision for FBT		240,000.00
	<u>5,554,000.00</u>	<u>2,003,706.00</u>
	<u>67,208,767.24</u>	<u>19,067,496.04</u>
<b>SCHEDULE 12 OTHER INCOME</b>		
Interest Income	264,785.00	827,548.00
Other Income	572,094.00	-
Dividend Income	7,300.00	-
Rent Received	72,000.00	-
Interest Received on Land Compensation	8,174,131.00	-
	<u>9,090,310.00</u>	<u>827,548.00</u>
<b>SCHEDULE 13 MATERIAL CONSUMED</b>		
<b>Raw Material Consumed</b>		
Opening Stock	34,768,326.55	24,687,981.00
Add: Purchases & Direct Expenses	149,808,164.58	104,441,197.63
Less: Closing Stock	48,740,310.00	34,768,326.55
Production	<u>135,836,181.13</u>	<u>94,360,852.08</u>
Less: Transferred to Finished Goods Consumed	135,836,181.13	94,360,852.08
	-	-
<b>Finished Goods Consumed</b>		
Opening Stock	36,346,606.09	42,654,879.00
Add: Purchases	149,865,580.00	60,898,465.50
Add: Production during the year	135,836,181.13	94,360,852.08
Less: Closing Stock	114,945,805.00	36,346,606.09
	<u>207,102,562.22</u>	<u>161,567,590.49</u>
<b>Cost of Material Consumed</b>		
Material Consumed	207,102,562.22	161,567,590.49
	<u>207,102,562.22</u>	<u>161,567,590.49</u>
<b>SCHEDULE 14 MANUFACTURING EXPENSES</b>		
Consumable Stores	15,561,937.00	15,564,849.17
Power & Fuel Expenses	2,896,287.00	2,312,537.00
Wages & Salaries	429,338.00	377,446.00
ESI Expenses	20,401.00	17,930.00
PF Expenses	30,489.00	26,855.00
Repair & Maintenance (Plant & Machinery)	1,503,029.00	1,192,762.75
Transportation	8,039,591.00	3,943,635.00
Labour Fooding	244,854.00	140,300.00
Other Manufacturing Expenses	1,981,302.58	1,721,800.00
Job Work Paid		71,984.00
	<u>30,707,228.58</u>	<u>25,370,098.92</u>
<b>SCHEDULE 15 PERSONNEL EXPENSES</b>		
Salary	4,164,000.00	3,937,865.00
Provision for Gratuity	7,000.00	7,000.00
Staff Welfare Expenses	204,861.00	165,234.00
	<u>4,376,861.00</u>	<u>4,110,099.00</u>

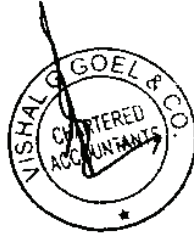
For P G INDUSTRY LIMITED

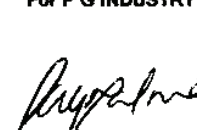



*(Signature)*  
 (Saket Dalmia) (Amit Dalmia)  
 Director Director

PARTICULARS	Amount (Rs.) As at 31.03.10 Audited	Amount (Rs.) As at 31.03.09 Audited
<b>SCHEDULE 16 ADMINISTRATIVE EXPENSES</b>		
Advertisement Expenses	11,085.00	5,000.00
Business Promotion	117,806.52	-
Rent	1,157,500.00	912,000.00
Printing & Stationery	97,226.00	87,600.00
Postage Expenses	18,304.00	166,560.00
Sales Tax Expenses		13,848,995.00
Telephone Expenses	639,706.72	366,594.00
Fuel & Electricity Expenses	315,596.00	625,487.00
Legal & Professional Charges	408,833.00	18,654.00
Securities Expenses	483,443.00	340,023.00
Auditors' Remuneration	20,000.00	16,854.00
Books & Periodicals	35,421.00	30,657.00
Interest on Sales Tax	-	6,000.00
Interest on Car Loan	80,826.18	89,180.76
Pénalty	67,966.00	33,192.00
Directors Remuneration	2,500,000.00	2,000,000.00
Membership & Subscription	243,125.00	11,000.00
Meeting & Proceedings	18,304.00	16,257.00
Car Running & Maintenance	505,678.26	882,421.00
Insurance Expenses	210,855.00	33,746.00
Office General Expenses	446,175.72	265,487.00
Rates, Fees & Taxes	141,375.00	-
Local Conveyance	747,154.53	426,547.00
	<u>8,266,400.93</u>	<u>20,182,254.76</u>
<b>SCHEDULE 17 SELLING &amp; DISTRIBUTION EXPENSES</b>		
Foreign Travelling Expenses	8,874,463.22	4,623,574.00
	<u>8,874,463.22</u>	<u>4,623,574.00</u>
<b>SCHEDULE 18 FINANCIAL EXPENSES</b>		
Bank Charges	1,121,572.63	836,117.47
Interest on CC A/c	13,756,007.00	9,898,168.00
	<u>14,877,579.63</u>	<u>10,734,285.47</u>

For P G INDUSTRY LIMITED



  
 (Saket Dalmia)  
 Director

  
 (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 2009-2010**

**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**

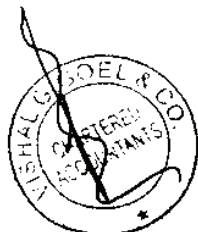
Inventories are valued at cost. Cost includes cost for manufactured goods/process stock components of material, custom duty, shipping freight, inland freight, transportation cost, consumables and labour charges etc.

**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.

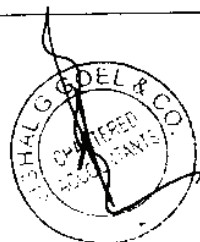
### **B) NOTES TO THE ACCOUNTS**

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. During the year the company has been allotted one Industrial plot No- I-2 adjoining to its existing Factory at Behror, Rajasthan on lease hold basis. 25% of the total lease cost has been deposited during the financial year 2009-10 and the balance 75% will be deposited in 19 quarterly equivalent installments.
4. During the company has been awarded a compensation, towards compulsory acquisition of it industrial land situated at Mohan Co-operative Industrial Estate, Delhi, of Rs. 7,37,03,805/- including interest on delay payment of Rs. 81,74,131/- against the cost of purchase of Rs. 9,05,24,000/-. Due to that company has suffered a loss of Rs. 2,49,94,326/-
5. The accounts of sundry Debtors/Creditors and advances are subjected to confirmation from parties.
6. Auditor's Remuneration:-

<b>Particulars</b>	<b>2009-10</b>	<b>2008-09</b>
Statutory Audit Fees	12500.00	10500.00
Tax Audit Fees	7500.00	6354.00
<b>Total</b>	<b>20000.00</b>	<b>16854.00</b>

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

<b>Segment</b>	<b>2009-10</b>	<b>2008-09</b>
Domestic Market	26,66,44,896.00	23,53,49,024.84
International Market	1,71,10,240.00	Nil
<b>Total</b>	<b>28,37,55,136.00</b>	<b>23,53,49,024.84</b>



### 8. 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	3,00,000.00
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	2,21,37,643.00
Priceless Overseas Ltd (Sister Concern)	Sales	7,99,18,493.00
Priceless Overseas Ltd (Sister Concern)	Job work income	22,05,575.00

### 9. EARNING PER SHARE

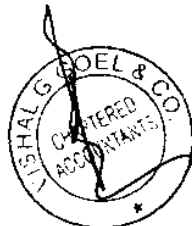
Particulars	2009-10	2008-09
Net Profit attributable to Equity Shareholders	Rs. (11,232,179)	6,076,118
Weighted average number of Equity Share outstanding	4,624,220	4,624,220
Earning Per Share	Rs. -	1.31

### 10. 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	381,647	36,346,606	1,562,613	1,062,427	881,833	114,945,805
	P.Y.	Sqft	473,943	42,654,879	1,246,794	1,339,090	381,647	36,346,606
Marble Block	C.Y.	M.T.	2,505	34,768,327	14,049	13,155	3,399	48,740,310
	P.Y.	M.T.	1,353	24,687,981	5,219	4,067	2,505	34,768,327

### 11. EXPENDITURE IN FOREIGN CURRENCY

Year Ending	31.03.2010	31.03.2009
Travelling	25,90,612.00	2,816,398.00
Others for Material Cost	191,792,246.00	83,638,962.00





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

Category	2009-2010		2008-2009	
	Imported	191,792,246.00	76.35%	83,638,962.00
Indigenous	59,413,271.00	23.65%	14,876,453.00	15.10%
	<b>251,205,517.00</b>	<b>100.00%</b>	<b>98,515,415.00</b>	<b>100.00%</b>

13. Earning in Foreign Exchange

Particulars	2009-2010	2008-2009
FOB Value of Sales	1,71,10,240.00	Nil
	<b>1,71,10,240.00</b>	<b>Nil</b>

14. Director's remuneration is as under:-

Particulars	2009-2010	2008-2009
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 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 and Loss Account.

For P.G. INDUSTRY LIMITED

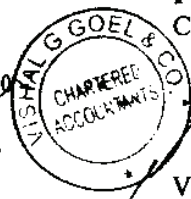
As per Our Report of Even date attached

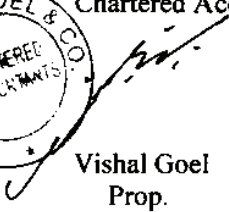
**For Vishal G Goel & Co.**

Chartered Accountants

  
(Saket Dalmia)  
Director

  
(Amit Dalmia)  
Director



  
Vishal Goel  
Prop.

Place: New Delhi

Date: 30<sup>th</sup> June, 2010

**P G INDUSTRY LIMITED**

Regd. Off: A - 30, 2<sup>nd</sup> 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.....ANNUAL GENERAL MEETING of the Company held on ..... At..... at 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.	
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I/We..... of.....being a member/members of M/s P G INDUSTRY LIMITED hereby appoint.....of ..... or failing him..... of ..... as my/our proxy to vote for me/us on my/our behalf at the ..... Annual General Meeting of the Company to be held on ..... At..... 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. Amit Dalmia		
(b) Shri. Tirath Ram Sabharwal		
3. Appointment of Auditors		

Signed this ..... Day of.....2010

Signature

Affix a  
15 paise  
Revenue  
Stamp