



P G INDUSTRY LIMITED

ANNUAL REPORT

2011-2012

P G INDUSTRY LIMITED

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

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P G INDUSTRY LIMITED

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

NOTICE

Notice is hereby given that the 19th Annual General Meeting of the Members of M/s P G INDUSTRY LIMITED will be held at A – 30, 2nd Floor, Kailash Colony, New Delhi – 110 048 on Saturday 29th September, 2012 at 03.30 P. M. to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Annual Balance Sheet as at 31st March, 2012 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 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: 04.09.2012**

**Sd/-
Davender Kumar
(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, 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, 2012 to 29th September, 2012 (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, 2nd 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.

P G INDUSTRY LIMITED

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

BOARD OF DIRECTORS

As on 04.09.2012

- Shri Saket Dalmia (Managing Director)
- Shri Amit Dalmia
- Shri Pardip Asopa
- Shri Anil Kumar

AUDIT COMMITTEE

- Shri Pardip Asopa (Chairman)
- Shri Amit Dalmia
- Shri Anil Kumar

SHAREHOLDERS GRIEVANCE COMMITTEE

- Shri Anil Kumar (Chairman)
- Shri Amit Dalmia
- Shri. Pardip Asopa

COMPANY SECRETARY

Shri Davender Kumar

REGISTERED OFFICE

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

Website: www.pgil.com
E-Mail: pgindustryLtd@gmail.com

BANKERS

Vijaya Bank
Defence Colony
New Delhi – 110 048

P G INDUSTRY LIMITED

Regd. Off: A - 30, 2nd Floor, Kailash 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: 011-26387281/82
E-Mail: info@masserv.com

INVESTOR HELPDESK

Telephone: 011- 26654051/52
E-Mail: pgindustry ltd@gmail.com

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 19th Annual General Report of the Company together with the Audited Statement of the Accounts for the year ended on 31st March, 2012.

FINANCIAL HIGHLIGHTS

(₹ In Lacs)

PARTICULARS	31.03.2012	31.03.2011
Sales	4187.12	3765.43
Other Income	5.51	1.26
Total Income	4192.63	3766.69
Total Expenditure	4036.21	3631.49
Profit/ (Loss) before taxation, depreciation	156.41	135.20
Less: Depreciation	44.30	35.84
Less: Short term capital loss/ speculation loss	--	-
Profit/ (Loss) before taxation	112.11	99.36
Provision for Current Tax	28.74	26.14
Deferred Tax Liabilities	8.41	(23.25)
Balance Surplus Carried to Balance Sheet	74.96	96.47

WORKING RESULTS

During the year under review, the Company achieved the sales turnover of ₹ 4187.13 Lacs as against ₹ 3765.43 Lacs of the previous financial year. The profit before tax and profit after tax are at ₹ 112.12 Lacs and ₹ 74.96 Lacs respectively for the Financial Year 2011-12 as against ₹ 99.36 Lacs and ₹ 96.47 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 ₹ 4,62,42,200 divided into 46,24,220 equity shares of ₹ 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. Amit Dalmia retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

SALES

During the year ended March 31, 2012, your company has gross sales of ₹ 44,11,15,644 as against ₹ 40,23,71,121 during the previous financial year. This represents 8.78 % growth.

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 licenses 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, 2012 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, 2012 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 & Co., 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: 04.09.2012

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

P G INDUSTRY LIMITED

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

REPORT ON CORPORATE GOVERNANCE

1) COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate governance is the system by which companies are directed and controlled.

(Sir Adrian Cadbury, the Committee on the Financial Aspects of Corporate Governance)

The Company believes in adopting and adhering to the best standards of corporate governance to all the stakeholders. Corporate governance is, therefore based on the following principles:

- Appropriate composition, size of the Board and commitment to adequately discharge its responsibilities and duties.
- Transparency and independence in the functions of the Board.
- Independent verification and assured integrity of financial reporting.
- Protection of shareholders' rights and priority for investor relations.
- Timely and accurate disclosure on all matters concerning operations and performance of the Company.

The Company endeavors to maintain the highest business ethics & complies with all statutory & regulatory requirements. The Company's philosophy on corporate governance enshrines the goal of achieving the highest levels of transparency, accountability and equity in all spheres of its operations and in all its dealing with the shareholders, employees, the government and other parties.

In compliance with the disclosure requirements of Clause 49 of the Listing Agreement executed with the stock exchanges, the details are set out below:

2) COMPOSITION OF BOARD OF DIRECTORS:

- (A) As on March 31, 2012, the board comprised of Five Directors with an optimum combination of Executive, Non Executive and Independent Directors. The composition of the Board and category of Directors is as follows:

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

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	Particulars of Attendance			Other Directorships #
		at Board Meetings held during 2011-2012		at AGM held on 30/09/2011	
		Held	Attended		
Mr. Saket Dalmia (Managing Director)	Promoter & Executive	11	11	Yes	14
Mr. Amit Dalmia (Director)	Promoter & Non-Executive	11	09	Yes	8
Mr. Anil Kumar (Director)	Independent Non-Executive	11	09	NO	5
Ms. Pardip Asopa (Director)	Independent Non-Executive	11	10	Yes	1
Mr. Piyush Sharma (Director)	Independent Non-Executive	11	10	No	6

No. of other Directorships indicated above is inclusive of Directorship of Private/Public Limited companies as on March 31, 2012. 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, 2012, the Board met 11 (eleven) times on 11th May 2011, 16th July 2011, 05th August 2011, 11th August 2011, 02nd September 2011, 24th October 2011, 09th November 2011, 14th November 2011, 08th December 2011, 6th February 2012 and 05th March 2012. Requisite quorum was present for all the meetings.

3. AUDIT COMMITTEE:

(A) As on March 31, 2012, the Audit Committee of the company comprises Three Non-Executive Directors, of which two of them are Independent. The Chairman of the committee is an independent Director having financial and accounting knowledge. The composition of Audit Committee and attendance of Directors at committee meetings is shown below:

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

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

(B) Meeting / Attendance:

During the financial year ended 31st March 2012 the Audit Committee of the company met four times. The dates of the meetings were 05th May 2011, 27th July 2011, 12th October 2011, 23rd January 2012 and 28th March 2012.

(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) As on March 31, 2012, the Remuneration Committee comprised of three Non Executive Independent Directors with Mr. Piyush Sharma as Chairman and Mr. Anil Kumar & 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:

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

5. SHAREHOLDER'S GRIEVANCE COMMITTEE:

As on March 31, 2012, Shareholder's Grievance Committee comprised of Mr. Anil Kumar as Chairman of the committee and Mr. Amit Dalmia & Mr. Pardip Asopa as its members to look into redressal of shareholders and investors grievances with respect to transfer of share, dematerialisation of shares, non receipt of declared dividend or Annual report etc. and other matters relating to shareholder relationship. 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:

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

1. 04.00 P.M. on 30th September, 2011 at A-30, 2nd Floor, Kailash Colony, New Delhi – 110 048;
2. 2.00 P.M. on 30th September, 2010 at A-30, 2nd Floor, Kailash Colony, New Delhi – 110 048;
- and
3. 1.00 P.M. on 30th September, 2009 at A-30, 2nd 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.

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 notes attached to the Balance Sheet.

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

8. MEANS OF COMMUNICATION:

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

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

www.pgil.com

9. CEO/CFO CERTIFICATION:

As required under Clause 49 of the Listing Agreement, a Certificate duly signed by Managing Director and Director was placed at the meeting of the Board of Directors held on 04th September 2012.

10. GENERAL SHAREHOLDER INFORMATION:

- (i) The 19th Annual General Meeting of the Members of the Company is scheduled to be held on Saturday the 29th day of September, 2012 at 03.30 P.M. at A- 30, 2nd Floor, Kailash Colony, New Delhi -110048.

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

Financial Year

: April 1, 2011- March 31, 2012

Adoption of Quarterly Results

First Quarter Unaudited Financial Results	August 11, 2011
Second Quarter Unaudited Financial Results	November 09, 2011
Third Quarter Unaudited Financial Results	February 02, 2012
Fourth Quarter Unaudited Financial Results	May 14, 2012

(iii) Details of Book Closure:

From 23rd September 2012 to 29th September, 2012 (both days inclusive).

(iv) Listing on Stock Exchanges:

As on March 31, 2012, 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 March 31, 2012.

(viii) Registrar and Transfer Agents:

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

(ix) Share Transfer System:

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

(x) Shareholding Pattern as on 31st March, 2012:

Categories	No. of Shares	% of Shareholding
Indian Promoters	3319820	71.792
Persons Acting in Concert	Nil	Nil
Institutional Investors	145000	3.136

Bodies Corporate	108300	2.342
Indian Public	1051100	22.73
Non Resident Indians	Nil	Nil
Total	4624220	100

(xi) Dematerialization of shares:

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

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

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

(xiii) Code of Conduct:

The Board has laid down a code of conduct for all board members and senior management of the company. All the board members and senior management personnel have affirmed compliance with the code for the financial year ended 31st March, 2012.

(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, 2nd Floor

Kailash Colony

New Delhi – 110 048

Email: pgindustryLtd@gmail.com

OR

Registrar & Transfer Agent :

M/s MAS SERVICES LIMITED

T – 34, 2nd 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

DECLARATION ON CODE OF CONDUCT

To
The Members of P G Industry Limited

All the Board members and the senior management personnel have, for the financial year ended 31st March, 2012 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)

P G INDUSTRY LIMITED

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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: 04.09.2012

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
vishalgoel@rediffmail.com

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, 2012 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: 04th September, 2012



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
vishalggoyal@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 31st March 2012 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;
 - e) On the basis of written representations received from the directors, as on 31st March 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2012 from being appointed as a director in terms of clause (g) of sub-section(1) of section 274 of the Companies Act, 1956;



Vishal G Goel & Co.
Chartered Accountants

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vishalgggoel@rediffmail.com

- 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 Note-1 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 2012; 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: 04 September 2012



Vishal G Goel & Co.
Chartered Accountants

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Annexure to Auditors' Report for the year ended on 31st March, 2012

Annexure referred to in paragraph 3 of the auditors report to the members of **P G Industry Limited**, for the year ended 31st March, 2012

- 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 parties 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.



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- 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) The Company has adequate Internal Audit system commensurate with its size and nature of its business.
- 8) As informed by the management, cost records for the year are under preparation.
- 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, 2012 for a period more than six months from the date they became payable.
- 10) The company has accumulated profit of ₹ 444.15 lacs at the end of the financial year 2011-12 and it have earned profit after tax in current financial year of ₹ 74.96 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.



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- 15) According to the information and explanation given to us, the company has given a guarantee for loan taken by M/s Priceless Overseas Limited from Vijaya Bank, Defence Colony.
- 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: 04 September 2012

P G Industry Limited
Balance Sheet as at 31st March, 2012

Particulars	Notes	31-Mar-2012	31-Mar-2011
Equity and liabilities			
Shareholder's funds			
Share capital	3	46,242,200.00	46,242,200.00
Reserves and surplus	4	44,415,378.87	36,918,965.67
		<u>90,657,578.87</u>	<u>83,161,165.67</u>
Non-current liabilities			
Long-term borrowings	5	70,822,510.12	115,887,780.37
Long-term provisions	7	66,780.00	59,780.00
		<u>70,889,290.12</u>	<u>115,947,560.37</u>
Current liabilities			
Short-term borrowings	8	174,564,838.19	141,607,404.96
Trade payables	9	31,172,828.00	13,310,914.00
Other current liabilities	9	62,695,405.58	27,188,900.12
Short-term provisions	7	2,874,331.00	2,614,000.00
		<u>271,307,402.77</u>	<u>184,721,219.08</u>
TOTAL		<u>432,854,271.76</u>	<u>383,829,945.12</u>
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	93,054,505.72	56,601,410.72
Capital work-in-progress	10	-	2,345,089.00
Non-current investments	11	114,381.00	114,381.00
Deferred tax assets (net)	6	2,247,680.00	3,089,165.00
		<u>95,416,566.72</u>	<u>62,150,045.72</u>
Current assets			
Inventories	14	153,488,992.00	150,540,633.00
Trade receivables	13	101,925,254.81	100,924,889.96
Cash and bank balances	15	2,407,533.59	1,307,710.37
Short-term loans and advances	12	79,615,924.64	68,906,666.07
		<u>337,437,705.04</u>	<u>321,679,899.40</u>
TOTAL		<u>432,854,271.76</u>	<u>383,829,945.12</u>
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For Vishal G Goel & Co.
Chartered Accountants

As approved
For and on behalf of the Board of Directors

Sd/-
Ca Vishal Goel
(Proprietor)
Membership No.- 094685
Firm Regn. No.- 020330 N
Place: Delhi
Date: 4th Sept, 2012

Sd/-
Saket Dalmia
(Managing Director)

Sd/-
Amit Dalmia
(Director)

Sd/-
Davender Kumar
Company Secretary

P G Industry Limited**Statement of Profit and Loss for the year ended 31st March, 2012**

Particulars	Notes	31/Mar/2012	31/Mar/2011
Income			
Revenue from operations (gross)	16	441,115,644.00	402,371,121.00
Less: Excise duty		3,150,673.00	2,941,056.00
Less: Sales Tax		19,251,979.00	22,886,880.00
Revenue from operations (net)	16	418,712,992.00	376,543,185.00
Other income	17	550,955.00	126,240.00
Total Revenue (I)		419,263,947.00	376,669,425.00
Expenses			
Cost of Materials Consumed	18	307,068,315.69	282,249,582.91
Employee benefit expenses	19	7,871,860.00	6,755,154.00
Other expenses	20	62,224,479.21	55,135,895.67
Total (II)		377,164,654.90	344,140,632.58
Earning before depreciation and amortization, finance costs and taxes (I-II)		42,099,292.10	32,528,792.43
Depreciation and amortisation expense	10	4,430,479.00	3,584,196.00
Finance costs	21	26,456,583.90	19,008,430.65
Total (III)		30,887,062.90	22,592,626.66
Profit Before Tax (I-II-III)		11,212,229.20	9,936,165.77
Tax Expenses			
Current tax		2,874,331.00	2,614,000.00
Deferred tax charge / (credit)		841,485.00	(2,325,096.00)
Total Tax Expense		3,715,816.00	288,904.00
Profit for the year		7,496,413.20	9,647,261.77
Earnings per share	22	1.62	2.09
Basic and diluted [Nominal value of shares Rs 10/- (Previous year Rs 10/-)]			
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For Vishal G Goel & Co.
Chartered Accountants

Sd/-
Ca Vishal Goel
(Proprietor)

Membership No.- 094685
Firm Regn. No.- 020330 N
Place: Delhi
Date: 4th Sept, 2012

As approved
For and on behalf of the Board of Direct

Sd/-
Saket Dalmia
(Managing Director)

Sd/-
Amit Dalmia
(Director)

Sd/-
Davender Kumar
Company Secretary

P G Industry Limited

Cash Flow Statement for the year ended March 31, 2012

Particulars	31-Mar-2012	31-Mar-2011
A. Cash flow from operating activities		
Net Profit before Tax	11,212,229.20	9,936,166.00
Adjustments for		
Depreciation and amortisation expense	4,430,479.00	3,584,196.00
Rental Income	(72,000.00)	(72,000.00)
(Profit) on sale of current investments	(408,301.00)	-
Interest income	(70,654.00)	(54,240.00)
Interest expense	24,802,295.30	17,595,060.00
Operating profit before working capital changes	39,894,048.51	30,989,182.00
Movement in working capital:		
(Increase)/Decrease in Trade Receivables	(1,000,364.85)	4,597,475.00
(Increase)/Decrease in Inventories	(2,948,359.00)	13,145,482.00
(Increase)/Decrease in Current Loans and Advances	(14,183,655.57)	102,999,172.00
(Decrease)/Increase in Trade Payables	17,861,914.00	(19,170,424.84)
(Decrease)/Increase in Other Current Liabilities	35,506,505.44	(2,054,380.16)
(Decrease)/Increase in Long term provisions	7,000.00	7,000.00
Cash generated from operations	75,137,088.53	130,513,506.00
Direct taxes paid	(3,407,920.00)	(5,554,000.00)
Net cash generated from operating activities (A)	71,729,168.53	124,959,506.00
B. Cash flow from investing activities		
Purchase of fixed assets, CWIP and capital advance	(38,538,485.00)	(19,057,363.00)
Sale of Current Investments	4,676,618.00	4,581,291.00
Rent Received	72,000.00	72,000.00
Interest received	70,654.00	54,240.00
Net cash (used in) investing activities (B)	(33,719,213.00)	(14,349,832.00)
C. Cash flow from financing activities		
Proceeds / (Repayment) of long term borrowings	(45,065,270.25)	(116,559,527.00)
Proceeds from / (Repayment of) short term borrowings	32,957,433.23	20,952,101.00
Interest paid	(24,802,295.30)	(17,595,060.00)
Net cash generated from / (used in) financing activities (C)	(36,910,132.32)	(113,202,486.00)
Net Increase in cash and cash equivalents (A+B+C)	1,099,823.22	(2,592,812.00)
Cash and cash equivalents at the begining of the year	1,307,710.37	3,900,522.00
Cash & cash equivalents at the end of the year	2,407,533.59	1,307,710.00

P G Industry Limited**Cash Flow Statement for the year ended March 31, 2012**

Particulars	31/Mar/2012	31/Mar/2011
Components of cash & cash equivalents as at 31 March, 2012		
Cash on hand	450,080.24	493,479.00
Balances with Scheduled banks:		
On Current accounts	1,792,998.35	662,185.00
On Fixed deposit accounts	164,455.00	152,046.00
Balances with non-scheduled banks - on current account	-	-
	2,407,533.59	1,307,710.00

Notes:

- 1 The above Cash Flow Statement has been prepared under the "Indirect Method" as stated in Accounting Standard 3 on Cash Flow Statements issued by The Institute of Chartered Accountants of India.
- 2 Negative Figures have been shown in brackets.

As per our report of even date
For Vishal G Goel & Co.
Chartered Accountants

Sd/-
Ca Vishal Goel
(Proprietor)
Membership No.- 094685
Firm Regn. No.- 020330 N
Place: Delhi
Date: 4th Sept, 2012

As approved
For and on behalf of the Board of Directors

Sd/-
Saket Dalmia
(Managing Director)

Sd/-
Amit Dalmia
(Director)

Sd/-
Davender Kumar
Company Secretary

P G Industry Limited

Notes to financial statements for the year ended 31 March 2012

1 Nature of Operations

P G Industry Limited (hereinafter referred to as 'the Company') was incorporated on December 13, 1993 and is engaged in the manufacturing and selling of Marble Blocks/Slabs.

2 Statement of Significant Accounting Policies

a Basis of preparation of Financial Statements

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.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

b Change in presentation and disclosure of financial statements

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

c Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

d Tangible fixed assets

i) Fixed Assets are stated at original cost of acquisition and includes insurance, freight, Finance Charge 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.

e Depreciation

Depreciation on assets is provided on the straight line method at the rates computed based on estimated useful life of the assets which are equal to corresponding rates specified in Schedule XIV to the Companies Act, 1956.

Lease hold land is not depreciable.

f Impairment of tangible and intangible assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value, an impairment loss is charged to the statement of profit and loss in the year in which asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been change in the estimate of recoverable amount

g Valuation of Inventories

Inventories are valued as follows:

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.

h Foreign currency transactions

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 Revenue recognition

(i) Sale of goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

(ii) Income from Job Work

Revenue from Job Work Contracts is recognized on an accrual basis in accordance with the terms of the relevant contracts.

j Segment Reporting Policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

k Retirement and other employee benefits

Retirement benefits in the form of Provident Fund are defined contribution schemes and the contributions are charged to the Profit and Loss Account of the year when the contribution to the fund is due. There are no other obligations other than the contribution payable to that fund.

l Income tax

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

m Earning Per share

Basic Earning Per Share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating Diluted Earning Per Share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

n Provision, Contingent liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

P G Industry Limited

Notes to financial statements for the year ended 31 March 2012

3. Share capital

Particulars	31-Mar-12	31-Mar-11
Authorised shares		
70,00,000 (Previous year 70,00,000) equity shares of Rs. 10 each	70,000,000.00	70,000,000.00
Issued, subscribed and fully paid-up shares (No. in lacs)		
46,24,220 (Previous year 46,24,220) equity shares of Rs. 10 each fully paid up	46,242,200.00	46,242,200.00
Total subscribed and fully paid-up share capital	46,242,200.00	46,242,200.00

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

Equity shares	31-Mar-12		31-Mar-11	
	No. of shares	(Rs.)	No. of shares	(Rs.)
At the beginning of the year	4,624,220	46,242,200.00	4,624,220	46,242,200.00
Outstanding at the end of the year	4,624,220	46,242,200.00	4,624,220	46,242,200.00

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

(c) Details of shareholders holding more than 5% shares in the Company

Particulars	31-Mar-12		31-Mar-11	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of Rs. 10/- each fully paid				
S Y Consultants & Financers (P) Ltd.	600,000	12.98%	600,000	12.98%
B I Holdings (P) Ltd.	600,000	12.98%	600,000	12.98%
Govind Credit (P) Ltd.	550,000	11.89%	550,000	11.89%
Camac Investment (P) Ltd.	550,000	11.89%	550,000	11.89%
Dynamiks Commercial Private Limited	244,900	5.30%	244,900	5.30%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

4. Reserves and surplus

Particulars	31-Mar-12	31-Mar-11
Surplus in the statement of profit and loss		
Balance as per the last financial statement	36,918,965.67	27,271,703.90
Profit for the year	7,496,413.20	9,647,261.77
Net surplus in the statement of profit and loss	44,415,378.87	36,918,965.67
Total reserves and surplus	44,415,378.87	36,918,965.67

5. Long-term borrowings	Non-current portion		Current maturities	
	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
Particulars				
Term Loans				
Secured Loans				
-From ICICI Bank (Secured against Hypothecation of Vehicle financed)	-	122,577.94		
-From HDFC Bank (Secured against Hypothecation of Vehicle financed)	2,625,052.24	-		
Unsecured Loans				
-From Directors & Relatives	6,442,316.26	10,836,445.91		
-From Others	62,724,487.00	105,051,334.46		
	71,791,855.50	116,010,358.31	-	-
The above amount includes				
Secured borrowings	2,625,052.24	122,577.94	-	-
Unsecured borrowings	69,166,803.26	115,887,780.37	-	-
Amount disclosed under the head "other current liabilities" (refer note 9)	(969,345.38)	(122,577.94)		
Net amount	70,822,510.12	115,887,780.37	-	-

Indian rupee loan from banks (secured)

6. Deferred tax Assets (net)		
Particulars	31-Mar-12	31-Mar-11
Deferred tax assets		
Impact of expenditure charged to the statement of profit and loss in the current year/ earlier years but allowable for tax purposes on income basis	6,336,035.00	6,462,200.00
Gross deferred tax assets (A)	6,336,035.00	6,462,200.00
Deferred tax liabilities		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	4,088,355.00	3,373,035.00
Gross deferred tax liabilities (B)	4,088,355.00	3,373,035.00
Net deferred tax assets (A-B)	2,247,680.00	3,089,165.00

7. Provisions	Long term		Short term	
	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
Particulars				
Provision for employee benefits				
Provision for gratuity	66,780.00	59,780.00	-	-
	66,780.00	59,780.00	-	-
Other provisions				
Income tax provision	-	-	2,874,331.00	2,614,000.00
	-	-	2,874,331.00	2,614,000.00
	66,780.00	59,780.00	2,874,331.00	2,614,000.00

8. Short-term borrowings

Particulars	31-Mar-12	31-Mar-11
Cash credit facilities from banks (secured)	174,564,838.19	141,607,404.96
	<u>174,564,838.19</u>	<u>141,607,404.96</u>
The above amount includes:		
Secured borrowings	174,564,838.19	141,607,404.96
Unsecured borrowings	-	-
	<u>174,564,838.19</u>	<u>141,607,404.96</u>

Cash credit facility / Working Capital Loan from Vijaya Bank, Defence Colony amounting to Rs. 1745.65 lacs (Previous year Rs. 1416.07 lacs) together with interest and other charges are secured by way of hypothecation of all Company's Stock in trade and Book Debts, both present and future. This facility is further secured by way of hypothecation of immovable fixed assets of the company as well as of its associate companies and personal guarantee of the directors.

9. Other current liabilities

Particulars	31-Mar-12	31-Mar-11
Trade payables	31,172,828.00	13,310,914.00
	<u>31,172,828.00</u>	<u>13,310,914.00</u>
	(A)	
Other liabilities		
Current maturities of long term borrowings (refer note 5)	969,345.38	122,577.94
Others:		
Payable towards capital goods	1,205,887.00	99,150.00
Advances from customers	37,559,967.00	5,731,656.00
Sales tax/ VAT payable	3,080,791.00	2,260,494.00
Other payables	19,528,683.20	18,432,241.18
Service tax payable	108,610.00	87,138.00
TDS payable	242,122.00	455,643.00
	<u>62,695,405.58</u>	<u>27,188,900.12</u>
	(B)	
Total (A+B)	<u>93,868,233.58</u>	<u>40,499,814.12</u>

Notes to financial statements for the year ended 31 March 2012

10. Tangible assets

Fixed Assets	Rate of Dep.	Gross Block				Accumulated Depreciation			Net Block		
		As at 31 March 2011	Additions/ (Disposals)	Acquired through business combinations	Revaluations/ (Impairments)	As at 31 March 2012	As at 31 March 2011	Depreciation charge for the year	Adjustment due to revaluations	On disposals	As at 31.03.2012
Land (Lease Hold)		1,308,609.50	-			1,308,609.50	-			1,308,609.50	1,308,609.50
Land (Lease Hold) New		14,198,280.00	28,123,604.00			42,321,884.00				42,321,884.00	14,198,280.00
Factory Building	3.34%	7,333,972.86	-			7,333,972.86	3,584,660.59	244,955.00		3,829,615.59	3,504,357.27
Building - Labour Room	1.63%	-	3,846,341.00			3,846,341.00		57,715.00		3,788,626.00	-
Plant & Machinery	4.75%	40,565,367.60	236,775.00			40,802,142.60	9,090,715.94	1,936,933.00		11,027,648.94	29,774,493.66
Furniture & Fixture	6.33%	752,541.00	-			752,541.00	606,945.82	47,636.00		654,581.82	97,959.18
Office Equipment	47.5%	2,198,625.73	1,812,750.00			4,011,375.73	867,483.05	129,226.00		996,709.05	3,014,666.68
Vehicle	9.50%	5,807,572.00	4,950,730.00			10,758,302.00	2,289,494.80	772,064.00		3,061,558.80	7,696,743.20
Computer	16.21%	759,260.24	-			759,260.24	133,402.00	123,079.00		256,481.00	502,779.24
Blades/Segments	100.00%	2,476,959.00	(563,585.00)			1,913,374.00	2,227,075.00	1,118,871.00		868,987.00	1,044,387.00
Total		75,401,187.93	38,406,615.00			113,807,802.93	18,799,777.20	4,430,479.00		20,753,297.20	93,054,505.72
Previous Year		46,607,879.46	28,793,308.47			75,401,187.93	15,215,581.21	3,584,196.00		18,799,777.21	56,601,410.72
Capital Work in Process		2,345,089.00	(2,345,089.00)			-					2,345,089.00

Note: Fixed asset on which depreciation has been charged @100% amounting to Rs. 2476959/- having no residual value have been deducted from the Gross block as well as from the depreciation block

For and on behalf of the Board of Directors

Saket Dalmia
(Managing Director)

Amit Dalmia
(Director)

11. Non-current investments

Particulars	31-Mar-12	31-Mar-11
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity instruments		
Investment in other body corporates	114,381.00	114,381.00
	114,381.00	114,381.00

12. Loans and advances

Particulars	Non-current		Current	
	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
Capital advances				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	-	-
(A)	-	-	-	-
Security Deposits				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	1,919,200.00	1,639,200.00
(B)	-	-	1,919,200.00	1,639,200.00
Advances recoverable in cash or in kind or for value to be received, considered good unless stated otherwise				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	20,166,348.45	9,709,571.56
(C)	-	-	20,166,348.45	9,709,571.56
Loan and advances to related parties				
Unsecured, considered good	-	-	38,170,743.51	36,670,743.51
(D)	-	-	38,170,743.51	36,670,743.51
Others loans and advances				
Unsecured, considered good				
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	6,839.00
Tax Deducted at Source [AY 2011-12]			-	59,759.00
Income Tax Refund due AY 2011-12			853,679.00	-
Tax Deducted at Source [AY 2012-13]			29,353.00	-
Modvat Credit on Excise Duty Receivable			12,582,155.00	7,264,976.00
Excise Duty Receivable on Capital Goods			164,944.00	310,272.00
E. Cess 2% Receivable on Capital Goods			6,921.00	10,005.00
E. Cess 1% Receivable on Capital Goods			3,449.00	4,998.00
E. Cess 2% Receivable on Cenvet Credit			4,280.00	129.00
E. Cess 1% Receivable on Cenvet Credit			2,083.00	46.00
Vat Credit Receivable on Capital Goods			-	118,412.00
Intt on Security Electricity Behror Receivable			23,641.00	21,972.00
Additional Custom Duty Receivable on Slabs			-	773,107.00
Prepaid expenses			931,015.00	486,570.00
Advance to Suppliers			4,305,864.68	11,384,657.00
(E)	-	-	19,359,632.68	20,887,151.00
Total (A+B+C+D+E)	-	-	79,615,924.64	68,906,666.07

13. Trade receivables				
Particulars	Non-current		Current	
	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
Unsecured, considered good unless stated otherwise				
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	-	-	11,608,363.00	11,137,131.00
Secured, considered good	-	-	-	-
(A)	-	-	11,608,363.00	11,137,131.00
Other receivables				
Unsecured, considered good	-	-	90,316,891.81	89,787,758.96
Secured, considered good	-	-	-	-
(B)	-	-	90,316,891.81	89,787,758.96
Total (A + B)	-	-	101,925,254.81	100,924,889.96

14. Inventories (valued at lower of cost and net realisable value)				
Particulars	Non-current		Current	
	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
Raw materials	-	-	46,478,979.00	79,604,251.00
Stores and spare	-	-	378,204.00	-
Finished goods	-	-	106,631,809.00	70,936,382.00
	-	-	153,488,992.00	150,540,633.00

15. Cash and bank balances				
Particulars	Non-current		Current	
	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
Cash and cash equivalents				
Balances with banks:				
On current accounts	-	-	1,792,998.35	662,185.39
Cash on hand	-	-	450,080.24	493,478.98
(A)	-	-	2,243,078.59	1,155,664.37
Other bank balances:				
Deposits with original maturity of more than 12 months	-	-	164,455.00	152,046.00
Deposits with original maturity of more than 3 months but less than 12 months	-	-	-	-
(B)	-	-	164,455.00	152,046.00
Total (A + B)	-	-	2,407,533.59	1,307,710.37

P G Industry Limited**Notes to financial statements for the year ended 31 March 2012****16. Revenue from operations**

Particulars	31-Mar-12	31-Mar-11
Revenue from operations		
Sale of products	440,373,424.00	399,980,196.00
Job Work	742,220.00	2,390,925.00
Revenue from operations (gross)	441,115,644.00	402,371,121.00
Less: Excise duty	3,150,673.00	2,941,056.00
Less: Sales Tax	19,251,979.00	22,886,880.00
Revenue from operations (net)	418,712,992.00	376,543,185.00

17. Other income

Particulars	31-Mar-12	31-Mar-11
Interest on Bank / Security deposits	70,654.00	54,240.00
Rent Received	72,000.00	72,000.00
Profit on sale/ disposal of Property (net)	408,301.00	-
	550,955.00	126,240.00

18. Cost of Materials Consumed

Particulars	31-Mar-12	31-Mar-11
Inventory at the beginning of the year	150,540,633.00	163,686,115.00
Add : Purchases & Direct Expenses	309,638,470.69	269,104,100.91
Less : Inventory at the end of the year	153,110,788.00	150,540,633.00
	307,068,315.69	282,249,582.91

19. Employee benefit expense

Particulars	31-Mar-12	31-Mar-11
Salary & Wages	7,256,740.00	6,132,450.00
Contribution to Provident and other funds	84,438.00	49,409.00
Provision for Gratuity	7,000.00	7,000.00
Staff Welfare	523,682.00	566,295.00
	7,871,860.00	6,755,154.00

20. Other Expenses

Particulars	31-Mar-12	31-Mar-11
Consumption of stores and spares	30,269,943.00	23,846,577.00
Power and fuel	3,116,457.00	3,138,895.00
Other Manufacturing expenses	1,790,230.00	1,886,813.00
Repairs and maintenance:		
-Plant and machinery	1,053,488.00	1,346,727.00
-Godown	553,498.00	593,887.00
Rent	2,203,800.00	1,920,000.00
Rates, Fees and taxes	1,444,142.65	734,676.21
Insurance	221,811.00	68,077.00
Travelling and conveyance	7,378,495.31	7,426,718.45
Communication costs	1,106,539.68	1,290,753.70
Printing and stationary	371,944.00	376,790.31
Legal and professional fees	558,203.00	278,913.00
Directors' Remuneration	1,500,000.00	2,500,000.00
Electricity and diesel expenses	876,230.00	847,873.00
Payments to auditor (refer details below)	45,000.00	30,000.00
Freight and forwarding charges	1,343,713.00	1,560,352.00
Vehicle running and maintenance	955,560.02	862,503.77
Security and other service charges	370,608.00	362,659.00
Discount allowed	1,692,776.84	1,214,750.38
Advertisement and sales promotion	4,697,717.00	3,931,563.00
Penalty	21,800.00	8,000.00
Donation	20,000.00	158,350.00
Miscellaneous expenses	632,522.71	751,016.85
	62,224,479.21	55,135,895.67

Payment to auditor

As auditor:

Audit fees	22,500.00	15,000.00
Tax audit fees	7,500.00	5,000.00
Limited review	15,000.00	10,000.00
	45,000.00	30,000.00

21. Finance costs

Particulars	31-Mar-12	31-Mar-11
Interest expense	24,802,295.30	17,595,059.90
Bank charges	1,654,288.60	1,413,370.75
	26,456,583.90	19,008,430.65

22. Earning per equity share

Particulars	31-Mar-12	31-Mar-11
Net profit as per profit and loss statement	7,496,413.20	9,647,261.77
No. of equity shares at the beginning and closing of the period / year	4,624,220	4,624,220
Weighted average number of equity shares for calculating basic and diluted EPS	4,624,220	4,624,220
Basic and Diluted earnings per share (Rs.)	1.62	2.09

23. Auditor's Remuneration:-

Particulars	31-Mar-12	31-Mar-11
Audit fees	22,500.00	15,000.00
Tax audit fees	7,500.00	5,000.00
Limited review	15,000.00	10,000.00
Total	45,000.00	30,000.00

24. Segment Information**Primary Segments**

The following is the distribution of the Company's consolidated sales (net of Excise duty & Sales Tax) by geographical market, regardless of where the goods were produced.

Particulars	31-Mar-12	31-Mar-11
Domestic Market	417,924,480.00	376,543,185.00
Overseas Markets	788,512.00	-
Total	418,712,992.00	376,543,185.00

25. Contingent liabilities (not provided for) in respect of

Particulars	31-Mar-12	31-Mar-11
(a) Corporate Guarantee given in favour of the party in respect of which the Company is an associate	20,000,000.00	20,000,000.00
Total	20,000,000.00	20,000,000.00

26.1 Value of Imports calculated on CIF Basis (on accrual basis)

Particulars	31-Mar-12	31-Mar-11
Raw materials	140,525,788.00	131,290,823.00
	140,525,788.00	131,290,823.00

26.2 Earnings in Foreign Currency (on accrual basis)

Particulars	31-Mar-12	31-Mar-11
Exports at F.O.B value	788,512.00	-
	788,512.00	-

26.3 Expenditure in Foreign Currency (on accrual basis)

Particulars	31-Mar-12	31-Mar-11
Travelling	4,388,946.00	1,689,682.00
	4,388,946.00	1,689,682.00

27. Quantity Details

Class of Goods	Marble Slabs		Marble Block	
	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
Particulars	Qty (SQFT)	Qty (SQFT)	QTY (M.T.)	QTY (M.T.)
Opening Stock	616,838	881,833	3,058	3,399
Value (Rs.)	114,945,805	114,945,805	79,604,251	48,740,310
Purchase/ Processed	1,807,147	1,617,328	7,346	10,339
Sales/ Processed	1,724,086	1,882,323	8,548	10,680
Closing Stock	699,899	616,838	1,855	3,058
Value (Rs.)	106,631,809	70,936,382	79,604,251	79,604,251

28. Imported and indigenous raw materials, components, stores and spares consumed

Particulars	% of total consumption		(Rs.)	(Rs.)
	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
Raw materials				
Imported	82.58%	57.73%	253,580,455.69	162,954,446.91
Indigenously obtained	17.42%	42.27%	53,487,860.00	119,295,136.00
	100%	100.00%	307,068,315.69	282,249,582.91
Stores and spares				
Imported	0.00%	0.00%	-	-
Indigenously obtained	100.00%	100.00%	30,269,943.00	23,846,577.00
	100%	100.00%	30,269,943.00	23,846,577.00

29. Related party disclosures

Names of related parties and related party relationship

(a) Party in respect of which the Company is an associate

- Priceless Overseas Limited

(b) Key Management Personnel

- Mr. Saket Dalmia (Managing Director)
- Mr. Amit Dalmia (Director)
- Mr. Raja Ram Dalmia (Relative)
- Mrs. Manju Devi Dalmia (Relative)

Related party transactions

The following table provides the total amount of transactions those have been entered into with related parties for the relevant financial year:

	Party in respect of which the Company is an associate		Key Management Personnel		Total	
	March 31, 2012 (Rs. in lacs)	March 31, 2011 (Rs. in lacs)	March 31, 2012 (Rs. in lacs)	March 31, 2011 (Rs. in lacs)	March 31, 2012 (Rs. in lacs)	March 31, 2011 (Rs. in lacs)
Transactions for the year:						
Sales	702.99	369.31	-	-	702.99	369.31
Purchase	4.80	3.66	-	-	4.80	3.66
Rent Received	0.72	0.72	-	-	0.72	0.72
Key Management Personnel						
Remuneration paid to Managing Director (Mr. Saket Dalmia)	-	-	9.00	12.50	9.00	12.50
Remuneration paid to Director (Mr. Amit Dalmia)			6.00	12.50	6.00	12.50
Salary Paid (Relative)			2.40	0.60	2.40	0.60
Rent Paid (Relative)			2.50	2.28	2.50	2.28
Outstanding Balances as at year end						
- Trade Receivables	248.82	-	-	-	248.82	-
- Loans & Advances	381.71	366.71	42.02	-	423.73	366.71
- Borrowings		-	64.42	108.36	64.42	108.36

Notes :

1. Transactions and balances relating to reimbursement of expenses to / from related parties have not been considered above.

30. Income Tax assessment has been completed provisionally up to assessment year 2009-10. Sales Tax assessment has been completed up to assessment year 2009-10.

31. 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.

32. The accounts of sundry Debtors/Creditors and advances are subjected to confirmation from parties.

33. Previous year's figures

Till the year ended 31 March 2011, the Company was using pre-revised Schedule VI to the Companies Act 1956, for preparation and presentation of its financial statements. During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company. The Company has re-classified previous year figures to conform to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet.

34. Notes No's 1 to 33 form an integral part of Balance Sheet and Statement of Profit and Loss Account.

As per our report of even date
For Vishal G Goel & Co.
Chartered Accountants

As approved
For and on behalf of the Board of Directors

Sd/-
Ca Vishal Goel
(Proprietor)

Sd/-
Saket Dalmia
(Managing Director)

Sd/-
Amit Dalmia
(Director)

Membership No.- 094685
Firm Regn. No.- 020330 N
Place: Delhi
Date: 4th Sept, 2012

Sd/-
Davender Kumar
Company Secretary

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 19th ANNUAL GENERAL MEETING of the Company held on 29th September, 2012 at 03.30 P.M., A- 30, 2nd Floor, Kailash Colony, New Delhi – 110 048.

Signature of Shareholder/proxy

P G INDUSTRY LIMITED

Regd. Off: A - 30, 2nd 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 19th Annual General Meeting of the Company to be held on 29th September, 2012 at 03.30 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: Shri. Amit Dalmia		
3. Appointment of Auditors		

Signed this Day of.....2012

Signature

Affix a
15 paise
Revenue
Stamp