

P G INDUSTRY LIMITED

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

CIN: L74899DL1993PLC056421

REPORT ON CORPORATE GOVERNANCE

1) COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate governance refers to the system by which corporations are directed and controlled. The governance structure specifies the distribution of rights and responsibilities among different participants in the corporation (such as the board of directors, managers, shareholders, creditors, auditors, regulators, and other stakeholders) and specifies the rules and procedures for making decisions in corporate affairs. Corporate Governance philosophy stems from our belief that corporate governance is a key element in improving efficiency and growth as well as enhancing investor confidence. The Corporate Governance philosophy is scripted as:

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

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

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

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, 2014, the board comprised of Four Directors with an optimum combination of Executive, Non Executive and Independent Directors. The composition of the Board and category of Directors is as follows:

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

The 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:

<u>Name of Directors</u>	<u>Category</u>	<u>Particulars of Attendance</u>			<u>Other Directorships*</u>
		<u>at Board Meetings held during 2013-2014</u>		<u>at AGM held on 28/09/2013</u>	
		<u>Held</u>	<u>Attended</u>		
Mr. Saket Dalmia (Managing Director)	Promoter & Executive	11	11	Yes	14
Mr. Amit Dalmia (Director)	Promoter & Non-Executive	11	11	Yes	7
Mr. Anil Kumar (Director)	Independent Non-Executive	11	10	Yes	5
Ms. Pardip Asopa (Director)	Independent Non-Executive	11	10	Yes	2

* No. of other Directorships indicated above is inclusive of Directorship of Private/Public Limited companies as on March 31, 2014. 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, 2014, the Board met 11 (Eleven) times on 05th April 2013, 03rd May 2013, 30th May 2013, 13th June 2013, 24th July 2013, 13th August 2013, 30th August 2013, 28th September 2013, 13th November 2013, 27th January 2014 and 12th February 2014. Requisite quorum was present for all the meetings. The maximum gap between any two meetings did not exceed four months.

3. AUDIT COMMITTEE:

(A) As on March 31, 2014, 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:

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

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

(B) Meeting / Attendance:

During the financial year ended 31st March 2014 the Audit Committee of the company met five times. The dates of the meetings were 21st May 2013, 01st August 2013, 28th October 2013, 25th January 2014 and 24th March 2014.

(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. The Audit Committee has been granted powers as prescribed under Clause 49 II (C) of the Listing Agreement. Generally, all items listed in Clause 49 II (D) are covered in the terms of reference.

4. REMUNERATION COMMITTEE:

(A) As on March 31, 2014, the Remuneration Committee comprised of three Directors with Mr. Pardip Asopa as Chairman, Mr. Saket Dalmia and Mr. Anil Kumar as members. The terms of reference of the Remuneration Committee include fixation of salary, perquisites etc. of Managing/Executive Directors and for recommending the amount of commission payable to Executive Directors.

(B) 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, 2014, Shareholder's Grievance Committee comprised of Mr. Anil Kumar as Chairman of the committee and Mr. Amit Dalmia and Mr. Pardip Asopa as its members to look into redressal of shareholders and investors grievances with respect to transfer of share, dematerialisation of shares, non receipt of declared dividend or Annual report etc. and other matters relating to shareholder relationship. 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. 03.30 P.M. on 28th September, 2013 at A-30, 2nd Floor, Kailash Colony, New Delhi-110 048;
2. 03.30 P.M. on 29th September, 2012 at A-30, 2nd Floor, Kailash Colony, New Delhi-110 048;
and
3. 04.00 P.M. on 30th September, 2011 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 Standard 18 issued by the Institute of Chartered Accounts of India are given in notes attached to the Balance Sheet.

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

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 30th August 2014.

10. GENERAL SHAREHOLDER INFORMATION:

(i) The 21st Annual General Meeting of the Members of the Company is scheduled to be held on Tuesday the 30th day of September, 2014 at 10.00 A.M. at A- 30, 2nd Floor, Kailash Colony, New Delhi -110048.

(ii) **Financial calendar for the year 2013-14:**

Financial Year

: April 1, 2013- March 31, 2014

Adoption of Quarterly Results

First Quarter Unaudited Financial Results	August 13, 2013
Second Quarter Unaudited Financial Results	November 13, 2013
Third Quarter Unaudited Financial Results	February 12, 2014
Fourth Quarter audited Financial Results	May 30, 2014

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

From 22nd September 2014 to 30th September, 2014 (both days inclusive).

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

As on March 31, 2014, 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

(v) **Stock Code:**

Stock Code: **531281 (BSE)**

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

(vi) **Market Price Data:**

YEAR	MONTH	HIGH (₹)	LOW (₹)	NO. OF SHARES
2013	April	11.50	10.10	4,510
2013	May	13.40	11.00	8,185
2013	June	13.75	11.60	4,361
2013	July	11.10	5.55	1,970
2013	August	8.90	5.40	1,730
2013	September	10.10	9.30	400
2013	October	11.50	10.20	1,739
2013	November	11.55	11.50	850
2013	December	11.50	11.50	0
2014	January	11.30	11.20	1,000
2014	February	11.30	11.30	60
2014	March	10.74	10.21	1,201

(vii) Postal Ballot:

One Special Resolution was passed by the Shareholders of the Company through postal ballot during the year ended March 31, 2014 for providing inter corporate guarantee under section 372A of the Companies Act, 1956.

(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 dematerialized form.

(x) Shareholding Pattern as on 31st March, 2014:

Categories	No. of Shares	% of Shareholding
Indian Promoters	17,80,339	38.50
Persons Acting in Concert	--	--
Institutional Investors	1,45,000	3.14
Bodies Corporate	16,63,499	35.97
Indian Public	10,35,382	22.39
Non Resident Indians	--	--
Total	46,24,220	100.00

(xi) Dematerialization of shares:

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

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

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

(xiii) Plant Location:

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

(xiv) Code of Conduct:

The Board has laid down a code of conduct for all board members and senior management of the company. All the board members and senior management personnel have affirmed compliance with the code for the financial year ended 31st March, 2014.

(xv) Reconciliation of Share Capital Audit:

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

issued/listed capital is in agreement with the total number of shares held in physical form and in dematerialized form with NSDL & CDSL.

(xvi) 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.

(xvii) 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.

(xviii) Address for correspondence:

Shareholder`s Correspondence may be addressed to:

<u>Registered Office:</u> M/s P G INDUSTRY LIMITED A – 30, S-11, 2 nd Floor Kailash Colony New Delhi – 110 048 <u>Email: pgindustry ltd@gmail.com</u> Phone: 011-26654053	<u>OR</u>	<u>Registrar & Transfer Agent :</u> M/s MAS SERVICES LIMITED T – 34, 2 nd Floor, Okhla Industrial Area, Phase -II New Delhi – 110 020 <u>Email: info@masserv.com</u> Phone: 011-26387281
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CIN: L74899DL1993PLC056421

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, 2014 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)