

## Corporate Governance

Report for the financial year ended March 31, 2011 on the compliance by the Company with the Corporate Governance requirements under Clause 49 of the Listing Agreement, is furnished below.

### 1. Company's Philosophy on Corporate Governance

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organisation. Good Corporate Governance leads to long term shareholder value and enhances interest of other stake holders. It brings into focus the fiduciary and trusteeship role of the Board to align and direct the actions of the organisation towards creating wealth and shareholder value.

### 2. Board of Directors

The Company's Board comprises of one (1) executive director, two (2) non-executive directors and five (5) independent directors as on March 31, 2011.

The constitution of the Board is given below:

Name of Director	Category <sup>1</sup> [Designation]	Other Directorships <sup>2</sup>		Membership of other Board Committees <sup>3</sup>	
		as Member	as Chairman	as Member	as Chairman
Ajay G. Piramal	NED - Promoter [Chairman]	1	6	—	—
Vinita Bali	ID	4	—	1	—
Vimal Bhandari (From March 9, 2011)	ID	8	—	4	2
Dharendra Chadha	ID	—	—	—	—
Jiten Doshi	ID	1	—	—	—
Bharat Kewalramani	ID	1	—	—	—
Dr. Swati A. Piramal	NED – Promoter Group	9	—	1	1
Vijay Shah	ED (MD)	1	—	—	—

Note : During the financial year 2010-11, following have ceased to be directors of the Company:

- Mr. Shitin Desai (w.e.f. January 20, 2011) and
- Mr. Murari Rajan (w.e.f. March 31, 2011)

<sup>1</sup> ED - Executive Director; MD – Managing Director; NED - Non-Executive Director; ID - Independent Director

<sup>2</sup> This includes directorships in public limited companies and subsidiaries of public limited companies and excludes directorships in private limited companies, overseas companies and companies under section 25 of the Companies Act, 1956 and alternate directorships.

<sup>3</sup> This relates to Committees referred to in Clause 49 of the Listing Agreement, viz. Audit Committee and Investors Grievance Committee. However this excludes Remuneration Committee which is not considered for the purpose of computing maximum limits under Clause 49.

### 3. Attendance of Directors at Board Meetings and Annual General Meeting

The Board of the Company met five (5) times during the financial year, on the following dates:

April 23, 2010	June 24, 2010	July 28, 2010
October 27, 2010	January 20, 2011	

The Company placed before the Board the budgets, annual operating plans, performance of the business and various other information including those specified under Annexure 1A of the Listing Agreement, from time to time.

The attendance of Directors at the Board Meetings and the last Annual General Meeting held on June 24, 2010 was as under:

Name of Director	Board Meetings		AGM
	Held during their tenure	Attended	
Ajay G. Piramal	5	5	✓
Vinita Bali	5	3	✓
Vimal Bhandari (From March 9, 2011)	—	N.A.	N.A.
Dharendra Chadha	5	5	✓
Shitin Desai (upto January 20, 2011)	4	4	✓
Jiten Doshi	5	4	—
Bharat Kewalramani	5	4	✓
Dr. Swati A. Piramal	5	1	✓
Murari Rajan (Upto March 31, 2011)	5	5	✓
Vijay Shah	5	5	✓

#### 4. Code of Conduct

The Company has formulated and implemented separate Codes of Conduct for Board Members and Senior Management of the Company. Requisite annual affirmations of compliance with the respective Codes have been made by the Directors and Senior Management of the Company. A declaration signed to this effect by Mr. Vijay Shah, Managing Director, is appended at the end of this Report. The Codes of Conduct are posted on the Company's website.

#### 5. Audit Committee

During the financial year 2010-11, four Audit Committee Meetings were held on the following dates, including before finalisation of annual accounts and adoption of quarterly financial results by the Board:

April 23, 2010

July 28, 2010

October 27, 2010

January 20, 2011

The constitution of the Committee and the attendance of each member of the Committee is given below:

Name	Designation	Category	Audit Committee Meeting	
			Held during their tenure	Attended
Vimal Bhandari (From March 9, 2011)	Chairman	Independent Director	—	—
Shitin Desai (Upto January 20, 2011)	Chairman	Independent Director	3	3
Dharendra Chadha	Member	Independent Director	4	4
Jiten Doshi	Member	Independent Director	4	4

Mr. Vijay Shah was co-opted as a member of the Committee for the meeting held on January 20, 2011

The Company Secretary, Mrs. Nehal Doshi, is the secretary to the Committee.

The terms of reference of the Audit Committee include those specified under Clause 49 of the Listing Agreement as well as under section 292A of the Companies Act, 1956 such as:

- To hold periodic discussions with the Statutory Auditors and Internal Auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of the Auditors/ Internal Auditors;
- To review the adequacy of and compliance with internal control systems;
- To review the quarterly, half-yearly and annual financial statements of the Company (standalone and/or consolidated) before submission to the Board;
- To investigate into any matter in relation to items specified in section 292A of the Companies Act, 1956 or as may be referred

## CORPORATE GOVERNANCE

to it by the Board and for this purpose to seek any relevant information contained in the records of the Company and also seek external professional advice, if necessary;

5. To make recommendations to the Board on any matter relating to the financial management of the Company, including the Audit Report;
6. To review, investigate and make recommendations to the Board on any matter in relation to the items specified in sub-clause (D) of clause 49(II) of the Listing Agreement and for this purpose to seek information from any employee and/or obtain outside legal or professional advice.

### 6. Nomination & Remuneration Committee

The Nomination & Remuneration Committee reviews and makes recommendations on remuneration and perquisites for executive Directors and proposes new appointments on the Board.

The members of the Committee are:

Name	Designation	Category
Vimal Bhandari (From April 28, 2011)	Chairman	Independent Director
Shitin Desai (Upto January 20, 2011)	Chairman	Independent Director
Vinita Bali	Member	Independent Director
Dharendra Chadha	Member	Independent Director
Ajay G. Piramal	Member	Non - Executive Director

### 7. Remuneration of Directors

Details of remuneration to the Directors for the year ended March 31, 2011 are as follows:

Name of the Director	Relationship with other directors	Business relationship with the Company	Sitting fees*	Salary & Perquisites	Performance Linked Incentive	Total
Ajay G. Piramal	Husband of Dr. Swati A. Piramal	Promoter	100,000	—	—	100,000
Vinita Bali	None	None	140,000	—	—	140,000
Vimal Bhandari (From March 9, 2011)	None	None	—	—	—	—
Dharendra Chadha	None	None	180,000	—	—	180,000
Shitin Desai (Upto January 20, 2011)	None	None	140,000	—	—	140,000
Jiten Doshi	None	None	160,000	—	—	160,000
Bharat Kewalramani	None	None	80,000	—	—	80,000
Dr. Swati A. Piramal	Wife of Mr. Ajay G. Piramal	Promoter Group	20,000	—	—	20,000
Murari Rajan (Upto March 31, 2011)	None	None	100,000	—	—	100,000
Vijay Shah	None	Managing Director	—	16,653,676	10,000,000	26,653,676

\*includes sitting fees paid for Committee Meetings

#### Notes:

1. The terms of reappointment of the Managing Director, Mr. Vijay Shah as approved by the shareholders, are contained in the Agreement dated August 14, 2009 executed with him by the Company.
2. No loans and advances have been given to any Director of the Company.
3. As per prevailing policy, Stock Options are granted only to independent directors and non-promoter executive director. Accordingly, for the year ended 31st March 2011, 2,25,000 Stock Options were granted to Mr. Vijay Shah, Managing Director

at an exercise price of Rs. 23.35 per Option. In addition to the exercise price, applicable TDS would also be payable at the time of exercising the Stock Options.

Out of the Options so granted, depending on his performance, achievement of key result areas and other criteria, the Nomination and Remuneration Committee determines the actual number of stock options that would vest in his favour. Out of the total Options so vested, he would be eligible to exercise 55% immediately, 22.5% after 1 year and the balance 22.5% after 2 years. The exercise period is 5 years from the date of eligibility, failing which the Options would lapse.

It may be noted in this regard that since the PGL ESOP Scheme is implemented through the ESOP Trust and the shares given by the ESOP Trust against exercise of stock options are those that have been acquired by the ESOP Trust from the existing shareholder and no new shares are issued by the Company, there will not be any increase in the share capital of the Company, nor will there be any impact on the Earnings Per Share or other ratios relating to share capital, as a result of exercise of the Stock Options.

4. Shareholding of Non-Executive Directors (including shareholding as joint holder) is given below:

Name	No. of shares held
Ajay G. Piramal	54,384
Dr. Swati A. Piramal	20,201
Dharendra Chadha	12,500

#### 8. Investors Grievance Committee

During the financial year, four Investors Grievance Committee Meetings were held on the following dates:

April 9, 2010

July 28, 2010

October 11, 2010

January 20, 2011

Following are the members of this Committee. They attended all the four meetings.

Name	Designation	Category
Vinita Bali	Chairperson	Independent Director
Vijay Shah	Member	Managing Director

The Company Secretary is the Compliance Officer.

#### Investor Grievances

The following table shows the nature of complaints received from shareholders during 2010-11 and 2009-10.

Nature of Complaints	2010-11	2009-10
Dividend	2	1
Non-receipt of Shares	—	1
Rights Issue	2	42
Others	1	8
<b>Total</b>	<b>5</b>	<b>52</b>

The complaints are generally responded to within 7 days from their lodgment with the Company.

The Company has designated the email id 'complianceofficer.pgl@piramal.com' exclusively for the purpose of registering complaints by investors electronically. This email id has been displayed on the Company's website 'www.piramalglass.com'.

#### 9. General Body Meetings

The location and time of the Annual General Meetings held during the last 3 years are as follows:

Annual General Meeting (AGM)	Date	Time	Venue	No. of Special Resolutions passed
10th AGM	August 7, 2008	3.00 p.m.	Walchand Hirachand Hall, Indian Merchants' Chamber Building, IMC Marg, Churchgate, Mumbai 400 020	—
11th AGM	August 13, 2009	3.00 p.m.		2
12th AGM	June 24, 2010	11.00 a.m.		1

**Postal Ballot**

No resolution was passed by postal ballot during the financial year 2010-11.

At present, there is no proposal for passing any resolution through postal ballot.

**10. Note on Directors re-appointment**

Mr. Dharendra Chadha and Mr. Jiten Doshi are retiring by rotation at this Annual General Meeting (AGM) and are proposed for re-appointment.

Brief details concerning these Directors are given below:

**Mr. Dharendra Chadha**

Mr. Dharendra Chadha is 53 years of age. He is a strategy consultant who specializes in the emergent domain of corporate brand strategy. He is a Bachelor of Commerce and an MBA from Jamnalal Bajaj Institute of Management Studies, Mumbai and was appointed on the Board of our Company on January 29, 2008. Mr. Chadha spent many years in FMCG marketing before joining the ad agency, J. Walter Thompson. He spent 10 years with that company in their strategic planning function working first in India, then Asia Pacific and finally serving as Global Director of Strategic Planning. He is the Managing Director of Momentum Strategy Consultants Pvt. Ltd. Mr. Dharendra Chadha is not a director in any public limited company or subsidiary of a public limited company in India.

**Mr. Jiten Doshi**

Mr. Jiten Doshi is 45 years of age. He is one of the founders of Enam Asset Management Company Pvt. Ltd. and is its Director and Chief Investment Officer. He is a Bachelor of Commerce and was appointed on the Board of our Company on April 29, 2008. He has over 20 years experience in the capital markets. He has advised several managements on shareholder value creation. His guidance in areas such as corporate governance, transparency, disclosure standards and effective shareholder communication has helped several companies improve their interface with all stakeholders. Mr. Jiten Doshi is also a director in Dabur International Limited.

**11. Disclosures**

- No transaction of material nature has been entered into by the Company with its Directors or Management and their relatives, etc. that may have a potential conflict with the interests of the Company;
- The Register of Contracts/statement of related party transactions, are placed before the Board/Audit Committee regularly;
- Transactions with related parties are disclosed in Note No. 10 of Part B of Schedule 19 to the Accounts in the Annual Report;
- There has been no instance of non-compliance by the Company on any matter related to capital markets. Hence, the question of penalties or strictures being imposed by SEBI or the Stock Exchanges or any other statutory authority does not arise;
- Listing fees for the financial year 2011-12 have been paid to the stock exchanges where the shares of the Company are listed.

**Compliance with Mandatory/ Non-mandatory Requirements**

- The Company has complied with all the applicable mandatory requirements of Clause 49 of the Listing Agreement;
- The Company has also adopted the non-mandatory requirements as specified in Annexure 1D to Clause 49 of the Listing Agreement regarding constitution of remuneration committee, unqualified financial statements and training of Board Members.

**12. Means of Communication**

- The annual, half-yearly and quarterly results are regularly posted by the Company on its website [www.piramalglass.com](http://www.piramalglass.com). These are also submitted to the Stock Exchanges where the Company's shares are listed and published in newspapers in accordance with the Listing Agreement;
- Management Discussion & Analysis forms part of this Annual Report.

**13. General Information for Shareholders****a) Annual General Meeting**

- Date and Time August 12, 2011 at 11.30 a.m.
- Venue Walchand Hirachand Hall  
Indian Merchants' Chamber Building  
IMC Marg, Churchgate  
Mumbai 400 020

**b) Financial Calendar****Financial reporting for:**

- Quarter ending June 30, 2011 by August 13, 2011
- Half year ending September 30, 2011 by November 14, 2011
- Quarter ending December 31, 2011 by February 14, 2012
- Year ending March 31, 2012 by May 30, 2012
- Annual General Meeting  
for the year ending March 31, 2012 by September 29, 2012

**c) Dates of Book Closure**

August 3, 2011 to August 12, 2011  
(Both days inclusive)

**d) Dividend Payment date**

Within five days from the date of  
declaration of dividend

**e) Registered Office**

Piramal Tower  
Ganpatrao Kadam Marg  
Lower Parel, Mumbai 400 013

**f) Listing on Stock Exchanges**

Bombay Stock Exchange Limited  
(code: 532949);

National Stock Exchange of India Limited  
(code: PIRGLASS);

*(Note: Shares of the Company have been delisted  
from The Ahmedabad Stock Exchange Limited  
w.e.f. 30th November 2010)*

**g) Reuters Code**

PRML.BO

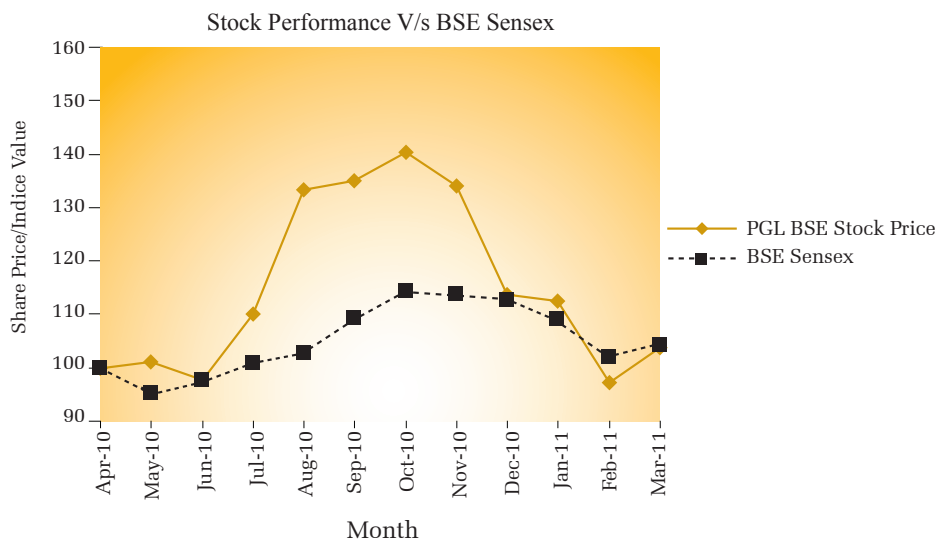
h) Stock market data

Month	Bombay Stock Exchange				National Stock Exchange			
	High (Rs.)	Low (Rs.)	Average Closing Price (Rs.)	Monthly Volume	High (Rs.)	Low (Rs.)	Average Closing Price (Rs.)	Monthly Volume
Apr-10	109.00	89.10	94.83	1,747,165	109.35	89.00	94.66	1,738,915
May-10	110.40	88.00	95.99	2,110,367	111.25	85.60	95.63	1,740,004
Jun-10	98.90	88.05	92.59	698,340	98.90	86.10	92.73	752,190
Jul-10	130.50	93.70	104.35	5,551,530	130.50	93.00	104.35	5,747,914
Aug-10	138.35	118.45	126.49	2,034,807	137.80	120.00	126.65	1,961,939
Sep-10	138.35	120.65	128.11	18,864,547	138.40	120.50	128.10	2,115,780
Oct-10	142.00	125.00	133.04	1,893,955	141.95	124.65	133.01	2,504,673
Nov-10	141.00	106.00	127.13	938,737	141.25	105.15	126.41	1,124,410
Dec-10	120.60	92.50	107.91	514,529	119.75	92.25	107.48	547,775
Jan-11	116.60	89.10	106.81	514,779	117.00	89.00	106.23	869,900
Feb-11	105.40	79.15	92.23	230,258	105.35	80.20	92.18	307,508
Mar-11	114.40	90.05	98.34	2,249,395	115.00	90.60	98.49	1,107,058

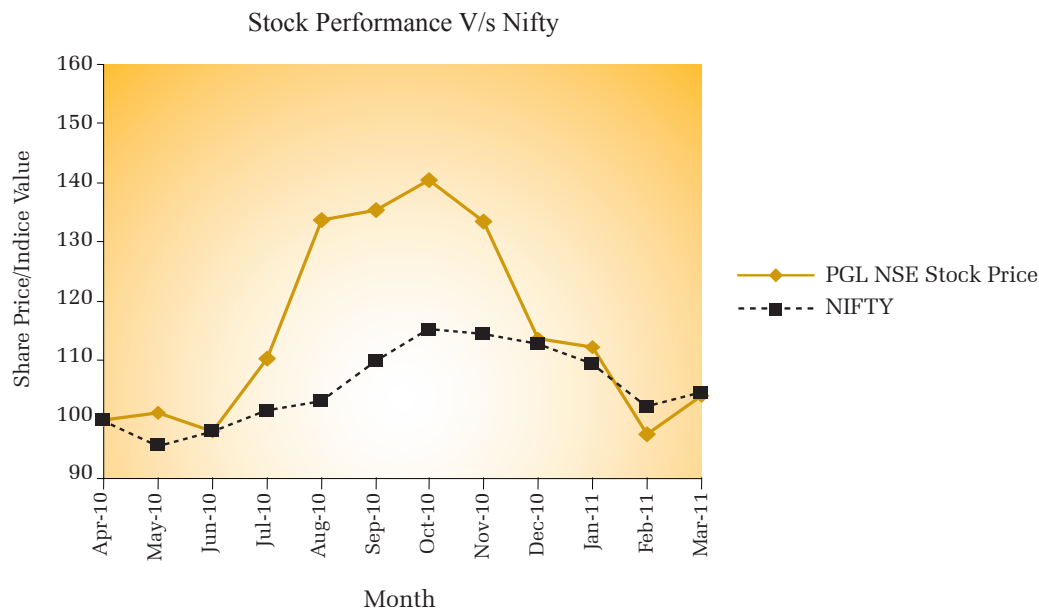
i) Stock Performance vs BSE Sensex and NSE-50

Performance of the Company's Equity Shares on Bombay Stock Exchange Limited and National Stock Exchange of India Limited relative to the BSE Sensitive Index (BSE Sensex) and S&P CNX Nifty (Nifty) respectively are graphically represented in the charts below:

Average monthly closing price of the Company's shares on BSE as compared to BSE Sensex



## Average monthly closing price of the Company's shares on NSE as compared to Nifty

j) **Share Transfer Agents**

M/s Link Intime India Pvt. Limited ("Link Intime") are the Share Transfer Agents of the Company. The contact details of Link Intime are given below:

**Link Intime India Pvt. Ltd.**

C-13 Pannalal Silk Mills Compound,  
LBS Marg, Bhandup (West), Mumbai – 400078.  
Tel.: (022) 25946970  
Fax: (022) 25946969  
e-Mail: [piramal.irc@linkintime.co.in](mailto:piramal.irc@linkintime.co.in)

203, Davar House,  
197/199, D. N. Road,  
Mumbai - 400 001.

i) **Share Transfer System (in physical segment)**

To expedite the share transfer process in the physical segment, authority has been delegated to the Share Transfer Committee, which comprises:

Mr. Ajay G. Piramal	–	Chairman
Mr. Vijay Shah	–	Member

For administrative convenience and to facilitate speedy approvals, authority has also been delegated to the Share Transfer Agents and also to senior executives to approve share transfers upto specified limits. Share transfers / transmissions approved by the Committee and/or the authorised executives are placed at the Board Meeting from time to time.

In case of shares held in physical form, all transfers are completed within 12 days from the date of receipt of complete documents. As at 31st March 2011 there were no Equity Shares pending for transfer. Also, there were no demat requests pending as on 31st March, 2011.



## l) Distribution of Equity Shareholding as on March 31, 2011

Slab of Shareholdings	No. of Shareholders	%	No. of shares	%
1 to 100	45,931	85.34	842,268	1.05
101 to 200	3,228	6.00	493,907	0.61
201 to 500	2,587	4.81	862,183	1.07
501 to 1000	934	1.74	716,157	0.89
1001 to 5000	844	1.57	1,914,146	2.38
5001 to 10000	126	0.23	937,961	1.17
10001 to 20000	87	0.16	1,207,056	1.50
20001 to 30000	35	0.07	831,486	1.03
30001 to 40000	8	0.01	278,658	0.35
40001 to 50000	14	0.03	620,402	0.77
50001 to 100000	8	0.01	662,345	0.82
Above 100000	22	0.04	71,068,167	88.36
<b>Total</b>	<b>53,824</b>	<b>100.00</b>	<b>80,434,736</b>	<b>100.00</b>

## According to categories of Equity Shareholders as on March 31, 2011

Sr. No.	Category of Shareholder	Number of Shareholders	No. of shares	%
(A)	<b>Shareholding of Promoter and Promoter Group</b>	<b>16</b>	<b>58,462,835</b>	<b>72.68</b>
(B)	<b>Public shareholding</b>			
	<b>1. Institutions</b>			
	(a) Mutual Funds/ UTI	10	1,962,561	2.44
	(b) Financial Institutions / Banks	25	864	0.00
	(c) Insurance Companies	—	—	—
	(d) Foreign Institutional Investors	6	2,529,981	3.15
	<b>Sub-Total (B1)</b>	<b>41</b>	<b>4,493,406</b>	<b>5.59</b>
	<b>2. Non-institutions</b>			
	(a) Bodies Corporate	598	7,709,592	9.58
	(b) Individuals			
	(i) holding nominal share capital up to Rs 1 lakh	52,401	5,236,711	6.51
	(ii) holding nominal share capital in excess of Rs.1 lakh.	128	4,335,147	5.39
	(c) Other			
	1. Clearing Member	147	101,006	0.13
	2. Trust	2	11,232	0.01
	3. Non – Resident Indians – Repatriable	351	70,981	0.09
	4. Non – Resident Indians – Non-Repatriable	140	13,826	0.02
	<b>Sub-Total (B2)</b>	<b>53,767</b>	<b>17,478,495</b>	<b>21.73</b>
	<b>Total Public Shareholding (B1+B2)</b>	<b>53,808</b>	<b>21,971,901</b>	<b>27.32</b>
	<b>GRAND TOTAL</b>	<b>53,824</b>	<b>80,434,736</b>	<b>100.00</b>

## m) Dematerialisation of shares

As on 31st March 2011, 78,656,145 equity shares (97.79% of the total number of shares) are in dematerialised form as compared to 78,604,080 equity shares (97.72% of the total number of shares) as on 31st March 2010.

**n) Outstanding GDRs/ADRs/Warrants or any convertible instruments**

There are no outstanding convertible warrants/instruments.

**o) Plant Locations**

**India**

- ONGC Rd., Tarsadi Village, Kosamba, (R.S.), Dist. Surat, Pin 394120.
- Gajera Road, Uchhad Village, Jambusar, Dist. Bharuch, Pin 392150.

**Overseas**

- Piramal Glass Ceylon PLC, Poruwadanda, Wagawatte, Horana, Sri Lanka.
- Flat River Glass, 1000 Taylor Avenue, Park Hills, Missouri, MO 63601, USA.
- PGI Decora/Coated, 918E, Malaga Road, Williamstown, NJ 08094, USA.

**p) Investors Correspondence**

**Nehal C. Doshi**

Company Secretary

Piramal Glass Limited

Piramal Tower Annexe

Ganpatrao Kadam Marg

Lower Parel, Mumbai - 400 013. India

Tel : (91-22) 3046 7836 • Fax : (91-22) 2490 2363

Email: [complianceofficer.pgl@piramal.com](mailto:complianceofficer.pgl@piramal.com)

**Certification under Clause 49 (I) (D) of the Listing Agreement**

This is to confirm that all the Board Members and Senior Management personnel have affirmed compliance with the respective Codes of Conduct for Piramal Glass Limited for the financial year ended 31st March, 2011.

**Vijay Shah**

Managing Director

Mumbai

April 28, 2011

**Certificate on Corporate Governance**

To  
The Members of  
Piramal Glass Limited

We have examined the compliance of conditions of Corporate Governance by Piramal Glass Limited for the year ended 31st March, 2011 as stipulated in clause 49 of the Listing Agreement of the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation 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 Statement of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement.

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

**For N. L. Bhatia & Associates**  
Practicing Company Secretaries

**N. L. Bhatia**  
Partner  
C.P. No. 422

Place : Mumbai  
Date : June 21, 2011