

**PTC INDUSTRIES LIMITED****Annual Report
2010-2011****BOARD OF DIRECTORS**

Mr. S. C. Agarwal
Mr. Sachin Agarwal
Mr. A. K. Agarwal
Mr. P. R. Agarwal
Mr. Alok Agarwal
Mr. Arun Prasad
Mr. R. K. Pandey
Mr. Ajay Kashyap
Dr. R C Katiyar
Mr. K D Gupta

CHAIRMAN
MANAGING DIRECTOR
DIRECTOR (COMMERCIAL)
DIRECTOR (MARKETING)
DIRECTOR (QUALITY & TECHNICAL)
DIRECTOR
DIRECTOR
DIRECTOR
DIRECTOR
DIRECTOR

COMPANY SECRETARY

Mr. ARUN KUMAR GUPTA

G. M. (FINANCE) & COMPANY SECRETARY

AUDITORS

M/s R. M. Lall & Co.
LUCKNOW - 226 010

BANKERS

STATE BANK OF INDIA
PUNJAB NATIONAL BANK
IFCI FACTORS LIMITED

SHARE TRANSFER AGENTS

M/s LINK INTIME INDIA PVT. LTD.
C-13, PANNA LAL SILK MILLS COMPOUND
L.B.S. MARG, BHANDUP (WEST)
MUMBAI - 400 078

REGISTERED OFFICE

MALVIYA NAGAR, AISHBAGH
LUCKNOW - 226 004 (U.P.)

WORKS:**LUCKNOW PLANT 1**

MALVIYA NAGAR, AISHBAGH
LUCKNOW - 226 004 (U.P.)

LUCKNOW PLANT 2

C-5 SAROJINI NAGAR INDUSTRIAL ESTATE
LUCKNOW - 226 008 (U.P.)

BHIWADI PLANT

B-480, RICCO INDUSTRIAL AREA, BHIWADI
DISTT. ALWAR - 301 019 (RAJASTHAN)

MEHSANA PLANT

Vill. & PO : RAJPUR -382721
TALUKA KADI,
AHMEDABAD-MEHSANA HIGHWAY # 41,
DISTT. MEHSANA (NORTH GUJRAT)

WINDMILL POWER DIVISION

SURAJBARI REGION, SHIKARPUR VILLAGE,
KUTCH DISTT., GUJRAT

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NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the Forty-Eighth Annual General Meeting of the Members of PTC Industries Limited will be held on Tuesday, 27th September, 2011 at 3:00 P.M. at the registered office of the company at Malviya Nagar, Aishbagh, Lucknow – 226004 (U.P.) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Annual Accounts for the year ended 31st March 2011, together with the Cash-Flow Statement for the year ended 31st March 2011 and the Report of Auditors' and Board of Directors' Report thereon.
2. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s R. M. Lall & Co., Chartered Accountants, the retiring Auditors, are eligible for re-appointment as Auditors of the Company
3. To appoint a Director in place of Shri Sachin Agarwal, who retires by rotation, and being eligible, offers himself for reappointment and he will not be liable to retire by rotation.
4. To appoint a Director in place of Shri Priya Ranjan Agarwal, who retires by rotation, and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Shri Arvind Kumar Agarwal, who retires by rotation, and being eligible, offers himself for reappointment.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modifications, the following resolutions as **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof) for the time being in force, and the Articles of Association of the Company and as approved by Remuneration Committee, the Board be and hereby accords its approval and consent, to the re-appointment w.e.f. 01st April, 2012 to 31st March, 2014 (for two year) and enhancement/revision in remuneration w.e.f. 1st October, 2011 till he remains in office, of Shri Satish Chandra Agarwal, Chairman (Executive) on the terms & conditions as given below:

| | | |
|-----------------------|---|--|
| Name | : | Shri Satish Chandra Agarwal |
| Designation | : | Chairman (Executive) |
| Period of Appointment | : | w.e.f. 1st April, 2012 to 31st March, 2014 |
| Remuneration | : | w.e.f. 1st October, 2011 to 31st March, 2014 Basic Salary: Rs. 1,42,500 (One Lac Forty-Two Thousand Five Hundred Only) p.m. in the pay scale of 1,42,500-14,250-1,71,000. |

Allowance/Perquisites:-

- i. Perquisites shall be restricted to an amount equal to Annual Salary and as tabled before the Board.
- ii. Commission 1% of the net profits of the Company computed in the manner laid down in Section 309 (5) of the Act subject to ceiling of 50% (Fifty percent) of the Annual Salary.
- iii. Medical expenses and Leave Travel Concession incurred by Whole Time Director and his family subject to ceiling limit of two months salary in a year or six months salary over a period of three years subject to Company's rules, if any, specified by the company in this regards. Family means spouse, dependent children and dependent parents of the appointee.
- iv. Gratuity shall not exceed half a month's Basic Salary for each completed year of service and will not be included in computation of the ceiling of the remuneration.
- v. Encashment of Leave as per rules of the Company.
- vi. Personal Accidental / Medical Insurance of an amount, the annual premium of which will not exceed Rs. 5000 per annum.
- vii. Club Fees: Fees of clubs subject to a maximum of two clubs.
- viii. Use of car for Company's business and telephone, Mobile and Internet facility at residence will not be considered as perquisites, However, personal long distance calls for private purpose shall be billed by the Company to Shri Satish Chandra Agarwal, Chairman (Executive) and use of car for private purpose shall be billed as specified under Rules 3C of the Income Tax Rules.

RESOLVED FURTHER that the re-appointment and enhancement/revision in the remuneration of Shri Satish Chandra Agarwal, Chairman (Executive) be and is hereby approved and shall be subject to the approval of the shareholders by **SPECIAL RESOLUTION** in the General Meeting as per provisions of the Act. Shri Satish Chandra Agarwal is not disqualified to be appointed as Chairman (Executive) of the Company. The Company will be of immense benefit by his appointment.

RESOLVED FURTHER THAT Shri Sachin Agarwal, Managing Director and Shri A. K. Gupta, General Manager (Finance) & Company Secretary be and are hereby authorized severally to file, requisite forms and other documents, with the Registrar of Companies (U.P. & Uttaranchal) and take such actions as may be necessary to give effect to this resolution.”

7. To consider and, if thought fit to pass with or without modifications, the following resolution as **SPECIAL RESOLUTION**:-

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof) for the time being in force, and the Articles of Association of the Company and as approved by the Remuneration Committee, the Company be and hereby

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accords its approval and consent to the re-appointment w.e.f. 18th April, 2011 to 31st March, 2014 (around three years) and enhancement/revision in remuneration of Shri Sachin Agarwal, Managing Director on the terms & conditions as given below :

| | | |
|-----------------------|---|--|
| Name | : | Shri Sachin Agarwal |
| Designation | : | Managing Director |
| Period of Appointment | : | w.e.f. 18th April, 2011 to 31st March, 2014 |
| Remuneration | : | i) w.e.f. 18th April, 2011 to 30th September, 2011 Basic Salary Rs. 66000/- p.m. ii) w.e.f. 01st October, 2011 to 31st March, 2014 Basic Salary: Rs.72,600/- (Seventy Two Thousand Six Hundred only) p.m., in the pay scale of Rs. 72,600-6,600-85,800 |

Allowances / Perquisites: (it will be effective from 18th April, 2011 to 31st March, 2014)

- i.) House Rent Allowance equal to 50% of the Basic Salary or Leased Accommodation.
- ii.) Contribution to Provident Fund @ 12% of Basic Salary, Superannuation fund @ 5% of Basic Salary or Annuity Fund (subject to Superannuation Fund Rules of the Company), will not be included in the computation of the ceiling on remuneration to the extent these either singly or put together are not taxable under the Income Tax Act
- iii.) Medical Expenses and Leave Travel Concession incurred by Whole Time Director and his family subject to a ceiling limit of two months salary in a year or six months salary over a period of three years subject to Company's rules, if any, specified by the company in this regard. Family means spouse, dependent, children and dependent parents of the appointee.
- iv.) Gratuity shall not exceed half month's Basic Salary for each completed year of service and will not be included in computation of the ceiling of the remuneration.
- v.) Encashment of Leave as per rules of the Company.
- vi.) Personal accidental/ Medical Insurance of an amount, the annual premium of which will not exceed Rs.5000.
- vii.) Club Fees: Fees of clubs subject to a maximum of two clubs.
- viii.) Use of car for Company's business and telephone, Mobile and Internet Facility at residence will not be considered as perquisites. However, personal long distance calls for private purposes shall be billed by the Company to Shri Sachin Agarwal, Managing Director and use of car for private purposes shall be billed as specified under Rules 3C of the Income Tax Rules.

RESOLVED FURTHER that the re-appointment and enhancement/revision in the remuneration of Sri Sachin Agarwal, Managing Director be and is hereby approved and shall be subject to the approval of the shareholders by **SPECIAL RESOLUTION** in the General Meeting as per provisions of the Act. Shri Sachine Agarwal is not disqualified to be appointed as Managing Director of the Company. The Company will be of immense benefit by his appointment.

RESOLVED FURTHER THAT Shri S. C. Agarwal Chairman, Shri Alok Agarwal, Director (Quality & Technical) and Shri A. K. Gupta, General Manager (Finance) & Company Secretary be and are hereby authorized severally to file, requisite forms and other documents, with the Registrar of Companies (U.P. & Uttaranchal) and take such actions as may be necessary to give effect to this resolution."

8. To consider and, if thought fit to pass with or without modifications, the following resolution as **SPECIAL RESOLUTION**:-

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof) for the time being in force, and the Articles of Association of the Company and as approved by Remuneration Committee be and hereby accords its approval and consent to the, re-appointment w.e.f. 01st April, 2012 to 31st March, 2014 (for two year) and also enhancement/revision in the remuneration w.e.f. 1st October, 2011 till he remains in office, of Shri Arvind Kumar Agarwal, Director Commercial (Whole Time Director) on the terms & conditions as given below.

| | | |
|-----------------------|---|---|
| Name | : | Shri Arvind Kumar Agarwal |
| Designation | : | Director Commercial (Whole Time Director) |
| Period of Appointment | : | w.e.f. 01st April, 2012 to 31st March, 2014 |
| Remuneration | : | w.e.f. 01st October, 2011 to 31st March, 2014 Basic Salary: Rs.72,600/- (Seventy Two Thousand Six Hundred only) p.m., in the pay scale of 72,600-6,600-85,800 |

Allowance/Perquisites:-

- i.) House Rent Allowance equal to 50% of the Basic Salary or Leased Accommodation.
- ii.) Contribution to Provident Fund @ 12% of Basic Salary, Superannuation fund @ 5% of Basic Salary or Annuity Fund (subject to Superannuation Fund Rules of the Company), will not be included in the computation of the ceiling on remuneration to the extent these either singly or put together are not taxable under the Income Tax Act

**PTC INDUSTRIES LIMITED**

- iii.) Medical Expenses and Leave Travel Concession incurred by Whole Time Director and his family subject to a ceiling limit of two months salary in a year or six months salary over a period of three years subject to Company's rules, if any, specified by the company in this regards. Family means spouse, dependent, children and dependent parents of the appointee.
- iv.) Gratuity shall not exceed half a month's Basic Salary for each completed year of service and will not be included in computation of the ceiling of the remuneration.
- v.) Encashment of Leave as per rules of the Company.
- vi.) Personal accidental/ Medical Insurance of an amount, the annual premium of which will not exceed Rs.5000/- p.a.
- vii.) Club Fees: Fees of clubs subject to a maximum of two clubs.
- viii.) Use of car for Company's business and telephone, Mobile and Internet Facility at residence will not be considered as perquisites. However, personal long distance calls for private purposes shall be billed by the Company to Shri Arvind Kumar Agarwal, Director Commercial and use of car for private purposes shall be billed as specified under Rules 3C of the Income Tax Rules.

RESOLVED FURTHER that the re-appointment and enhancement/revision in the remuneration of Sri Arvind Kumar Agarwal, Director Commercial (Whole Time Director) be and is hereby approved and shall be subject to the approval of the shareholders by **SPECIAL RESOLUTION** in the General Meeting as per provisions of Act. Shri Arvind Kumar Agarwal is not disqualified to be appointed as Director Commercial (Whole Time Director) of the Company. The Company will be of immense benefit by his appointment.

RESOLVED FURTHER THAT Shri S. C. Agarwal, Chairman, Shri Alok Agarwal, Director (Quality & Technical) and Shri A. K. Gupta, General Manager (Finance) & Company Secretary be and are hereby authorized severally to file, requisite forms and other documents, with the Registrar of Companies (U.P. & Uttaranchal) and take such actions as may be necessary to give effect to this resolution."

9. To consider and, if thought fit to pass with or without modifications, the following resolution as **SPECIAL RESOLUTION**:-

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof) for the time being in force, and the Articles of Association of the Company and as approved by Remuneration Committee be and hereby accords its approval and consent to the, re-appointment w.e.f. 01st April, 2012 to 31st March, 2014 (for two year) and also enhancement/revision in the remuneration w.e.f. 1st October, 2011 till he remains in office, of Shri Priya Ranjan Agarwal, Director Marketing (Whole Time Director) on the terms & conditions as given below :

| | |
|-----------------------|--|
| Name | : Shri Priya Ranjan Agarwal |
| Designation | : Director Marketing |
| Period of Appointment | : w.e.f. 01st April, 2012 to 31st March, 2014 |
| Remuneration | : w.e.f. 01st October, 2011 to 31st March, 2014 Basic Salary: Rs.72,600/- (Seventy Two Thousand Six Hundred only) p.m., in the pay scale of 72,600-6,600-85,800 |

Allowance/Perquisites:-

- i.) House Rent Allowance equal to 50% of the Basic Salary or Leased Accommodation.
- ii.) Contribution to Provident Fund @ 12% of Basic Salary, Superannuation fund @ 5% of Basic Salary or Annuity Fund (subject to Superannuation Fund Rules of the Company), will not be included in the computation of the ceiling on remuneration to the extent these either singly or put together are not taxable under the Income Tax Act
- iii.) Medical Expenses and Leave Travel Concession incurred by Whole Time Director and his family subject to a ceiling limit of two months salary in a year or six months salary over a period of three years subject to Company's rules, if any, specified by the company in this regards. Family means spouse, dependent, children and dependent parents of the appointee.
- iv.) Gratuity shall not exceed half a month's Basic Salary for each completed year of service and will not be included in computation of the ceiling of the remuneration.
- v.) Encashment of Leave as per rules of the Company.
- vi.) Personal accidental/ Medical Insurance of an amount, the annual premium of which will not exceed Rs.5000/- p.a.
- vii.) Club Fees: Fees of clubs subject to a maximum of two clubs.
- viii.) Use of car for Company's business and telephone, Mobile and Internet Facility at residence will not be considered as perquisites. However, personal long distance calls for private purposes shall be billed by the Company to Shri Priya Ranjan Agarwal, Director Marketing and use of car for private purposes shall be billed as specified under Rules 3C of the Income Tax Rules.

RESOLVED FURTHER that the re-appointment and enhancement/revision in the remuneration of Shri Priya Ranjan Agarwal, Director Marketing (Whole Time Director) be and is hereby approved and shall be subject to the approval of the shareholders by **SPECIAL RESOLUTION** in the General Meeting as per provisions of Act. Shri Priya Ranjan Agarwal is not disqualified to be appointed as Director Marketing (Whole Time Director) of the Company. The Company will be of immense benefit by his appointment.

RESOLVED FURTHER THAT Shri S. C. Agarwal, Chairman, Shri Alok Agarwal, Director (Quality & Technical) and Shri A. K. Gupta, General Manager (Finance) & Company Secretary be and are hereby authorized severally to file, requisite forms and other documents, with the Registrar of Companies (U.P. & Uttaranchal) and take such actions as may be necessary to give effect to this resolution."

10. To consider and, if thought fit to pass with or without modifications, the following resolution as **SPECIAL RESOLUTION**:-

"RESOLVED THAT pursuant to the provisions of Section 198, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof) for the time being in force, and the

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Articles of Association of the Company and as approved by the Remuneration Committee, the Company be and hereby accords its approval and consent to the enhancement/revision in the remuneration w.e.f. 1st October, 2011 to the remaining period of appointment i.e. up to 31st March, 2013 of Shri Alok Agarwal, Director Quality & Technical (Whole Time Director) on the terms & conditions as given below :

Name : Shri Alok Agarwal,
Designation : Director Quality & Technical (Whole Time Director)
Remuneration : w.e.f. 1st October, 2011 to 31st March, 2013
Basic Salary: Rs. 62,000/- (Sixty Two Thousand only) p.m., in the pay scale of 62,000-6,000-74,000.

Allowance / Perquisites:-

- i.) House Rent Allowance equal to 50% of the Basic Salary or Leased Accommodation.
- ii.) Contribution to Provident Fund @ 12% of Basic Salary, Superannuation fund @ 5% of Basic Salary or Annuity Fund (subject to Superannuation Fund Rules of the Company), will not be included in the computation of the ceiling on remuneration to the extent these either singly or put together are not taxable under the Income Tax Act
- iii.) Medical Expenses and Leave Travel Concession incurred by Whole Time Director and his family subject to a ceiling limit of two months salary in a year or six months salary over a period of three years subject to Company's rules, if any, specified by the company in this regards. Family means spouse, dependent, children and dependent parents of the appointee.
- iv.) Gratuity shall not exceed half a month's Basic Salary for each completed year of service and will not be included in computation of the ceiling of the remuneration.
- v.) Encashment of Leave as per rules of the Company.
- vi.) Personal accidental/ Medical Insurance of an amount, the annual premium of which will not exceed Rs.5000/- p.a.
- vii.) **Club Fees:** Fees of clubs subject to a maximum of two clubs.
- viii.) Use of car for Company's business and telephone, Mobile and Internet Facility at residence will not be considered as perquisites. However, personal long distance calls for private purposes shall be billed by the Company to Shri Alok Agarwal, Director Quality & Technical (Whole Time Director) and use of car for private purposes shall be billed as specified under Rules 3C of the Income Tax Rules.

RESOLVED FURTHER that the enhancement/revision in the remuneration of Sri Alok Agarwal, Director Quality & Technical (Whole Time Director) be and is hereby approved and shall be subject to the approval of the shareholders by **SPECIAL RESOLUTION** in the General Meeting as per provisions of the Act.

RESOLVED FURTHER THAT Shri S. C. Agarwal Chairman and Shri A. K. Gupta, General Manager (Finance) & Company Secretary be and are hereby authorized severally to file, requisite forms and other documents, with the Registrar of Companies (U.P. & Uttaranchal) and take such actions as may be necessary to give effect to this resolution."

11. Borrowing Powers

To consider and, if thought fit to pass with or without modifications, the following resolution as **ORDINARY RESOLUTION**:-

"RESOLVED THAT in suppression of the resolution passed by the members of the Company at the 37th Annual General Meeting held on 30th September, 2000 and pursuant to the provisions of Section 293 (1) (d) of the Companies Act , 1956 and the Articles of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the Board) for borrowings, from time to time , such sum or sums of money as the Board may deem fit for the purpose of business of the Company, (apart from temporary loans obtained from the Bankers of the Company in the ordinary course of business) and which may exceed the aggregate of the Paid- up Capital of the Company and its Free Reserves that is to say , Reserves not set apart for any specific purpose, provided that the total amount upto which monies may be so borrowed by the Board at any time shall not exceed Rs. 100 Crore (Rupees One Hundred Crore).

RESOLVED FURTHER THAT Shri S. C. Agarwal, Chairman, Shri Alok Agarwal, Director (Quality & Technical) and Shri A. K. Gupta, General Manager (Finance) & Company Secretary be and are hereby authorized severally to file, requisite forms and other documents, with the Registrar of Companies (U.P. & Uttaranchal) and take such actions as may be necessary to give effect to this resolution."

12. Creation of Mortgage/Charge

To consider and, if thought fit to pass with or without modifications, the following resolution as **ORDINARY RESOLUTION**:-

"RESOLVED THAT in suppression of the resolution passed by the members of the Company at the 37th Annual General Meeting held on 30th September, 2000 and subject to the provisions of Section 293(1) (a) of the Companies Act, 1956 and other applicable provisions of the Act, if any, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the Board) to create charges, mortgages and hypothecations in addition to the existing charges/ mortgages and hypothecation created by the Company on all immovable and movable properties of the Company both present and future whether by first charge/ mortgage or subsequent charges / mortgages, as the Board may direct together with power to takeover the management / undertaking of the Company in certain events to or in favour of all of any of the financial intuitions ,bankers to the company or other bankers, any other bodies corporate and any other lenders (hereinafter collectively referred to as "the lending agencies") and /or Trustees for the holders of debentures / bonds other instruments to secure borrowings of Company by way of loans/issue of debentures/bonds /other instruments which may be issued on a parri-passu basis or otherwise not exceeding Rs.

**PTC INDUSTRIES LIMITED**

100 Crore (Rupees One Hundred Crore) which have been proposed to be obtained from or privately placed with the lending agencies together with interest thereon at the agreed rates, further interest, liquidated damages, premium on prepayment or on redemption, costs, charges, expenses and all other monies payable by the Company, to the Trustees under the Trust Deeds and / or lending Agencies under their respective agreements / loan agreements/ Debenture Trust Deeds entered into or to be entered into by Company in respect of the said borrowings.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to finalize with the lending agencies/ trustees or any of them, the documents for creating the mortgages/ charges/ hypothecation and to accept or to make any alterations/ changes/ variations to or in the terms and conditions and to do all such acts, deeds, matters and things and to execute all such documents and writings as it may consider necessary for the purpose of giving effect to this resolution.

RESOLVED FURTHER THAT Shri S. C. Agarwal Chairman, Shri Alok Agarwal, Director (Quality & Technical) and Shri A. K. Gupta, General Manager (Finance) & Company Secretary be and are hereby authorized severally to file, requisite forms and other documents, with the Registrar of Companies (U.P. & Uttaranchal) and take such actions as may be necessary to give effect to this resolution.”

NOTES:-

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE LODGED WITH THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING AND MUST BE DULY STAMPED.**
2. The Register of Members and Share Transfer Books of the company will remain closed from 21st September, 2011 to 27th September, 2011 (both days inclusive).
3. Members are requested to provide their Bank Accounts Numbers, Name and Address of Bank Branch to the Registrars and Share Transfer Agents of the Company.
4. Members / proxies should bring the attendance slips duly filled in for the purpose of attending the meeting and also bring the copies of the Annual Report.
5. The relative explanatory statements pursuant to section 173(2) of the companies Act, 1956 in respect of Item No. 6 and 7 are annexed

Registered Office :
Malviya Nagar
Aishbagh
Lucknow 226 004
(U.P.)

Date : September 03, 2011

**By Order of the Board
for PTC Industries Limited**

Sd/-

(A. K. Gupta)
G. M. (Finance) & Company Secretary

**PTC INDUSTRIES LIMITED****EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****Item No. 6**

In view of the increasing activities and the future expansion programme of the Company, your Board of Directors have recommended to re-appoint and enhance/revise the remuneration of Shri Satish Chandra Agarwal, Chairman (Executive) w.e.f. 01st April, 2012 to 31st March, 2014 (for two year) to look after the day to day management of the Company. Shri Satish Chandra Agarwal was appointed at Extraordinary General Meeting held on 27th December, 2008 as a Chairman (Executive) for three year. He is completing his tenure on 31st March, 2012. He is 78 years of age and mentor of the Company, It is hereby confirmed that the remuneration by way of salary, commission and perquisites are in conformity with Schedule XIII of the Act.

Remuneration : w.e.f. 01st October, 2011 to 31st March, 2014
Basic Salary: Rs.1,42,500 (One Lac Forty Two Thousand Five Hundred only) p.m., in the pay scale of 1,42,500-14,250-1,71,000.

None of the Directors except Shri S.C. Agarwal and Sachin Agarwal himself are interested in the resolution. The Board commends the resolution as **SPECIAL RESOLUTION** for your approval. This may also be treated as Notice u/s 302 of Companies Act, 1956.

Item No. 7

In view of the increasing activities and the future expansion programme of the Company, your Board of Directors have recommended to re-appoint and enhance/revise the remuneration of Shri Sachin Agarwal, Managing Director w.e.f. 18th April, 2011 to 31st March, 2014 (around three year) to look after the day to day management of the Company. Shri Sachin Agarwal was appointed at 45th Annual General Meeting held on 25th September, 2008 as Managing Director for three year. He is completing his tenure on 17th April 2011. He is 39 years of age and very well versed in all aspects of Commercial, Marketing and Finance Administration. It is hereby confirmed that the remuneration by way of salary, commission and perquisites are in conformity with Schedule XIII of the Act.

Remuneration : i) w.e.f. 18th April, 2011 to 30th September, 2011
Basic Salary Rs. 66000/- p.m.
ii) w.e.f. 01st October, 2011 to 31st March, 2014
Basic Salary: Rs.72,600/- (Seventy Two Thousand Six Hundred only) p.m., in the pay scale of Rs. 72,600-6,600-85,800

None of the Directors except Shri S.C. Agarwal and Sachin Agarwal himself are interested in the resolution. The Board commends the resolution as **SPECIAL RESOLUTION** for your approval. This may also be treated as Notice u/s 302 of Companies Act, 1956.

Item No. 8

In view of the increasing activities and the future expansion programme of the Company, your Board of Directors have recommends to re-appoint and enhance/revise the remuneration of Shri Arvind Kumar Agarwal, Director Commercial (Whole Time Director) w.e.f. 01st April, 2012 to 31st March, 2014 (for two year) to look after the day to day management of the Company. Shri Arvind Kumar Agarwal was appointed at Extraordinary General Meeting held on 27th December, 2008 as a Director Commercial (Whole Time Director) for three year. He is completing his tenure on 31st March, 2012. He is 56 years of age and very well versed in Commercial Area. It is hereby confirmed that the remuneration by way of salary, commission and perquisites are in conformity with Schedule XIII of the Act.

Remuneration : w.e.f. 01st October, 2011 to 31st March, 2014
Basic Salary: Rs.72,600/- (Seventy Two Thousand Six Hundred only) p.m., in the pay scale of 72,600-6,600-85,800

None of the Directors except Shri Arvind Kumar Agarwal himself is interested in the resolution. The Board commends the resolution as **SPECIAL RESOLUTION** for your approval. This may also be treated as Notice u/s 302 of Companies Act, 1956.

Item No. 9

In view of the increasing activities and the future expansion programme of the Company, your Board of Directors have recommends to re-appoint and enhance/revise the remuneration of Shri Priya Ranjan Agarwal, Director Marketing (Whole Time Director) w.e.f. 01st April, 2012 to 31st March, 2014 (for two year) to look after the day to day management of the Company. Shri Priya Ranjan Agarwal, was appointed at Extraordinary General Meeting held on 27th December, 2008 as a Director Marketing (Whole Time Director) for three year. He is completing his tenure on 31st March, 2012. He is 53 years of age and very well versed in Commercial Area. It is hereby confirmed that the remuneration by way of salary, commission and perquisites are in conformity with Schedule XIII of the Act.

Remuneration : w.e.f. 01st October, 2011 to 31st March, 2014
Basic Salary: Rs.72,600/- (Seventy Two Thousand Six Hundred only) p.m., in the pay scale of 72,600-6,600-85,800

None of the Directors except Shri Priya Ranjan Agarwal himself is interested in the resolution. The Board commends the resolution as **SPECIAL RESOLUTION** for your approval. This may also be treated as Notice u/s 302 of Companies Act, 1956.

Item No. 10

In view of the increasing activities and the future expansion programme of the Company, your Board of Directors have decided to enhance/revise the remuneration of Shri Alok Agarwal, Director Quality & Technical (Whole Time Director). He is very well versed in Quality and Technical Area. It is hereby confirmed that the remuneration by way of salary, commission and perquisites are in conformity with Schedule XIII of the Act.

Remuneration : w.e.f. 1st October, 2011 to 31st March, 2013
Basic Salary: Rs. 62,000/- (Sixty Two Thousand only) p.m., in the pay scale of 62,000-6,000-74,000.

**PTC INDUSTRIES LIMITED**

None of the Directors except Shri Alok Agarwal himself is interested in the resolution. The Board commends the resolution as **SPECIAL RESOLUTION** for your approval.

Item No. 11 & 12

At 37th Annual General Meeting held on 30th September, 2000, the members had authorized the Board to borrow upto a limit of Rs. 60 Crore. Keeping in view the Company's expansion plans, it is desirable to increase the Company's borrowing powers from the existing limit of Rs. 60 Crore to 100 Crore. Since section 293 (1) (d) & section 293 (1) (a) requires the approval of shareholders in General Meeting in relation to such borrowings and creation of charge(s)/mortgage(s) on the Assets of the Company. The Board commends the Resolution at serial no. 11 & 12 for your approval.

None of the directors are interested in the said resolutions.

Details of the Directors as per Schedule XIII Part II (B)

| | | | | | |
|--|--|---|---------------------------|---------------------|--|
| Director's Name | S. C. Agarwal | Sachin Agarwal | P. R. Agarwal | A. K. Agarwal | Alok Agarwal |
| Designation | Chairman | Managing Director | Director Marketing | Director Commercial | Director Quality & Technical |
| Date of Birth | 20-04-1933 | 05-04-1972 | 15-08-1958 | 19-08-1955 | 29-08-1962 |
| Date of Joining | 20-06-1963 | 18-04-1998 | 24-01-1993 | 24-01-1993 | 27-07-1994 |
| Shares held | 538900 | 28700 | 386000 | 410200 | 38900 |
| Qualification | B.Sc. Engg. (Mech) M.I.E. | MBA,M.S.(Finance) | B.E. (Mech.) | B.Com. | B.Tech. |
| Experties in Specific Areas | Engineering | Industrialist | Marketing | Commercial | Engineering |
| Directorship in the Companies | Precision Overseas Pvt. Ltd. e.Soft Technologies Ltd. PTC Energas Flow Pvt. Ltd. | Precision Overseas Pvt. Ltd. e.Soft Technologies Ltd. PTC Energas Flow Pvt. Ltd. Mapple Commerce Pvt. Ltd. Nirala Merchants Pvt. Ltd. | Mapple Commerce Pvt. Ltd. | Nil | Nil |
| Membership of Committees in the Companies | PTC Industries Ltd. (a) Audit Committee (b) Remuneration Committee (c) Share Transfer/ Investor Grievance Committee | PTC Industries Ltd. (a) Share Transfer/ Investor Grievance Committee | Nil | Nil | PTC Industries Ltd. (a) Audit Committee |

Registered Office :
Malviya Nagar
Aishbagh
Lucknow 226 004
(U.P.)

**By Order of the Board
for PTC Industries Limited**

Sd/-

**PTC INDUSTRIES LIMITED****DIRECTORS' REPORT**

To,
The Members,

Your Directors have great pleasure in presenting the Forty-Eighth Annual Report with the Audited Accounts for the year ended 31st March 2011.

Financial Results

| | (Lac Rs.) | |
|--|------------------|------------------|
| | <u>2010-2011</u> | <u>2009-2010</u> |
| Domestic Sales (net of Taxes & Excise Duty) | 4757.46 | 4343.00 |
| Export Sales (FOB value including incentives) | 4283.07 | 2668.82 |
| Deemed Export Sales | 561.60 | 443.83 |
| Total Sales | 9602.13 | 7455.65 |
| Profit before Interest, Depreciation, Prior Year adjustment expenses & Taxes | 1432.89 | 1243.74 |
| Less: Prior Year adjustment expenses | 25.96 | - |
| Profit before Interest, Depreciation & Taxes | 1406.93 | 1243.74 |
| Less: Depreciation | 339.88 | 297.89 |
| Less: Interest & Financial Charges | 579.74 | 524.25 |
| Less: Provision for Current Tax | 98.06 | 80.46 |
| Less: Provision for Deferred Tax | 73.70 | 47.01 |
| Profit after Tax | 315.53 | 294.13 |
| Add: Net Provision for tax for earlier year | - | - |
| Balance available for the year | 315.53 | 294.13 |
| Surplus from earlier year brought forward | 247.84 | 253.71 |
| Available for Appropriations | 563.37 | 547.84 |
| Appropriations : | | |
| Transfer to General Reserve | 300.00 | 300.00 |
| Surplus carried forward to next year | <u>263.37</u> | <u>247.84</u> |
| | 563.37 | 547.84 |

Operating Results

Financial Year 2010-2011 was a yet another year of growth and improved performance, with your Company registering an increase in Turnover by 28.79% at Rs. 9602.13 lac as compared to Rs. 7455.65 lac in the previous year, ie, Net Domestic Sales of Rs. 4757.46 lac during the year has registered an increase of approximately 9.54% over Rs. 4343.00 lac during previous year. Deemed Export Sales has increased by approximately 26.53% at Rs. 561.6 lac as against Rs. 443.83 lac during previous year. Export Sales (FOB value including Incentives) has registered an increase of approximately 60.49% at Rs. 4283.07 lac as against Rs. 2668.82 lac during previous year. The Profit Before Tax has increased by Rs. 65.69 lac at Rs. 487.29 lac as against Rs. 421.60 lac in the previous year. However the Net Profit after Tax has increased to Rs. 315.53 lac in comparison to Net Profit after Tax of Rs. 294.13 lac during the previous year.

Dividend

Due to the huge fund requirement for the undergoing expansion/modernisation plan of the Company, the Directors regret their inability in recommending any dividend for the year.

Expansion/Modernisation

In view of business competition in domestic & international market your Company adopted various Technological developments and improvements in the various foundry operations to improve the quality and productivity in order to set high standards in all areas like designing, manufacturing of pattern, moulds, melting and pouring techniques etc. has been one of our main concern. Thus, we continue to take new initiatives to further strengthen our Quality Control and Quality Assurance System.

RESEARCH AND DEVELOPMENT ACTIVITY:

The Company has recognized by Department of Scientific and Industrial Research (DSIR), under the Ministry of Science & Technology Government of India, for In-house R&D Unit. DSIR has also approved PTC Industries Limited u/s 35 (2AB) of the Income Tax Act, 1961 for availment of various incentives provided to the Company on Research & Development. The Company has placed an application for financial grant/aid to Department of Scientific and Industrial Research, Government of India under Technology Development and Demonstration Programme.

OUTLOOK

The focus of the Company is on new product development of international standards and quality and continuous efforts towards develop & adoption of new Replicast technology are being made by the Company to increase its exports by exploring creating and developing new markets abroad and India, it expects to achieve significant improvement in the coming financial year. Moreover extensive visits to existing and new customers in USA, Germany, Spain, France and China etc. and applied research started in advance for items having high potentials. The Company has already submitted samples to few overseas buyers and is hopeful that it will eventually translate into handsome orders for the Company. In view of the above company is involve in continuous process of adopted of various modernization cum up gradation of its Plants and to establish a new Plant in order to achieve high grade production and large size casting.

On global level the Indian Metal casting (Foundry Industry) is well established and as per the recent World Census of Castings producing by Modern Castings, USA India Ranks as 2nd largest casting producer producing estimated 7.44 Million M.T. of various grades of Castings as per International standards. The various types of castings which are being produced, i.e., ferrous, non ferrous, Aluminum Alloy, graded cast iron, ductile iron, Steel etc for application in Automobiles, Railways, Pumps Compressors & Valves, Diesel Engines, Cement/Electrical/Textile Machinery, Aero & Sanitary pipes & Fittings etc. & Castings for special applications. The large foundries are modern & globally competitive & are working at nearly full capacity and growing awareness about environment.

**PTC INDUSTRIES LIMITED****Directors**

Shri Sachin Agarwal, Shri P. R. Agarwal and Shri Arvind Kumar Agarwal Directors of the Company retire by rotation and being eligible offer themselves for reappointment. The necessary resolution has been proposed for approval by the shareholders for their re-appointment in the forthcoming Annual General Meeting.

Industrial Relations

Industrial relations remained cordial throughout the year. Your Directors place on record their deep appreciation of the contribution made by their employees at all levels.

Auditors

The members are requested to appoint auditors and authorise your Board of Directors to fix their remuneration. M/s R. M. Lall & Co., the retiring auditors have furnished certificates of their eligibility for reappointment as required under the Companies Act, 1956. The notes referred to by the Auditors in their reports are self-explanatory and hence do not require any explanation.

CORPORATE GOVERNANCE

A separate section on Corporate Governance forming part of the Directors' Report and Management Discussion and Analysis Report and the certificate from the Company's Auditors confirming the compliance of the conditions on Corporate Governance as stipulated in Clause 49 of the listing agreement are included in the Annual Report.

Particulars of Employees

Particulars of employees in accordance with the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, are not given, as none of the employees qualify for such disclosure.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

A statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo in accordance with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988 is annexed to the Report.

Directors' Responsibility Statement

In accordance with the provision of section 217 (2AA) of the Companies Act, 1956, as amended by Companies (Amendment) Act 2000, your Directors confirm that:

- (a) in preparation of the annual accounts, the applicable accounting standards have been followed and that there are also no material departures.
- (b) they have selected such accounting policies and applied them and made judgements and estimates that are 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 ended on 31st March, 2011 and of the profit of the Company for the year ended 31st March 2011.
- (c) they have taken proper and sufficient care, to the best of their knowledge and ability, 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.
- (d) they have prepared the annual accounts on a "going concern basis".

Acknowledgements

The Board of Directors thanks the Bankers of the Company - State Bank of India, Punjab National Bank, IFCI Factors Limited and other Financial Institutions and Government Authorities for their guidance and continued support provided to the Company throughout the year.

The Board of Directors also place on record their great appreciation of the commitment, involvement and dedication exhibited by its employees/workers at all levels of the organisation and outside professionals in the overall development, growth and prosperity of the Company.

On behalf of the Board of Directors

Sd/-

Sd/-

Place : Lucknow
Date : September 03, 2011

(Sachin Agarwal)
Managing Director

(Alok Agarwal)
Director (Quality & Technical)

**ANNEXURE TO DIRECTORS' REPORT TO THE MEMBERS**

Particulars regarding Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo for the year ended 31st March, 2011.

A. CONSERVATION OF ENERGY

(a) Energy Conservation measures taken

- Mercury Vapour Lamps 250 W replaced by energy saving tubes/Lamps.
- Sand Plant has been re-designed at Bhiwadi Plant for more capacity of the sand moulds to optimize the use of melting furnace and thereby have more heats per day which would increase the productivity resulting into consumption of less power per Kg. of Casting to be produced .
- Special purpose CNC machine has been installed for faster and accurate machining of different shapes and sizes of casting at Lucknow Plant-1.
- Import of Centrifugal Casting Machine for Accurate Casting, consumes less power.
- Robotic Systems for Replicast has been installed to improve efficiency.
- Large size castings are now being made through REPLICAST process which saves approx 25% of the liquid metal and very little finishing operations is required.
- Energy efficient Lighting systems have been installed in workplaces.
- Various measures like installation of chain hoists, chipping hammers, bi-rail crane and other handling equipments have been installed to increase productivity.
- Worm gear drives have been replaced with the Helical-Bevel gears for smooth and efficient use of various machines used for fettling of castings at Bhiwadi Plant.
- Proper programming on CNC Machines has been done to reduce the time taken for final machining at Mehsana Plant.
- One APFC Panel installed at Lucknow Plant-1 and one Panel at CNC Shop, one at Plant-II have been installed.
- Wire feeder for injecting de-oxidants in furnace installed which will not lower the temperature as observed in manual additions.
- To replace existing two nos. of melting furnace with Highly Energy Efficient & State of Art Melting Furnace.
- A new De-foaming Furnace with dual fuel system and inbuilt Recuperator for substantial energy savings has been installed.
- Large size Dehumidifier has been installed in shelling section of Replicast which will dry the shells quickly.
- Pouring ladles are heated with inverted type ladle pre heater to save time and LPG
- Grit blast room which will be more energy efficient and require less consumption of air has been installed.
- Digital weighting scale fitted with ladles so that correct weight of liquid metal is taken for pouring, which is saving wastage of molten metal.
- Replacement of normal bulbs with CFL which will consume less energy/electricity.
- Heat Treatment furnace is being installed for Automatic Temperature control for saving fuel & improvement of Quality.
- V.F.D. installed for vacuum machine which is reducing load at the time of motor starting.
- 200 KVA UPS installed for vacuum machine which is reducing maintaining power factor and production interruption.
- ONH Analyzer has been installed for the rapid and accurate determination of oxygen, nitrogen and hydrogen in copper, steel, cast iron, alloys, zirconium, titanium, molybdenum, nickel, ceramics and other inorganic materials.
- IGBT Welding machines has been installed based on inverter to reduce electricity consumption/power fluctuation and this has also been replaced from transformer type Welding Machines.
- UPS 200 KVA has been installed for CNC Machine to avoid sudden-electricity cut off to reduce production interruption/defects in programming of CNC Machines.

**PTC INDUSTRIES LIMITED**

(b) Additional investments and proposal, if any, being implemented for reduction of consumption of energy

(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact of the cost of production of goods.

- P.C.O. Gas purging panel installed which is mainly work automatically in place of manually.
- In view of security reasons powerful continuous surveillance system. We have installed modern CCTV along with Digital video Recorders (DVR) to record the particular events with backup in the around the factory and in the Office premises.
- 30 KVA/10 KVA UPS installed and Robotic Section which maintain power and this maintain and production uninterrupted.
- Robotic System for Investment Casting to be installed at Mehsana Plant to improve efficiency.
- Mercury Vapour lamp are being replaced by LED lights which will save the electricity.
- Vacuum degassing to be installed on the basis of vacuum technology to remove trapped gases, i.e. oxygen, nitrogen and hydrogen.
- Robotic System will be installed to produce/improve quality Large size castings in Plant-1.
- Electrical Furnace will be installed to reduce scaling of Castings in Lucknow Plant-1 & Plant-2.
- The above measures have helped in saving energy usage which results into reduced cost of production.

B. TECHNOLOGY ABSORPTION

FORM 'A'
Not Applicable

FORM 'B'
Form for disclosure of particulars with respect to Absorption
(Rule 2)

I. RESEARCH & DEVELOPMENT (R&D)

(a) Specific areas in which R&D carried out by the Company

- Company has developed some prototype samples for the Overseas Buyers.
- New dies related to the prototype samples have been prepared by the process of applied research.
- Development of Castings of those by Replicast process which are hitherto not possible to produce in other moulding processes of Castings.
- New software has been installed to calculate least cost charge for metallurgical composition and proved on various metallurgies in which various castings are being produced for different usages and buyers.
- various new dies have been development for producing smaller castings for new overseas buyers by investment castings process.
- CNC Co-ordinate Machined and Spectroscopic Setting sample have been procured for testing.
- new refractory coating material has got been developed by one of the supplier to improve surface finish of the castings.
- process to use stainless steel shots has been developed instead of steel shots thereby ensuring better finish and much extended life of the shots.
- process to wash silica sand in such a way that not only impurities are removed but also to remove uneven sand granules has got been developed at suppliers end to ensure use of better quality of sand thus ensuring better finish and less finishing operations on the surface of the castings.
- The representative of CTI, UK has visited and performed the technical audit & introduced advanced system.
- conservation of scarce resources and better environment.
- faster production with zero defect quality.
- cost reduction and be competitive.
- at par with international technology and standards.
- earning more foreign exchange for the country.
- development of Castings weighing in range of 1-2 Ton a piece by Replicast process.
- development of single piece casting of parts currently being made by combinations of fabrication, forging and casting.
- increase the yield of castings to molten metal to avoid wastage of

(b) Benefits derived as a result of above R&D

(c) Future plan of action

**PTC INDUSTRIES LIMITED**

- energy and other inputs.
- development of new range of under carriage parts for earth-moving and mining equipments.
- developments of dies for new items to be produced by Replicast process.
- further improvement in quality of products at a lower cost.

(d) Expenditure on R & D

| | 2010-2011 | (Lac Rs.) | 2009-2010 |
|-------------------------|---------------|-----------|-----------|
| i) Capital | 132.20 | | 52.98 |
| ii) Revenue | 169.71 | | 49.05 |
| iii) Total | 301.91 | | 102.03 |
| iv) % of Total Turnover | 3.14% | | 1.37% |

II. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- (a) Efforts, in brief, made towards technology selection, absorption and innovation.

- The facilities for REPLICAST process have been installed during the year after importing main equipment from the Technical Collaborator M/s Castings Technology International, U.K. Other machines and equipments have been procured and installed indigenously.

- After a few visits to and from the Technical Collaborator, first sample has been produced during June 2002. This is important to inform that this has been the first sample ever produced by REPLICAST process in ASIA. Absorption of this technology has given way to use a few methods successfully in other existing processes viz vacuum pouring in no-bake and shell moulding process.

- At present the technology to produce castings by REPLICAST process has been absorbed successfully as a pilot project at Company's Lucknow Plant-1. Further automation of the Replicast process with help of Robots and manipulation will help to increase productivity and quality. The technology to produce dies which are required for this process, is yet to be absorbed since this requires very sophisticated NC and CNC machines which have been imported and are being installed at Mehsana and Lucknow Plant-1.

- (b) Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.

- a few items in castings can be produced by this process only.
- flawless quality and better finish.
- finish product will take less time to be produced.
- as there are very few foundries in the world who are having all the moulding processes including REPLICAST process and machining facilities with a single entity, the Company will be having vast range of products for more buyers particularly overseas buyers.
- increased exports of better quality products at competitive price.

- (c) In case of imported technology (imported during the last five years), reckoned from the beginning of the financial year.

- (a) Technology imported and Year of Import :

An agreement has been signed for an exclusive use of technology to produce castings from REPLICAST process from M/s Castings Technology International, U. K. during the financial year 2007-2008.

- (b) Has technology been fully absorbed?

Yes, commercial production is going on.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Activities relating to exports, initiatives taken increase exports, development of new export market for products and services and export plans.

On export front the Company has done well during the year as the Deemed Export Sales has increased by approximately 26.53% at Rs.561.60 lac as against Rs. 443.83 lacs during previous year. Export Sales (FOB value including incentives) has registered an increase of approximately 60.49% at Rs. 4283.07 lac as against Rs. 2668.82 lac during previous year.

However, the continuous efforts of the Company's management have led to increased export turnover, reduction in internal costs and improvements in operating efficiencies and to manufacture individual



castings from few grams to tones and to have better business opportunities and competitive edge. The Company's continuous efforts to develop more new overseas buyers have started giving results. During the year under review, various new samples have been developed for new overseas buyers and the commercial production is to be taken up during the current year as the clearances from the overseas buyers are in different stages. The Company is one of the top manufacturers of the control valves and actuators in the world.

The last 3 years FOB value of export of the Company are as under.

| | | |
|--|------------------|------------------|
| | 2007-2008 | Rs. 4247.30 lacs |
| | 2008-2009 | Rs. 4543.09 lacs |
| | 2009-2010 | Rs. 2532.21 lacs |
| | | (Lac Rs.) |
| 2. Total Foreign Exchange used and earned. | 2010-2011 | 2009-2010 |
| Used | 558.48 | 388.74 |
| Earned | 4037.10 | 2555.52 |

On behalf of the Board of Directors

Sd/-

Sd/-

Place : Lucknow
Date : September 03, 2011

(Sachin Agarwal)
Managing Director

(Alok Agarwal)
Director (Quality & Technical)

**PTC INDUSTRIES LIMITED****MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The management discussion and analysis report has been included in adherence to the spirit enunciated in the code of Corporate Governance approved by the Securities and Exchange Board of India.

The Management presents herewith the Industry Structure & Developments, Opportunities and Threats, Outlook, Risks and Concerns, Internal Control Systems and their adequacy, Segment wise performance, Financial performance with respect to operational performance, Material Developments in Human Resources. The outlook is based on assessment of the current business environment, it may vary due to future economic and other developments both in India and Abroad.

(A) INDUSTRIES STRUCTURE AND DEVELOPMENTS

With the new liberalized policies of Govt. of India, Foundries have taken a new shape to cater to the present domestic and export demand of the country. The foundry industry is an important employment provider and provides direct employment to about half a million people. There are more than 5,000 foundry units in India, having an installed capacity of approximately 7.5 million tones per annum. The majority (nearly 95%) of the foundry units in India fall under the category of small-scale industry. In the near future there will be ample scope for the Indian foundry Industry to forge strategic alliances with their counterparts in the developed countries which are on the verge of closure primarily due to three major reasons: waste disposal and highly stringent pollution control regulations, high manpower costs, and acute shortage of trained personnel to work in foundries. The massive increase in demand for castings will put the Indian foundry industry in the front of global level. Another fact is that due to the high growth of automotive sector, other subsidiary industries like the auto component industry are also growing faster than ever before. So the secondary growth would also drive the demand of the global foundry industry. The future of the Indian foundry industry is brighter in comparison to other countries.

PTC Industries Limited is in process to establish a place in global market through high grade of Castings. The Company has adopted eco-friendly technologies and in this connection Company has already contributed significantly by promoting development of eco-friendly HT furnaces, which are fired by HSD and the emissions are virtually pollution free. The Company can also manufacture customized products as per the buyer's specification. An adoption of technological and mechanical advancement has resulted in high quality casted products and this has assisted us to stay ahead of others in the field, both in the production quality and maintaining competitive edge on the economic of castings. We have a wide network of satisfied clients in domestic & international global market.

(B) OPPORTUNITIES AND THREATS

The Indian Metal Casting (Foundry Industry) There is tremendous opportunity for sustainable growth and thereby contribute to the overall national growth. However Indian foundries will need to innovate to sustain and consolidate its No 2 global position in annualized production of castings. It is depend on the theme of "Moulding Success Through Innovation". The Indian Economy is growing with contribution of foundries CAGR, ie, 7-8%. This CAGR is a pointer towards the growth opportunities staring at the Foundry Industry of India. Indian foundries have a dual advantage of a huge domestic market as well as global market the reason being that many leading Tier 1 & 2 suppliers to auto manufacturers are entering the Asian markets for sourcing of castings. With many Indian foundries establishing their footprints in Europe, USA and countries like Japan, Middle East in Asia it has firmed its position as a destination for sourcing high quality castings. Few well known threats are always effects the foundry industries, ie, Pollutions in environment, Health & Safety of workers.

The Indian Foundry Industry is well established with total volume of production of the Foundries and Indian Foundry Industry fulfills the requirement of castings of the Global Market through exports. This presents an opportunity area for the foundry industry in India. The Company is also exposed to the risk of competition for which the company continuously strives to improve its quality and build its brand image for retaining its market share. The Company is faced to various threats like volatility in the prices of inputs, for which the company tries to enter into long term contracts. Further it is also exposed to risk of environment and pollution controls, foreign exchange risks on account of its large export and imports and defaults by customers in payments for which Company has a team of well trained and dedicated professional staff. PTC Industries Limited is the first Company in Asia to offer this superior Replicast technology. Keeping in view the macro economic scenario and the consequent market opportunity available, the Company has invested for improvement in the infrastructure in the Plant, thereby increasing the productivity and use of modern technology and methods which are certainly less wasteful and obviously faster than the traditional methods. PTC Industries Limited is continuously integrating its resources and Investing in new technologies to achieve greater performance and long term growth.

(C) SEGMENT-WISE PERFORMANCE

The Company recognizes manufacturing of Stainless Steel Castings, Alloys Steel Castings, Non Alloy Steel Castings and Steel Structure as its primary segment while the Company has presented secondary segmental reporting on the basis of geographical location of customers. Accounting Standard 17-"Segment Reporting" issued by the Institute of Chartered Accountants of India which requires disclosure of information on the basis of reportable segment and in this regard the performance of business segment plant wise and country wise is as follows :

Business Segment :

Performance of Business Segment is as follows :

| | Year ended on 31st March, 2011 | | | | | (In Rs.) |
|-----------------------------|--------------------------------|---------------|-----------------|---------------|-----------|--------------------|
| | Lucknow Plant-1 | Bhiwadi Plant | Lucknow Plant-2 | Mehsana Plant | Wind Mill | Consolidated Total |
| Total Revenue | | | | | | |
| Sales to External Customers | 716225147 | 135419705 | - | 108568541 | - | 960213393 |
| Inter segment sales | 19891417 | 30852634 | 6331742 | 62920956 | - | 119996749 |

**PTC INDUSTRIES LIMITED**

| | | | | | | |
|------------------------------|------------------|------------------|----------------|------------------|----------|-------------------|
| Income from Power Generation | - | - | - | - | 4605782 | 4605782 |
| Other Income | 7007032 | 125836 | 337139 | 3257961 | - | 10727968 |
| Total Sales | 736116564 | 166272339 | 6331742 | 171489497 | - | 1080210142 |

| | | | | | | |
|---------------------------|------------------|------------------|----------------|------------------|----------------|-------------------|
| Dividend, Interest Income | 3343 | - | - | - | - | 3343 |
| Total Revenue | 743126939 | 166398175 | 6668881 | 174747458 | 4605782 | 1095547235 |

Segment Results

| | | | | | | |
|--|----------|-----------|-----------|----------|---------|-----------|
| Segment results - Profit/(Loss) before interest, extraordinary items and Tax | 82719721 | (1413286) | (1660068) | 27569319 | 2085079 | 109300765 |
| Less : Interest | 49716471 | 2318733 | 455 | 4865546 | 1072785 | 57973990 |
| Less : Prior year adjutmnet Expenses | 11630 | - | - | 2584749 | - | 2596379 |
| Profit before tax | 32991620 | (3732019) | (1660523) | 20119024 | 1012294 | 48730396 |

Provision for Taxation:

| | | | | | | |
|-----------------------------------|---|---|---|---|---|---------|
| For Earlier Years (reverted back) | - | - | - | - | - | - |
| For Current Tax | - | - | - | - | - | 9806278 |
| For Deferred Tax | - | - | - | - | - | 7370629 |
| For Fringe Benefit Tax | - | - | - | - | - | - |

| | | | | | | |
|-------------------------|-----------------|------------------|------------------|-----------------|----------------|-----------------|
| Profit after tax | 32991620 | (3732019) | (1660523) | 20119024 | 1012294 | 31553489 |
|-------------------------|-----------------|------------------|------------------|-----------------|----------------|-----------------|

Geographic Segment:

The revenue attributed to countries based on location of customers are as follows:

Country Wise Sales**Year ended
31st March, 2011**

| | | |
|--------------------------|---------------|-------------------------|
| United States of America | 150639853 | |
| India | 531906525 | |
| Finland | 155642849 | |
| United Kingdom | 1532229 | |
| Spain | 880127 | |
| Germany | 747209 | |
| Switzerland | 892762 | |
| France | 1333680 | |
| Netherland | 1037836 | |
| Austria | - | |
| Canada | 67251 | |
| Norway | 5058179 | |
| Denmark | 13915263 | |
| China | 67499296 | |
| Sweden | <u>783087</u> | 931936146 |
| Export Incentive | | <u>28277246</u> |
| Total | | <u>960213392</u> |

(D) OUTLOOK

The Indian Foundry Industry will occupy a special place in shaping the country's engineering sector. India is currently largest producers of ferrous and non-ferrous castings because of India have a lot of foundries in the small, medium, and large-scale sectors. It can be said clearly that Indian foundry industry is one of the most important sectors shaping the Indian economy. The Indian Foundry Industry has held entire global market through Exports. Although, during the economic downturn India can aspire to grab a larger share in the global market. The Company's continuous efforts & thrust will be intensified towards building up of capabilities to expand export markets and to maintain domestic market in the present competitive era and always adopt new technologies to share castings development and innovation.

(E) RISKS AND CONCERNS

Unfavorable geographical places of the Company's two plant, ie, one Plant of Company is at Mehsana in North Gujrat occasionally bears flood and earthquake and second Plant of the Company at Bhiwadi in Rajasthan, leading to higher cost of transportation of both inputs materials and products. In order to reduce the risk, the Company has diversified into manufacture of a wide range of products for the entire spectrum of castings industry. The Company will attempt to soften the impact of risks through continuous monitoring, timely action and control measures. The Company is able to retain its position with technology edge, efficient team of marketing personal, Good relations with the dealers, excellent labour relations, offering qualitative and upgraded product and close interaction at the ground level including with foundry workers. The Company is exposed to a variety of risks caused by steep rise in interest rate, volatility prices of input, exchange rate fluctuations, change in models and design, low volumes, pricing pressure, stiff competition etc. The fluctuations in exchange rates and the impact of increased interest rate will have an adverse effect on the profitability of the Company. All Indian marketing network with on line connectivity further strengthened the Company for facing these challenges. The Company has contingent liability as disclosed in **Schedule - X** of Notes to Balance Sheet and Profit & Loss Account.

**PTC INDUSTRIES LIMITED****(F) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has well established and sufficient systems of internal control to ensure proper financial & operating administrations, safeguarding of assets with insurance & security and follow all the statutory rules and compliance with all applicable Acts and Rules who govern on the Company in the respective state of the plants of the Company. The Company periodically reviews the adequacy and effectiveness of the control systems. At Audit Committee Meetings, the members review the financial, operating & compliance reports and suggest for improvements. The heads of various monitoring / operating cells are invited for the Audit Committee meetings to explain in detail, about their operations. We are one of those foundries which have developed good systems and procedures, adequate of our class of business. The delegation clearly indicates the powers along with the monetary limits, wherever necessary, that can be exercised by various levels of the Managers in the Company. The Company has an internal control system commensurate with its size and nature of business which provides accurate recording and custody of assets. Compliance with applicable statutes, policies, procedures, listing requirements, management transactions being accurately recorded, cross verified and promptly reported efficient use and safeguarding of resources. Internal checks and controls are exercised by strictly adhering to the various procedures laid at the time of Delegation of Authorities and other Procedures.

(G) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Financial Year 2010-2011 was a yet another year of growth and improved performance, with your Company registering an increase in Turnover by 28.79% at Rs. 9602.13 lac as compared to Rs. 7455.65 lac in the previous year, i.e. Net Domestic Sales of Rs. 4757.46 lac during the year has registered an increase of approximately 9.54% over Rs. 4343.00 lac during previous year. Deemed Export Sales has increased by approximately 26.53% at Rs. 561.6 lac as against Rs. 443.83 lac during previous year. Export Sales (FOB value including Incentives) has registered an increase of approximately 60.49% at Rs. 4283.07 lac as against Rs. 2668.82 lac during previous year. The Profit Before Tax has increased by Rs. 65.7 lac at Rs. 487.30 lac as against Rs. 421.60 lac in the previous year. However the Net Profit After Tax has increased to Rs. 315.53 lac in comparison to Net Profit after Tax of Rs. 294.13 lac during the previous year.

The **Projected** turnover for F.Y. 2011-12 is expected to be Rs. 120 crores with the existing capacities.

(H) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The Company is having excellent co-operation and support from the entire hierarchy of well trained and experienced personnel. The Company continues to focus on employee training and development and had organized several technical and other soft skills training programme across levels. We have also instituted schemes which reward employees at all levels, based on the Company's overall performance, as measured by several pre-set performance parameters, these schemes have been extremely helpful in converging the interest of the Company and its employees. Consequently, employees' earnings have significantly increased over last financial year. The Company continues to improve skills of employed people and to create a workplace where every person can reach his or her full potential. The work environment gives employees the freedom to learn and improve their proficiency, is the key principles of the Company. The Company believes in talent acquisition and retention, to augment its plan of making its presence more prominent to global markets. The Company has developed a HRD Plan with the parameters to achieve Excellent Results. The steps have been taken to create a sense of belongingness in the minds of the employees, which in turn gives maximum contribution per employee while gearing them to face the challengers in the competitive business environment and achieve the desired goals. The total strength of employees at the end of the year was 593 in the current year to face the global business competition and March towards achieving its mission with success.

**AUDITORS' REPORT****TO THE MEMBERS OF PTC INDUSTRIES LIMITED
LUCKNOW**

1. We have audited the attached Balance Sheet of PTC INDUSTRIES LIMITED, LUCKNOW as at 31st March, 2011, and the related Profit and Loss Account and 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 conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on 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 the 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 (Auditor's Report) Order, 2003, as amended by the Companies (Auditors Report) Amendment Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order:
4. Further to our comments in the Annexure referred to 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;
 - (c) the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - (d) the Balance Sheet, Profit & 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, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as director in terms of Section 274 (1) (g) of the Companies Act, 1956; and
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the notes thereon, 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, 2011;
 - (ii) in the case of the Profit & Loss Account, of the Profit for the year ended on that date, and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**for R.M. Lall & Co
Chartered Accountants.
(Registration No. 000932C)**

Sd/-

**(SUJAYA KAPOOR)
Partner
Membership No. 400464**

**Place: Lucknow
Date: September 03, 2011**

**PTC INDUSTRIES LIMITED****Annexure referred to in paragraph 3 of our Report of even date to the members of
PTC Industries Limited on the accounts for the year ended 31st March, 2011**

- (i) (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of physically verifying its fixed assets in a phased manner designed to cover all the items over a period of three years. During the year, the agreement physically verified the fixed assets in accordance with the program. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its asset. No material discrepancies were noticed by the Management on such verification.
- (c) The fixed assets disposed off during the year were not substantial and therefore do not affect the going concern assumption.
- (ii) (a) The inventory, except goods in transit and stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification of inventory is reasonable except goods in transit and stocks lying with third parties.
- (b) In our opinion the procedures of physical verification of inventory except goods in transit and stocks lying with third parties followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records on inventory. The discrepancies noticed on physical verification of inventory between the physical stocks and the book records were not material.
- (iii) (a) The Company has granted an unsecured loan of Rs. 21.20 lac (Previous Year 9.07) to a Company under the same management, covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 21.20 lac and the balance of loan at the year end was Rs. 21.20 lac.
- (b) The Company has taken an unsecured loan from a Company under the same management, covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 153.31 lac (previous year 35.02) and the balance of loan as at the year end was Rs. 153.31 lac (previous year 32.89).
- (c) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from company in the register maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
- (d) The Company has been regular in the payment of the principal amount and interest on the above loans, wherever stipulated.
- (iv) In our opinion and according to the information and explanation given to us, and having regard to the explanation that purchases of certain items of inventories and fixed assets are for the Company's specialized requirements and similarly certain goods sold are for the specialized requirements of the buyers and suitable alternative source are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control system.
- (v) (a) In our opinion and according to the information and explanations given to us, the Particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- (b) In our opinion, in case of the above transactions exceeding rupees 5 lacs in respect of any party during the year, these have been made at prices that are reasonable having regards to the prevalent market prices at the relevant time.
- (vi) The Company has not accepted deposits from the public.
- (vii) Internal Audit is conducted by the staff of the Company. In our opinion, the internal audit system is commensurate with the size and the nature of its business. In view of the growing size of the Company, the internal audit system should be further strengthened.
- (viii) To the best of our knowledge and belief, maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956, in respect of any of the activities of the Company.
- (ix) (a) According to the records examined by us, the Company was generally regular in depositing with appropriate authorities undisputed dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty, Cess and other statutory dues applicable to the Company. There were no undisputed amounts outstanding as at the last day of the financial year concerned for a period of more than six months from the date they payable. There were no dues on account of cess under Section 441A of the Companies Act, 1956 since the date from which the aforesaid section comes into force has not yet been notified by the Central Government.
- (b) Following are the details of the disputed Income Tax, Wealth Tax, Excise Duty, Customs Duty and Sales tax that have not been paid to the concerned authorities. The Statutory dues that have not been deposited on account of any dispute pending before the appropriate authorities are as under:

**PTC INDUSTRIES LIMITED**

| Nature of Statute | Nature of dues | Amount due (in Rs.) | Forum where dispute is pending |
|--------------------------|-----------------------|--------------------------------|---|
| Income Tax Act, 1961 | Interest | 469264 | Assistant Commissioner |
| Central Excise Act, 1944 | MODVAT Credit | 106584 27407 42433710 | CESTAT Assistant Commissioner Commissioner Appeal |
| Service Tax Act | MODVAT Credit | 14158 | Assistant Commissioner |

(x) The Company has no accumulated losses as at March 31, 2011 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

(xi) 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 dues to any financial institution or bank as at the balance sheet date.

(xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/mutual benefit fund/society.

(xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

(xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.

(xvi) In our opinion and according to the information and explanation given to us, the term loans availed by the Company were applied by the Company during the year for the purposes for which the loans were obtained.

(xvii) According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, funds raised on short term basis have *prima facie* not been used during the year for long term investment.

(xviii) The Company has not made any preferential allotment of shares to companies/firms/parties covered in the register maintained under Section 301 of the Companies Act, 1956.

(xix) The Company did not issue any debentures during the year.

(xx) The Company has not raised any money by way of public issue during the year.

(xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

for R.M. Lall & Co
Chartered Accountants.
(Registration No. 000932C)

Sd/-

(SUJAYA KAPOOR)
Partner
Membership No. 400464

Place: Lucknow
Date: September 03, 2011

**PTC INDUSTRIES LIMITED****ANNEXURE****REPORT ON CORPORATE GOVERNANCE****1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :**

The Company is committed to good Corporate Governance ensuring greater transparency, information, independence, accountability, responsibility and fairness to its Shareholders and other stakeholders. The Board of Directors has formulated a comprehensive policy on Corporate Governance issues with the Company. The Company is taking adequate steps to ensure that all the mandatory/statutory provisions of Corporate Governance as prescribed under the Listing Agreement of Stock Exchange are complied with.

2. BOARD OF DIRECTORS :

The Board of the Company consists of ten directors, of which five are Whole-time Directors.

During the F.Y. 2010-11, the Board met seven times, with at least one meeting in every quarter and with a gap of less than four months between any two meetings on the following dates :

(1) 13.05.2010 (2) 20.05.2010 (3) 30.06.2010 (4) 17.07.2010 (5) 14.08.2010 (6) 14.11.2010 (7) 14.02.2011

The following table gives details of directors, attendance of directors at the board meetings and the last annual general meeting.

| Name | Category | Attendance Particulars | | Number of other Directorships and Committee Membership/Chairmanship | | |
|--------------------|---------------------------------|------------------------|--------------|---|----------------------|------------------------|
| | | Board Meeting | Last AGM | Other Directorships (including Pvt. Ltd. Companies) | Committee Membership | Committee Chairmanship |
| Mr. S. C. Agarwal | Executive & Non-independent | 3 | Not Attended | 3 | 3 | 3 |
| Mr. A. K. Agarwal | Executive & Non-independent | 1 | Not Attended | - | - | - |
| Mr. P. R. Agarwal | Executive & Non-independent | 4 | Attended | 1 | - | - |
| Mr. Sachin Agarwal | Executive & Non-independent | 7 | Attended | 5 | 1 | - |
| Mr. Alok Agarwal | Executive & Non-independent | 7 | Attended | - | 2 | - |
| Mr. Arun Prasad | Non-executive & Non-independent | 0 | Not Attended | 2 | 1 | - |
| Mr. R. K. Pandey | Non-executive & Independent | 5 | Not Attended | 14 | 2 | - |
| Mr. Ajay Kashyap | Non-executive & Independent | 0 | Not Attended | 4 | 1 | - |
| Dr. R. C. Katiyar | Non-executive & Independent | 5 | Not Attended | 2 | 3 | 1 |
| Mr. K. D. Gupta | Non-executive & Independent | 5 | Not Attended | 4 | 1 | - |

3. AUDIT COMMITTEE :

The powers and terms of reference of the audit committee are as specified in Clause 49 of the Listing Agreement with the Stock Exchange and Section 292 A of the Companies Act, 1956.

During the financial year 2010-11, five meetings of Audit Committee were held.

(1) 20.05.2010 (2) 17.07.2010 (3) 14.08.2010 (4) 14.11.2010 (5) 14.02.2011

The Audit Committee was set-up on 19.04.2007 of which the following Directors are Office Bearers.

| Sr.No. | Name | Designation | Category | No. of meetings attended in 2010-11 |
|--------|-------------------|-------------|-----------------------------|-------------------------------------|
| 1. | Dr. R. C. Katiyar | Chairman | Non-executive & Independent | 5 |
| 2. | Mr. Alok Agarwal | Member | Executive & Non-independent | 5 |
| 3. | Mr. R. K. Pandey | Member | Non-executive & Independent | 5 |

Mr. A. K. Gupta, General Manager (Finance) & Company Secretary, acts as a Secretary of the Committee.

4. REMUNERATION COMMITTEE:

The Company has complied with the non-mandatory requirement of Clause 49 regarding the Remuneration Committee. The Remuneration committee was constituted as sub-committee by the Board in its meeting held on 19.04.2007 to review the performance of the Whole-time Directors and to recommend to the Board remuneration including salary, perquisites and commission to be paid to the Company's Whole-time Directors.

The composition of the Remuneration Committee as at 31.03.2011 is given below:

| | | |
|----|-------------------|----------|
| 1. | Mr. S. C. Agarwal | Chairman |
| 2. | Mr. R. K. Pandey | Member |
| 3. | Dr. R. C. Katiyar | Member |
| 4. | Mr. K. D. Gupta | Member |

During the year 2010-11 a meeting of the Remuneration Committee was held on 14.02.2011, in which it recommended the revision and modification in the terms & conditions and remuneration of the Whole-time Director of the Company.

**PTC INDUSTRIES LIMITED****5. REMUNERATION OF THE DIRECTORS FOR THE FINANCIAL YEAR 2010-2011 (Rs. In Lac)**

| Name | Salary etc. | Contributions | Sitting Fees | Perquisites/Commission | Total |
|--------------------|--------------|---------------|--------------|------------------------|--------------|
| Mr. S. C. Agarwal | 11.40 | - | - | 6.83 | 18.23 |
| Mr. Sachin Agarwal | 11.39 | 1.65 | - | 1.30 | 14.34 |
| Mr. A. K. Agarwal | 11.38 | 1.29 | - | 1.28 | 13.95 |
| Mr. P. R. Agarwal | 11.38 | 1.29 | - | 1.28 | 13.95 |
| Mr. Alok Agarwal | 9.63 | 1.40 | - | 1.08 | 12.11 |
| Mr. Arun Prasad | - | - | - | - | - |
| Mr. R. K. Pandey | - | - | 0.14 | - | 0.14 |
| Mr. K. D Gupta | - | - | 0.13 | - | 0.13 |
| Mr. Ajay Kashyap | - | - | - | - | - |
| Dr. R. C. Katiyar | - | - | 0.16 | - | 0.16 |
| Total | 55.18 | 5.63 | 0.43 | 11.77 | 73.01 |

6. DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENTS/APPOINTMENTS IN THE 48th ANNUAL GENERAL MEETING TO BE HELD ON 27th SEPTEMBER, 2011 :**Re-appointments:**

| Name | Age | Qualification | Experience |
|--------------------------|---------|------------------------|------------|
| Mr. Sachin Agarwal | 40 Yrs. | M.B.A., M.S. (Finance) | 14 Yrs. |
| Mr. P. R. Agarwal | 53 Yrs. | B.E.(Mech.) | 31 Yrs. |
| Mr. Arvind Kumar Agarwal | 56 Yrs. | B.Com. | 19 Yrs. |

7. SHARE TRANSFER/INVESTOR GRIEVANCE COMMITTEE :

A Share Transfer/Investor Grievance Committee has been constituted as Sub-committee of the Board on 14.10.2000 and subsequently reconstituted on 19.04.2007 to look into redressing investors' grievances related to transfer of Shares, Dividends, Issue of Duplicate Share Certificates and other related matters.

The Composition of the Share Transfer/Investor Grievance Committee as at 31.03.2011 is given below:

| | | |
|----|--------------------|----------|
| 1. | Mr. S. C. Agarwal | Chairman |
| 2. | Mr. Sachin Agarwal | Member |
| 3. | Mr. Arun Prasad | Member |
| 4. | Dr. R. C. Katiyar | Member |

Compliance Officer: Mr. A. K. Gupta, G. M. (Finance) & Company Secretary.

COMPLAINTS :

Shareholders Complaints (w.e.f. 01.04.2010 to 31.03.2011) :

| | |
|--|-----|
| No. of complaints received from shareholders | Nil |
| No. of complaints solved to the satisfaction of the shareholders | Nil |
| No. of complaints pending | Nil |

Pending share transfer, if any (from 01.04.2010 to 31.03.2011):

| | |
|---|------|
| No. of shares transferred / transmitted | Nil |
| No. of shares pending for transfer | Nil |
| Pending due to Exchange of Counter Receipts (CR) to share Certificates: | N.A. |

There are 69000 equity shares against which shareholders have not claimed share certificates in lieu of The Counter Receipts (CR), aggregate to 1.65% of the paid-up Equity Share Capital of the Company.

8. Date, time and location where the last three Annual General Meetings were held :

| No. of AGM | Date | Time | Location |
|------------------|------------|------------|-------------------|
| 47 th | 25.09.2010 | 03:00 P.M. | Registered Office |
| 46 th | 26.09.2009 | 03:00 P.M. | Registered Office |
| 45 th | 25.09.2008 | 02:30 P.M. | Registered Office |

9. DISCLOSURES :

- There are no transactions during the last year of material nature that have been entered into by the Company with the promoters, directors or the management, their relatives etc., that may have potential conflict with the interest of the Company. Related party disclosure as per Accounting Standards - 18 are as given in point no. 38 on the notes on accounts.

**PTC INDUSTRIES LIMITED**

2. There has been no non-compliance during the last three years by the Company on any matter under SEBI or any Statutory Authorities related to capital market. However the Company has received a letter from OTC Exchange of India for certain non-compliances, the Company is making efforts for their compliance.

Secretarial Audit

A qualified practicing Company Secretary carried out a secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL.

10. MEANS OF COMMUNICATION:**Results:**

The quarterly and annual results along with the Segmental Report are submitted to the Stock Exchange.

Management Discussion & Analysis Report:

The Management Discussion & Analysis Report forms a part of the Directors' Report. All matters pertaining to industry structure and developments, opportunities and threats, segment wise performance, outlook, risks and concerns, internal control and systems etc. are discussed in the said report.

Company's Website:

The Company's website www.ptcil.com not only gives description of its products and activities, but also highlights the achievements of the Company and the Quality Control measures taken by the Company. The Financial results are also posted on the website.

11. Dividend:

Board of Directors of the Company, in their meeting dated 03rd September, 2011 decided that no dividend is to be proposed for the Financial Year ended 31st March, 2011.

12. GENERAL SHAREHOLDER INFORMATION :

| | | |
|-------------------------------|---|--|
| Annual General Meeting | : | Date : 27 th September, 2011 Time : 03:00 P.M. Venue: Registered Office |
| Financial calendar(Tentative) | : | Financial Year: 1st April, 2011 to 31st March, 2012 Unaudited financial results for the quarter ending 30 th June, 2011: By end of July, 2011 Unaudited financial results for the quarter ending 30 th September, 2011: By end of October, 2011 Unaudited financial results for the quarter ending 31 st December, 2011: By end of January, 2012 |
| Book Closure | : | 21 st September 2011 to 27 th September 2011 (both days inclusive) |
| Listing on Stock Exchange | : | Over the Counter Exchange of India (OTCEI) |
| Stock Exchange Code | : | B - 1 |
| Market Price data | : | No trading of the equity shares of the Company took place during the last financial year. Therefore, details of high/low prices of each month of the last financial year are not given. |
| Registrar and Transfer Agent | : | M/s Link Intime India Pvt. Ltd. (formerly known as Intime Spectrum Registry Limited) C-13 Panna Lal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400078 Telephone : 91-22-2596 3838 Fax : 91-22-2594 6969 e.mail : mumbai@linkintime.co.in |
| Share Transfer System | : | Share Transfer work of physical segment is attended to by the Company's Registrar and Share Transfer agent within the prescribed period under law and the listing agreements. Share transfer is approved by a Committee of Directors which meets periodically. |

**PTC INDUSTRIES LIMITED****Dematerialization of Shares :**

The Company has signed a tri-partite agreement with National Securities Depository Limited (NSDL) and M/s Link Intime India Pvt. Ltd. on 15th July, 2002 to facilitate dematerialization of shares. The Company's equity shares have been admitted to DEMAT form w.e.f. 20th July 2002 and the ISIN is INE596F01018.

| | | |
|----------------------------------|----------------|-----------------|
| No. of shares in physical mode | 2075400 | 49.52 % |
| No. of shares in electronic mode | <u>2115850</u> | <u>50.48 %</u> |
| Total | 4191250 | 100.00 % |

Distribution of Shareholding (31.03.2011):

| <u>No. of Shares</u> | | <u>No. of Share holders</u> | <u>No. of Shares</u> | <u>% of Total no. of Share</u> |
|----------------------|-----------|-----------------------------|----------------------|--------------------------------|
| <u>From</u> | <u>To</u> | | | |
| 1 | - 5000 | 481 | 91630 | 2.1862 |
| 5001 | - 10000 | 49 | 39980 | 0.9539 |
| 10001 | - 20000 | 11 | 16800 | 0.4008 |
| 20001 | - 30000 | 4 | 11300 | 0.2696 |
| 30001 | - 40000 | 1 | 4000 | 0.0954 |
| 40001 | - 50000 | 4 | 19400 | 0.4629 |
| 50001 | - 100000 | 6 | 48400 | 1.1548 |
| 100001 | > | <u>44</u> | <u>3959740</u> | <u>94.4763</u> |
| Total | | 600 | 4191250 | 100.0000 |

Shareholding Pattern

| | <u>No. of Shares</u> | <u>% of Capital</u> |
|--|----------------------|---------------------|
| 1. Promoters/Directors (their relatives) | 3023450 | 72.14 |
| 2. Corporate Bodies (Other than promoters Co.) | 324740 | 7.74 |
| 3. Indian Public | 816160 | 19.48 |
| 4. NRI's | 19800 | 0.47 |
| 5. Market Maker | <u>7100</u> | <u>0.17</u> |
| | 4191250 | 100.00 |

Plant locations

LUCKNOW PLANT- 1
Malviya Nagar, Aishbagh
LUCKNOW - 226004 (U.P.)

LUCKNOW PLANT - 2
C-5, Sarojini Nagar Industrial Estate
LUCKNOW - 226008 (U.P.)

BHIWADI PLANT
B-480, Industrial Area,
Bhiwadi,
Distt. ALWAR- 301019

MEHSANA PLANT
Village & Post Rajpur,
Taluka Kadi,
Ahmedabad-Mehsana Highway # 41
Distt. MEHSANA-382740 (GUJRAT)

Wind Mill Power Division

Surajbari Division,
Shikarpur Village,
Distt. Kutch (Gujarat)

Address for Correspondence:-

Malviya Nagar, Aishbagh,
Lucknow - 226004 (U.P.)
Phone : 0522-2265300
Fax No. : 0522-2265302
E-Mail : ptc@ptcil.com

**PTC INDUSTRIES LIMITED****Details of the Directors seeking appointment / re-appointment in the forthcoming Annual General Meeting**

| Name of the Director | Sachin Agarwal | P. R. Agarwal | A. K. Agarwal |
|--|--|-------------------------------|----------------------|
| Date of Birth | 05-04-1972 | 15-08-1958 | 19-08-1955 |
| Date of Joining | 18-04-1998 | 28-12-1992 | 28-12-1992 |
| No. of shares held | 184280 | 386000 | 410200 |
| Qualification | M.B.A., M.S. (Finance) | B.E.(Mech.) | B.Com. |
| Expertise in Specific Functional Area | Industrialist | Marketing | Commercial |
| List of companies in which outside Directorship held as on 31-03-2011 | (1) e.Soft Technologies Ltd. (2) Precision Overseas Pvt. Ltd. (3) Mapple Commerce Pvt. Ltd. (4) PTC Energas Flow Pvt. Ltd. (5) Nirala Merchant Pvt. Ltd. | (1) Mapple Commerce Pvt. Ltd. | Nil |
| Chairmanship / Membership of committees in which he is a Director as on 31-03-2011 | PTC Industries Ltd. (a) Share Transfer / Investor Grievance Committee | Nil | Nil |



PTC INDUSTRIES LIMITED

Certificate on Corporate Governance

**To the Members of
PTC Industries Limited, Lucknow**

1. We have examined the compliance of conditions of corporate governance by PTC Industries Limited, for the year ended 31st March 2011, as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchange.
2. 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 the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
3. In our opinion and to the best of our information and according to the explanations given to us, subject to following:
 - (a) *In case of the Board of Directors, less than 50% of the Directors are independent Directors. Chairman of the Board being an executive Director at least half of the Board should comprise of independent Directors;*
 - (b) *The Share Transfer/Investors Grievance Committee is not headed by a non-executive Director.*
4. We certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
5. We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Company.
6. We 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 C P Shukla & Company
Company Secretaries**

Sd/-

**(C. P. Shukla)
C.P. No. 5138**

**Place: Lucknow
Date: September 03, 2011**

**PTC INDUSTRIES LIMITED****BALANCE SHEET AS AT 31ST MARCH, 2011**

| | SCHEDULE | AS AT 31-03-2011 | (In Rs.) | AS AT 31-03-2010 |
|---|----------|-------------------|----------|------------------|
| SOURCES OF FUNDS | | | | |
| SHAREHOLDERS' FUNDS | | 443391480 | | 411837990 |
| Share Capital | A | 41912500 | | 41912500 |
| Reserves & Surplus | B | <u>401478980</u> | | <u>369925490</u> |
| LOAN FUNDS | | 512571843 | | 411053664 |
| Secured Loans | C | 489740079 | | 407751950 |
| Unsecured Loans | D | <u>22831764</u> | | <u>3301714</u> |
| DEFERRED TAX LIABILITY | | 51846870 | | <u>44476241</u> |
| TOTAL | | <u>1007810193</u> | | <u>867367895</u> |
| APPLICATION OF FUNDS | | | | |
| FIXED ASSETS | E | 499547490 | | 422505402 |
| Gross Block | | 717081913 | | 624213940 |
| Less: Depreciation | | <u>246768958</u> | | <u>214379767</u> |
| Net Block | | 470312955 | | 409834173 |
| Add: Capital Work-in-Progress | | <u>29234535</u> | | <u>12671229</u> |
| INVESTMENTS | F | 86100 | | 86100 |
| CURRENT ASSETS, LOANS & ADVANCES | | | | |
| Inventories | G | 390918328 | | 297631076 |
| Sundry Debtors | H | 268902814 | | 242058403 |
| Cash & Bank Balances | I | 15233686 | | 3191524 |
| Loans & Advances | J | <u>73380869</u> | | <u>58650944</u> |
| | | <u>748435697</u> | | <u>601531947</u> |
| LESS: CURRENT LIABILITIES & PROVISIONS | | | | |
| Liabilities | K | 205219070 | | 133269461 |
| Provisions | L | <u>35052466</u> | | <u>23520313</u> |
| | | <u>240271536</u> | | <u>156789774</u> |
| NET CURRENT ASSETS | | 508164161 | | 444742173 |
| MISCELLANEOUS EXPENDITURE | M | 12442 | | 34220 |
| TOTAL | | <u>1007810193</u> | | <u>867367895</u> |
| SIGNIFICANT ACCOUNTING POLICIES | W | | | |
| NOTES ON ACCOUNTS | X | | | |

The Schedules referred to above form an integral part of the Balance Sheet

As per our separate report
of even date

For R. M. LALL & CO.
Chartered Accountants
(Registration No. 000932C)

Sd/-

(SUJAYA KAPOOR)
Partner
Membership No. 400464

On behalf of the
Board of Directors

Sd/-

(SACHIN AGARWAL)
Managing Director

Sd/-

(ALOK AGARWAL)
Director (Quality & Control)

Sd/-

(A. K. GUPTA)
G. M. (Finance) & Company Secretary

**PTC INDUSTRIES LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

| | SCHEDULE | (In Rs.) | |
|---|----------|------------------------|------------------------|
| | | CURRENT YEAR | PREVIOUS YEAR |
| INCOME | | | |
| Sales | N | 960213392 | 745565096 |
| Income : Other | O | 10746974 | (2518096) |
| Power Generation | | 4605782 | 4838492 |
| Increase/(Decrease) in Inventory | P | 66499195 | (12005713) |
| | | <u>1042065343</u> | <u>735879779</u> |
| EXPENDITURE | | | |
| Raw Materials | Q | 372623860 | 223341474 |
| Manufacturing | R | 293826471 | 207995465 |
| Research & Development Expenses | S | 16970837 | 4905284 |
| Personnel | T | 124543632 | 96169532 |
| Administrative & Selling | U | 90811306 | 79094180 |
| Interest & Financial Charges | V | 57973989 | 52425412 |
| Depreciation | E | 33988471 | 29788261 |
| | | <u>990738566</u> | <u>693719608</u> |
| PROFIT BEFORE PRIOR PERIOD ADJUSTMENT & TAX | | 51326777 | 42160171 |
| Less : Prior Period Adjustment | | <u>2596380</u> | <u>-</u> |
| PROFIT BEFORE TAX | | 48730397 | 42160171 |
| Provision for Current Tax | | 9806278 | 8046433 |
| Provision for Deferred Tax | | <u>7370629</u> | <u>4700954</u> |
| PROFIT AFTER TAX | | <u>31553490</u> | <u>29412784</u> |
| BALANCE AVAILABLE FOR THE YEAR | | 31553490 | 29412784 |
| Balance of Profit & Loss Account as per last Balance Sheet | | <u>24783564</u> | <u>25370780</u> |
| AVAILABLE FOR APPROPRIATIONS | | <u>56337054</u> | <u>54783564</u> |
| APPROPRIATIONS | | | |
| General Reserve | | 30000000 | 30000000 |
| Balance carried to Balance Sheet | | <u>26337054</u> | <u>24783564</u> |
| | | <u>56337054</u> | <u>54783564</u> |
| SIGNIFICANT ACCOUNTING POLICIES | W | | |
| NOTES ON ACCOUNTS | X | | |
| EARNING PER SHARE (Rs.) | | 7.53 | 7.02 |

The Schedules referred to above form an integral part of the Profit and Loss Account

As per our separate report
of even date

On behalf of the
Board of Directors

Sd/-

Sd/-

For R. M. LALL & CO.
Chartered Accountants
(Registration No. 000932C)

(SACHIN AGARWAL)
Managing Director

(ALOK AGARWAL)
Director (Quality & Control)

Sd/-

Sd/-

(SUJAYA KAPOOR)
Partner
Membership No. 400464

(A. K. GUPTA)
G. M. (Finance) & Company Secretary

Place : Lucknow
Date: September 03, 2011

**PTC INDUSTRIES LIMITED****SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011**

| | (in Rs.) | | | |
|---|------------------|------------------|------------------|------------------|
| | AS AT 31-03-2011 | | AS AT 31-03-2010 | |
| SCHEDULE : A | | | | |
| SHARE CAPITAL | | | | |
| AUTHORISED | | | | |
| 89,75,000 Equity Shares of Rs 10 each | 89750000 | | 89750000 | |
| 20,25,000 Cumulative Preference Share of Rs. 10 each | <u>20250000</u> | <u>110000000</u> | <u>20250000</u> | <u>110000000</u> |
| | | <u>110000000</u> | | <u>110000000</u> |
| ISSUED, SUBSCRIBED & PAID-UP | | | | |
| 41,91,250 Equity Shares of Rs. 10 each, fully paid-up | | <u>41912500</u> | | <u>41912500</u> |
| | | <u>41912500</u> | | <u>41912500</u> |
| SCHEDULE : B | | | | |
| RESERVES AND SURPLUS | | | | |
| CAPITAL RESERVE | | 175200 | | 175200 |
| GENERAL RESERVE | | | | |
| At the beginning of the year | 322416726 | | 292416726 | |
| Add: Transfer from Profit and Loss Account | <u>30000000</u> | <u>352416726</u> | <u>30000000</u> | <u>322416726</u> |
| SHARE PREMIUM | | 22550000 | | 22550000 |
| SURPLUS IN PROFIT AND LOSS ACCOUNT | | <u>26337054</u> | | <u>24783564</u> |
| | | <u>401478980</u> | | <u>369925490</u> |
| SCHEDULE : C | | | | |
| SECURED LOANS | | | | |
| Term Loans | | | | |
| State Bank of India | 59018307 | | 32656135 | |
| Punjab National Bank | <u>54943940</u> | <u>113962247</u> | <u>80895514</u> | <u>113551649</u> |
| Working Capital Loan | | | | |
| State Bank of India | 270974235 | | 192666031 | |
| Punjab National Bank | <u>101443302</u> | <u>372417537</u> | <u>98011694</u> | <u>290677725</u> |
| Vehicle Loan | | | | |
| HDFC Bank Limited | - | | 67421 | |
| TATA Finance | 2230988 | | 1220570 | |
| ICICI Bank Limited | <u>1129307</u> | <u>3360295</u> | <u>2234585</u> | <u>3522576</u> |
| | | <u>489740079</u> | | <u>407751950</u> |
| SCHEDULES : D | | | | |
| UNSECURED LOANS | | | | |
| From Directors | | - | | - |
| From Others | | <u>22831764</u> | | <u>3301714</u> |
| | | <u>22831764</u> | | <u>3301714</u> |



PTC INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR THEN ENDED

SCHEDULE : E

FIXED ASSETS

(In Rs.)

| PARTICULARS | AS AT 01.04.2010 | GROSS BLOCK | | AS AT 31.03.2011 | UPTO 31.03.2010 | DEPRECIATION | | UPTO 31.03.2011 | NET BLOCK | |
|------------------------|---------------------|--------------------------------|-----------|---------------------|--------------------|--------------|-----------|--------------------|---------------------|---------------------|
| | | ADDITION DURING THE YEAR | DEDUCTION | | | ON COST | DEDUCTION | | AS AT 31.03.2011 | AS AT 31.03.2010 |
| TANGIBLE | | | | | | | | | | |
| FREEHOLD LAND | 29250692 | 5051031 | - | 34301723 | - | - | - | - | 34301723 | 29250692 |
| LEASEHOLD LAND | 28243650 | - | - | 28243650 | 6253201 | 405360 | - | 6658561 | 21585089 | 21990449 |
| FACTORY BUILDING | 63582941 | 1960472 | - | 65543413 | 19051334 | 2176829 | - | 21228163 | 44315250 | 44531606 |
| PLANT & MACHINERY | 377161507 | 52046885 | 851283 | 428357109 | 136136288 | 18982414 | 820704 | 154297998 | 274059111 | 241025219 |
| PLANT & MACHINERY(R&D) | 8983640 | 12415935 | - | 21399575 | 633082 | 1163814 | - | 1796896 | 19602679 | 8350558 |
| COMPUTER | 11834270 | 1482490 | - | 13316760 | 8583623 | 901429 | - | 9485052 | 3831708 | 3250648 |
| COMPUTER (R & D) | - | 111804 | - | 111804 | - | 16319 | - | 16319 | 95485 | - |
| MOULD & BOXES | 65512266 | 17663728 | - | 83175994 | 25206915 | 6749906 | - | 31956821 | 51219173 | 40305352 |
| VEHICLES | 17326496 | 2436780 | 1677419 | 18085857 | 6128652 | 1653480 | 778575 | 7003557 | 11082300 | 11197844 |
| VEHICLES (R & D) | - | 248603 | - | 248603 | - | 17726 | - | 17726 | 230877 | - |
| FURNITURE & FIXTURES | 6323199 | 512882 | - | 6836081 | 3977803 | 298942 | - | 4276745 | 2559336 | 2345396 |
| OFFICE EQUIPMENTS | 3884183 | 1012865 | - | 4897048 | 1779446 | 245459 | - | 2024905 | 2872143 | 2104737 |
| MISC. FIXED ASSETS | 1997953 | - | - | 1997953 | 1281180 | 45981 | - | 1327161 | 670792 | 716773 |
| Total (A) | 614100797 | 94943475 | 2528702 | 706515570 | 209031524 | 32657659 | 1599279 | 240089904 | 466425666 | 405069274 |
| INTANGIBLE | | | | | | | | | | |
| SOFTWARE | 6142847 | 9500 | - | 6152347 | 3760124 | 475470 | - | 4235594 | 1916753 | 2382723 |
| SOFTWARE (R & D) | - | 443700 | - | 443700 | - | 61283 | - | 61283 | 382417 | - |
| LICENCES | 3970296 | - | - | 3970296 | 1588118 | 794059 | - | 2382177 | 1588119 | 2382177 |
| Total (B) | 10113143 | 453200 | - | 10566343 | 5348242 | 1330812 | - | 6679054 | 3887289 | 4764900 |
| CURRENT YEAR (A+B) | 624213940 | 95396675 | 2528702 | 717081913 | 214379766 | 33988471 | 1599279 | 246768958 | 470312955 | 409834174 |
| PREVIOUS YEAR | 580511499 | 49012742 | 5310301 | 624213940 | 187438637 | 29788261 | 2847131 | 214379766 | 409834174 | 393072862 |

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

(In Rs.)

SCHEDULE : F

AS AT 31-03-2011

AS AT 31-03-2010

**INVESTMENTS (NON TRADE: LONG TERM)
QUOTED**

5000 UTI Equity Fund (Previously Mastergain 1992 of Unit Trust of India, face value Rs.10 each fully paid-up)

50000

50000

1600 Equity Shares in Kailash Structures Limited (face Rs.10 each fully paid-up)

16000

16000

1125 Equity Shares in Valecha Engineering Limited (face Value Rs.10 each fully paid-up)

20100

86100
86100

20100

86100
86100

**PTC INDUSTRIES LIMITED****SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011**

(In Rs.)

AS AT 31-03-2011

AS AT 31-03-2010

SCHEDULE : G**INVENTORIES**

(As taken, valued & certified by the Management)

| | | | | |
|--|-----------|------------------|-----------|------------------|
| Stock in Transit | 4080983 | | 5966633 | |
| Direct Raw Materials | 152041079 | | 143259469 | |
| Indirect Raw Materials, Stores & Spares etc. | 49666685 | | 30886817 | |
| Work-in-Progress | 180729015 | | 113795799 | |
| Finished Goods | 864040 | | 1298061 | |
| Loose Tools | 3298466 | | 2228623 | |
| Miscellaneous Items | 238060 | | 195674 | |
| | | <u>390918328</u> | | <u>297631076</u> |
| | | <u>390918328</u> | | <u>297631076</u> |

SCHEDULE : H**SUNDRY DEBTORS**

(Unsecured, considered good)

| | | | | |
|---|------------------|--|--|------------------|
| Outstanding for a period exceeding six months | 61008831 | | | 21671725 |
| Others | 207893983 | | | 220386678 |
| | <u>268902814</u> | | | <u>242058403</u> |

SCHEDULE : I**CASH AND BANK BALANCES**

| | | | | |
|---|----------|-----------------|---------|----------------|
| Cash-in-hand | 603500 | | 278354 | |
| Balances with Scheduled Banks in Current Account | 10738392 | | 917570 | |
| in Fixed Deposits | 3891794 | | 1995600 | |
| | | <u>15233686</u> | | <u>3191524</u> |
| | | <u>15233686</u> | | <u>3191524</u> |

SCHEDULE : J**LOANS AND ADVANCES**

(Unsecured, considered good)

| | | | | |
|--|----------|-----------------|--|-----------------|
| Advance Payment of Income Tax/FBT | 9034474 | | | 7296019 |
| Advances recoverable in cash or in kind or for value to be received | 17803926 | | | 13302598 |
| Premium on Forward Contract not due | - | | | 42727 |
| Accrued Interest | 810838 | | | 576120 |
| Balances with Income Tax/Excise/Sales Tax- Department | 38752795 | | | 30299244 |
| Earnest Money and Security Deposits | 6978836 | | | 7134236 |
| | | <u>73380869</u> | | <u>58650944</u> |

SCHEDULE : K**CURRENT LIABILITIES**

| | | | | |
|--------------------------------------|-----------|------------------|----------|------------------|
| Creditors | | | | |
| for Materials | 133878853 | | 77414029 | |
| for Expenses and Services | 45554346 | | 38916324 | |
| for Capital Goods | 9461272 | | 9210292 | |
| Credit Balance in Customers' Account | 15288578 | | 5978974 | |
| Others | 1036021 | | 1749842 | |
| | | <u>205219070</u> | | <u>133269461</u> |
| | | <u>205219070</u> | | <u>133269461</u> |

**PTC INDUSTRIES LIMITED****SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011**

(In Rs.)

AS AT 31-03-2011

AS AT 31-03-2010

SCHEDULE : L**PROVISIONS**

| | | | | |
|--|----------|-----------------|---------|-----------------|
| For Income Tax - Current Year | 9806278 | | 8046433 | |
| - Earlier year | 16683722 | | 8637289 | |
| For P.F., E.S.I., Bonus, Wealth Tax etc. | 4138631 | | 3754513 | |
| For Leave Encashment | 4423835 | | 3082078 | |
| | | <u>35052466</u> | | <u>23520313</u> |
| | | <u>35052466</u> | | <u>23520313</u> |

SCHEDULE : M**MISCELLANEOUS EXPENDITURE**

(to the extent not written off or adjusted)

Opening Balance

| | | | | |
|------------------------------|-------|-------|-------|-------|
| Share Capital Issue Expenses | - | | 10000 | |
| Product Development Expenses | 34220 | 34220 | - | 10000 |
| | | 34220 | | 10000 |

Add: Addition during the year

| | | | | |
|------------------------------|--|-------|--|-------|
| Product Development Expenses | | 20212 | | 75932 |
| | | 54432 | | 85932 |

Less: Written off during the year

| | | | | |
|------------------------------|-------|-------|-------|-------|
| Share Capital Expenses | - | | 10000 | |
| Product Development Expenses | 41990 | 41990 | 41712 | 51712 |
| | | 12442 | | 34220 |

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

(In Rs.)

CURRENT YEAR

PREVIOUS YEAR

SCHEDULE : N**Gross Domestic Sales :**

668054325

590437201

Less : Duties & Taxes:

Excise Duty

59174211

44472798

Sales Tax

13136831

11190838

55663636

72311042

534773565

595743283

Less : Inter Plant Transfer

Domestic Sales (Net of duties & taxes) (A)

119996750

100473523

475746533

434300042

Gross Export Sales :

403709908

255552030

Less : Freight & Insurance

Freight

3562814

2258683

Insurance

117472

72273

2330956

Export Sales (FOB Value)

400029622

253221074

Export Incentives

28277246

13661212

Export Sales - /

428306868

266882286

Deemed Export Sales :

Export Sales - //

56159991

44382768

56159991

44382768

Total Export Sales (B) = I + II

484466859

311265054

SALES: (A) + (B)

960213392

745565096

SCHEDULE : O**OTHER INCOME**

Interest on Deposits/Investments

-

38555

Income from Dividend

3343

6350

Amount No Longer Payable

15663

-

Foreign Exchange Fluctuation

9948425

(4758806)

Excess Prov. Revert /Bad Debts Recovered

462764

864483

Profit on Sale of Fixed Assets and Investments

69159

21120

Income from Power Generation

4605782

4838492

Miscellaneous

247620

1310202

2320396

15352756

2320396

15352756

**PTC INDUSTRIES LIMITED****SCHEDULE : P
INCREASE / (DECREASE) IN INVENTORY**

| | | | | |
|-------------------------|-----------------------|------------------------|----------------|-------------------|
| CLOSING INVENTORY | | 181593055 | | 115093860 |
| Work-in-Process | 180729015 | | 113795799 | |
| Finished Goods | <u>864040</u> | | <u>1298061</u> | |
| LESS: OPENING INVENTORY | | 115093860 | | 127099573 |
| Work-in-Process | 113795799 | | 124693813 | |
| Finished Goods | <u>1298061</u> | | <u>2405760</u> | |
| | | <u>66499195</u> | | <u>(12005713)</u> |

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

(In Rs.)

| | | CURRENT YEAR | | PREVIOUS YEAR |
|---|--|-----------------------|-------------------------|----------------------|
| SCHEDULE : Q | | | | |
| RAW MATERIAL EXPENDITURE | | | | |
| Opening Stock | | 149226102 | | 134427491 |
| Add: Purchases during the year | | 380775540 | | 238447147 |
| | | 530001642 | | 372874638 |
| Less: Closing Stock | | 156122062 | | 149226102 |
| | | 373879580 | | 223648536 |
| Less: Consumed for Research & Development | | <u>1255720</u> | <u>372623860</u> | <u>307062</u> |
| | | | <u>372623860</u> | <u>223341474</u> |

SCHEDULE : R**MANUFACTURING EXPENSES**

| | | | | |
|---|----------------------|-------------------------|---------------|------------------|
| Foundry/Machine-shop Consumables and Expenses | 145743726 | | 101622598 | |
| Power and Fuel | 76770292 | | 57202011 | |
| Repairs and Maintenance | | | | |
| Mechanical | 13655322 | | 10798302 | |
| Electrical | 3006342 | | 1644835 | |
| Factory Building | 2028183 | | 1603098 | |
| Packing and General Consumables | 11961723 | | 6909258 | |
| Technical Support Expenses | 1822500 | | 3901315 | |
| Processing and Work Charges | 38191365 | | 23662121 | |
| Expenses on Inter-Plant Transfers | <u>647018</u> | <u>293826471</u> | <u>651927</u> | <u>207995465</u> |
| | | <u>293826471</u> | | <u>207995465</u> |

SCHEDULE : S**RESEARCH & DEVELOPMENT EXPENSES**

| | | | | |
|-----------------------------|----------------------|------------------------|---------------|----------------|
| Raw Materials Consumed | 1255720 | | 307062 | |
| Indirect Materials Consumed | 13036457 | | 1468504 | |
| Conversion Cost | 480752 | | 968580 | |
| Testing & Radiography | 40236 | | 49926 | |
| Salary & Wages | 1983672 | | 1923712 | |
| Consultancy Charges | <u>174000</u> | <u>16970837</u> | <u>187500</u> | <u>4905284</u> |
| | | <u>16970837</u> | | <u>4905284</u> |

SCHEDULE : T**PERSONNEL EXPENSES**

| | | | | |
|---------------------------|-----------------------|-------------------------|----------------|-----------------|
| Salaries, Wages and Bonus | 111678676 | | 81450285 | |
| Provident and other Funds | 9609706 | | 11885072 | |
| Welfare | <u>3255250</u> | <u>124543632</u> | <u>2834175</u> | <u>96169532</u> |
| | | <u>124543632</u> | | <u>96169532</u> |

**PTC INDUSTRIES LIMITED****SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

| | (In Rs.) | | |
|--|-----------------|-----------------|-----------------|
| | CURRENT YEAR | | PREVIOUS YEAR |
| SCHEDULE : U | | | |
| ADMINISTRATIVE AND SELLING EXPENSES | | | |
| Rent and Taxes | 7987465 | | 5248980 |
| Insurance & Security Expenses | 4794524 | | 5433489 |
| Legal and Professional | 6793786 | | 4978738 |
| Travelling and Conveyance | 6799087 | | 6931212 |
| Director Sitting Fee | 43000 | | 25000 |
| Vehicle Running and Maintenance | 3706018 | | 2507760 |
| Communication | 2580826 | | 2523143 |
| Printing and Stationery | 1905519 | | 1364516 |
| Conference, Training and Recruitment | 445672 | | 611187 |
| Freight and Clearing | 12547036 | | 10646356 |
| Sales Commission | 19106945 | | 21395178 |
| Rebate & Discount Expenses | 146794 | | - |
| Deduction from bills | 17190945 | | 11602685 |
| Advertisement and Promotion | 1598282 | | 1250370 |
| Payment to Auditors | 216359 | | 177511 |
| Wealth Tax | 47303 | | 65863 |
| Miscellaneous | 1914206 | | 1937001 |
| Donation & Charity | 1379218 | | 1272781 |
| Theft Loss | - | | 591201 |
| Loss on Sale of Fixed Assets | 311808 | | 350862 |
| Bad Debts Written Off | 1254523 | | 128635 |
| Share Capital Expenses Written-off | - | | 10000 |
| Product Development Expenses Written-off | 41990 | | 41712 |
| | <u>90811306</u> | | <u>79094180</u> |
| | <u>90811306</u> | | <u>79094180</u> |
| SCHEDULE : V | | | |
| INTEREST AND FINANCIAL CHARGES | | | |
| Interest : | | | |
| On Working Capital Loans | 39517258 | | 35511005 |
| On Term Loans | 13711400 | | 11749703 |
| On Others | 756644 | 53985302 | 1028020 |
| | <u>756644</u> | | <u>1028020</u> |
| Less : Interest Received | | | |
| from Bankers | 306645 | | 94913 |
| from Others | 73000 | 379645 | 696609 |
| | <u>73000</u> | <u>379645</u> | <u>696609</u> |
| | | <u>53605657</u> | <u>47497206</u> |
| Bank Charges | | <u>4368332</u> | <u>4928206</u> |
| | | <u>57973989</u> | <u>52425412</u> |

**PTC INDUSTRIES LIMITED**

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2011 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED.

SCHEDULE : W**SIGNIFICANT ACCOUNTING POLICIES****1. Basis of preparation of Financial Statements**

The financial statements have been prepared to comply with the Accounting Standards referred to in the Companies (Accounting Standards) Rule 2006 issued by the Central Government in exercise of the power conferred under sub-section (II) (a) of Section 642 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on accrual basis. The accounting policies have been consistently applied except where a newly issued accounting standard, if initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an ongoing basis.

2. Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expense during the reporting period. Example of such estimates includes estimated provision for doubtful debts. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

3. Fixed Assets**(a) Tangible Assets**

Fixed Assets are carried at cost of acquisition or construction less accumulated Depreciation. Cost is inclusive of inward freight, duties and taxes net of CENVAT/UP-VAT, technical fee for their drawing/design and development, borrowing costs and other directly attributable costs to bring the assets to their working condition for intended use. However assets acquired upto 2nd April, 1993 are stated at their net replacement value, less accumulated depreciation.

(b) Intangible Assets

Intangible assets are stated at the cost of acquisition.

4. Depreciation**(a) Tangible Assets**

- (I) Depreciation on fixed assets is provided on Straight Line Method at the rates prescribed in Schedule XIV to the Companies Act, 1956.
- (II) Leasehold land is written off over the period of lease.
- (III) Additional depreciation consequent to revaluation is charged to Profit and Loss Account and the corresponding amount is recouped from the Revaluation Reserve.

(b) Intangible Assets

- (I) Computer software is amortized on Straight Line Method at the rates prescribed in Schedule XIV to the Companies Act, 1956.
- (II) Cost of Licence is amortized over a period of five years, which is the tenure of licence agreement.

| NAME OF ASSETS | METHOD OF DEPRECIATION | RATE |
|----------------------|------------------------|-------------------------------------|
| TANGIBLE | | |
| Free Hold Land | Straight Line | N.A. |
| Lease Hold Land | Straight Line | Lease Period |
| Factory Building | Straight Line | 3.34% |
| Plant & Machinery | Straight Line | 7.42% (Plant-1) 4.75%(Other Plants) |
| Plant & Machinery | Straight Line | 7.42% |
| Computer | Straight Line | 16.21% |
| Mould, Boxes | Straight Line | 11.31% |
| Vehicles | Straight Line | 9.50% |
| Furniture & Fixtures | Straight Line | 6.33% |
| Office Equipments | Straight Line | 4.75% |
| Misc. Fixed Assets | Straight Line | 4.75% |
| INTANGIBLE | | |
| Software | Straight Line | 16.21% |
| Licences | Straight Line | 5 years |

**PTC INDUSTRIES LIMITED****5. Investments**

Long Term Investments are carried at cost. Provision for diminution, other than temporary, in the value of long-term investments is recognized. Current Investments are carried at lower of cost or fair value.

6. Inventories

Inventories are valued at lower of cost or net realizable value. Cost comprises of cost of purchase or conversion and other costs incurred in bringing the inventories to their present location and condition. Finished goods are stated net of excise duty. Raw Material, Indirect Material, Stores and Spares etc. are valued on FIFO basis net of CENVAT/UP-VAT benefits availed or to be availed.

7. Employee Benefits**(a) Defined Benefit Plans**

The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plan is determined based on an actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gains and losses are recognised immediately in the Profit and Loss Account.

(b) Defined contribution Plans

The Company deposits the contributions for provident fund and Pension Fund to the appropriate government authorities of India and these contribution are recognised in the Profit and Loss Account in the financial year to which they relate. The Company makes monthly contribution and has no further obligation under the plan beyond its contributions.

The Company also has a defined contribution superannuation plan in respect of eligible employees under a scheme of Life Insurance Corporation of India; contributions in respect of such scheme are recognized in the Profit and Loss Account.

(c) Other long term employee benefits

Other long term employee benefits comprise of leave encashment which is provided for based on the actuarial valuation in accordance with revised AS 15 as at the end of the year. Actuarial gains and losses are recognised immediately in the Profit and Loss Account.

(d) Short Term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service.

8. Research & Development Costs

Revenue expenditure is charged to Profit & Loss Account under respective heads of account in the year in which it is incurred. Capital expenditure is included in fixed assets and depreciated as per the depreciation policy of the Company.

9. Impairment

The carrying amounts of the assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets' carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

10. Foreign currency transactions

Foreign exchange transactions are recorded at the rates prevailing at the date of transaction. Realised gains and losses on foreign exchange transactions during the year are recognised in the Profit and Loss Account. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Profit and Loss Account of the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the exchange rates of forward covers and in other cases at the exchange rate as at the Balance Sheet date.

The Company generally uses foreign exchange forward contracts and options to hedge its exposure for movement in foreign exchange rates. The use of these foreign exchange forward contracts and options reduces the risk or cost to the Company and the Company does not use the foreign exchange forward contracts or options for trading or speculation purpose.

Foreign exchange forward contracts where there is an underlying are accounted in accordance with AS 11-"The Effects of changes in Foreign Exchange Rates" i.e.,

(a) the premium or discount on all such contracts arising at the inception of each contract is amortised as income or expenditure over the life of contract.

(b) the exchange difference is calculated as the difference between the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period, and the corresponding foreign currency amount translated at the later of the date of inception of the forward exchange contract and

**PTC INDUSTRIES LIMITED**

the last reporting date. Such exchange differences is recognised in the Profit and Loss Account in the reporting period in which the exchange rates change.

(c) any profit or loss arising on the cancellation or renewal of such contracts is recognised as income or as expense for the year.

11. Taxation

Income tax liability is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income Tax Act, 1961.

The differences that result between the profit offered for income taxes and the profit as per the financial statements are identified and thereafter a deferred tax asset or a deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted or substantially enacted regulations. Where there are unabsorbed depreciation and carry forward losses under tax laws, deferred tax assets are recognised only if there is virtual certainly supported by convincing evidence that such deferred tax assets can be realised in future. Such assets are reviewed at each Balance Sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

12. Revenue Recognition

- (a) Revenue from sales is recognised on transfer of all significant risks and rewards of ownership which is generally as and when goods are cleared from factory premises.
- (b) Domestic sales (net) are stated net of returns, sales tax and excise duty. Export sales are stated net of returns at F.O.B. value and include export incentives.
- (c) Revenue generated from Windmill located in district Kutch, Gujarat is adjusted against the consumption of power at the manufacturing unit of the Company located in Mehsana, Gujarat. The monetary value of the unit so adjusted, calculated at the prevailing Gujarat Energy Transmission Corporation Limited (GETCO) rate net of wheeling charge is included in the Power and Fuel Account. The value of the unadjusted units as at the balance sheet date has been included under Sundry Debtors.

13. Export benefits/incentives

Export entitlements under the Duty Entitlement Pass Book (DEPB) Scheme are recognized in the profit and loss account on accrual basis when Export Sales are recognised in Books of Accounts

14. Leases

Lease rental in respect of assets taken on operating lease are charged to the Profit and Loss account on a straight line basis over the lease term.

15. Provisions and Contingent Liabilities

The Company recognises a provision when there is a present obligation as a result of a past event and it is probable that it would involve an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present value, and are determined based on the management's estimation of the obligation required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflected current management estimates.

A disclosure for a contingent liability is made where it is more likely than not that a present obligation or possible obligation would result in or involve an outflow of resources. When no present obligation or possibility exists and the possibility of an outflow of resources is remote, no disclosure or provision is made.

16. Miscellaneous Expenditure

Miscellaneous Expenditure is stated to the extent not written off or adjusted.

- (a) Expenses on increase in share capital are amortised over a period of ten years.
- (b) Product Development Expenses are written-off over a period of three years on straight line basis commencing from the year in which confirmed sale orders are received. However in case the product is not accepted, the entire expenditure incurred is written off in the year of rejection.
- (c) Expenditure incurred on Development Studies is written off over a period of three years on straight line basis.
- (d) Hire purchase interest and other expenses thereon are amortized over the period of the underlying agreement.

17. Contingent Liabilities

Contingent Liabilities are stated by way of notes.

18. Borrowing Costs :

Borrowing Costs that are directly attributable to the acquisition, construction or production of any qualifying asset have been capitalised as part of the cost of such assets. A qualifying assets is one that takes substantial period of time to get ready for its use or in intended sale.

**PTC INDUSTRIES LIMITED****SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED.****SCHEDULE : X****NOTES ON ACCOUNTS**

- Share Capital includes 27,60,000 Equity shares of Rs. 10 each allotted as fully paid bonus shares by capitalisation of General Reserve and Revaluation Reserve.
- Aggregate market value of quoted investments as at the end of the year was Rs. 358243 (previous year Rs. 413680).
- Fixed deposit with Bank (Schedule 'I') is "Under Bankers lien" as margin money for non-fund based facilities.
- Advance payment of tax as at the end of the year represents advance payment of Tax and Tax deducted at source for and during the year under review. Advance payment of Income Tax less provision for tax for earlier years, if any, has been included in Balance with Income Tax/ Excise/Sales Tax department (Schedule 'J').
- Tax Deducted at Source/ Tax Collected at Source on receipt of:

| | (In Rs.) | |
|----------|--------------|--------------|
| | 2010-2011 | 2009-2010 |
| Interest | 41424 | 46019 |
| Others | - | - |
| | <u>41424</u> | <u>46019</u> |

- Scientific Research & Development Expenditure pertaining to the Company's Research & Development Division aggregated to Rs. 13220043 as Capital Expenditure and Rs. 16970837 as revenue expenditure (previous year Rs. 5297541 as capital expenditure and Rs. 4905284 as revenue expenditure) charged in respective heads.
- As per method of accounting consistently followed by the Company, excise duty payable on finished goods, other than those meant for exports, is accounted for on clearance of such goods from the factory. The amount of excise duty on such finished goods not cleared from the factory as at 31st March 2011, estimated on the basis of sales price of goods/excise rates prevailing on the said date, at Rs. 88996 (previous year Rs. 95313) has not been provided for in the accounts and hence not included in the valuation of such goods. Non-provision of this liability has no affect on the profit for the year.
- During the year, the Company has been permitted by the Central Excise Department to clear export shipments without payment of excise duty amounting to Rs. 20992907 (previous year Rs. 8828743) against bond in favour of the department. The Company has cleared deemed export to EOU against FORM C.T.3, certificate for removal of excisable goods under bond & Form CT-1, certificate for procurement of excisable goods for export without payment of duty amounting 6656598 (previous year 4189969). A few export shipments have been cleared against payment of Excise Duty amounting to Rs. 16072380 (previous year Rs. 10943339), refund claims for which have been lodged in process of lodgement with the appropriate authorities. The Company has received Rs. 12512982, during the financial year 2010-2011 (Rs. 13582152 during the previous year).
- Amount due from officers of the Company as at the end of the year was Rs. Nil (previous year Rs. Nil). Maximum amount due at any time during the year was Rs. 2025151 (previous year Rs. 1420610).
- Payment to Statutory Auditors:

| | (In Rs.) | |
|---------------|---------------|---------------|
| | 2010-2011 | 2009-2010 |
| Audit Fees | 120000 | 132360 |
| Certification | - | 10500 |
| Outlays | <u>96359</u> | <u>47011</u> |
| | <u>216359</u> | <u>189871</u> |

- (a) Directors' Remuneration

| | (In Rs.) | |
|--|----------------|----------------|
| | 2010-2011 | 2009-2010 |
| Salary | 5518050 | 5137350 |
| Contribution to Provident Fund and other Schemes | 574007 | 513366 |
| Commission | 489685 | 498416 |
| Sitting Fees | 43000 | 25000 |
| Perquisites | <u>676450</u> | <u>634150</u> |
| | <u>7301192</u> | <u>6808282</u> |

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(b) Computation of Net Profit in accordance with Section 198 of the Companies Act, 1956 and commission paid.

| | (In Rs.) | |
|--|-----------------|-----------------|
| | 2010-2011 | 2009-2010 |
| Profit before tax as per Profit and Loss Account for the year ended 31.03.2010. | 42160171 | 41796757 |
| Add: Directors' Remuneration (including commission charged in Accounts) | <u>6808282</u> | <u>8044805</u> |
| NET PROFIT | <u>48968453</u> | <u>49841562</u> |
| Commission paid to Chairman (being 1% of the net profit, restricted to 50% of the Annual Salary) | 489685 | 498416 |

12. Term Loans & Working Capital Loans

1. Working Capital Loans (Fund/Non Fund based) from State Bank of India & Punjab National Bank are secured by way of :
 - First charge ranking pari-pasu on the whole of the present and future current assets of the Company.
 - Personal guarantee of five directors. *Pari-pasu* charge on the entire fixed assets of the Company.
 - Secured by the additional security of residential house at Lucknow owned by a director (Mortgaged with SBI).
2. Term Loans from State Bank of India & Punjab National Bank is Secured by way of :
 - First charge ranking pari-pasu on the whole of the present and future fixed assets of the Company.
 - Personal guarantee of five directors. *Pari-pasu* charge on the whole of the present and future current assets of the Company.
 - Secured by the additional security of residential house at Lucknow owned by a director (Mortgaged with SBI).
3. Vehicle Loans from ICICI Bank Limited, HDFC Bank & Tata Capital Ltd. are secured by way of hypothecation of vehicles & assets financed.

13. (a) Sessions Court, Faridabad has given a decision against the Company on a case filed by a supplier amounting to Rs.107680 (Previous Year Rs. 107680) against this complainant has claimed Rs. 150000 (previous year 150000) alongwith the interest @ 12% p.a. from the date of the suit i.e. 09/01/1997. Interest from 09/01/1997 to 31/03/2011 comes to Rs.184162. The Company is exploring the avenues to settle the issue, out of court.

(b) In respect of non fund-based working capital facilities from State Bank of India:

| | (In Rs.) | |
|--|-----------------|-----------|
| | 2010-2011 | 2009-2010 |
| Counter guarantees furnished by the Company against various guarantees given by the Bank | 4562370 | 7273081 |
| Letter of Credit (Inland/ Foreign) opened by the Bank | 14356667 | 11878290 |

(c) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances (as certified by a Director) was Rs. 9444182 at the end of year (previous year Rs. 8155553).

(d) Contingent Liability in respect of factoring of receivables with IFCI Factors Limited Rs. 69403404 (previous year with HSBC Rs. 26898344).

14. The Income Tax assessment for A.Y. 2008-2009 has been completed during the year with refund of Rs. 27535 and appeal at CIT (A) (II) has been filed on 27.01.2011. The order of CIT (A) for A.Y. 2007-2008 has been received and application for CIT (A) order effect is pending. The Income Tax department had ordered Special Audit u/s 142(2A) of the Income Tax Act, 1961 for the Assessment Year 2004-05. Pursuant to the audit, the department has issued demand notice for Rs. 1460700. Against the said order, the Company has deposited Rs. 1000000 and balance amount has been adjusted from the refund of the A.Y. 2006-2007, however an appeal with CIT(A) has been decided but the effect of appeal is still pending at Income Tax Department. The Income Tax assessments of erstwhile Ashman Tool Engineers Private Limited (ATEPL) and Sunika Alloys Private Limited (SAPL) has been completed upto the pre-amalgamation period i.e. A.Y. 1997-98. Further an order under section 154 of the Income Tax Act, 1961 was passed on 25-06-2004 for the assessment year 1997-98 in case of erstwhile M/s Ashman Tool Engineers Private Limited subsequently merged with the Company. A demand of Rs. 23592 towards the charge of interest was raised against the Company. The Company has deposited Rs. 15028 in compliance to notice of demand.

15. (a) The Sales Tax assessments of the Lucknow Plant -1 have been completed upto the year 2007-2008.
- (b) Sales Tax Assessment of Bhiwadi Plant has been completed upto the year 2008-2009.
- (c) The Sales Tax assessments of the Lucknow Plant-2 have been completed upto the year 2007-2008.
- (d) Sales Tax Assessment of Mehsana Plant has been completed upto the year 2006-2007.

16. The Wealth Tax assessment of the Company has been filed upto the assessment year 2010-2011.

17. (a) In the case of Lucknow Plant-1, Show-cause notices against CENVAT credit of Rs.42567812 (previous year Rs. 115935) and Rs.14158 (Previous year Rs. 14158) relating to Service Tax were issued by the Central Excise Department for the year under review and earlier years. The Company has given replies to all the show cause notice/demands to the department and the appeals are pending with Appellate authorities.

(b) Show Cause Notices/Demands of Rs. 58921 (previous year Rs. 58921) has been raised by the Central Excise Department

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against CENVAT credits claimed by the Bhiwadi Plant on inputs and capital goods up to 31st March, 2011. The Company has given its replies to all Show Cause Notices to the Department and the same are under consideration.

18. The Company's recognition as an EXPORT HOUSE was valid upto 31.03.2014.
19. The Company has taken residential accommodation for its employees on operating lease, with an option of renewal at the end of the lease term. Minimum lease payments charged during the year to the Profit and Loss Account aggregate to Rs. 2195779 (previous year Rs. 2410601).
20. The Company has no amounts payable to micro, small and medium enterprises as defined in section 7(1) of The Micro, Small and Medium Enterprises Development Act, 2006 to the extent such party have been identified from the available information.
21. The Company has been permitted by the Gujarat Energy development Agency (GEDA) to set up a Wind Farm of 0.75 M W in district Kutch, Gujarat in accordance with the provisions of the Wind Power Generation Policy, 2002 issued under the Resolution No. vide G.R. EDA-10-2001-3054-BC Part- (II) of the Government of Gujarat dated 20 June, 2002. Consequently a tripartite 'Wheeling and Banking Agreement' has been executed between the Company, GEDA and Gujarat Energy Transmission Corporation Limited (GETCO) whereby the Company has opted to wheel the energy generated at the Wind Farm to its own other manufacturing unit at Mehsana, North Gujarat. During the year income of Rs. 4605782 (previous Rs. 4838492) accrued through electricity generation at the wind form which will be adjusted in terms of the aforesaid tripartite agreement.

**22. Employee Benefit Obligations
Defined Contribution Plan**

An amount of Rs. 4236940.55 for the year ended 31/03/2011 has been recognised as an expense in respect of contribution for Provident Fund and Employee State Insurance Fund deposited with the Government Authorities.

Defined Benefit Plan

The Company operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days of total basic salary last drawn for each completed year of services. Gratuity is payable to all eligible employees of the Company on retirement, separation, death or permanent disablement, in terms of the provisions of the payment of Gratuity Act, 1972.

The following table sets forth the status of the Gratuity Plan of the Company and the amounts recognised in the Balance Sheet and the Profit and Loss Account.

| Description | As on 31st March, 2011 | As on 31st March, 2010 |
|--|-----------------------------------|-----------------------------------|
| Reconciliation of opening and closing balances of the present value of defined benefit obligations | | |
| <i>Present value of the obligation at the beginning of the period</i> | 24426290 | 20285841 |
| Current service cost | 1874711 | 1802645 |
| Interest cost | 2009648 | 1618421 |
| Benefits paid (if any) | (902150) | (780419) |
| Actuarial (gain)/loss on obligation | (1614866) | 1499802 |
| <i>Present value of the obligation at the end of the period</i> | 25793633 | 24426290 |
| Change in Plan Assets: | | |
| Fair value of plan assets at the beginning of the period | 22009551 | 17304813 |
| Decrease due to Mehsana Plant | (491000) | - |
| Expected return on plan assets | 1934147 | 1643733 |
| Contributions | 1842919 | 3841424 |
| Benefits paid | (902150) | (780419) |
| Actuarial gain/(loss) on Plan Assets: | | |
| Fair value of Plan Asset at the end of the period | 24393467 | 22009551 |
| Amount of the obligation recognised in the Balance Sheet | | |
| Present value of the obligation at the end of the period | 25793633 | 24426290 |
| Fair value of plan assets at end of period | 24393467 | 22009551 |
| Net Liability/(Asset) recognised in Balance Sheet | 1400166 | 2416739 |
| Amount of Gratuity expense recognised in the Profit and Loss A/c | <u>2010-2011</u> | <u>2009-2010</u> |
| Current service cost | 1874711 | 1802645 |
| Interest cost | 2009648 | 1618421 |
| Expected return on plan asset | (1934147) | (1643733) |
| Net actuarial (Gain)/Loss recognised in the period | (1614866) | 1499802 |
| Total | 335346 | 3277135 |
| Assumptions: | | |
| Economic assumptions | <u>2010-2011</u> | <u>2009-2010</u> |
| Discount Rate | 8.25% | 8.00% |
| Salary Escalation Rate | 6.50% | 6.50% |



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Discount Rate:

The Discount rate is based on the prevailing market yields of Indian Government Securities as at the Balance Sheet date for the estimated term of the obligations.

Salary Escalation Rate:

The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

Investment details of Plan Assets:

The Plan Assets are maintained with Life Insurance Corporation - Group Gratuity Scheme. The details of Investment maintained by Life Insurance Corporation are not available with the Company and have not been disclosed.

23. During the year 2010-2011 Company has captively consumed 3.210 M.T. (Previous year 3.226 M.T.) of Castings for Assembly Production.

24. Capital work in Progress For :

| | <-----2010-2011-----> | | | | <-----2009-2010-----> | | | |
|-------------------|-----------------------|-------------------|---------------|-----------------|-----------------------|-------------------|---------------|-----------------|
| | Land & Building | Plant & Machinery | Others | Total | Land & Building | Plant & Machinery | Others | Total |
| Lucknow Plant - 1 | - | 1192376 | 279832 | 1472208 | 298960 | 8845575 | 261332 | 9405867 |
| Lucknow Plant - 2 | - | 21582616 | - | 21582616 | - | - | - | - |
| Bhiwadi Plant | 344575 | 2286173 | - | 2630748 | - | 1729125 | - | 1729125 |
| Mehsana Plant | 3548963 | - | - | 3548963 | 1536237 | - | - | 1536237 |
| Total | 3893538 | 25061165 | 279832 | 29234535 | 1835197 | 10574700 | 261332 | 12671229 |

25. Indirect Raw Materials, stores, spares and other consumables are included in the following heads of account.

| | (In Rs.) | |
|---|------------------|------------------|
| | 2010-2011 | 2009-2010 |
| Foundry/Machine-shop Consumables & Expenses | 137667032 | 94424120 |
| Power & Fuel | 23467884 | 23320652 |
| Repair & Maintenance | | |
| Mechanical | 13655322 | 10798302 |
| Electrical | 3006342 | 1644835 |
| Packing and General Consumables | 11961723 | 6909258 |
| | 189758303 | 137097167 |

26. Particulars of Sales and Stock of Finished Goods.

| | <-----2010-2011-----> | | | | <-----2009-2010-----> | | | |
|--|-----------------------|-----------|---------------------|---------------|-----------------------|-----------|---------------------|---------------|
| | Opening Stock | Sales | Captive Consumption | Closing Stock | Opening Stock | Sales | Captive Consumption | Closing Stock |
| CASTINGS (Stainless Steel) | | | | | | | | |
| Quantity (in MT) | 0.417 | 813.330 | 2.244 | 0.000 | - | 480.981 | 2.260 | 0.417 |
| Value (In Rs.) | 372690 | 541124589 | - | 0.000 | - | 407901213 | - | 372690 |
| CASTINGS (Alloy and Non-Alloy Steel) | | | | | | | | |
| Quantity (in MT) | 11.882 | 1977.952 | 0.966 | 11.232 | 20.400 | 1479.496 | 0.966 | 11.882 |
| Value (In Rs.) | 925371 | 294712639 | - | 864040 | 2405760 | 205321857 | - | 925371 |
| STRUCTURES/FORGINGS | | | | | | | | |
| Quantity (in MT) | - | 210.819 | - | - | - | 134.827 | - | - |
| Value (In Rs.) | - | 51067858 | - | - | - | 26266040 | - | - |
| ASSEMBLY ITEMS | | | | | | | | |
| Quantity (in MT) | - | 255.834 | - | - | - | 477.983 | - | - |
| Value (In Rs.) | - | 38612982 | - | - | - | 87952994 | - | - |
| PATTERN DEVELOPMENT & JOB WORK (In Rs.) | | | | | | | | |
| | - | 3550875 | - | - | - | 1769999 | - | - |
| PACKING (In Rs.) | | | | | | | | |
| | - | 499813 | - | - | - | 2262616 | - | - |
| Income from Job-work | - | - | - | - | - | - | - | - |
| Un-usable M. S. Scrap (In Rs.) | - | 2367390 | - | - | - | 429165 | - | - |
| Export Incentive (In Rs.) | - | 28277246 | - | - | - | 13661212 | - | - |



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27. Foreign exchange fluctuation gain of Rs. 9948425 (Previous Year Loss Rs. 4758806) on account of recognition of exchange difference on foreign currency transactions.
28. Consumption of Direct Raw Materials, Indirect Materials, Stores and Spares and other Consumables.

| Description | 2010-2011 | | 2009-2010 | |
|---|---------------------|--------------------|---------------------|--------------------|
| | Quantity (in MT) | Value (Lac Rs.) | Quantity (in MT) | Value (Lac Rs.) |
| DIRECT RAW MATERIALS | | | | |
| Scraps and Metals | | | | |
| Stainless Steel Scrap | 872.643 | 155334426 | 510.809 | 54945605 |
| Iron & Steel Scrap | 2377.345 | 66025922 | 1802.569 | 45169167 |
| Ferrous & Non-ferrous Alloys | 297.537 | 105509868 | 178.516 | 66345749 |
| Structures/Fabrication | 104.925 | 20953235 | 467.975 | 24323771 |
| Raw Castings (including assembly) | 128.289 | 26056129 | 226.974 | 32864243 |
| Less:Raw Material consumed for Research & Development | (20.000) | (1255720) | - | (307061) |
| INDIRECT RAW MATERIALS, STORES, SPARES AND OTHER CONSUMABLES | | | | |
| | | 189758303 | - | 137097167 |

29. Value and percentage to total consumption of Imported/Indigenous Direct Raw Materials, Indirect Raw Materials, Stores, Spares and other Consumables consumed.

| DESCRIPTION | 2010-2011 | | 2009-2010 | |
|---|-----------|------------|-----------|------------|
| | IMPORTED | INDIGENOUS | IMPORTED | INDIGENOUS |
| Direct Raw Materials | | | | |
| Value (In Rs.) | 3170030 | 370709550 | 9333704 | 214007770 |
| Percentage | 0.85% | 99.15% | 4.18% | 95.82% |
| Indirect Raw Materials, Stores, Spares & Other Consumables | | | | |
| Value (In Rs.) | 26785857 | 172574079 | 18967119 | 118130048 |
| Percentage | 13.44% | 86.56% | 13.83% | 86.17% |

30. The plant-wise installed capacity is recognised on the basis of melting capacity of Induction Melting Furnaces on single shift basis. Subject being of technical nature representation of the management has been relied upon by the auditors.

| | |
|-----------------|---------------|
| Lucknow Plant-1 | 1850.000 MTPA |
| Bhiwadi Plant | 1800.000 MTPA |
| Mehsana Plant | 900.000 MTPA |

During the year Lucknow Plant-1 has been operated at double shift basis while other plants have operated on single shift basis.

| PRODUCTION | 2010-2011 | 2009-2010 |
|--------------------------------------|--------------------|-----------------|
| | (Quantity in M.T.) | |
| <u>Lucknow Plant-1</u> | | |
| Castings (Stainless Steel) | 746.066 | 446.933 |
| Castings (Alloy and Non-Alloy Steel) | 241.577 | 218.006 |
| Structures/Forgings | 210.819 | 134.827 |
| Assembly Items | 255.834 | 477.983 |
| Total | 1454.296 | 1277.749 |
| <u>Bhiwadi Plant</u> | | |
| Castings (Alloy and Non-Alloy Steel) | 1861.903 | 1481.067 |
| <u>Mehsana Plant</u> | | |
| Castings (Stainless Steel) | 149.941 | 105.604 |
| Castings (Alloy and Non-Alloy Steel) | 92.970 | 41.932 |
| | 242.911 | 147.536 |
| (Quantity in Units) | | |
| Windmill | 978966 | 1038303 |

The activities of the Lucknow Plant-2 are basically of tool-room and job-work on different machines and equipment are done on the goods supplied by the Lucknow Plant-1. Hence, due to practical difficulties and large number of items, it is not possible to give quantitative information pursuant to para 3, 4C and 4D of Part-II of Schedule VI of the Companies Act, 1956.

- (a) Inter-Plant transactions relating to sales, purchases, job-work, sundry debtors and sundry creditors have been squared-off. However, the quantitative details as given hereunder with respect to production of castings includes 299.002 M.T. (previous year 337.94 M.T.) transferred inter-plant for further processing.
- (b) Bhiwadi Plant has exported castings 102.036 M.T. (Previous year 137.066 M.T.) on behalf of Lucknow Plant-1



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31. C.I.F. Value of Imports.

| | 2010-2011 | | 2009-2010 | |
|----------------------|-----------------|-----------|-----------------|----------------|
| | DIRECT IMPORTS | HIGH SEAS | DIRECT IMPORTS | HIGH SEAS |
| Direct Raw Materials | 1614778 | - | 4526075 | 5545600 |
| Indirect Materials | 25661605 | - | 20470623 | 1230390 |
| Capital Goods | 21087289 | - | 1000220 | - |
| | <u>48363672</u> | <u>-</u> | <u>25996918</u> | <u>6775990</u> |

32. No unclaimed dividend is lying in Unclaimed Dividend account with the Company's bankers State Bank of India, Commercial Branch, Lucknow as on 31/03/2011, since the entire unpaid / unclaimed amount has been transferred to Investor Education & Protection Fund as per provision of section 205C of the Companies Act, 1956.

33. Expenditure in foreign currency during the year.

| | (In Rs.) | |
|--|----------------|-----------------|
| | 2010-2011 | 2009-2010 |
| Travelling | 1052189 | 1647773 |
| Testing, Radiography & Rectification charges | - | 1849079 |
| Legal & Professional charges | 3453288 | 968002 |
| Technical Support Expenses | - | 3901315 |
| Freight & Export Warehousing Charges | 2881757 | 4212383 |
| Others | 96960 | 298688 |
| Total | <u>7484194</u> | <u>12877240</u> |

34. Earnings in foreign currency.

| | (In Rs.) | |
|---|-----------|-----------|
| | 2010-2011 | 2009-2010 |
| From Export of Castings & Forgings/Structures | 400029622 | 253221074 |

35. Calculation of E.P.S.

| | (In Rs.) | |
|--|-----------|-----------|
| | 2010-2011 | 2009-2010 |
| (a) Profit before Taxation before prior period items (Rs.) | 51326777 | 42160171 |
| (b) Tax (including tax effect on prior period items) (Rs.) | 17176907 | 12747387 |
| (c) Profit after Taxation before prior period items (Rs.) | 34149870 | 29412784 |
| (d) Prior period items (net of tax saving) (Rs.) | 2596379 | - |
| (e) Profit after Taxation (Rs.) | 31553491 | 29412784 |
| (f) Weighted average number of Ordinary Shares outstanding | 4191250 | 4191250 |
| (g) Earning per share on Profit after Taxation before prior period items (Face Value Rs. 10/- per share) Basic [(c)/(f)] | 8.15 | 7.02 |
| (h) Earning per share on Profit after Taxation (Face Value Rs. 10/- per share) Basic [(e)/(f)] | 7.53 | 7.02 |

36. Segment Reporting :

Accounting Standard 17-"Segment Reporting" issued by the Institute of Chartered Accountants of India which requires disclosure of information on the basis of reportable segment. The Company recognizes manufacturing of Stainless Steel Castings, Alloy Steel Castings, Non Alloy Steel Castings and Steel Structure as its primary segment while the Company has presented secondary segmental reporting on the basis of geographical location of customers.

Business Segment :

Performance of Business Segment is as follows :

| | Year ended on 31st March, 2011 | | | | | (In Rs.) |
|------------------------------|--------------------------------|------------------|-----------------|------------------|-----------|--------------------|
| | Lucknow Plant-1 | Bhiwadi Plant | Lucknow Plant-2 | Mehsana Plant | Wind Mill | Consolidated Total |
| Total Revenue | | | | | | |
| Sales to External Customers | 716225147 | 135419705 | - | 108568541 | - | 960213393 |
| | (571599950) | (110451442) | (-) | (63513704) | (-) | (745565096) |
| Inter segment sales | 19891417 | 30852634 | 6331742 | 62920956 | - | 119996749 |
| | (18359071) | (34026012) | (5951219) | (42137221) | (-) | (100473523) |
| Income from Power Generation | - | - | - | - | 4605782 | 4605782 |
| | (-) | (-) | (-) | (-) | (4838492) | (4838492) |
| Other Income | 7007032 | 125836 | 337139 | 3257961 | - | 10727968 |
| | (467814) | (21783) | (-) | (2116970) | (-) | (2563001) |
| Total Sales | <u>736116564</u> | <u>166272339</u> | <u>6331742</u> | <u>171489497</u> | <u>-</u> | <u>1080210142</u> |
| | (589491207) | (144499237) | (5951219) | (103533955) | (4838492) | (848314110) |



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| | | | | | | |
|--|-------------------|------------------|------------------|------------------|-----------------|-------------------|
| Dividend, Interest Income | 3343 | - | - | - | - | 3343 |
| | (6350) | (38555) | (-) | (-) | (-) | (44905) |
| Total Revenue | 743126939 | 166398175 | 6668881 | 174747458 | 4605782 | 1095547235 |
| | (589497557) | (144537792) | (5951219) | (103533955) | (4838492) | (848359015) |
| Segment Results | | | | | | |
| Segment results - Profit/(Loss) before interest, Prior Year Expenses and Tax | 82719721 | (1413286) | (1660068) | 27569319 | 2085079 | 109300765 |
| | (78221784) | (7621075) | (98966) | (6306528) | (2337230) | (94585583) |
| Less : Interest | 49716471 | 2318733 | 455 | 4865546 | 1072785 | 57973990 |
| | (43638414) | (3203015) | (-) | (3958547) | (1625436) | (52425412) |
| Less : Prior Year Expenses | 11630 | - | - | 2584749 | - | 2596379 |
| | (-) | (-) | (-) | (-) | (-) | (-) |
| Profit before tax | 32991620 | (3732019) | (1660523) | 20119024 | 1012294 | 48730396 |
| | (34583370) | (4418060) | (98966) | (2347981) | (711794) | (42160171) |
| Provision for Taxation: | | | | | | |
| For Earlier Years (reverted back) | | | | | | - |
| | | | | | | (-) |
| For Current Tax | | | | | | 9806278 |
| | | | | | | (8046433) |
| For Deferred Tax | | | | | | 7370629 |
| | | | | | | (4700954) |
| For Fringe Benefit Tax | - | - | - | - | - | - |
| | (-) | (-) | (-) | (-) | (-) | (-) |
| Profit after tax | 32991620 | (3732019) | (1660523) | 20119024 | 1012294 | 31553489 |
| | (34583370) | (4418060) | (98966) | (2347981) | (711794) | (29412784) |
| Segment Assets and Liabilities: | | | | | | |
| Segment Assets | 1047560478 | 119946891 | 32083119 | 189947746 | 28798707 | 1418336941 |
| | (848718036) | (113195118) | (9741986) | (167484245) | (30658663) | (1169798048) |
| Less : Inter Segment Assets | 172704808 | 6670978 | - | - | - | 179375786 |
| | (146475631) | (6546866) | (-) | (-) | (-) | (153022497) |
| Total Segment Assets | 874855670 | 113275913 | 32083119 | 189947746 | 28798707 | 1238961155 |
| | (702242405) | (106648252) | (9741986) | (167484245) | (30658663) | (1016775551) |
| Investment | 78100 | - | 8000 | - | - | 86100 |
| | (78100) | (-) | (8000) | (-) | (-) | (86100) |
| Add:Unallocable Assets | 9014630 | 12544 | - | 7300 | - | 9034474 |
| | (7266408) | (22311) | (-) | (7300) | (-) | (7296019) |
| Net Segment Assets | 883948400 | 113288457 | 32091119 | 189955046 | 28798707 | 1248081729 |
| | (709586913) | (106670563) | (9749986) | (167491545) | (30658663) | (1024157670) |
| Segment Liabilities | 141459417 | 64589818 | 26590483 | 139286596 | 21231009 | 393157323 |
| | (89371034) | (49788593) | (2588827) | (132518238) | (18861857) | (293128549) |
| Add : Loans | 506861220 | 2507975 | - | (2675447) | 5878095 | 512571843 |
| | (391350560) | (6835176) | (-) | (1748432) | (11119497) | (411053665) |
| Less : Inter Segment Liabilities | 6670978 | 21685066 | 24832101 | 104977160 | 21210481 | 179375786 |
| | (6546867) | (17125490) | (1939429) | (108562685) | (18848026) | (153022497) |
| Total Segment Liabilities | 641649659 | 45412727 | 1758382 | 31633989 | 5898623 | 726353380 |
| | (474174727) | (39498279) | (649398) | (25703985) | (11133328) | (551159717) |
| Add : Unallocable Liabilities | | | | | | 78336870 |
| | | | | | | (61159963) |
| Net Segment Liabilities | 641649659 | 45412727 | 1758382 | 31633989 | 5898623 | 804690250 |
| | (474174727) | (39498279) | (649398) | (25703985) | (11133328) | (612319680) |
| Capital Expenditure incurred | 75763124 | 4178470 | 188739 | 15266342 | - | 95396675 |
| | (40365356) | (3822594) | (20230) | (4804562) | (-) | (49012742) |
| Depreciation and Amortisation | 22093699 | 2980765 | 436689 | 6638150 | 1881158 | 34030461 |
| | (18858334) | (2799454) | (436873) | (5864155) | (1881158) | (29839974) |
| Non Cash Expenses included in Segment Expenses | 589114 | - | - | 665409 | - | 1254523 |
| | (-) | (116382) | (12252) | (-) | (-) | (128634) |

**PTC INDUSTRIES LIMITED****Geographic Segment :**

The revenues attributable to countries based on location of customers are as follows :

| | Year ended 31st March, 2011 | Year ended 31st March, 2010 |
|--------------------------|--------------------------------------|--------------------------------|
| United States of America | 150639853 | 77447362 |
| India | 531906525 | 478682810 |
| Finland | 155642849 | 117707904 |
| United Kingdom | 1532229 | 723364 |
| Spain | 880127 | 202727 |
| Germany | 747209 | 3301489 |
| Switzerland | 892762 | 1432752 |
| France | 1333680 | 1555550 |
| Netherland | 1037836 | 3293117 |
| Austria | - | 109392 |
| Canada | 67251 | 75215 |
| Norway | 5058179 | 21725421 |
| Denmark | 13915263 | 1012097 |
| China | 67499296 | 24634684 |
| Sweden | 783087 | - |
| Export Incentive | <u>28277246</u> | <u>13661212</u> |
| Total | <u>931936146</u> <u>960213392</u> | 731903884 <u>745565096</u> |

38. Related Party Disclosure :

As per Accounting Standard (AS-18) on related party disclosure issued by the Institute of Chartered Accountants of India, the disclosure of transactions with the related party as defined in the Accounting Standard are given below:

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

Enterprises controlled by directors/relatives

1. Mapple Commerce Pvt. Ltd.
2. Precision Overseas Pvt. Ltd.
3. Homelike Motels & Resorts Pvt. Ltd.
4. e-Soft Technologies Ltd.
5. PTC Energas Flow Pvt. Ltd.
6. Nirala Merchants

Key Management Personnel of the Company

1. Mr. S.C. Agarwal
2. Mr. Sachin Agarwal
3. Mr. A. K. Agarwal
4. Mr. P. R. Agarwal
5. Mr. Alok Agarwal
6. Mr. Arun Prasad
7. Mr. R. K. Pandey
8. Mr. Ajay Kashyap
9. Dr. R. C. Katiyar
10. Mr. K. D. Gupta

Relatives of Key Management Personnel

1. Mrs. Saroj Agarwal
2. Mrs. Kiran Prasad
3. Ms. Kanchan Agarwal
4. Mr. Nawal Kishore Agarwal
5. Mrs. Pratima Agarwal
6. Mrs. Vidya Agarwal
7. Mrs. Suman Agarwal
8. Mrs. Gyan Devi
9. Mrs. Smita Agarwal
10. Mrs. Anshoo Agarwal
11. Mrs. Reena Agarwal
12. Mrs. Anita Agarwal

The following transactions were carried out with the related parties :

| | Enterprises Controlled by directors/relatives (In Rs.) | Key Management Personnel (KMP) (In Rs.) | Relatives of KMP's (In Rs.) |
|--|---|---|-----------------------------------|
| 1. Interest paid in Inter-corporate loans | 340274 | - | - |
| 2. Service charges | 540470 | - | - |
| 3. Managerial remuneration | - | 7301192 | - |
| 4. Salary & Allowances | - | - | 3615708 |
| 5. Rent Paid | - | - | 330000 |
| 6. Loan made to PTC Energas Flow Pvt. Ltd. | 2119900 | - | - |
| 7. Loan received from Nirala Merchants Pvt. Ltd. | 11940050 | - | - |

**PTC INDUSTRIES LIMITED****39. Deferred Tax Liability :**

As per Accounting Standard (AS-22) on Accounting for Taxes on Income issued by the Institute of Chartered Accountants of India. (ICAI) the deferred tax liability (DTL) as at 31st March, 2011.

| | (In Rs.) | |
|--|----------------------------------|--------------------------|
| | As at 31st March 2011 | As at 31st March 2010 |
| A. Deferred Tax Liabilities | | |
| Depreciation | 54537019 | 48096518 |
| B. Deferred Tax Assets | | |
| (I) Provision for Employees Benefit - Add/(Less) | (1350834) | (2280962) |
| (II) Transitional Obligation as per AS-15 (Revised 2005) | <u>(1339315)</u> | <u>(1339315)</u> |
| Net Deferred Tax Liability (A-B) | <u>51846870</u> | <u>44476241</u> |

40. Figures have been rounded-off to the nearest Rupee and previous year's figures have been recasted and regrouped, wherever necessary, to conform to this year's presentation.
41. Comparative financial information in the respect to preceding year is included as an integral part of the current year's financial statements and is to be read in relation to the amounts and other disclosure relating to the current year.
42. Borrowing costs capitalised during the year Rs. 1173561 (Previous year Rs. 427245) in compliance with AS-16.

**PTC INDUSTRIES LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011**

(In Rs.)

| | Year ended 31st March, 2011 | Year ended 31st March, 2010 |
|---|--------------------------------|--------------------------------|
| I CASH FLOW FROM OPERATING ACTIVITIES : | | |
| Net Profit before Tax | 48730398 | 42160171 |
| Adjustment for : | | |
| Depreciation | 33988471 | 29788261 |
| Loss on fixed assets (net) | 242649 | 336442 |
| Miscellaneous expenses written-off | 41990 | 51712 |
| Unrealised foreign exchange fluctuation | (9948425) | 2255644 |
| Provisions for doubtful debts/loans and advances | 1254523 | 128635 |
| Expenses treated as deferred | (20212) | (75932) |
| Interest & financing charges | 53985302 | 48288727 |
| Interest on deposit | (379645) | (791522) |
| Dividend & Other Income | (3343) | (44905) |
| Operating Profit Before Working Capital Changes | 127891708 | 122097233 |
| Adjustment for : | | |
| Decrease/(Increase) sundry debtors | (19647004) | 49522045 |
| Decrease/(Increase) in inventories | (93287252) | (7684023) |
| Decrease/(Increase) loans and advances | (5502157) | (119929) |
| (Decrease)/Increase in current liabilities and provisions | 74920999 | (9746039) |
| Cash Generated from Operation | 84376294 | 154069287 |
| Fringe benefit tax paid | - | - |
| Direct taxes paid | (8993050) | (7250000) |
| Income Tax Refund Received | - | 4522070 |
| Provision revert back | - | - |
| Net Cash Flow from Operating Activities (A) | 75383244 | 151341357 |
| II CASH FLOW FROM INVESTMENT ACTIVITIES : | | |
| Purchase of Fixed Assets | (111709001) | (61421855) |
| Sale of Fixed Assets | 686774 | 1937727 |
| Interest on Deposit | 144927 | 731837 |
| Dividend & Other Income | 3343 | 44905 |
| Net Cash from/(used) Investing Activities (B) | (110873957) | (58707386) |
| III CASH FLOW FROM FINANCING ACTIVITIES : | | |
| Proceeds from Long Term Borrowings (net of repayment) | 19778366 | (12025676) |
| Proceeds from Short Term Borrowings | 81739812 | (38998251) |
| Interest & Financing charges | (53985302) | (48261141) |
| Net Cash from/(used) Financing Activities (C) | 47532876 | (99285068) |
| Net Increase in Cash and Cash Equivalents (A+B+C) | 12042163 | (6651097) |
| Cash and Cash Equivalents at the beginning of the year | 3191524 | 9842621 |
| Cash and Cash Equivalents at the end of the year | 15233667 | 3191524 |

Notes:

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statements as notified under Section 211(3C) of the Companies Act, 1956.
- Previous year's figures have been regrouped and reclassified to conform to those of the current year.

As per our separate report
of even dateOn behalf of the
Board of Directors

Sd/-

Sd/-

For R. M. LALL & CO.
Chartered Accountants
(Registration No. 000932C)(SACHIN AGARWAL)
Managing Director(ALOK AGARWAL)
Director (Quality & Control)

Sd/-

Sd/-

(SUJAYA KAPOOR)
Partner
Membership No. 400464(A. K. GUPTA)
G. M. (Finance) & Company SecretaryPlace: Lucknow
Date : September 03, 2011



FINANCIAL HIGHLIGHTS

(FIVE YEARS AT A GLANCE)

(Rs. in Lacs)

| | 2010-11 | 2009-10 | 2008-09 | 2007-2008 | 2006-2007 |
|--|---------|---------|---------|-----------|-----------|
| NET SALES | 9602.14 | 7455.65 | 8480.88 | 7811.21 | 6574.19 |
| EXPORTS (FOB VALUE) | 4000.30 | 2532.21 | 4543.10 | 4247.30 | 3972.69 |
| DEEMED EXPORT | 561.60 | 443.83 | 104.80 | - | - |
| EXPORT INCENTIVE | 282.77 | 136.61 | 260.29 | 264.69 | 138.95 |
| DOMESTIC (NET OF TAXES/DUTIES) | 4757.47 | 4343.00 | 3572.69 | 3299.21 | 2462.55 |
| EARNINGS BEFORE INTEREST PAID/ DEPRECIATION & TAXES | 1367.04 | 1202.37 | 1136.09 | 974.85 | 663.05 |
| INTEREST PAID | 539.85 | 482.89 | 475.67 | 373.80 | 228.21 |
| DEPRECIATION | 339.88 | 297.88 | 242.45 | 208.82 | 171.65 |
| TAXES | 171.77 | 127.47 | 205.41 | 115.31 | 112.23 |
| NET PROFIT | 315.54 | 294.13 | 212.56 | 276.92 | 150.96 |
| DIVIDEND(%) | - | - | - | - | - |
| SHARE CAPITAL | 419.13 | 419.13 | 419.13 | 419.13 | 419.13 |
| RESERVE & SURPLUS | 4014.79 | 3699.25 | 3405.13 | 3192.57 | 2941.66 |
| NET WORTH | 4433.92 | 4118.38 | 3824.26 | 3611.70 | 3360.79 |
| EARNINGS PER SHARE (Rs.) | 7.53 | 7.02 | 5.07 | 6.61 | 3.60 |
| BOOK VALUE (Rs.) | 105.79 | 98.26 | 91.24 | 86.17 | 80.18 |
| TOTAL OUTSIDE LIABILITIES/TANGIBLE | 1.81 | 1.49 | 1.73 | 1.69 | 1.47 |
| NET WORTH CURRENT ASSETS/CURRENT LIABILITIES | 1.08 | 1.21 | 1.20 | 1.25 | 1.28 |
| OPERATING PROFIT MARGIN | 14.24% | 16.43% | 13.82% | 12.92% | 10.30% |
| NET PROFIT MARGIN | 3.29% | 4.02% | 2.59% | 3.67% | 2.35% |
| RETURN ON NET WORTH | 7.12% | 7.14% | 5.56% | 7.67% | 4.49% |
| AVERAGE REALISATION | | | | | |
| (i) 1 U. S. DOLLOR=Rs. | 45.57 | 47.25 | 45.07 | 40.46 | 45.06 |
| (ii) 1 EURO= Rs. | 60.51 | 66.57 | 64.92 | 57.36 | 58.38 |



PTC INDUSTRIES LIMITED



PTC INDUSTRIES LIMITED

Regd. Office : MALVIYA NAGAR, AISHBAGH, LUCKNOW

ATTENDANCE SLIP

Mr./Mrs.....Regd. Folio

I certify that I am the registered shareholder/proxy for the registered shareholders of the Company. I hereby record my presence at the FORTY-EIGHTH ANNUAL GENERAL MEETING of the Company held on Tuesday, the 27th September, 2011 at 3:00 P.M. at Registered Office at MALVIYA NAGAR, AISHBAGH , LUCKNOW 226004.

Member's /Proxy's name in block letters :.....

Member's/Proxy's signature :.....

Note : Please fill in this attendance slip and hand it cover at the entrance.

-----TEAR HERE-----



PTC INDUSTRIES LIMITED

Regd. Office : MALVIYA NAGAR, AISHBAGH, LUCKNOW

ATTENDANCE SLIP

Mr./Mrs.Regd. Folio.

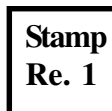
I/We.....of.....

.....being a member/members of the above named Company, hereby appoint.....of.....

in the district ofor failing him

of.....in the district ofas my/our proxy to attend and vote for me/us and on my/our behalf at the Forty-Eighth Annual General Meeting of the Company, to be held on Tuesday, the 27th September, 2011 or at any adjournment thereof.

Signed thisday of2011.



Signature

Note : The proxy must be returned so as to reach the Registered office of the Company, at MALVIYA NAGAR, AISHBAGH, LUCKNOW 226004 not less than FORTY EIGHT HOURS before the time for holding the aforesaid meeting.