



*Aspire. Innovate. Achieve.*

## Annual Report 2011 - 2012



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Our vision for PTC is to become the global benchmark for creation of value and deliverance of quality through these three ideals:

- **Aspiring**, to be a full service supplier for our customers, thereby becoming an integral part of their value chain.
- **Innovating**, not just to keep pace with the present, but by becoming leaders in pioneering new technologies, products and processes.
- **Achieving**, a standard of quality such that quality becomes a part of the consciousness of each and every worker.

“We, at PTC,  
are driven by a solitary mission –  
to be a part of our customers' competitive edge.  
Because only in their triumph lies our success.”

-Mr. Sateesh Agarwal  
Chairman



## CHAIRMAN'S LETTER

### DEAR SHAREHOLDERS

The financial year 2011-12 was a year of growth and improved performance from your company. Our key financial results were:

- Revenues increased by 23% at Rs. 118.55 crores from Rs. 96.48 crores in the year 2010-11.
- Earnings before interest, taxes, depreciation and amortization (EBITDA) rose by nearly 30% to Rs. 18.22 crores.
- Profit after Tax (PAT) grew by 123% to Rs. 7.03 Crores this year.
- Diluted Earnings Per Share (EPS) increased from Rs. 7.53 last year to Rs. 16.80 this year.



The prolonged economic slowdown in the world, particularly in the European Union and the United Kingdom has had a severe impact on the engineering industry. Demand from industries like Power has declined consistently and effects of this shall be seen in the near future. There has been a reduction in the growth rate of our country's GDP while industrial growth and exports have also witnessed a slowdown.

However, even during this period of turmoil, our Company has strived on and has outperformed our expectations. This year, we reached our highest turnover yet, and recorded a 15% increase in export sales. Our product range services a wide span of industries like Valves & Flow Control, Pumps & Impellers, Power Plants & Turbines, Paper Plants, etc. The Company has been continuously working to be a pioneer in manufacturing components for a wide range of engineering and infrastructure companies.

This year, the Company has invested further in various capability and capacity enhancements. Equipments and technologies are constantly being upgraded while man-power training and enrichment have been given greater emphasis.

There is no doubt in my mind that continuing with the same spirit and commitment, PTC shall maintain its place as the supplier of choice in the market we serve, by innovation in its products, its processes and its service to the customer.

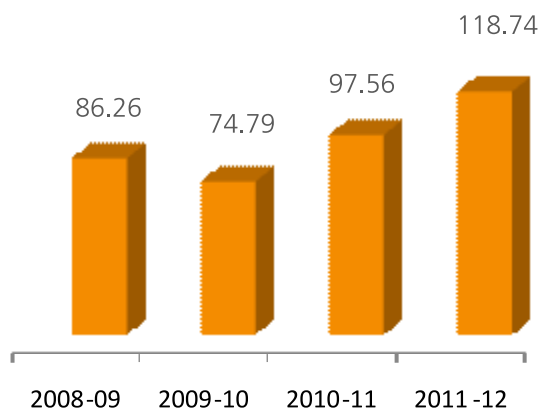
Sd/-

Sateesh Agarwal  
Founder and Chairman

## FINANCIAL TRENDS & HIGHLIGHTS

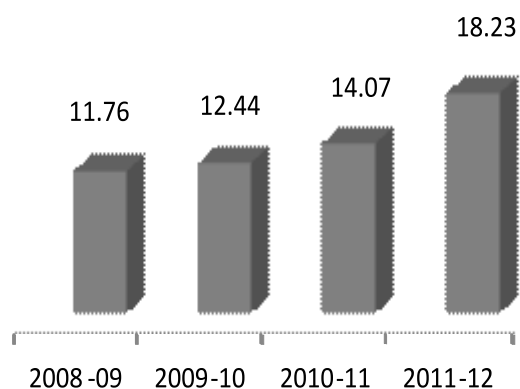
### Revenue from Operations

(Rupees in Crores)



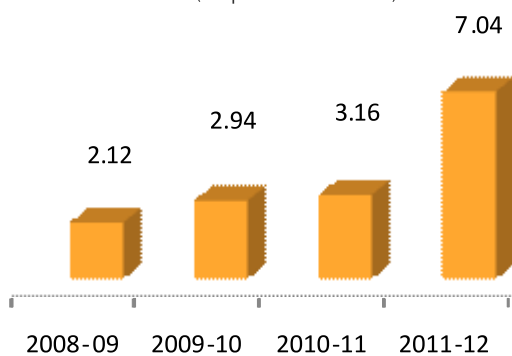
### EBITDA

(Rupees in Crores)



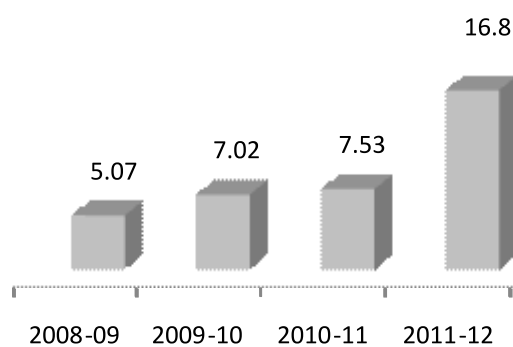
### Profit after Tax

(Rupees in Crores)



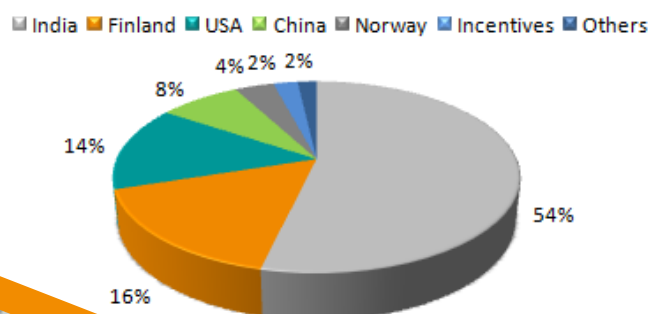
### Earnings Per Share

(Rupees)



### Sales

(Geographical Mix)



## COMPANY PROFILE

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PTC INDUSTRIES LIMITED started as a modest small scale industry in 1968 (Precision Tools & Castings Private Limited), and has evolved into an internationally acclaimed foundry. PTC was amongst the first investment casting foundry in India. When PTC started its operations, Indian foundries had no standing in USA and Europe, and South Korean companies dominated the castings market. Export was a matter of pride for any unit, more so for a Foundry as Indian technology was not developed up to the level of International Standards.

With the rapidly changing global scenario, and the frequent evolutions in technology, we have managed to keep pace with the changing needs of the market. Our company has excelled at absorbing and developing new technologies, and even proceeded to indigenize it to deliver maximum value to the customer. PTC was amongst the first companies to introduce the Investment Casting (Lost Wax) process in India in the mid-sixties. Since then, we have begun to manufacture specialized castings produced by the Replicast process. In November 2006, we were awarded the prestigious National Award in the Industry presented by the Department of Science and Industrial Research. This award was received in recognition of successful absorption and commercialization of the Replicast Technology which was a first for any Indian Foundry. Over the years, PTC has grown to become a leading supplier of castings solutions, machined components and fabricated parts to many of the world's most reputed companies.

Today, PTC has 3 foundries, 2 CNC machine shops and 1 heavy engineering / fabrication facility in India, manufacturing castings using Replicast, Rapidcast, Investment Casting (Lost Wax), Shell Moulding, Sand Moulding and Centrifugal Casting processes in either as cast or finish machined condition. It meets the requirements of a wide swath of user industries, spanning Valves and Pumps, Power Generation, Pulverizing and Crushing, Mining and Earth Moving and Rail and River Transport. It offers a wide range of materials which include Alloy Steel, Stainless Steel, Duplex and Super Duplex Stainless Steel, Creep Resistant Steel, Heat Resistant Steel, Nickel Based Alloys, Cobalt Based Alloys, Austenitic Ductile Iron, Nickel Aluminium Bronze, etc.

### DESCRIPTION OF ACTIVITIES

The main activities of the Company include:

#### FOUNDRY

Our foundries located at Lucknow, Bhiwadi, Ahmedabad produce Stainless Steel and alloy steel castings with a capacity of 4550 tons per year. Castings range from few grams up to 2500 Kgs per piece.

We cater to the needs of the following sectors on a large scale:

- Thermal Power,
- Rail & River Transport,
- Earth Moving Equipment,
- Cement, Fertilizers,
- Valves and Pumps
- Mining, Pulverizing and Crushing etc.

#### MACHINING

Our machine shops at Lucknow and Ahmedabad plants have facilities to fully machine Valves, Pumps, Impellers, Diffuser, Stuffing Box, Railway items, Part of Earth Moving Machinery etc. These plants are also geared to produce Molds, Dies, Jigs and Fixture.

#### FORGING AND FABRICATION

We are reputed manufacturers for supply of Forgings by both Closed die method and Open die method equipped with Die - Forged hammers. Oil Fired Furnaces for making red ingots and can manufacture forging ranging from 0.5 Kgs to 20 Kgs a piece.

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## BOARD OF DIRECTORS

NAME	DESIGNATION	QUALIFICATION	AGE	DATE OF JOINING THE COMPANY
MR. SATEESH AGARWAL	Chairman	B.Sc, Engg (Mech) M.I.E.	78	20 March 1963
MR. SACHIN AGARWAL	Managing Director	MBA, M.Sc (Finance), USA	40	18 April 1998
MR. A. K. AGARWAL	Director Commercial	B. Com	57	28 December 1992
MR. P. R. AGARWAL	Director Marketing	B. E. (Mech)	54	28 December 1992
MR. ALOK AGARWAL	Director Quality & Technical	B. Tech (IIT, Kanpur)	50	27 July 1994
MR. ARUN PRASAD	Director	M.A. (Sc), B. Tech (IIT, Kanpur)	54	30 July 1997
MR. R. K. PANDEY	Director	M.Com, LLB, FCS, PGDBA	72	17 March 2003
MR. AJAY KASHYAP	Director	B. Tech (Chem), M. Sc. (Chem)	63	19 April 2007
DR. R. C. KATIYAR	Director	M. Com, Ph. D, FICWA, D. Lit	56	19 April 2007
MR K. D. GUPTA	Director	M. Com, LLB, M, Phil, Masters Diploma in Public Administration	69	31 July 2008

## COMPANY INFORMATION

REGISTERED OFFICE	MALVIYA NAGAR, AISHBAGH LUCKNOW - 226 004 (U.P.)
BANKERS	STATE BANK OF INDIA PUNJAB NATIONAL BANK IFCI FACTORS LIMITED
SHARE TRANSFER AGENTS	M/s LINK INTIME INDIA PRIVATE LIMITED C-13, PANNA LAL SILK MILLS COMPOUND L.B.S. MARG, BHANDUP (WEST) MUMBAI - 400 078
AUDITORS	M/s R. M. LALL & CO. LUCKNOW 226 010
COMPANY SECRETARY	MR. ARUN K. GUPTA G. M. (FINANCE) & COMPANY SECRETARY
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 (GUJARAT)
WINDMILL POWER DIVISION	SURAJBARI REGION, SHIKARPUR VILLAGE KUTCH DISTT. (GUJARAT)



## NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the Forty-Ninth Annual General Meeting of the Members of PTC Industries Limited will be held on Saturday, 29th September, 2012 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, 2012 together with the Cash-Flow Statement for the year ended 31st March, 2012 and the Report of Auditors and Board of Directors 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 Alok Agarwal, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Ajay Kashyap, who retires by rotation, and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Shri R.C Katiyar, 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 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 accords its approval and consent to the enhancement/revision in remuneration of Shri Sachin Agarwal, Managing Director from October 01st, 2012 till the remaining period of his appointment :

Name	:	Shri Sachin Agarwal
Designation	:	Managing Director
Period of Appointment	:	w.e.f. 18th April, 2011 to 31st March, 2014
Remuneration	:	w.e.f. 01st October, 2012 to 31st March, 2014
Basic Salary	:	Rs.1,08,900/- p.m., (One lakh eight thousand nine hundred) p.m., in the pay scale of Rs. 1,08,900 - 10,000 - 1,18,900

### Allowances / Perquisites: (it will be effective from 1st October, 2012 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 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 Sachin 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.) 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 accords its approval and consent to the reappointment/enhancement in remuneration of Shri Alok Agarwal, Director (Quality and Technical) from October 01st, 2012 till the remaining period of his appointment :

Name	:	Shri Alok Agarwal
Designation	:	Director (Quality and Technical)
Period of Appointment	:	1st October, 2010 to 31st March, 2013 and reappointment from 1st April, 2013 to 31st March, 2014
Remuneration	:	w.e.f. 01st October, 2012 to 31st March, 2014 Basic Salary: Rs.79,200/- p.m. (Seventy Nine thousand two hundred) p.m., in the pay scale of Rs. 72,600 - 6,600 - 85,800

**Allowances / Perquisites: (it will be effective from 1st October, 2012 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 Alok Agarwal, Director (Quality and Technical) 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/enhancement in the remuneration of Shri Alok Agarwal, Director (Quality and Technical) 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 Alok Agarwal is not disqualified to be appointed as Director (Quality and Technical) of the Company. The Company will be of immense benefit by his appointment.

**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.) 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** the Company accords its consent and approval u/s 314(1) and other applicable provisions, if any of Companies Act, 1956 and Memorandum and Articles of Association of the Company, to reconsider the terms and conditions of Smt. Smita Agarwal as given below:

Name	:	Smt. Smita Agarwal
Designation	:	Chief Information Officer
Remuneration	:	w.e.f. 01st October, 2012 to 31st March, 2016 Basic Salary: Rs.34,000/- (Thirty Four Thousand only) p.m., in the pay scale of 34,000 - 4,000 - 50,000.

#### **Allowance/Perquisites:-**

- i.) House Rent Allowance equal to 50% of the Basic Salary.
- 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 Appointee and her 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.) The Company will provide one mobile for office use.

Note: The Monthly Remuneration payable to Smt. Smita Agarwal is subject to the limits prescribed under Section 314(1) of Companies Act, 1956 including any statutory modifications or re-enactments thereof) for the time being in force of the Companies Act, 1956. In no case the monthly remuneration payable to Mrs. Smita Agarwal will exceed the limit prescribed under the Act.

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

**"RESOLVED THAT** the Company accords its consent and approval u/s 314(1) and other applicable provisions, if any of Companies Act, 1956 and Memorandum and Articles of Association of the Company, to reconsider the terms and conditions of Smt. Reena Agarwal as given below:

Name	:	Smt. Reena Agarwal
Designation	:	Manager (HRD)
Remuneration	:	w.e.f. 01st October, 2012 to 31st March, 2016 Basic Salary: Rs.28,000/- (Twenty Eight Thousand only) in the pay scale of 28,000 - 3,000 - 40,000

#### **Allowance/Perquisites:-**

- i.) House Rent Allowance equal to 50% of the Basic Salary.
- 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 Appointee and her 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.) The Company will provide one mobile for office use.

Note: The Monthly Remuneration payable to Smt. Reena Agarwal is subject to the limits prescribed under Section 314(1) of Companies Act, 1956 including any statutory modifications or re-enactments thereof) for the time being in force of the Companies Act, 1956. In no case the monthly remuneration payable to Smt. Reena Agarwal will exceed the limit prescribed under the Act.

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

**"RESOLVED THAT** the Company accords its consent and approval u/s 314(1) and other applicable provisions, if any of Companies Act, 1956 and Memorandum and Articles of Association of the Company, to reconsider the terms and conditions of Smt. Anita Agarwal as given below:

Name	:	Smt. Anita Agarwal
Designation	:	Manager (HRD)

Remuneration	:	w.e.f. 01st October, 2012 to 31st March, 2016
		Basic Salary : Rs.28,000/-
		(Twenty Eight Thousand only)
		in the pay scale of 28,000 - 3,000 - 40,000

#### Allowance/Perquisites:-

- i.) House Rent Allowance equal to 50% of the Basic Salary.
- 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 Appointee and her 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.) The Company will provide one mobile for office use.

Note: The Monthly Remuneration payable to Smt. Anita Agarwal is subject to the limits prescribed under Section 314(1) of Companies Act, 1956 including any statutory modifications or re-enactments thereof) for the time being in force of the Companies Act, 1956. In no case the monthly remuneration payable to Smt. Anita Agarwal will exceed the limit prescribed under the Act.

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

"**RESOLVED THAT** the Company accords its consent and approval u/s 314(1) and other applicable provisions, if any of Companies Act, 1956 and Memorandum and Articles of Association of the Company, to reconsider the terms and conditions of Smt. Anshoo Agarwal as given below:

Name	:	Smt. Anshoo Agarwal
Designation	:	Manager (Technical)
Remuneration	:	w.e.f. 01st October, 2012 to 31st March, 2016
		Basic Salary: Rs.34,000/-
		(Thirty Four Thousand only)
		in the pay scale of 34,000 - 4,000 - 50,000

#### Allowance/Perquisites:-

- i.) House Rent Allowance equal to 50% of the Basic Salary.
- 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 Appointee and her 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.) The Company will provide one mobile for office use.

Note: The Monthly Remuneration payable to Smt. Anshoo Agarwal is subject to the limits prescribed under Section 314(1) of Companies Act, 1956 including any statutory modifications or re-enactments thereof) for the time being in force of the Companies Act, 1956. In no case the monthly remuneration payable to Smt. Anshoo Agarwal will exceed the limit prescribed under the Act.

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

**"RESOLVED THAT** the Company accords its consent and approval u/s 314(1) and other applicable provisions, if any of Companies Act, 1956 and Memorandum and Articles of Association of the Company, to reconsider the terms and conditions of Smt. Kanchan Agarwal as given below:

Name	:	Smt. Kanchan Agarwal
Designation	:	Manager (Administration)
Remuneration	:	w.e.f. 01st October, 2012 to 31st March, 2016 Basic Salary: Rs.34,000/- (Thirty Four Thousand only) in the pay scale of 34,000 - 4,000 - 50,000

#### **Allowance/Perquisites:-**

- i.) House Rent Allowance equal to 50% of the Basic Salary.
- 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 Appointee and her 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.) The Company will provide one mobile for office use.

Note: The Monthly Remuneration payable to Smt. Kanchan Agarwal is subject to the limits prescribed under Section 314(1) of Companies Act, 1956 including any statutory modifications or re-enactments thereof) for the time being in force of the Companies Act, 1956. In no case the monthly remuneration payable to Smt. Kanchan Agarwal will exceed the limit prescribed under the Act.

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

**"RESOLVED THAT** the Company accords its consent and approval u/s 314(1) and other applicable provisions, if any of Companies Act, 1956 and Memorandum and Articles of Association of the Company, to consider the terms and conditions of Shri Manu Agarwal as given below:

Name	:	Shri Manu Agarwal
Designation	:	Production (Manager)
Remuneration	:	w.e.f. 01st April, 2012 to 31st March, 2016 Basic Salary: Rs.21,600/- (Twenty One Thousand Six Hundred only) in the pay scale of 21,600 - 2,000 - 27,600

### Allowance/Perquisites:-

- i.) House Rent Allowance equal to 50% of the Basic Salary.
- 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 Appointee and her 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.) The Company will provide one mobile for office use.

Note: The Monthly Remuneration payable to Shri Manu Agarwal is subject to the limits prescribed under Section 314(1) of Companies Act, 1956 including any statutory modifications or re-enactments thereof) for the time being in force of the Companies Act, 1956. In no case the monthly remuneration payable to Shri Manu Agarwal will exceed the limit prescribed under the Act.

### 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, 2012 to 29th September, 2012 (both days inclusive).
3. Members are requested to provide their Bank Accounts Numbers, Name and Address of Bank Branch to the Registrar and Share Transfer Agent of the Company.
4. Members / proxies should bring the attendance slip duly filled in for the purpose of attending the meeting and also bring the copy 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, 7, 8, 9, 10, 11, 12 and 13 are annexed.

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

Date : September 03, 2012

By Order of the Board  
for PTC Industries Limited

Sd/-  
(A. K. GUPTA)  
G. M. (FINANCE) & COMPANY SECRETARY

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

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### ITEM NO. 6

In view of the increasing activities and the growth and improved performance of the Company, the Remuneration Committee and your Board of Directors have recommended to enhance/revise the remuneration of Shri Sachin Agarwal, Managing Director w.e.f. 1st October, 2012 to 31st March, 2014. He is 40 years of age and very well versed in all aspects of Commercial, Marketing, Finance and Administration. It is hereby confirmed that the remuneration by way of salary and perquisites are in conformity with Schedule XIII of the Act.

Remuneration : w.e.f. 01st October, 2012 to 31st March, 2014  
Basic Salary : Rs.1,08,900/-  
(One Lakh Eight Thousand Nine Hundred only) p.m.,  
in the pay scale of Rs. 1,08,900 - 10,000 - 1,18,900

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 growth and improved performance of the Company, the Remuneration Committee and your Board of Directors have recommended to enhance/revise the remuneration of Shri Alok Agarwal, Director (Quality and Technical) w.e.f. 1st October, 2012 to 31st March, 2014 and to reappoint Shri Alok Agarwal w.e.f. 1st April 2013 to 31st March 2014 to look after the day to day management of the Company. Shri Alok Agarwal joined the Company on 27th July, 1994. He is 50 years of age and very well versed in all Technical and Quality aspects. It is hereby confirmed that the remuneration by way of salary and perquisites are in conformity with Schedule XIII of the Act.

Reappointment : w.e.f. 01st April, 2013 to 31st March, 2014

Remuneration : w.e.f. 01st October, 2012 to 31st March, 2014  
Basic Salary:Rs.79,200/-  
(Seventy Nine thousand two hundred) p.m.,  
in the pay scale of Rs. 72,600 - 6,600 - 85,800

None of the Directors except Shri Alok 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 performance appraisal and valuable guidance and support, Your Board of Directors have recommended to revise the remuneration of Smt. Smita Agarwal, Chief Information Officer w.e.f. 01st October, 2012. It is hereby confirmed that the remuneration by way of salary and perquisites are in conformity with Schedule XIII of the Act.

Remuneration : w.e.f. 01st October, 2012 to 31st March, 2016  
Basic Salary: Rs.34,000/-  
(Thirty Four Thousand only) p.m.,  
in the pay scale of 34,000 - 4,000 - 50,000

None of the Directors except Shri S.C. Agarwal and Sachin Agarwal are interested in the resolution. The Board commends the resolution as SPECIAL RESOLUTION for your approval.

#### ITEM NO. 9

In view of the performance appraisal and valuable guidance and support, Your Board of Directors have recommended to revise the remuneration of Smt. Reena Agarwal, Manager (HRD) w.e.f. 01st October, 2012. It is hereby confirmed that the remuneration by way of salary and perquisites are in conformity with Schedule XIII of the Act.

Remuneration : w.e.f. 01st October, 2012 to 31st March, 2016  
Basic Salary:Rs.28,000/-  
(Twenty Eight Thousand only) p.m.,  
in the pay scale of 28,000 - 3,000 - 40,000

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

#### ITEM NO. 10

In view of the performance appraisal and valuable guidance and support, Your Board of Directors have recommended to revise the remuneration of Smt. Anita Agarwal, Manager (HRD) w.e.f. 01st October, 2012. It is hereby confirmed that the remuneration by way of salary and perquisites are in conformity with Schedule XIII of the Act.

Remuneration : w.e.f. 01st October, 2012 to 31st March, 2016  
Basic Salary:Rs.28,000/-  
(Twenty Eight Thousand only) p.m.,  
in the pay scale of 28,000 - 3,000 - 40,000

None of the Directors except Shri Arvind Agarwal are interested in the resolution. The Board commends the resolution as SPECIAL RESOLUTION for your approval.

#### ITEM NO. 11

In view of the performance appraisal and valuable guidance and support, Your Board of Directors have recommended to revise the remuneration of Smt. Anshoo Agarwal, Manager(Technical) w.e.f. 01st October, 2012. It is hereby confirmed that the remuneration by way of salary and perquisites are in conformity with Schedule XIII of the Act.

Remuneration : w.e.f. 01st October, 2012 to 31st March, 2016  
Basic Salary: Rs.34,000/-  
(Thirty Four Thousand only) p.m.,  
in the pay scale of 34,000-4,000-50,000

None of the Directors except Shri P.R Agarwal are interested in the resolution. The Board commends the resolution as SPECIAL RESOLUTION for your approval.

#### ITEM NO. 12

In view of the performance appraisal and valuable guidance and support, Your Board of Directors have recommended revising the remuneration of Smt. Kanchan Agarwal, Manager (Administration) w.e.f. 01st October, 2012. It is hereby confirmed that the remuneration by way of salary and perquisites are in conformity with Schedule XIII of the Act.

Remuneration : w.e.f. 01st October, 2012 to 31st March, 2016  
Basic Salary: Rs.34,000/-  
(Thirty Four Thousand only) p.m.,  
in the pay scale of 34,000-4,000-50,000

None of the Directors except Shri S.C. Agarwal and Sachin Agarwal are interested in the resolution. The Board commends the resolution as SPECIAL RESOLUTION for your approval.

### ITEM NO. 13

Your Board of Directors have recommended appointment of Mr. Manu Agarwal as Production (Manager) in the Company w.e f. 1st April, 2012. Shri. Manu Agarwal is B.E from IIT, Kanpur. It is hereby confirmed that the remuneration by way of salary and perquisites are in conformity with Schedule XIII of the Act.

Remuneration : w.e.f. 01st April, 2012 to 31st March, 2016  
Basic Salary: Rs.21,600/-  
(Twenty One Thousand Six Hundred only) p.m.,  
in the pay scale of 21,600-2,000-27,600

None of the Directors except Shri P.R Agarwal are interested in the resolution. The Board commends the resolution as SPECIAL RESOLUTION for your approval.

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

Date : September 03, 2012

By Order of the Board  
for PTC Industries Limited

Sd/-  
(A. K. GUPTA)  
G. M. (FINANCE) & COMPANY SECRETARY

## DIRECTORS' REPORT

DEAR MEMBERS,

Your Directors are pleased to present the 49th Annual Report for the year ended 31st March 2012.

### FINANCIAL HIGHLIGHTS

Table 1 gives the financial highlights of the company for the financial year 2011-12 as compared to the previous financial year.

TABLE 1 FINANCIAL HIGHLIGHTS	RS. IN LAKHS	RS. IN LAKHS
	2011-2012	2010-2011
Revenue From Operations		.
Domestic Sales	6,938.21	5,349.20
Export Sales (FOB value)	5,235.19	4,561.90
Other Operating revenues	322.32	328.83
Total	12,495.72	10,239.93
Less: Excise Duty	640.88	591.74
Revenue From Operations (net)	11,854.84	9,648.19
Profit before Finance Cost, Depreciation & Taxes	1,822.61	1,406.93
Less: Finance Cost	767.11	579.74
Less: Depreciation	389.86	339.89
Profit before Tax	665.64	487.30
Tax Expenses		.
Provision for taxation	134.66	98.06
Less: Mat Credit entitlement		.
for current year	134.66	-
for earlier years	90.77	-
Provision for taxation (net)	(90.77)	98.06
Deferred tax (net)	52.48	73.71
Profit after Tax	703.93	315.53
Profit & Loss Statement		.
Balance as per last financial statement	263.37	247.84
Addition during the year	703.93	315.53
Available for Appropriations	967.30	563.37
Less: Appropriations		.
Transfer to General Reserve	500.00	300.00
Balance carried to balance sheet	467.30	263.37
	967.30	563.37

## OPERATING RESULTS

Financial Year 2011-2012 was a year of growth and improved performance for your Company. Revenue from Operations (net) rose by 23% at Rs. 118.55 crores as compared to Rs. 96.48 crores in the previous year. Net Domestic Sales in 2011-12 was Rs. 69.38 crores registering an increase of approximately 30% over Rs. 53.49 crores made during 2010-11. Export Sales increased approximately by 15% to Rs. 52.35 crores as against Rs. 45.62 crores during the previous year. Profit before tax has risen by Rs. 178.34 lakhs to Rs. 665.64 lakhs from Rs. 487.30 lakhs in the previous year. Profit after tax has increased substantially this year to Rs. 703.93 lakhs from Rs. 315.53 lakhs in the earlier year.

## DIVIDEND

As the company continues its expansion and modernization plans, it expects a huge outlay of funds in the coming year. Hence, the Directors regret their inability to recommend any dividend this year.

## IMPORTANT ACHIEVEMENTS

PTC has always set the mark when it comes to setting new standards. We achieved yet another milestone, when the heaviest casting till date was successfully poured in May, 2012. This was the Valve Casting for Siemens - with 3.6 tonnes of liquid metal as against 2.9 tonnes (Neles 28" Body) poured so far. The company also began supply of sample castings to Rolls Royce for their marine applications. These castings are very complicated and intricate in design and we were able to meet R-R stringent quality requirements successfully.

## EXPANSION/MODERNISATION

Over the years, PTC has built an infrastructure that includes impressive facilities which are supported through constant upgrades in technology and automation.

During the year, a completely new heavy engineering facility was established at the Lucknow Plant 2 situated in the Sarojini Nagar Industrial Area. This new plant commenced production from July 1, 2011 and has already been accorded ISO 9001:2008 certificate for Quality Management Systems, ISO 140001:2004 certificate for Environmental Management Systems and OHSAS 18001:2007 certificate for Occupational Health and Safety Management Systems by DET NORSKE VERITAS (DNV).

A Robotic Coating Plant was commissioned in the Mehsana Plant, Gujarat during the year. This fully computerized imported robotic plant has been installed to provide a uniform coating on the shells and bring about a further improvement in quality for our customers.

## RESEARCH AND DEVELOPMENT ACTIVITY

The Company has already been recognized by the Department of Scientific and Industrial Research (DSIR), under the Ministry of Science & Technology Government of India, for its in-house Research and Development facilities. DSIR has also granted approval to PTC Industries Limited u/s 35 (2AB) of the Income Tax Act, 1961 for availing various incentives provided under the Act in connection with its research and development activities.

During the year, the Company has further received financial grant from the Department of Scientific and Industrial Research, Government of India under its Technology Development and Demonstration Programme (TDDP). Research activities have already begun in this area since September 2011.

## QUALITY AND SAFETY

Your Company accords high priority to quality, safety, training, development, health and environment. The management is committed to continue its efforts to strengthen safety measures in the workplace and bring about constant

improvements in this area. PTC has always emphasized on minimizing the environmental impact of its operations and its products through adoption of continuous improvements in its efficiency. Further, the Company contributes positively to the communities around or near its operations by participating actively in community initiatives.

## SALE OF UNIT

During the year, the company passed a special resolution to sell the Bhiwadi (Rajasthan) Unit in whole to a prospective buyer. Consent has been obtained from the shareholders for this purpose by means of a Postal Ballot.

## OUTLOOK

On global level the Indian Metal casting (Foundry Industry) is well established. As per the recent World Census of Castings producing by Modern Castings, USA, India Ranks as 2nd largest casting producer, producing an estimated 7.44 Million M.T. of various grades of castings as per the International standards. This casting industry is, however, highly fragmented and only 10% of the producers hold international quality accreditations.

PTC Industries is one such accredited manufacturer, and castings account for more than 80% of the sales of the Company. With the growth of this sector worldwide, further growth is targeted in this area. Our products include various types of castings, i.e., ferrous, non ferrous, aluminum alloy, graded cast iron, ductile iron and various specialty steels for application in a wide range of engineering and infrastructure industries.

## DIRECTORS

As per the Articles of Association of the company, Mr. Alok Agarwal, Mr. R.C Katiyar and Mr. Ajay Kashyap being 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 in the forthcoming 49th Annual General Meeting.

## INDUSTRIAL RELATIONS

Industrial relations continued to remain cordial throughout the year. Your Directors wish to place on record their deep appreciation of the contribution made by the employees of the company. The Company is indebted to its employees for their support & co-operation and their invaluable contribution in the growth of the Company.

## AUDITORS

The statutory auditors of the Company, M/s R. M. Lall & Co. retire at the ensuing Annual General Meeting and have furnished certificates of their eligibility for reappointment as required under the Companies Act, 1956. The Audit Committee and the Board of Directors recommend the re-appointment of M/s R. M. Lall & Co. as the statutory auditors of the Company for the shareholders approval. The members are requested to authorise the Board of Directors to fix their remuneration. The notes referred to by the auditors in their reports are self-explanatory and hence do not require any explanation.

## CORPORATE GOVERNANCE

As stipulated in Clause 49 of the Listing Agreement, a separate section on Corporate Governance forming part of the Directors' Report and Management Discussion & Analysis Report and the certificate from Practicing Company Secretary confirming the compliance of the conditions on Corporate Governance are included in the Annual Report.

## PARTICULARS OF EMPLOYEES

The information required under the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, in respect of the employees of the Company has not been 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 Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed to the Directors' Report.

## DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions 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 no material departures;
- (b) they have selected such accounting policies and applied them consistently and made judgments 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, 2012 and of the profit of the Company for that period;
- (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 thank 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 extended to the Company throughout the year. We look forward to having the same support in our endeavor to better the lives of all those who are associated with the Company.

The Board of Directors also place on record their sincere appreciation for the significant contribution made by its employees, workers and outside professionals through their dedication, hard work and commitment exhibited in the overall development, growth and prosperity of the Company.

On behalf of the Board of Directors

Place: Lucknow  
Date: September 03, 2012

Sd/-  
SACHIN AGARWAL  
MANAGING DIRECTOR

Sd/-  
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, 2012.

### A. CONSERVATION OF ENERGY

(a) Energy Conservation measures taken

- Mercury Vapor Lamps 250 W replaced by energy saving MH 150W Lamp fitting.
- Energy efficient lighting system installed at work places.
- Replacement of normal bulbs with CFL which consumes less energy.
- Several IGBT welding machines have been installed based on inverter to reduce energy consumption.
- RIS has been installed for compact and accurate lining of the melting furnace thereby has more heats which would increase the productivity resulting reducing energy.
- Air Compressor 250cfm has replaced old compressor with inbuilt refrigerant type Air Dryer having lower energy consumption.
- RO of higher capacity has been installed to improve life of coolant thus reducing consumption.
- Electrical Heat Treatment Furnace installed in Plant-2 to reduce fuel cost.

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

- Mercury Vapor Lamps 250W to be replacing Continuous by more energy saving MH 150W and LED Lights
- Sand Plant to be automatic with sensor to minimize its working this will consume less energy.
- Heat Treatment Furnace Diesel type to be replaced by Electrical Heat Treatment Furnace to reduce fuel cost.
- Magma Software to be installed for casting simulation to give us actual melting temperature this will consume less energy.
- A new Air Compressor 150 cfm with inbuilt Refrigerant Air Dryer to replace the existing compressor in Plant-2 to save energy.
- Pre Densifier to be installed to compact and make bails of loose scrap & turning so that quick melting can take place.

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

- The above measures have helped in saving energy usage which results into reduced cost of production.

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 R&D has taken up an innovative project for development of new casting Technology overcoming limitations of existing casting technology for large sized castings required for critical applications like Power, Oil & Gas & Refining Sectors.
- 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 larger castings for new overseas buyers.
- New refractory coating material has been developed indigenously to improve surface finish of the castings & will also reduce the production cost.

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

- 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.

(c) Future plan of action

- Earning more foreign exchange for the country.
- Development of large size Castings weighing upto 5 Ton a piece by Replicast/Rapidcast process.
- Conversion of large parts currently being made by combinations of fabrication, forging and into single pc casting.
- Increase the yield of castings to molten metal to avoid wastage of energy and other inputs.
- Development of new range of assembled parts for power equipments.

(d) Expenditure on R & D	(in Lakh Rs.)	(in Lakh Rs.)
	2011-2012	2010-2011
i) Capital	32.24	132.20
ii) Revenue	121.90	169.71
iii) Total	154.14	301.91
iv) % of Turnover	1.30%	3.13%

## II. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- (a) Efforts in brief, made towards technology during selection, absorption and innovation
- At present the technology to produce castings by Replicast process has been absorbed successfully. However, the limitation of the process is the maximum size which can be produced.
  - The Company has undertaken R&D Project to develop a process (Rapidcast) to be able to make large size castings without manufacturing any tooling.
  - In order to overcome hurdles & challenges and to design and standardize the process for developing the Rapidcast process, a number of innovations have been undertaken such as:
    - Handling mechanism of large shells
    - Materials to be used
    - Power of Vacuum
    - Virtual Tooling
    - Engineered Equipments
- (b) Benefits derived as a result of product improvement, cost reduction product development, import substitution etc.
- Certain Complex 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.
  - Development of Rapidcast Process will break the Barrier limitation of size of Castings from 1 Ton to 5 Tons per piece.
- (c) In case of imported technology (imported during the last five years), reckoned from the beginning of the financial year.

(d) 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.

(e) 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

- Export Sales (FOB Value) has registered an increase of approximately 14.76% at Rs.52, 35.19 lakhs as against Rs. 45,61.90 lakhs 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. The Company is under process of increasing its capabilities in terms of castings and production capacity to have better business opportunities and competitive edge. The Company's continuous efforts to develop new overseas buyers have started giving results. During the year, 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 last 3 years FOB value of export of the Company is as under.

2008-2009      Rs. 45,43.09 lakhs

2009-2010      Rs. 25,32.21 lakhs

2010-2011      Rs. 40,00.30 lakhs

2. Total Foreign Exchange used and earned.

	(in lakhs Rs.)	(in lakhs Rs.)
	2011-2012	2010-2011
Used	1232.02	558.48
Earned	5282.62	4037.10

On behalf of the Board of Directors

Place : Lucknow

Date : September 03, 2012

Sd/-  
(Sachin Agarwal)  
Managing Director

Sd/-  
(Alok Agarwal)  
Director(Quality &Technical)

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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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 and Material Developments in Human Resources. The outlook is based on assessment of the current business environment and it may vary due to future economic and other developments both in India and abroad.

### INDUSTRIES STRUCTURE AND DEVELOPMENTS

Besides inflationary pressure, the financial year 2011-12 witnessed changes in the world economy. The global recession affected the economies of US and EU more than Asia. Various governments have reviewed their trade policies to overcome this situation. The Indian economy was also affected by the global recession resulting in a slightly slower growth. The stimulus packages introduced by various countries in the world helped in the revival of the world economy. The growth of domestic industries in India was better than that of the world market due to a 7% growth in Indian GDP.

The global demand for construction machinery is projected to expand @ 6.5% per annum by 2015. Thus, steel foundries are likely to have better opportunities. The Steel Foundry Industry has enough potential to grow at a much accelerated pace in the coming years due to continuity of the development projects around the world. The Indian Foundry Industry is experiencing a rapid growth driven by increasing domestic demand. India is the fourth largest producer of Casting Components, and has doubled casting capacity to 7 Million MT. The Industry is fragmented with more than 5,000 players in the Industry employing more than 500,000 people from all over the world and generating 1.5 million indirect employments.

PTC Industries has occupied a position in domestic & global competitive market through production & supply of heavy & high grade of castings fulfilling all requirements and standards of domestic & foreign customers. One of the inherent strengths of PTC is its ability to adapt to new technologies quickly. This is derived from its work culture and the emphasis that the management has continuously placed in this area. PTC's commitment to technology has led to the development of high quality products which are being supplied to customers across the world.

### OPPORTUNITIES AND THREATS

It can be said that Indian foundry industry has a bright future and the country has a potential to become leader in the steel sector in the global market. India is well placed to meet future growing demand because of its high competitiveness. This expansion stems from India's large and rapidly growing economy, which has the potential to raise its income per capita to 35 times within the next 40 years. The axis of growth is gradually shifting from the developed economies to developing economies in Asia. Growing concern regarding the quality and quantity of castings will drive the establishment of larger casting facilities in India over the next few years. Due to growing demand from the automobile and engineering sectors coupled with India's rapidly growing economy, the foundry market is expected to grow strongly in the near future. However, India faces some hurdles or threats. Along with a lack of sufficient infrastructure, consumable costs are higher in India than in developed economies. The key challenges identified are market constraints, rising input costs and low capacity utilization. Restriction to local markets and infrastructure constraints deters the growth of this market. Fluctuating input costs and supply and low capacity utilization also acts as a major bottleneck.

Keeping the opportunities in the engineering industry in mind, the company has incurred major capital expenditure in the financial year 2011-12. Also, a Robotic Coating Plant has been successfully commissioned in its Mehsana, Gujarat plant. This state-of-the-art, fully computerized plant has been installed to provide a uniform coating on the shells and produce quality products for our customers. This will help the company further strengthen its competence in producing high quality, technologically advanced products for a wide range of applications across the world. PTC Industries Limited is

continuously integrating its resources and investing in new technologies to achieve greater performance and long term growth. Keeping in view the macro-economic scenario and the consequent market opportunity available, the Company has invested in improving the infrastructure for the plants, thereby increasing productivity. This dedication to technology and innovation help the Company deliver the three ideals of "Quality, Value & Speed" to its customers.

## 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: Year ended on 31st March, 2012

	LUCKNOW PLANT-1	BHIWADI PLANT	LUCKNOW PLANT-2	MEHSANA PLANT	WIND MILL	CONSOLIDATED TOTAL
TOTAL REVENUE						.
Sales to external customers	692,222,770	161,482,786	104,948,442	222,020,322	-	1,180,674,320
Income from power generation	-	-	-	-	4,810,388	4,810,388
Total Income from Operations	692,222,770	161,482,786	104,948,442	222,020,322	4,810,388	1,185,484,708
Inter segment sales	30,651,438	27,627,227	2,091,124	30,918,615	-	91,288,404
Other Income	493,262	5,497	-	2,023,696	(637,364)	1,885,091
Total	723,367,470	189,115,510	107,039,566	254,962,633	4,173,024	1,278,658,203
Dividend, Interest income	1,800	-	-	-	-	1,800
Total Revenue	723,369,270	189,115,510	107,039,566	254,962,633	4,173,024	1,278,660,003
SEGMENT RESULTS						.
Profit/(Loss) before Finance Cost,	115,488,326	(2,983,985)	8,174,079	58,230,122	3,423,608	182,332,150
Dep-eciatiion, Prior Year adjustment expense and Tax						.
Less:Prior Year Adjustment Expenses	71,128	-	-	-	-	71,128
Profit/(Loss) after Prior Year	115,417,198	(2,983,985)	8,174,079	58,230,122	3,423,608	182,261,022
Adjustment and before Finance Cost, Depreciation and Tax						.
Less: Finance Cost & Depreciation	89,132,189	6,005,295	6,832,558	11,465,639	2,260,944	115,696,626
Profit before tax	26,285,009	(8,989,280)	1,341,521	46,764,483	1,162,664	66,564,396
Provision for Taxation For earlier years (reverted back)	-	-	-	-	-	-
Current Tax	-	-	-	-	-	(9,077,000)
Deferred Tax	-	--	-	-	-	5,247,703
Profit after tax	26,285,009	(8,989,280)	1,341,521	46,764,483	1,162,664	70,393,693

## GEOGRAPHIC SEGMENT

COUNTRIES	YEAR ENDED 31ST MARCH ,2012	YEAR ENDED 31ST MARCH ,2012	YEAR ENDED 31ST MARCH ,2011	YEAR ENDED 31ST MARCH ,2011
India	634,925,153	-	536,512,307	-
Finland	192,780,429	-	155,642,849	-
United States of America	170,280,981	-	150,639,853	-
China	91,897,620	-	67,499,296	-
Norway	43,967,146	-	5,058,179	-
Netherlands	5,405,850	-	1,037,836	-
Sweden	5,397,353	-	783,087	-
Denmark	4,574,856	-	13,915,263	-
Spain	3,547,311	-	880,127	-
Germany	1,667,469	-	747,209	-
Malaysia	1,321,658	-	-	-
Brazil	996,634	-	-	-
United Kingdom	654,558	-	1,532,229	-
France	645,825	-	1,333,680	-
Canada	-	-	67,251	-
Switzerland	-	1,158,062,843	892,762	936,541,928
Export Incentives	-	27,421,866	-	28,277,246
Total	-	1,185,484,709	-	964,819,174

## OUTLOOK

The Indian Foundry Industry occupies a special place in shaping the country's engineering sector. India is currently largest producer of ferrous and non-ferrous castings with a lot of foundries in the small, medium, and large-scale sectors. There can be no doubt that the foundry industry is one of the most important sectors in the Indian economy.

The Company is making continuous efforts towards increasing its share in export markets while maintaining its current share in the domestic market. In these competitive times, adoption of new technologies is the key to becoming a leader in the manufacturing sector. The Company has continued its impetus in this area and promises to continue delivery of products of outstanding quality. The medium and long-term outlook for the sectors to which the Company caters appears to be positive. The Company has a well laid out growth plan and several expansion projects have been commenced for sustaining and enhancing growth.

## RISKS AND CONCERNS

Your Company continuously monitors and revisits the risks associated with its business. It has institutionalized the procedure for identifying, minimizing and mitigating risks and the same are reviewed periodically. The Company's structured Risk Management process attempts to provide confidence to the stakeholders that the Company's risks are known and well managed.

Risk Management comprises three key components which are Risk Identification, Risk Assessment and Mitigation & Risk Monitoring and Assurance. Your Company has identified the following aspects as the major risks for its operations: uncertain economic scenario; financial instability due to volatility in foreign market; and declining demand in sectors like power. The risk mitigation plans are reviewed regularly by the Audit Committee of your Company. The Company's contingent liabilities, are disclosed in Note 2.30 Contingent Liabilities of Notes to Accounts.

The Company is able to manage the market risks with a focus on technology, wide product range, reduced development lead times, an efficient team of marketing personnel, good relations with dealers, and excellent labour relations. The Company is exposed to a variety of risks caused by steep rise in interest rates, volatile metal prices, exchange rate fluctuations, changes in product designs, pricing pressure, global competition etc. The fluctuation in exchange rates and the impact of increased interest cost had an adverse effect on the profitability of the Company. However, with its drive to control overheads and increase operating efficiency, the Company has been able to mitigate these effects to some extent.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an internal control system commensurate with its size and nature of business which provides an accurate record and safeguards the custody of assets. Compliance with applicable statutes, policies, procedures, listing requirements, ensures that transactions are being accurately recorded, cross verified and promptly reported. Internal checks and controls are exercised by strictly adhering to the various procedures laid at the time of Delegation of Authorities and Other Procedures.

Internal control systems have been a core focus for the Company. Internal audits and process checks are carried out regularly in important areas, which provide, amongst other things, reasonable assurance of recording the transactions of its operations in all material respects and of providing protection against significant misuse or loss of Company's assets. Internal control processes which consist of adopting appropriate management systems and implementing them are followed. These are aimed at giving the Audit Committee a reasonable assurance on the reliability of financial reporting and statutory & regulatory compliances, effectiveness and efficiency of your Company's operations. The Internal Control Systems are reviewed periodically and revised to keep in tune with the changing business environment.

## DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Financial Year 2011-2012 was a yet another year of growth and improved performance, with your Company registering an increase in revenue by 23% at Rs. 11854.84 lakhs as compared to Rs. 9648.19 lakhs in the previous year. Domestic sales were Rs. 6938.21 lakhs during the year increasing approximately 30% over Rs. 5349.20 lakhs during previous year. Export sales have registered an increase of approximately 15% at Rs. 5235.19 lakhs as against Rs. 4561.90 lakhs during previous year. The Profit before tax has increased by Rs. 178.34 lakhs at Rs. 665.64 lakhs as against Rs. 487.30 lakhs in the previous year. However the Profit after Tax increased by Rs. 388.40 lakhs at Rs. 703.93 lakhs as against Rs. 315.53 lakhs in the previous year.

The projected turnover for F.Y. 2012-13 is expected to be Rs. 140 crores with the existing capacities.

## MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The Company considers the quality of its human resources to be its most important asset and focuses on attracting, motivating and retaining the best talent.

Communication exercises are treated as continuous process to keep the employees informed of the challenges being faced by the Company and also motivate them to take up higher responsibilities, in tune with the requirements of the Company. The Company has 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 programs across different levels. It 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 uniting 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. The

Company believes in talent acquisition and retention, to augment its plan of making its presence more prominent in 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 belonging in the minds of the employees, which in turn gives maximum contribution per employee while gearing them to face business challenges and achieve the desired results. This intellectual resource is integral to the Company's ongoing operations and enables it to deliver superior performance year after year.

An effective HR policy has been established keeping in view the improvement in the economy, to take advantage of the market turn around and to increase the capacity utilization. The Company recruited additional personnel at key middle & senior level positions during the year. Industrial relations during the year have been cordial and are expected to continue in the future. The total strength of employees at the end of the year was 727.



# REPORT ON THE CORPORATE GOVERNANCE (2011-12)

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## COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate governance at PTC Industries is a value-based framework to manage our Company affairs in a fair and transparent manner. As a responsible corporation, we use this framework to maintain accountability in all our affairs, and employ democratic and open processes. We have evolved guidelines and best practices over the years to ensure timely and accurate disclosure of information regarding our financials, performance, leadership and governance of the Company.

Our corporate governance philosophy is based on the following principles:

- Satisfy the spirit of the law and not just the letter of the law. Corporate governance standards should go beyond the law.
- Be transparent and maintain a high degree of disclosure levels. When in doubt, disclose.
- Make a clear distinction between personal conveniences and corporate resources
- Communicate externally, in a truthful manner, about how the Company is run internally
- Have a simple and transparent corporate structure driven solely by business needs
- The Management is the trustee of the shareholders' capital and not the owner

## BOARD OF DIRECTORS

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

During the Financial Year 2011-2012, 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. 14 May 2011
2. 14 August 2011
3. 03 September 2011
4. 04 October 2011
5. 14 November 2011
6. 14 February 2012
7. 09 March 2012

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 MEMBERSHIPS / CHAIRMANSHIP		
		BOARD MEETING	LAST AGM	OTHER DIRECTORSHIP <sup>1</sup>	COMMITTEE MEMBERSHIP	COMMITTEE CHAIRMANSHIP
Mr. S.C. Agarwal	Executive & non-independent	1	Attended	3	3	3
Mr. A.K. Agarwal	Executive & non-independent	2	Not Attended	2	-	-
Mr. P.R. Agarwal	Executive & non-independent	4	Attended	1	-	-
Mr. Sachin Agarwal	Executive & non-independent	7	Not Attended	5	1	-
Mr. Alok Agarwal	Executive & non-independent	5	Not Attended	-	2	-
Mr. Arun Prasad	Non-Executive & non-independent	-	Not Attended	1	1	-
Mr. R. K. Pandey	Non-Executive & Independent	3	Not Attended	17	2	-
Mr. Ajay Kashyap	Non Executive & Independent	-	Not Attended	5	1	-
Dr. R.C.Katiyar	Non Executive & Independent	5	Not Attended	-	3	1
Mr. K.D. Gupta	Non Executive & Independent	6	Not Attended	3	1	-

<sup>1</sup> INCLUDING PRIVATE LIMITED COMPANIES

## 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 292A of the companies Act, 1956

During the financial year 2011-12, five meetings of Audit Committee were held, viz. 14 May 2011, 14 August 2011, 03 September 2011, 14 November 2011 and 14 February 2012

The Audit committee was set-up on 19.04.2007. The Details of the Office Bearers & the meetings held during the year is as under:

S.NO	NAME	DESIGNATION	CATEGORY	NO. OF MEETINGS ATTENDED IN 2011-12
1.	Dr. R.C.Katiyar	Chairman	Non-executive & Independent	4
2.	Mr. Alok Agarwal	Member	Executive & Non-Independent	4
3.	Mr. R. K. Pandey	Member	Non-executive & Independent	3

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

## 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 April 2007 to review the performance of the Whole-time Directors and to recommend to the Board, the remuneration including salary, perquisites and commission to be paid to the Company's Whole-time Directors.

The composition of the Remuneration Committee as on 31.03.2012 is given below:

- Mr. S.C. Agarwal Chairman
- Mr. R.K. Pandey Member
- Dr. R.C. Katiyar Member
- Mr. K.D. Gupta Member

During the year 2011-12 meetings of the Remuneration Committee were held on 03 September 2011 and 14 February 2012 in which it recommended the revision and modification in the terms & conditions and remuneration of the Managing Director/Whole-time Directors of the Company.

## REMUNERATION OF THE DIRECTORS FOR THE FINANCIAL YEAR 2011-12 (RS. IN LAKHS)

NAME	SALARY	CONTRIBUTION TO FUNDS	SITTING FEES	PERQUISITE/ COMMISSION	TOTAL
Mr. S. C. Agarwal	14.25	-	-	8.01	22.26
Mr. Sachin Agarwal	12.47	1.64	-	1.42	15.53
Mr. A. K. Agarwal	12.46	1.24	-	1.40	15.10
Mr. P. R. Agarwal	12.46	1.24	-	1.40	15.10
Mr. Alok Agarwal	10.60	1.39	-	1.19	13.18
Mr. Arun Prasad	-	-	-	-	-
Mr. R. K. Pandey	-	-	0.12	-	0.12
Mr. K.D. Gupta	-	-	0.17	-	0.17
Mr. Ajay Kashyap	-	-	-	-	-
Dr. R C Katiyar	-	-	0.19	-	0.19
TOTAL	62.24	5.51	0.48	13.42	81.65

## DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT IN THE 49TH ANNUAL GENERAL MEETING TO BE HELD ON 29/09/2012

NAME	AGE	QUALIFICATION	EXPERIENCE
Mr. Alok Agarwal	50	B.Tech	26 Yrs
Mr. Ajay Kashyap	63	B.Tech, M.Sc.(Chemical Engg.), USA	40 Yrs
Dr. R C Katiyar	56	M.Com, Ph.D,FICWA,D.Litt.	36 Yrs

## 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 on 31.03.2012 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

During the year a meeting of the Share Transfer/Investor Grievance Committee was held on 03/09/2011.

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

## COMPLAINTS

Shareholders Complaints (from 01-04-2011 to 31.03.2012):

No. of Complaints received from the shareholders	Nil
No. of Complaints solved to the satisfaction of the shareholders	Nil
No. of Complaints pending	Nil

## SHARE TRANSFERS, IF ANY (FROM 01.04.2011 TO 31.03.2012):

No. of shares transferred / transmitted	52,340
No. of shares pending for transfer	Nil
Pending due to Exchange of Counter Receipts (CR) to share certificates	N.A

There are 69,000 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.

## DATE, TIME, AND LOCATION WHERE THE LAST THREE ANNUAL GENERAL MEETINGS WERE HELD

NO. OF AGM	DATE	TIME	LOCATION
48th	27 September 2011	03.00 P.M	Registered Office
47th	25 September 2010	03.00 P.M	Registered Office
46th	26 September 2009	03.00 P.M	Registered Office

## DISCLOSURES

1. There are no transaction 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.
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, which had already been done by the Company. The OTC Exchange has been informed again accordingly.

## 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 dematerialized shares held with NSDL.

## MEANS OF COMMUNICATION

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](http://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.

## DIVIDEND

As the Company has continued its expansion and modernization plans, it expects a huge outlay of funds in the coming year. Hence, the Directors regret their inability to recommend any dividend this year.

## GENERAL SHAREHOLDERS' INFORMATION

Annual General Meeting	:	Date: 29th September, 2012 Time: 3:00 P.M. Venue : Registered Office
Financial calendar (Tentative)	:	1st April 2012 to 31st March 2013 Unaudited results for the quarter ending 30th June 2012: By end of July 2012 Unaudited results for the quarter ending 30th September 2012: By end of October 2012 Unaudited results for the quarter ending 31st December 2012: By end of January 2013
Book Closure	:	21st September, 2012 to 29th September, 2012 (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 price of each month of the Last financial year are not given.
Registrar and Transfer Agent	:	M/s Link Intime India Pvt.Ltd. C-13 Panna Lal Silk Mills Compound, L.B.S.Marg, Bhandup(w), Mumbai-400078 Phone:91-22-25963838 Fax:91-22-25946969 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 the law and the listing agreement. Share transfer is approved by a committee of Directors which meets periodically.

## 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 from w.e.f. 20th July 2002 and the ISIN is INE596F01018.

DESCRIPTION OF SHARES	NUMBER OF SHARES	PERCENTAGE
No. of Shares in Physical Mode	20,74,900	49.50%
No. of Shares in Electronic Mode	21,16,350	50.49%
Total	41,91,250	100.00%

## DISTRIBUTION OF SHAREHOLDING (31.03.2012)

NO. OF SHARES From - To			NO.OF SHAREHOLDERS	NO. OF SHARES	%TOTAL NO. OF SHARES
1	-	5000	480	91,630	2.18 .
5000	-	10000	49	39,980	0.95 .
10001	-	20000	11	16,800	0.40 .
20001	-	30000	4	11,300	0.26 .
30001	-	40000	1	4,000	0.09 .
40001	-	50000	4	19,400	0.46 .
50001	-	100000	6	48,400	1.15 .
100001	-	>	45	39,59,740	94.47 .
Total			600	41,91,250	100.00 .

SHAREHOLDING PATTERN	NO. OF SHARES	% OF CAPITAL
Promoters/Directors (their Relatives)	30,23,450	72.13 .
Corporate Bodies (other than promoters Co.)	2,72,600	06.50 .
Indian Public	8,68,300	20.71 .
NRI's	19,800	00.47 .
Market makers	7,100	00.16 .
Total	41,91,250	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,Ricco Industrial Area  
Bhiwadi  
Distt.Alwar-301019

Mehsana Plant  
Village & Post Rajpur  
Taluka Kadi  
Ahmedabad-Mehsana Highway # 41  
Distt. Mehsana-382740  
Gujarat

Wind Mill Power Division  
Surajbari Division,  
Shikarpur Village  
Distt.-Kutch  
(Gujarat)

## DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING

NAME OF THE DIRECTOR	Shri Alok Agarwal	Shri Ajay Kashyap	Shri R.C Katiyar
DATE OF BIRTH	29/08/1962	11/08/1949	01/07/1956
DATE OF JOINING	27/07/1994	19/04/2007	19/04/2007
NO. OF SHARES HELD	38900	-	-
QUALIFICATION	B.Tech (IIT, Kanpur)	B.Tech (Chem), M.Sc.(Chem)	M.Com, Ph.D, FICWA,D.Lit
EXPERTISE IN SPECIFIC FUNCTIONAL AREA	Quality & Technical	Engineering and Health Care Sector	Cost, Management and Human Resource Accounting.
LIST OF COMPANIES IN WHICH OUTSIDE DIRECTORSHIP HELD AS ON 31/03/2012	N/A	1. ARK Industrial Products Private Limited 2. ARK Fluid System Components P. Ltd 3. Green Powercell Technology Private Limited 4. Khushali Health Care Private Limited 5. MOJJ Engineering Systems Limited	N/A
CHAIRMANSHIP/MEMBERSHIP OF COMMITTEE IN WHICH HE IS A DIRECTOR AS ON 31/03/2012	Audit Committee- PTC Industries Limited.	Project Monitoring & Environment Planning Committee PTC Industries Limited.	Share Transfer/Investor Grievance Committee PTC Industries Limited.
			Audit Committee- PTC Industries Limited.
			Remuneration Committee PTC Industries Limited

## CERTIFICATE ON CORPORATE GOVERNANCE

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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, 2012 as stipulated in Clause 49 of the Listing Agreement of the said company Executed 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 the 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 & Co.  
Company Secretaries**

Place: Lucknow  
Date: September 03, 2012

Sd/-  
(C.P Shukla)  
CP No. 5138

# AUDITORS' REPORT

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## TO THE MEMBERS OF PTC INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of PTC INDUSTRIES LIMITED, LUCKNOW as at 31st March, 2012, 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, 2012 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, 2012;
    - (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.

Place: Lucknow  
Date: September 03, 2012

for R.M. Lall & Co  
Chartered Accountants.  
(Registration No. 000932C)  
Sd/-  
(SUJAYA KAPOOR)  
PARTNER  
Membership No. 400464

## **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, 2012**

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- (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. 3.99 lac (Previous Year 21.20 lac) 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. 34.70 lac and the balance of loan at the yearend was Rs. 34.70 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. 153.40 lac (previous year 153.31) and the balance of loan as at the yearend was Rs. 153.40 lac (previous year 153.31 lacs).
- (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) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- (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:

NATURE OF STATUTE	NATURE OF DUES	AMOUNT DUE (IN RS.)	FORUM WHERE DISPUTE IS PENDING
Income Tax Act, 1961	Interest	4,69,264	Assistant Commissioner
Central Excise Act, 1944	MODVAT Credit	42,440,508	CESTAT
		27,407	Assistant Commissioner
Service Tax Act	MODVAT Credit	14,158	Assistant Commissioner

- (x) The Company has no accumulated losses as at March 31, 2012 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)

Place: Lucknow  
Date: September 03, 2012

Sd/-  
(SUJAYA KAPOOR)  
PARTNER  
Membership No. 400464

# BALANCE SHEET

ALL AMOUNTS IN INDIAN RUPEES, EXCEPT SHARE DATA AND WHERE OTHERWISE STATED

	NOTE	AS AT 31 MARCH 2012	AS AT 31 MARCH 2011
<b>EQUITY AND LIABILITIES</b>			
Shareholders' funds			
Share capital	2.1	4,19,12,500	4,19,12,500
Reserves and surplus	2.2	47,18,72,674	40,14,78,981
TDDP-DSIR grant	2.3	2,00,00,000	-
		53,37,85,174	44,33,91,481
Non current liabilities			
Long term borrowings	2.4	14,07,08,204	10,30,52,111
Deferred tax liabilities, net	2.5	5,70,94,573	5,18,46,870
Other long term liabilities	2.5	13,500	52,000
Long term provisions	2.6	74,67,081	64,29,59
		20,52,83,358	16,13,80,577
Current liabilities			
Short term borrowings	2.4	42,69,11,481	37,24,17,537
Trade payables	2.7	22,96,29,421	17,66,44,550
Other current liabilities	2.5	7,53,24,708	6,28,36,066
Short term provisions	2.6	57,26,733	56,93,323
		73,75,92,343	61,75,91,476
<b>Total</b>		<b>1,47,66,60,875</b>	<b>1,22,23,63,534</b>
<b>ASSETS</b>			
Non current assets			
Fixed assets	2.8		-
Tangible assets		51,85,01,763	46,64,25,666
Intangible assets		31,16,107	38,87,289
Capital work in progress		6,32,48,873	2,92,34,536
Non current investments	2.9	86,100	86,100
Long term loans and advances	2.10	4,02,59,035	1,43,78,058
		62,52,11,878	51,40,11,649
Current assets			
Inventories	2.11	48,65,80,204	39,09,18,328
Trade receivables	2.12	26,63,63,295	22,70,54,499
Cash and cash equivalents	2.13	1,57,28,934	1,52,33,687
Short term loans and advances	2.14	4,82,19,155	3,32,84,615
Other current assets	2.15	3,45,57,409	4,18,60,757
		85,14,48,997	70,83,51,885
<b>Total</b>		<b>1,47,66,60,875</b>	<b>1,22,23,63,534</b>

Significant accounting policies 1  
Notes to accounts 2  
The accompanying notes are an integral part of the financial statements

As per our report even date attached  
for R. M. LALL & CO.  
Chartered Accountants  
(Registration No. 000932C)

Sd/-  
(SUJAYA KAPOOR)  
Partner  
Membership No. 400464

Place: Lucknow  
Date : September 03, 2012

for PTC INDUSTRIES LIMITED

Sd/-  
(SACHIN AGARWAL)  
Managing Director

Sd/  
(ALOK AGARWAL)  
Director (Quality & Control)

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

# STATEMENT OF PROFIT AND LOSS

ALL AMOUNTS IN INDIAN RUPEES, EXCEPT SHARE DATA AND WHERE OTHERWISE STATED

	NOTE	FOR THE YEAR ENDED 31 MARCH 2012	FOR THE YEAR ENDED 31 MARCH 2011
<b>INCOME</b>			
Revenue from operations		1,24,95,72,800	1,02,39,93,386
Less: Excise duty		6,40,88,091	5,91,74,211
Revenue from operations (net)	2.16	1,18,54,84,709	96,48,19,175
Other Income	2.17	18,86,890	1,07,46,974
<b>Total</b>		<b>1,18,73,71,599</b>	<b>97,55,66,149</b>
<b>EXPENSES</b>			
Cost of materials consumed	2.18	44,40,74,911	37,26,23,860
Changes in inventories of finished goods, work-in-progress and traded goods	2.19	(5,65,30,941)	(6,64,99,194)
Employee benefit expenses	2.20	14,12,96,722	12,45,43,632
Research & development expenses	2.23	1,21,89,853	1,69,70,837
Other expenses	2.21		
Manufacturing expenses		36,43,19,053	29,38,26,471
Administration & selling expenses		9,96,89,853	9,08,11,306
Prior year adjustment expenses		71,128	25,96,379
<b>Total</b>		<b>1,00,51,10,579</b>	<b>83,48,73,292</b>
Profit before finance cost, depreciation and tax		18,22,61,020	14,06,92,857
Finance cost	2.24	7,67,11,047	5,79,73,989
Depreciation	2.8	3,89,85,577	3,39,88,470
<b>Profit before tax</b>		<b>6,65,64,396</b>	<b>4,87,30,398</b>
Tax expense			
Provision for taxation	1,34,65,795		98,06,278
Less: MAT credit entitlement			-
for current year	1,34,65,795	-	-
for earlier years	90,77,000	-	-
Provision for taxation (net)		(90,77,000)	-
Deferred tax (net)		52,47,703	73,70,629
<b>Profit after tax</b>		<b>7,03,93,693</b>	<b>3,15,53,490</b>
Basic & diluted earnings per equity share (of Rs. 10/- each)		16.80	7.53

Significant accounting policies 1

Notes to accounts 2

The accompanying notes are an integral part of the financial statements

As per our report even date attached

for R. M. LALL & CO.

Chartered Accountants

(Registration No. 000932C)

Sd/-

(SUJAYA KAPOOR)

Partner

Membership No. 400464

Place: Lucknow

Date : September 03, 2012

for PTC INDUSTRIES LIMITED

Sd/-

(SACHIN AGARWAL)

Managing Director

Sd/-

(ALOK AGARWAL)

Director (Quality & Control)

Sd/-

(A. K. GUPTA)

G. M. (Finance) & Company Secretary

# **SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2012 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED.**

ALL AMOUNTS IN INDIAN RUPEES, EXCEPT SHARE DATA AND WHERE OTHERWISE STATED

## **NOTE 1 : 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. Change in accounting policy**

#### **Presentation and disclosure of financial statements**

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

### **3. Measurement of EBITDA**

As permitted by the Guidance note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measure EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the Company does not include depreciation and amortisation expenses, finance costs and tax expense.

### **4. 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.

### **5. 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.

### **6. 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

**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 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.
- (d) The Company has elected to account for exchange difference arising on reporting of long-term foreign currency items in accordance with Companies (Accounting Standards) Amendment Rules, 2009 pertaining to (AS-11) notified by Government of India on 31st March, 2009 (as amended on 29th December, 2011). Accordingly, the effect of

exchange differences on foreign currency loans of the Company is accounted by addition or deduction to the cost so far it relates to depreciable capital assets.

## **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), focus claim and Duty Draw Back schemes 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.

		AS AT 31 MARCH 2012	AS AT 31 MARCH 2011
2.1	SHARE CAPITAL		
	Authorised		
	89,75,000 (previous year 89,75,000) equity shares of Rs.10/- each	8,97,50,000	8,97,50,000
	20,25,000 (previous year 20,25,000) redeemable cumulative preference shares of Rs. 10/- each	2,02,50,000	2,02,50,000
		11,00,00,000	11,00,00,000
	Issued, subscribed & fully paid-up		
	41,91,250 (previous year 41,91,250) equity shares of Rs. 10/- each	4,19,12,500	4,19,12,500

- (d) 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.

	AS AT 31 MARCH, 2012	AS AT 31 MARCH, 2011
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## 2.2 RESERVES AND SURPLUS

Capital reserve		
Balance at the beginning of the year	1,75,200	1,75,200
Additions / (deductions) during the year	1,75,200	1,75,200
Share premium		
Balance at the beginning of the year	2,25,50,000	2,25,50,000
Additions / (deductions) during the year	-	-
	2,25,50,000	2,25,50,000
General reserve		
Balance at the beginning of the year	35,24,16,726	32,24,16,726
Additions / (deductions) during the year	5,00,00,000	3,00,00,000
	40,24,16,726	35,24,16,726

	AS AT 31 MARCH 2012	AS AT 31 MARCH 2011
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## 2.2 Profit & loss statement

Balance as per last financial statement	2,63,37,055	2,47,83,564
Additions during the year	7,03,93,693	3,15,53,490
Available for appropriations	9,67,30,748	5,63,37,054
Less: Appropriations		
Transfer to general reserve	5,00,00,000	3,00,00,000
Balance carried to balance sheet	4,67,30,748	2,63,37,054
Total	47,18,72,674	40,14,78,980

## 2.3 TDDP-DSIR GRANT

Balance as per last financial statement	-	-
Add: additions during the year	2,00,00,000	-
Less: utilisations during the year	-	-
	2,00,00,000	-

The Company has submitted a project proposal amounting to Rs.1800 lakhs to the Department of Scientific & Industrial Research, Ministry of Science & Technology, New Delhi for development and commercialisation of Rapid Cast Technology of single piece Stainless Steel Casting of upto 5000 Kgs. The department has committed partial support as a grant of Rs. 500 lakhs out of a total cost of Rs. 1800 lakhs under The Technology Development and Demonstration Programme (TDDP) of Department of Scientific and Industrial Research (DSIR) for a project duration of 24 months vide their letter no. DSIR/TDDP/PTCIL-41/2010-11 dated 20th September, 2011. The company has received the first Instalment of Rs. 200 lakhs during the year and incurred the expense of Rs. 440.09 lakhs towards the project.

## 2.4 BORROWINGS

(A) Long-term borrowings	AS AT 31 MARCH 2012	AS AT 31 MARCH 2011
SECURED :		
Term loans from banks		
State Bank of India	8,15,17,761	4,85,00,000
Punjab National Bank	3,83,83,349	3,22,77,863
Vehicle loans		
Tata Capital Limited	24,92,449	10,66,962
ICICI Bank Limited	-	3,26,615
	12,23,93,569	8,21,71,440
UNSECURED :		
Loans and advances from related parties	1,53,39,764	1,53,31,764
Loans and advances from others	29,74,881	55,48,907
	1,83,14,645	2,08,80,671
Total	14,07,08,204	10,30,52,111

## SECURITIES

- (a) Term loans from State Bank of India & Punjab National Bank are secured by way of:
- First charge ranking pari-passu on the whole of the present and future fixed assets of the Company.
  - Personal guarantee of five directors, pari-passu 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).
  - Vehicle loans from ICICI Bank Limited & Tata Capital Limited are secured by way of absolute charge on specific assets purchased under the scheme and repayable within a period of 36 months as per the repayment schedule.
- (b) Term of repayments (State Bank of India & Punjab National Bank)

AS AT 31 MARCH, 2012				AS AT 31 MARCH, 2011		
Bank Name	Loan Amount	Pending Installments	Periodicity Repayments	Loan Amount	Pending Installments	Periodicity Repayments
State Bank of India	-	-	Quarterly	0.58 Cr.	4	Quarterly
	5.53 Cr.	16	Quarterly	5.25 Cr.	20	Quarterly
	5.16 Cr.	20	Quarterly	-	-	-
Punjab National Bank	0.83 Cr.	10	Monthly	1.97 Cr.	22	Monthly
	2.40 Cr.	8	Quarterly	3.60 Cr.	12	Quarterly
	3.04 Cr.	20	Quarterly	-	-	-
AS AT 31 MARCH, 2012				AS AT 31 MARCH, 2011		

## (B) Short-term borrowings

## SECURED :

State Bank of India	27,71,91,451	27,09,74,235
Punjab National Bank	12,17,80,868	10,14,43,302
Others	2,79,39,162	-
	42,69,11,481	37,24,17,537

Working capital loans (fund/non-fund based) from State Bank of India & Punjab National Bank are secured by way of:

- First charge ranking pari-passu on the whole of the present and future current assets of the Company.
- Personal guarantee of five directors pari-passu 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).

## 2.5 OTHER LIABILITIES

	AS AT 31 MARCH, 2012	AS AT 31 MARCH, 2011
(A) Deferred tax liabilities/(assets) net		
(a) Deferred tax liability on account of: Depreciation	5,84,33,888	5,45,37,019
(b) Deferred tax assets on account of :		
(i) Provision for employees benefit - add/(less)	-	(13,50,834)
(ii) Transitional obligation as per AS-15 (revised 2005)	(13,39,315)	(13,39,315)
Deferred tax liability/(assets) net	5,70,94,573	5,18,46,870
(B) Other long-term liabilities		
Security deposit receipt	13,500	52,000
	13,500	52,000
(C) Other current liabilities		
Current maturities of long-term borrowings		
State Bank of India	2,54,03,000	98,00,000
Punjab National Bank	2,42,74,000	2,19,96,000
Interest accrued and due on borrowings		
State Bank of India	19,96,351	7,18,307
Punjab National Bank	7,96,179	6,70,077
Current maturities of vehicle loans		
Tata Capital Limited	20,31,468	11,64,026
ICICI Bank Limited	3,03,311	8,02,692
Others		
Loans and advances from others	24,79,085	19,51,093
Advance from customers	73,20,983	1,52,88,578
Creditors for capital goods	1,05,99,416	94,61,272
Statutory dues payable (others)	1,20,915	9,84,021
	7,53,24,708	6,28,36,066

	AS AT 31 MARCH, 2012	AS AT 31 MARCH, 2011
<b>2.6 PROVISIONS</b>		
(A) Long-term provisions		
Provision for employees benefits	74,67,081	64,29,596
	74,67,081	64,29,596
(B) Short-term provisions		
Provision for wealth tax	56,481	47,303
Provision for taxation for current year (Net of advance tax Rs.1,30,86,100/- as at 31 March, 2011 Rs. 90,34,474/-)	3,79,695	7,71,804
Provision for employee benefits	52,90,557	48,74,216
	57,26,733	56,93,323

**2.7 TRADE PAYABLES**

Payables to micro, small and medium enterprises	-	-
Payable to other entities	22,96,29,421	17,66,44,550
	22,96,29,421	17,66,44,550

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 parties have been identified from the available information.

**2.8 FIXED ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	AS AT 01.04.2011	ADDITION DURING THE YEAR	DEDUCTION	AS AT 31.03.2012	UPTO 31.03.2011	ON COST	DEDUCTION	UPTO 31.03.2012	AS AT 31.03.2012	AS AT 31.03.2011
TANGIBLE										
FREEHOLD LAND	34301723	1563743	-	35865466	-	-	-	-	35865466	34301723
LEASEHOLD LAND	28243650	194600	-	28438250	6658561	407705	-	7066266	21371984	21585089
FACTORY BUILDING	65543413	21406786	-	86950199	21228163	2501465	-	23729628	63220571	44315250
PLANT & MACHINERY	428357109	47509266	620119	475246256	154297998	21011705	589113	174720590	300525666	274059111
PLANT & MACHINERY(R&D)	21399575	3224104	-	24623679	1796896	1595082	-	3391978	21231701	19602679
COMPUTER	13316760	962940	-	14279700	9485052	1137768	-	10622820	3656880	3831708
COMPUTER (R & D)	111804	-	-	111804	16319	17799	-	34118	77686	95485
MOULD & BOXES	83175994	7833835	986910	90022919	31956821	8559077	16158	40499740	49523179	51219173
VEHICLES	18085857	5368472	1865559	21588770	7003557	1709747	917172	7796132	13792638	11082300
VEHICLES (R & D)	248603	-	-	248603	17726	23617	-	41343	207260	230877
FURNITURE & FIXTURES	6836081	2833340	-	9669421	4276745	350226	-	4626971	5042450	2559336
OFFICE EQUIPMENTS	4897048	718897	-	5615945	2024905	240048	-	2264953	3350992	2872143
MISC. FIXED ASSETS	1997953	10780	-	2008733	1327161	46282	-	1373443	635290	670792
Total (A)	706515570	91626763	3472588	794669745	240089905	37600521	1522443	276167982	518501763	466425666
INTANGIBLE										
SOFTWARE	6152347	613875	-	6766222	4235594	519073	-	4754667	2011555	1916753
SOFTWARE (R & D)	443700	-	-	443700	61283	71924	-	133207	310493	382417
LICENCES	3970296	-	-	3970296	2382177	794059	-	3176236	794059	1588117
Total (B)	10566343	613875	-	11180218	6679054	1385056	-	8064110	3116107	3887287
CURRENT YEAR (A+B)	717081913	92240638	3472588	805849963	246768959	38985577	1522443	284232094	521617870	470312953
PREVIOUS YEAR	624213940	95396675	2528702	717081913	214379766	33988471	1599279	246768958	470312955	409834174

	AS AT 31 MARCH, 2012	AS AT 31 MARCH, 2011
<b>2.9 NON CURRENT INVESTMENTS</b>		
Long term investment (non-trade)		
Quoted		
(i) 5000 UTI equity fund (previously Mastergain 1992 of- Unit Trust of India) (face value of Rs. 10/- each fully paid-up)	50,000	50,000
(ii) 1600 equity shares in Kailash Structures Limited (face value of Rs. 10/- each fully paid-up)	16,000	16,000
(iii) 1125 equity shares in Valecha Engineering Limited (face value of Rs. 10/- each fully paid-up)	20,100	20,100
	86,100	86,100

Note:- Aggregate market value of quoted investments as at the end of the year was Rs. 3,43,705 (previous year Rs. 3,58,243).

## 2.10 LONG-TERM LOANS AND ADVANCES

Unsecured considered good :		
Capital advances	54,52,989	69,91,946
Security deposits (SD&EM)	1,05,68,649	69,78,836
Loan to employees	11,50,567	50,034
Accrued interest	3,75,517	2,48,000
Advance tax for earlier years	1,68,518	1,09,242
MAT credit entitlement	2,25,42,795	-
	4,02,59,035	1,43,78,058

## 2.11 INVENTORIES

(As taken, valued & certified by the management)		
Direct raw materials	19,01,26,659	15,61,22,062
Indirect raw materials, stores & spares etc.	5,22,78,123	4,96,66,685
Work in progress	22,68,14,700	18,07,29,015
Finished goods	1,13,09,295	8,64,040
Loose tools	58,75,658	32,98,466
Miscellaneous Items	1,75,769	2,38,060
	48,65,80,204	39,09,18,328
Goods in transit included in above inventories is as under:		
Direct raw materials	5,43,210	40,80,983

## 2.12 TRADE RECEIVABLES

(Unsecured, considered good)		
Outstanding for a period exceeding six months from due date	1,76,61,287	4,66,73,996
Others	24,87,02,008	18,03,80,503
	26,63,63,295	22,70,54,499

## 2.13 CASH AND BANK BALANCES

Cash and cash equivalents:		
Balances with banks in current accounts	99,26,107	1,07,38,392
Cash on hand	9,82,556	6,03,500
Other Bank Balances		
Fixed deposits with banks	48,20,271	38,91,794
	1,57,28,934	1,52,33,686

Note: Fixed deposits with banks are "under bankers lien" as margin money for non-fund based facilities.

## 2.14 SHORT-TERM LOANS AND ADVANCES

(Unsecured, considered good)		
Pre-paid expenses	25,49,144	34,65,444
Accrued interest	6,13,164	5,62,838
Loans to employees	18,28,864	14,34,688
Balances with government authorities		
Cenvat credit receivable	1,46,34,515	77,85,965
VAT credit receivable	1,19,73,133	1,03,56,987
Service tax credit receivable	58,35,071	38,16,880
Other loans & advances	1,07,85,264	58,61,813
	4,82,19,155	3,32,84,615

	AS AT 31 MARCH, 2012	AS AT 31 MARCH, 2011
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**2.15 OTHER CURRENT ASSETS**

(Considered good)		
Export incentives receivable	2,41,58,319	3,13,32,895
Claims receivable	1,03,99,090	1,05,15,420
Expenditure (to the extent not written-off or adjusted)	-	12,442
	3,45,57,409	4,18,60,757

	FOR THE YEAR ENDED 31 MARCH, 2012	FOR THE YEAR ENDED 31 MARCH, 2011
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**2.16 REVENUE FROM OPERATIONS**

Sale of products (refer note ( I ) below)	1,21,73,40,546	99,11,10,358
Other operating revenues (refer note ( II ) below)	3,22,32,254	3,28,83,028
Gross Revenue from Operations	1,24,95,72,800	1,02,39,93,386
Less: Excise Duty	6,40,88,091	5,91,74,211
Net Revenue from Operations	1,18,54,84,709	96,48,19,175
(I) Sales of products comprises :		
Manufactured goods		
Castings (Stainless Steel)	66,92,49,077	57,37,00,322
Castings (Alloy and Non-Alloy Steel)	33,82,14,629	31,38,05,031
Structures / Forgings	7,29,37,244	5,45,96,807
Assembly Items	12,98,09,240	4,25,90,119
Others	71,30,356	64,18,078
Total - Sale of manufactured goods	1,21,73,40,546	99,11,10,357
(II) Other operating revenues		
Export Incentives	2,74,21,866	2,82,77,246
Income from Power Generation	48,10,388	46,05,782
Total - Other operating revenues	3,22,32,254	3,28,83,028
(III) Domestic and export sales		
Gross domestic sales	80,04,13,038	66,80,54,325
Less: Sales tax	1,53,03,528	1,31,36,831
	78,51,09,510	65,49,17,494
Less: Inter plant transfer	9,12,88,404	11,99,96,750
Net domestic sales (a)	69,38,21,106	53,49,20,744
Gross export sales	52,82,62,275	40,37,09,908
Less:		
Freight	50,60,175	35,62,814
Insurance	64,410	1,17,472
	51,24,585	36,80,286
	52,31,37,690	40,00,29,622
Add: Deemed export sales	3,81,750	5,61,59,992
Total Net export sales (b)	52,35,19,440	45,61,89,614
Total Net Sales (a+b)	1,21,73,40,546	99,11,10,358

	FOR THE YEAR ENDED 31 MARCH, 2012	FOR THE YEAR ENDED 31 MARCH, 2011
<b>2.17 OTHER INCOME</b>		
Dividend income	1,800	3,343
Bad debts recovered	-	4,62,764
Net gain/(loss) on foreign currency translations and transaction	8,49,216	99,48,425
Provisions made no longer required written-back	5,20,684	15,663
Profit on sales of assets	3,75,511	69,159
Other receipts	1,39,679	2,47,620
	18,86,890	1,07,46,974
<b>2.18 COST OF MATERIALS CONSUMED</b>		
Opening stock	15,61,22,062	14,92,26,102
Add: purchases	48,43,57,772	38,07,75,540
Less: closing stock	19,01,26,659	15,61,22,062
	45,03,53,175	37,38,79,580
Less: consumed for research & development	62,78,264	12,55,720
	44,40,74,911	37,26,23,860
Cost of materials consumed:		
Scraps and Metals		
Stainless steel scrap	15,90,96,469	15,53,34,426
Iron & steel scrap	8,18,54,584	6,60,25,922
Ferrous & non-ferrous alloys	9,73,05,106	10,55,09,868
Structures/fabrication	66,14,619	2,09,53,235
Raw castings (including assembly)	1,05,82,397	2,60,56,129
	45,03,53,175	37,38,79,580
Less: raw material consumed for research & development	62,78,264	12,55,720
	44,40,74,911	37,26,23,860
<b>2.19 CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND TRADED GOODS</b>		
Inventories as at 31st March, 2011 (opening)		
Work-in-Progress	18,07,29,014	11,37,95,799
Finished Goods	8,64,040	12,98,061
Total	18,15,93,054	11,50,93,860
Inventories as at 31st March, 2012 (closing)		
Work-in-Progress (a)	22,68,14,700	18,07,29,015
Finished Goods	1,13,09,295	8,64,040
Total	23,81,23,995	18,15,93,055
Change in Inventories, net (increase)	(5,65,30,941)	(6,64,99,195)
Note: (a) Work in Progress		
Stainless steel castings	15,61,03,185	7,48,04,567
Alloy and non-alloy steel	3,31,78,618	4,02,25,873
Fabrication	2,75,97,218	4,58,86,187
Assembly	99,35,679	1,98,12,388
Total	22,68,14,700	18,07,29,015
<b>2.20 EMPLOYEE BENEFITS EXPENSES</b>		
Salaries, wages and bonus	12,41,03,495	11,16,78,676
Contribution to provident and other funds	1,32,57,889	96,09,706
Employee welfare expenses	39,35,338	32,55,250
	14,12,96,722	12,45,43,632

	FOR THE YEAR ENDED 31 MARCH, 2012	FOR THE YEAR ENDED 31 MARCH, 2011
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**2.21 OTHER EXPENSES**

(i)	Manufacturing expenses		
	Foundry/Machinshop Consumables & Expenses	19,41,85,166	14,57,43,726
	Power & fuel	8,62,45,188	7,67,70,292
	Repairs and maintenance		
	Mechanical	1,38,58,668	1,36,55,322
	Electrical	34,25,537	30,06,342
	Factory Building	19,68,230	20,28,183
	Packing and general consumables	1,39,87,730	1,19,61,723
	Technical support expenses	-	18,22,500
	Processing and work charges	5,02,57,330	3,81,91,365
	Expenses on inter-plant transfers	3,82,204	6,47,018
		36,43,19,053	29,38,26,471
(ii)	Administrative and Selling Expenses		
	Rent and taxes	88,97,895	79,87,465
	Insurance & securities	53,16,421	47,94,524
	Legal and professional	92,30,671	67,93,786
	Travelling and conveyance	79,76,443	67,99,087
	Directors sitting fees	48,000	43,000
	Vehicle running and maintenance	38,57,053	37,06,018
	Communication	28,71,899	25,80,826
	Printing & stationery	21,52,618	19,05,519
	Conference, training and recruitment	6,06,574	4,45,672
	Freight and clearing	1,40,35,850	1,25,47,036
	Sales commission	2,51,99,289	1,91,06,945
	Rebate & discount expenses	28,575	1,46,794
	Deduction from bills	1,25,72,272	1,71,90,945
	Advertisement & promotion	21,19,307	15,98,282
	Payment to auditors	2,72,989	2,16,359
	Wealth tax	56,481	47,303
	Donation & charity	13,56,902	13,79,218
	Loss on sale of assets	-	3,11,808
	Bad debts written-off (net of provisions)	7,65,798	12,54,523
	Product development expenses written-off	12,442	41,990
	Miscellaneous	23,12,374	19,14,206
		9,96,89,853	9,08,11,306
(iii)	Prior year adjustment expenses	71,128	25,96,379

**2.22 AUDITORS REMUNERATION**

Statutory Auditors:		
Audit fees	1,40,000	1,20,000
Tax audit fees	30,000	-
Limited review	30,000	-
Outlays	72,989	96,359
	2,72,989	2,16,359

**2.23 RESEARCH & DEVELOPMENT EXPENSES**

Raw materials consumed	62,78,264	12,55,720
Indirect materials consumed	28,05,866	1,30,36,457
Conversion cost	10,68,150	4,80,752
Testing & radiography	28,695	40,236
Salary & wages	18,49,378	19,83,672
Consultancy charges	1,59,500	1,74,000
	1,21,89,853	1,69,70,837

	FOR THE YEAR ENDED 31 MARCH, 2012	FOR THE YEAR ENDED 31 MARCH, 2011
<b>2.24 FINANCE COST</b>		
on working capital loans	4,95,12,327	3,95,17,258
on term loans	1,64,08,641	1,37,11,400
on others	30,07,820	7,56,644
Total	6,89,28,788	5,39,85,302
Less: interest received		
from bankers	3,74,085	3,06,645
from others	2,30,056	73,000
Total	6,04,141	3,79,645
Bank Charges	83,86,400	43,68,332
	7,67,11,047	5,79,73,989

Borrowing costs capitalized during the year are Rs. 2,02,383 (Previous year Rs. 11,73,561) in compliance with AS-16.

	AS AT 31 MARCH, 2012	AS AT 31 MARCH, 2011
<b>2.25 Tax deducted at source on receipt of :</b>		
Interest	86,100	41,424
Others	-	-
	86,100	41,424

**2.26** Scientific Research & Development capital expenditure pertaining to the Company's Research & Development Division aggregated to Rs. 32,24,104 as Capital expenditure and Rs.1,21,89,853 as revenue expenditure ( previous year Rs. 1,32,20,043 as Capital Expenditure and Rs. 1,69,70,837 as revenue expenditure charged in respective heads)

**2.27** The amount of excise duty on finished goods not cleared from the factory as at 31 March, 2012, estimated on the basis of sales price of goods / excise rates prevailing on the said date was Rs.13,97,829 (previous year Rs. 88,996). This 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.

**2.28** The Company has been permitted by the Central Excise Department to clear Export Shipments as following:

	AS AT 31 MARCH, 2012	AS AT 31 MARCH, 2011
(a) Without payment of Excise Duty, bond in favour of the department	2,78,90,056	2,09,92,907
(b) Without payment of Excise Duty for Deemed Exports to EOU against Form C.T. 3 Certificate	Nil	66,56,598
(c) Export Shipments cleared with payment of Excise Duty	1,37,33,563	1,60,72,380
(d) The amounts the Company has received against refund claims during the year	1,38,49,446	1,25,12,982

	FOR THE YEAR ENDED 31 MARCH, 2012	FOR THE YEAR ENDED 31 MARCH, 2011
<b>2.29 (a) Directors' Remuneration</b>		
Salary	62,27,400	55,18,050
Contribution to Provident Fund & other Schemes	5,61,625	5,74,007
Commission	5,60,316	4,89,685
Sitting Fees	48,000	43,000
Perquisites	7,71,100	6,76,450
	81,68,441	73,01,192

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

	FOR THE YEAR ENDED 31 MARCH, 2012	FOR THE YEAR ENDED 31 MARCH, 2011
Profit before tax as per Profit and Loss Account for the year ended 31.03.2012	4,87,30,398	4,21,60,171
Add: Directors' Remuneration (including commission charged in accounts)	73,01,192	68,08,282
NET PROFIT	5,60,31,590	4,89,68,453
Commission paid to Chairman during the year (being 1% of nt profit, restricted to 50% of the Annual Salary)	5,60,316	4,89,685

	AS AT 31 MARCH, 2012	AS AT 31 MARCH, 2011
<b>2.30 Contingent Liabilities (to the extent not provided for)</b>		
(i) Session Court, Faridabad has given a decision against the Company on a case filed by a supplier amounting to Rs.1,07,680 (previous year Rs.1,07,680). Against this, the complainant has claimed Rs. 1,50,000 (previous year 1,50,000) alongwith the interest @12% p.a. from the date of the suit i.e. 09.01.1997. The Company is exploring avenues to settle the issue out of court. Interest for the period 09.01.1997 to 31.03.2012 :	1,97,084	1,84,162
(ii) In respect of non fund-based working capital facilities from State Bank of India:	-	-
Counter guarantees furnished by the Company against various guarantees given by the bank	29,32,000	45,62,370
Letter of credit (Inland/Foreign) opened by the bank	29,40,382	1,43,56,667
(iii) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advance (as certified by a Director).	94,44,182	81,55,553
(iv) Contingent Liability in respect of factoring of receivables with IFCI Factors Limited.	4,87,84,795	6,94,03,404
(v) In the case of Lucknow Plant-1, show-cause notices were issued by the Central Excise Department for the year under review and earlier years		
Against Cenvat credit	4,24,67,915	4,25,67,812
Against Service Tax	14,158	14,158
The Company has given replies to all the show-cause notice/demands to the department and the appeals are pending with Appellate authorities.		
(vi) Show Cause Notice/Demands have been raised by the Central Excise Department against Cenvat credits claimed by the Bhiwadi Plant on inputs and capital goods upto 31 March, 2012. The Company has given its replies to all Show Cause Notices the Department and the same are under consideration.	58,921	58,921

**2.31** The Company's recognition as an EXPORT HOUSE is valid upto 31.03.2014.

**2.32** The Company has taken residential accommodation for its employees on operating lease, with the option of renewal at the end of the lease. Minimum lease payments charged during the year to the Profit and Loss Account aggregate to Rs. 25,59,967 (previous year Rs. 21,95,779).

**2.33** 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. The Company has opted to wheel the energy generated at the Wind Farm to its own other manufacturing unit at Mehsana, North Gujarat. An agreement has been executed between the Company, GEDA and Gujarat Energy Transmission Corporation Limited (GETCO) whereby a tripartite Wheeling and Banking agreement has been made. During the year, income of Rs. 48,10,388 (previous Rs. 46,05,782) accrued through electricity generation at the Wind Farm which will be adjusted in terms of the aforesaid tripartite agreement.

## **2.34 Employee Benefit Obligations**

### **Defined Contribution Plan**

An amount of Rs. 54,04,920 for the year ended 31 March, 2012 has been recognized as an expense in respect of contribution for Provident fund and Employees State Insurance Fund deposited with the Government Authorities.

**Defined Benefit Plans**

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 service. 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 tables 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 AT 31 MARCH, 2012	AS AT 31 MARCH, 2011
Present value of the obligation at the beginning of the period	2,57,93,633	2,44,26,290
Current service cost	21,05,117	18,74,711
Interest cost	22,56,943	20,09,648
Benefits paid (if any)	(20,67,495)	(9,02,150)
Actuarial (gain)/loss on obligation	11,50,967	(16,14,866)
Present value of the obligation at the end of the period	2,92,39,165	2,57,93,633
Change in plan assets:		
Fair value of plan assets at the beginning of the period	2,43,93,467	2,20,09,551
Decrease due to Mehsana Plant	-	(4,91,000)
Expected return on plan assets	21,73,999	19,34,147
Contributions	28,27,672	18,42,919
Benefits paid	(20,67,495)	(9,02,150)
Actuarial gain/(loss) on plan assets		
Fair value of plan assets at the end of the period	2,73,27,643	2,43,93,467
Amount of the obligation recognised in the Balance Sheet		
Present value of the obligation at the end of the period	2,92,39,165	2,57,93,633
Fair value of plan assets at the end of period	2,73,27,643	2,43,93,467
Net liability/(asset) recognised in Balance Sheet	19,11,522	14,00,166
Amount of gratuity expenses recognised in the Profit & Loss A/c		
Current service cost	21,05,117	18,74,711
Interest cost	22,56,943	20,09,648
Expected return on plan asset	(21,73,999)	(19,34,147)
Net actuarial (gain)/loss recognised in the period	11,50,967	(16,14,866)
<b>Total</b>	<b>33,39,028</b>	<b>3,35,346</b>
Assumptions:		
Economic Assumptions		
Discount rate	8.75%	8.25%
Salary escalation rate	6.50%	6.50%

**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.

- 2.35** During the year 2011-2012 company has captively consumed 2.238 M.T. (previous year 3.210 M.T.) of casting for assembly production.

**2.36 Capital work in progress for :**

	AS AT 31 MARCH, 2012				AS AT 31 MARCH, 2011			
	Land & Building	Plant & Machinery	Others	Total	Land & Building	Plant & Machinery	Others	Total
Lucknow Plant-1	1247441	39092002	5564719	45904162	-	1192376	279832	1472208
Lucknow Plant-2	-	593100	-	593100	-	21582616	-	21582616
Bhiwadi Plant	-	1728587	-	1728587	344575	2286173	-	2630748
Mehsana Plant	5359725	9493626	169673	15053024	3548964	-	-	3548964
Total	6607166	50907316	5734392	63248873	3893538	25061165	279832	29234536

**2.37** Indirect raw materials, stores, spares and other consumables are included in the following heads of account.

	FOR THE YEAR ENDED 31 MARCH, 2012	FOR THE YEAR ENDED 31 MARCH, 2011
Foundry/machine-shop consumables & expenses	18,35,44,881	13,76,67,032
Power & fuel	2,39,43,244	2,34,67,884
Repair & maintenance:		
Mechanical	1,38,58,668	1,36,55,322
Electrical	34,25,537	30,06,342
Packing and general consumables	1,39,87,730	1,19,61,723
	23,87,60,060	18,97,58,303

**2.38** Foreign exchange fluctuation gain was of Rs. 8,49,217 (previous year gain Rs. 99,48,425) on account of recognition of exchange difference on foreign currency transaction.**2.39** Value and percentage to total consumption of imported/indigenous direct raw materials, indirect raw materials stores, spares and other consumables consumed.

Description	FOR THE YEAR ENDED 31 MARCH, 2012		FOR THE YEAR ENDED 31 MARCH, 2011	
	Imported/ Highseas	Indigenous	Imported/ Highseas	Indigenous
Direct raw materials				
Value (in Rs.)	4,82,29,085	39,58,45,826	31,70,030	36,94,53,830
Percentage	10.86%	89.14%	0.85%	99.15%
Indirect raw materials, stores, spares & other consumables				
Value (in Rs.)	2,54,89,255	21,32,70,805	2,67,85,857	16,29,72,446
Percentage	10.68%	89.32%	14.12%	85.88%

**2.40 C.I.F. value of imports (including R & D)**

	FOR THE YEAR ENDED 31 MARCH, 2012	FOR THE YEAR ENDED 31 MARCH, 2011
Description	Direct Imports	Direct Imports
Direct raw materials	4,65,91,579	16,14,778
Indirect materials	2,73,97,272	2,56,61,605
Capital goods	4,05,25,011	2,10,87,289
	11,45,13,862	4,83,63,672

**2.41 Expenditure in foreign currency during the year**

Travelling	8,45,154	10,52,189
Testing, radiography & rectification charges	1,09,634	-
Legal & professional charges	26,12,574	34,53,288
Technical know how fee	-	-
Rent, freight & export warehousing charges	40,52,765	28,81,757
R & D expenses	10,68,150	-
Others	-	96,960
	86,88,277	74,84,194

**2.42 Earning in foreign currency**

From export of castings & forgings/structures	52,31,37,690	40,00,29,622
---	--------------	--------------

	AS AT 31 MARCH, 2012	AS AT 31 MARCH, 2011
<b>2.43 Calculation of E.P.S.</b>		
Profit before taxation before exceptional items	6,66,35,524	5,13,26,777
Tax (including tax effect on exceptional items)	(38,29,297)	1,71,76,907
Profit after taxation (before exceptional items)	7,04,64,821	3,41,49,870
Exceptional items (net of tax saving)	71,128	25,96,379
Profit after taxation	7,03,93,693	3,15,53,490
Weighted average number of ordinary share outstanding	41,91,250	41,91,250
Earning per share on profit after taxation before exceptional items (face value Rs. 10/- per share)	16.81	8.15
Earning per share on profit after taxation (face value Rs. 10/- per share)	16.80	7.53

**2.44 Shifting of Assembly Division**

The Assembly Division at Lucknow Plant-1 has been w.e.f. 1st July, 2011 to Lucknow Plant-2, situated at C-5, Sarojini Nagar Industrial Area, Lucknow - 226008. Earlier only machining activities were done at Lucknow Plant-2. The value of assets transferred from Lucknow Plant-1 to Lucknow Plant-2 amounts to Rs. 1,18,64,822.

**2.45** The plantwise installed capacity is recognised on the basis of melting capacity of Induction Melting furnaces at single shift basis. Being of a technical nature has been relied upon by the Auditors.

Lucknow Plant-1	1850.000 MTPA
Bhiwadi Plant	1800.000 MTPA
Mehsana Plant	1500.000 MTPA

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

	FOR THE YEAR ENDED 31 MARCH, 2012	FOR THE YEAR ENDED 31 MARCH, 2011
	Quantity (in M.T.)	Quantity (in M.T.)
<b>PRODUCTION</b>		
Lucknow Plant-1		
Castings (stainless steel)	616.396	746.066
Castings (alloy and non-alloy steel)	159.277	241.577
Structures/ forgings	197.711	210.819
Assembly	52.374	255.834
Total	1025.758	1454.296
Bhiwadi Plant		
Castings (alloy and non-alloy steel)	1791.350	1861.903
Mehsana Plant		
Castings (stainless steel)	257.321	149.941
Castings (alloy and non-alloy steel)	87.257	92.97
Assembly	2.303	-
Total	346.891	242.911
Lucknow Plant-2		
Assembly	385.735	-
Wind Mill	857810	978966

Bhiwadi Plant has exported castings 11.604 M.T. (Previous year 102.036 M.T.) on behalf of Lucknow Plant-1.

**2.46 SEGMENT REPORTING**

Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accounts 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 Structures as its primary segment while the Company has presented secondary segment reporting on the basis of geographical location of customers.

Business Segment :  
Performance of Business Segment is as follows :

	Year ended on 31st March, 2012					
	Lucknow Plant-1	Bhiwadi Plant	Lucknow Plant-2	Mehsana Plant	Wind Mill	Consolidated Total
Total Revenue						
Sales to External Customers	692222770	161482786	104948442	222020322	-	1180674320
	(716225147)	(135419705)	(-)	(108568541)	(-)	(960213393)
Income from Power Generation	-	-	-	-	4810388	4810388
	(-)	(-)	(-)	(-)	(4605782)	(4605782)
Total Income from Operations	692222770	161482786	104948442	222020322	4810388	1185484708
	(716225147)	(135419705)	(-)	(108568541)	(4605782)	(964819175)
Inter segment sales	30651438	27627227	2091124	30918615	-	91288404
	(19891417)	(30852634)	(6331742)	(62920956)	-	(119996749)
Other Income	493262	5497	-	2023696	(637364)	1885091
	(7007032)	(125836)	(337139)	(3257961)	-	(10727968)
Total	723367470	189115510	107039566	254962633	4173024	1278658203
	(736116564)	(166272339)	(6331742)	(171489497)	(-)	(1080210142)
Dividend, Interest Income	1800	-	-	-	-	1800
	(3343)	(-)	(-)	(-)	(-)	(3343)
Total Revenue	723369270	189115510	107039566	254962633	4173024	1278660003
	(743126939)	(166398175)	(6668881)	(174747458)	(4605782)	(1095547235)
Segment Results						
Segment results - Profit/(Loss) before Finance Cost, Depreciation, Prior Year Adjustment Expenses and Tax	115488324	(2983985)	8174079	58230122	3423608	182332148
	(104771430)	(1567479)	(-1223379)	(34207469)	(3966237)	(143289236)
Less : Prior Year Adjustment Expenses	71128	-	-	-	-	71128
	(11630)	(-)	(-)	(2584749)	(-)	(2584749)
Segment results - Profit/(Loss) after Prior Year Adjustment and before Finance Cost, Depreciation and Tax	115417196	(2983985)	8174079	58230122	3423608	182261020
	(104759800)	(1567479)	(-1223379)	(31622720)	(3966237)	(140692857)
Less: Finance Cost & Depreciation	89132188	6005295	6832558	11465639	2260944	115696624
	(71768180)	(5299498)	(437144)	(11503696)	(2953943)	(91962461)
Profit before tax	26285008	(8989280)	1341521	46764483	1162664	66564396
	(32991620)	(-3732019)	(-1660523)	(20119024)	(1012294)	(48730396)
Provision for Taxation:						
For earlier years (reverted back)						-
						(-)
Current Tax	-	-	-	-	-	(9077000)
						(9806278)
Deferred Tax	-	-	-	-	-	5247703
						(7370629)
Profit after Tax	26285008	(8989280)	1341521	46764483	1162664	70393693
	(32991620)	(-3732019)	(-1660523)	(20119024)	(1012294)	(31553489)
Segment Assets & Liabilities						
Segment Assets	1178391346	133128145	133103928	260622040	26823424	1732068883
	(1047560478)	(119946891)	(32083119)	(189947746)	(28798707)	(1418336941)
Less : Inter Segment Assets	260668806	17368096	-	-	-	278036902
	(172704808)	(6670978)	(-)	(-)	(-)	(179375786)
Total Segment Assets	917722540	115760049	133103928	260622040	26823424	1454031981
	(874855670)	(113275913)	(32083119)	(189947746)	(28798707)	(1238961155)
Investment	78100	-	8000	-	-	86100
	(78100)	(-)	(8000)	(-)	(-)	(86100)
Add:Unallocable Assets	-	-	-	-	-	9077000
	(9014630)	(12544)	(-)	(7300)	(-)	(9034474)
Net Segment Assets	917800640	115760049	133111928	260622040	26823424	1463195081
	(883948400)	(113288457)	(32091119)	(189955046)	(28798707)	(1248081729)
Segment Liabilities	169982656	84233969	126961056	164118108	23971157	569266946
	(141459417)	(64589818)	(26590483)	(139286596)	(21231009)	(393157323)
Add : Loans (including Current maturities)	588690736	5034010	(691285)	1137928	-	594171389
	(506861220)	(2507975)	(-)	(-2675447)	(5878095)	(512571843)
Less : Inter Segment Liabilities	6670978	22267723	101675907	123722277	23700016	278036901
	(6670978)	(21685066)	(24832101)	(104977160)	(21210481)	(179375786)
Total Segment Liabilities	752002414	67000256	24593864	41533759	271141	885401434
	(641649659)	(45412727)	(1758382)	(31633989)	(5898623)	(726353380)
Add : Unallocable Liabilities						57474268
						(78336870)
Net Segment Liabilities	752002414	67000256	24593864	41533759	271141	942875702
	(641649659)	(45412727)	(1758382)	(31633989)	(5898623)	(804690250)
Capital Expenditure incurred	29104455	5028823	45951140	12156220	-	92240638
	(75763124)	(4178470)	(188739)	(15266342)	(-)	(95396675)
Depreciation and Amortisation	25078738	3060642	1553363	7424118	1881158	38998019
	(22093699)	(2980765)	(436689)	(6638150)	(1881158)	(34030461)
Non Cash Expenses included in Segment Expenses	574636	-	-	191162	-	765798
	(589114)	(-)	(-)	(665409)	(-)	(1254523)

## Geographic Segment :

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

	FOR THE YEAR ENDED 31 MARCH, 2012		FOR THE YEAR ENDED 31 MARCH, 2011	
United States of America	17,02,80,981	-	15,06,39,853	-
India	63,49,25,153	-	53,65,12,307	-
Finland	19,27,80,429	-	15,56,42,849	-
United Kingdom	6,54,558	-	15,32,229	-
Spain	35,47,311	-	8,80,127	-
Germany	16,67,469	-	7,47,209	-
Switzerland	-	-	8,92,762	-
France	6,45,825	-	13,33,680	-
Netherland	54,05,850	-	10,37,836	-
Canada	-	-	67,251	-
Norway	4,39,67,146	-	50,58,179	-
Denmark	45,74,856	-	1,39,15,263	-
China	9,18,97,620	-	6,74,99,296	-
Malaysia	13,21,658	-	-	-
Brazil	9,96,634	-	-	-
Sweden	53,97,353	1,15,80,62,842	7,83,087	93,65,41,928
Export Incentive		2,74,21,866		2,82,77,246
Total		1,18,54,84,709		96,48,19,174

## 2.47 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 Pvt. Ltd.   |

## 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	Key Management Personnel (KMP)	Relatives of KMP's
1. Interest paid in Inter-corporate loans	17,67,031	-	-
2. Service charges	5,29,440	-	-
3. Managerial remuneration	-	81,68,441	-
4. Salary & Allowances	-	-	35,47,881
5. Rent Paid	-	-	3,30,000
6. Loan made to PTC Energas Flow Pvt. Ltd.	3,98,922	-	-
7. Loan re-paid to Mapple Commerce Pvt. Ltd.	1,00,000	-	-

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

ALL AMOUNTS IN INDIAN RUPEES, EXCEPT SHARE DATA AND WHERE OTHERWISE STATED

	AS AT 31 MARCH, 2012	AS AT 31 MARCH, 2011
<b>I CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before Tax	6,65,64,396	4,87,30,398
<b>Adjustment for :</b>		
Depreciation	3,89,85,577	3,39,88,471
Gain on sale of assets (net)	(3,75,511)	2,42,649
Miscellaneous expenses written-off	12,442	41,990
Unrealised foreign exchange fluctuation	(8,49,216)	(99,48,425)
Provisions for doubtful debts/loans and advances	7,65,798	12,54,523
Expenses treated as deferred	-	(20,212)
Interest & financing charges	6,89,28,789	5,39,85,302
Interest on deposit	(6,04,141)	(3,79,645)
Dividend & Other Income	(1,800)	(3,343)
Operating Profit Before Working Capital Changes	17,34,26,333	12,78,91,708
<b>Adjustment for :</b>		
Decrease/(Increase) sundry debtors	(2,35,29,037)	(1,96,47,004)
Decrease/(Increase) in inventories	(9,56,61,876)	(9,32,87,252)
Decrease/(Increase) loans and advances	(1,89,52,782)	(55,02,157)
(Decrease)/Increase in current liabilities and provisions	3,99,65,769	7,49,20,999
Cash Generated from Operation	7,52,48,407	8,43,76,294
Fringe benefit tax paid	-	-
Direct taxes paid	(1,30,00,000)	(89,93,050)
Income Tax Refund Received	-	-
Provision revert back	-	-
Net Cash Flow from Operating Activities (A)	6,22,48,407	7,53,83,244
<b>II CASH FLOW FROM INVESTMENT ACTIVITIES :</b>		
Purchase of Fixed Assets	(12,51,16,833)	(11,17,09,001)
Sale of Fixed Assets	23,25,656	6,86,774
Interest on Deposit	4,26,298	1,44,927
Dividend & Other Income	1,800	3,343
Net Cash from/(used) Investing Activities (B)	(12,23,63,078)	(11,08,73,957)
<b>III CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Long Term Borrowings (net of repayment)	7,50,44,763	1,97,78,366
Proceeds from Short Term Borrowings	5,44,93,944	8,17,39,812
Interest & Financing charges	(6,89,28,789)	(5,39,85,302)
Net Cash from/(used) Financing Activities (C)	6,06,09,918	4,75,32,876
Net Increase in Cash and Cash Equivalents (A+B+C)	4,95,247	1,20,42,163
Cash and Cash Equivalents at the beginning of the year	1,52,33,687	31,91,524
Cash and Cash Equivalents at the end of the year	1,57,28,934	1,52,33,687

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 report even date attached  
for R. M. LALL & CO.  
Chartered Accountants  
(Registration No. 000932C)

Sd/-  
(SUJAYA KAPOOR)  
Partner  
Membership No. 400464

Place: Lucknow  
Date: September 03, 2012

for PTC INDUSTRIES LIMITED

Sd/-  
(SACHIN AGARWAL)  
Managing Director

Sd/-  
(ALOK AGARWAL)  
Director (Quality & Control)

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

## FIVE YEARS AT A GLANCE

ALL AMOUNTS IN INDIAN RUPEES, EXCEPT SHARE DATA AND WHERE OTHERWISE STATED

PARTICULARS	2011-2012	2010-2011	2009-2010	2008-09	2007-08
REVENUE FROM OPERATIONS(NET)	11,854.85	9,648.20	7,504.03	8,530.80	7,859.42
EXPORT (FOB VALUE)	5,231.38	4,000.30	2,532.21	4,543.10	4,247.30
DEEMED EXPORT	3.82	561.60	443.83	104.80	-
EXPORT INCENTIVE	274.22	282.77	136.61	260.29	264.69
INCOME FROM POWER GENERATION	48.10	46.06	48.38	49.92	48.21
DOMESTIC (NET OF TAXES/DUTIES)	6,297.33	4,757.47	4,343.00	3,572.69	3,299.21
EARNINGS BEFORE INTEREST PAID/ DEPRECIATION & TAXES	1,822.61	1,406.93	1,202.37	1,136.09	974.85
INTEREST PAID	767.11	579.74	482.89	475.67	373.80
DEPRECIATION	389.86	339.89	297.88	242.45	208.82
TAXES	(38.29)	171.77	127.47	205.41	115.31
NET PROFIT	703.93	315.53	294.13	212.56	276.92
DIVIDEND (%)	-	-	-	-	-
SHARE CAPITAL	419.13	419.13	419.13	419.13	419.13
RESERVE & SURPLUS	4,918.73	4,014.79	-	-	-
3,699.25	3,405.13	3,192.57	-	-	-
NET WORTH	5,337.86	4,433.92	4,118.38	3,824.26	3,611.70
EARNINGS PER SHARE (RS.)	16.80	7.53	7.02	5.07	6.61
BOOK VALUE (RS.)	127.36	105.79	98.26	91.24	86.17
TOTAL OUTSIDE LIABILITIES/	1.87	1.76	1.49	1.73	1.69
TANGIBLE NET WORTH					
CURRENT ASSETS/CURRENT LIABILITIES	1.15	1.15	1.21	1.20	1.25
OPERATING PROFIT MARGIN (D/A)	15.37%	14.58%	16.43%	13.82%	12.92%
NET PROFIT MARGIN	5.94%	3.27%	4.02%	2.59%	3.67%
RETURN ON NET WORTH	13.19%	7.12%	7.14%	5.56%	7.67%
AVERAGE REALISATION					
(i) U.S. DOLLOR = RUPEES	47.59	45.57	47.25	45.07	40.46
(ii) EURO = RUPEES	66.40	60.51	66.57	64.92	57.36

## ATTENDANCE SLIP

Mr./Mrs.....Regd.Folio.....  
 .....I certify that I am registered shareholder/proxy for the registered shareholders of the Company.I  
 hereby record my presence at the FORTY NINTH ANNUAL GENERAL MEETING of the Company held on 29th  
 September, 2012 at 3:00 P.M at the Registered Office of the Company 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 over at the Entrance.

.....Tear Here.....

## ATTENDANCE SLIP

Mr./Mrs.....Regd.Folio.....  
 .....I/We.....of.....  
 ..... being a member/members of the above named Company ,hereby  
 appoint.....of.....  
 .....in the district of.....or failing  
 him.....of.....in the district  
 of.....as my/our proxy to attend and vote for me/us and  
 on my/our behalf at the Forty Ninth Annual General Meeting of the Company to be held on 29th September,  
 2012 at 3:00 P.M at the Registered Office of the Company at Malviya Nagar, Aishbagh, Lucknow 226004 or at  
 any adjournment thereof.

Signed this.....day of.....2012.

Stamp  
Re.1

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.



# Success brings its own rewards

PTC's commitment to its customers has not gone unnoticed. Over the years the company has received several awards and citations from institutions worldwide. Most importantly, many of these are in areas of direct concern to customers, like Complete Customer Satisfaction, Total Quality Control, Timely Deliveries.



#### Lucknow Plant 1

Malviya Nagar, Aishbagh  
Lucknow 226 004, UP  
Tel.: 91-522-2265300 / 2265301  
Fax: 91-522-2265302  
E-mail: ptc@ptcil.com

#### Lucknow Plant 2

C-5, Sarojini Nagar, Industrial Estate  
Lucknow 226 008, UP  
Telefax: 91-522-2435752

#### Bhiwadi Plant

B-480, Ricco Industrial Area  
Bhiwadi 301 019, Rajasthan  
Tel.: 91-1493-220091 / 220657  
Fax: 91-1493-221373  
E-mail: ptc@rediffmail.com

#### Ahmedabad Plant

Rajpur, Taluka: Kadi  
Dist.: Mehsana 382740, Gujarat  
Tel.: 91-2764-278532 / 278687  
Fax: 91-2764-278468  
Email: ptcindus@sify.com



Outstanding Vendor Award  
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