PTC
INDUSTRIES
Aspire. Innovate. Achieve.

PTC 4.0

54TH ANNUAL REPORT 2016-17

A NEW VISION,
A NEW MISSION,
A NEW REALITY.

With the advent of PTC 4.0, the company is now at the threshold of a new era, new possibilities and a future that shall change the way we think about manufacturing at the component level. The company's dictum of *Aspire. Innovate. Achieve.* continues to be the mantra that drives it towards the creation of a customer-centric, innovation-driven, technology-oriented, socially responsible organization, but a re-examination of its vision and mission statements in the context of this new reality has led to the definition of a new vision and a new mission.

Our vision
is to be the #1 choice in the markets we serve, creating value through innovative solutions.

Our mission
is to be a leading global manufacturer of engineered metal components, products and systems through sustainable, disruptive and innovative technologies.

We feel this new vision and mission defines who we are as an organization, what we stand for and what we want to achieve in the coming years. We believe these shall serve as guiding principles and help us to distinguish between the paths that lie before us in order to stay true to our purpose and achieve the highest pinnacles of success in a morally, socially and ethically responsible manner.

PTC continues to

Aspire, to be a full service supplier for our customers, thereby becoming an integral part of their value chain.

Innovate, not just to keep pace with the present, but by becoming leaders in pioneering new technologies, products and processes.

Achieve, a standard of quality such that quality becomes a part of the consciousness of each and every worker.

The transformation that we are about to witness in the coming few years shall have by far the most momentous impact on what the future holds for PTC.

With the unleashing of completely new possibilities and capabilities, this change shall herald the makings of a revolution in the Company's history. It is consequential enough for us to label it PTC 4.0 – the beginning of a new age in which PTC reinvents itself to offer unique opportunities to both external and internal stakeholders.

PTC's journey has been marked by a few distinctive milestones which have had an overwhelming impact on how the Company has been shaped today. We take a closer look at the different periods that have led to the conception of the phenomenon we have chosen to call PTC 4.0.

PTC 4.0

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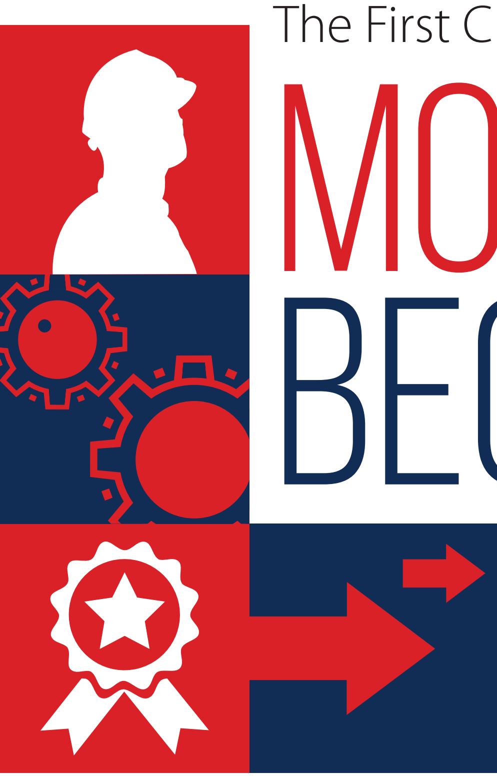


The First Chapter:

MODEST BEGINNINGS

It all began as a small family enterprise. The central idea for the establishment of this entity was to export castings from India to the west: an impossibility in the early 60s, when the Indian metal industry was not considered capable of manufacturing export quality castings. This phase spanned from 1963 to the beginning of the 1980s. The biggest breakthrough in this period for PTC was the **establishment of a benchmark of quality** with a good industrial setup and proven processes. The initial struggles and tribulations were overcome and the Company's expertise in supplying above-average quality of castings was acknowledged. The core ideals of maintaining a thrust of quality through focus on latest technology, world-class equipment and standardization of processes were born. In the times that were to come, they would help the Company and its management remember their chosen playing field and give them the resolve to take tough decisions that were needed. This time period served to create the blueprint for the structure and framework of PTC, as we know it today.

This early stage clearly showed the signs of PTC's underlying core philosophy and its **commitment to technology and innovation**. India's first steel Investment Casting set up was established.
A Plasma Arc Furnace was imported for the very first time into the country.
Mr. Sateesh Agarwal began to lead the Company and it was his vision and values that became one with the Company and started embodying all that PTC stood for.

However, that fanciful goal of being able to export castings from India, still remained out of reach.

The Second Revolution:

GROWTH AND STRUGGLE

From the early 80s to the late 90s, the Company grew extraordinarily. It diversified into different industry sectors, it added metal grades to its capabilities and it added new locations and units. It triumphantly achieved its primordial goal – and began to export to the United States in 1986. This was a major breakthrough, and one that would be the single biggest factor in shaping PTC's rise in the coming years. The shift in focus from the domestic market to exports brought steady financial growth for the company. It **cemented relationships with customers** that would continue for over 3 decades. In the turbulent times that were to come, these relationships, built on trust and mutual respect, would help the Company endure and conquer the challenges that an unsteady world economy and domestic disturbances would bring.

If we were to identify this time as PTC's second revolution, the makings of it would include the customer-centric culture that the Company acquired much before the rest of the industry and building of relationships with companies and individuals across the globe. The focus on innovation and research grew, and recognition of the company's research capabilities in the form of a DSIR-recognised research lab only further strengthened its reputation as a technology driven, innovation-focused company. Numerous awards and acclamations followed like the 'Dhatu Nayak Award' bestowed on Mr. Sateesh Agarwal along with many Excellence Certifications and Shields from various customers and associations.

At the same time, a myriad number of factors came together to challenge the steady growth that the Company had achieved. These internal and external conditions signalled the impending third major revolution that had to be ushered in if PTC was to survive the times that were coming.

The Third Shift:

FINDING OUR NICHE

With changes in industry in the western world, and the shifting of major manufacturing to China, the customers began to demand more value in their products and PTC needed to differentiate itself clearly from the rest of the industry. Hence began the shift: from low-grade alloys to higher and more exotic metals; from cast components to fully-machined engineered parts; and from rough, unfinished products to near net shape solutions that brought in an unparalleled advantage for PTC's customers: **Quality, Value, Speed.**

PTC invested in Replicast®, a nascent, lab technology invented by Castings Technology International, UK, and managed to revolutionise this technology, suitable only for parts up to 100 kilograms, to produce near-net-shape castings, weighing more than a tonne. The successful commercialization of this technology earned PTC the National Award in Research & Development in the Industry from the Government of India. It also set PTC on a path firmly focused on creating a niche for itself by **offering 'solutions' rather than 'products'.**

The Company incorporated 3D scanning, simulation, solid modeling and installed the latest shelling and machining equipment to create a world class manufacturing capability. The advantage of using Replicast® over the traditional sand-casting

method brought in a number of new, discerning customers who were world leaders in their own field and recognised the opportunities and advantages offered by PTC's new process. This phase was led by PTC's new, young and dynamic managing director, Mr. Sachin Agarwal whose commitment to path-breaking innovations was outstanding. The new process succeeded in eliminating or significantly reducing all the defects that were associated with traditional castings. Companies like Rolls Royce (Marine) re-engineered entire assemblies into Replicast® to achieve exceptional improvements in efficiency and reductions in total cost.

PTC's inherent characteristic of falling back on technology for providing solutions allowed it to adapt to changing technology in an incredible manner. It used the possibility of automation and robotics in a never-before manner to create new processes with improved consistency, quality and speed to offer immense value to its customers. The formation of these ideologies during this period positioned PTC in a unique position as manufacturing practices the world over began to witness transformational changes with new innovations, disruptions and the arrival of Industry 4.0.

A new age: PTC 4.0

PTC had always created new paths for itself on its erstwhile journey towards success. It differentiated itself from its peers and the future it created for itself was laid on the foundation of the ground-breaking innovation that had become its hallmark since its inception, 54 years ago. PTC's work in the past few years in the manufacture of critical and super-critical metal components is now poised to usher in an era of disruptive innovation in the metal component industry.

PTC has already succeeded in **reinventing** the age-old casting process and brought about a paradigm shift in the way the industry viewed core technologies for the manufacture of critical metal components. While leaps in technology caused evident advancement across other industry spectrums in the world, the casting industry has remained reliant on conventional methodologies and rooted in age-old processes. With the knowledge and experience of 54 years, PTC promises to radically open up possibilities never available earlier through the development of technology, process improvements and use of robotics and automation for the manufacture of metal components and bring in a new age in the metal cast component industry.

A new age: PTC 4.0

The metal component industry is a huge industry globally and the majority of metal parts are made in the world through welded fabrication or forgings while castings constitute a much smaller percentage of this industry. Historically, castings are considered inferior to forgings due to the latter's superior strength, better mechanical properties and much greater reliability due to the susceptibility of sand-moulded cast parts to defects like porosity, shrinkage, inclusions, etc. The grain flow in forgings is oriented in directions requiring maximum strength and the refined grain pattern imparts higher mechanical properties, while castings have neither grain flow nor directional strength and the manufacturing process itself leads to certain metallurgical defects.

Castings find application where the parts required are near-net-shape or complex and where the crude or bulky form of forgings prove a barrier to the manufacture of such components. Forgings are generally heavier, require far more machining and metal removal than cast parts, and dies used for manufacture of forgings are also more expensive. These characteristics make the forging process more cost-prohibitive for producing complex, net-shape parts in medium to large sizes, especially in expensive and exotic materials like Stainless Steel, Duplex, Super-Duplex, Inconel and Titanium.

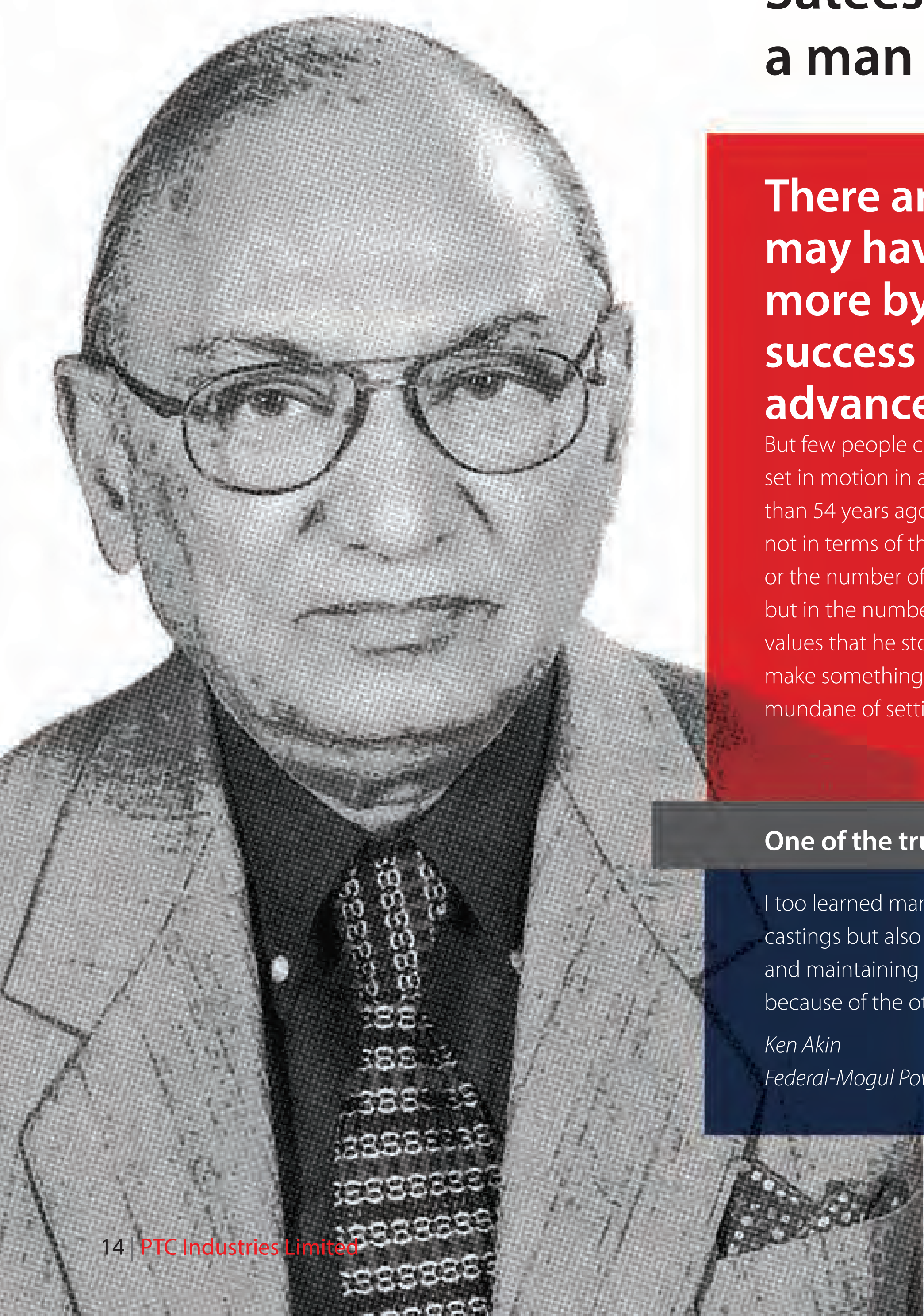
In view of the pros and cons of both processes, PTC's innovation has led to the inception of a new technology, **forgeCAST™** which has brought the best of both worlds together - **where castings and forgings converge**. This heralds a radical innovation, which will enable us to manufacture any size, near-net-shape, complex parts in exotic and higher metallurgies with mechanical properties, strength, reliability and quality equivalent to that of forgings.

In its new avatar, PTC stands on the threshold of what it calls a "**new dawn of opportunity**". The Company has invested in new capabilities and technologies, and sought the integration of automation, manufacturing and products in a way that shall deliver a unique competitive advantage and unlock new business and operating models. PTC understands that mere adoption of technology and introduction of automation shall not drive this new revolution. It is more important to change the way of thinking within the industry and see the big picture to understand how these new technologies can disrupt the entire horizon of the metal component industry. We understand that the greatest value comes when these technologies and capabilities are integrated together in an unique approach to have an impact at the value chain level.

PTC implementation and adoption of these changes have made it the first and only company in the world that has brought all the latest, most advanced and best-in-class technologies and equipment under a single roof to create unique, **unprecedented synergies** and opportunities for the manufacture of metal parts. PTC's distinctive leadership in its field is one where it shall be termed a '**Value Leader'** – a forerunner that creates exceptional value in everything it does. Hence, it does not offer merely better price, superior technology, higher efficiency but a culmination of all these aspects and something beyond. It seeks to deliver enhanced value to all its stakeholders: customers, shareholders, employees and society, by economising, optimising, redesigning, reengineering, reclaiming and recycling and offering sustainable manufacturing by imbibing the principles of **Zero Defect – Zero Effect**. While PTC has invested considerably in equipment, machinery, technology and infrastructure, it has also constructed a platinum-rated green building and installed rooftop solar, employed rainwater harvesting, set up effluent and waste treatment plants and invested in fume extraction and exhaust systems so that it can deliver the highest quality parts while honouring its responsibility towards the environment and future generations.

PTC 4.0 is primed to set the Company apart as a pioneer of new technologies, breakthrough innovation and sustainable progress; qualities that lie at the core of its value system.

REMEMBERING
MR. SATEESH AGARWAL



Sateesh Agarwal was a man with a vision.

There are many who may have achieved far more by way of material success and monetary advancement.

But few people can match the transformation that he set in motion in a small shed in a sleepy town more than 54 years ago. His growth can be measured, not in terms of the profits that his company earned or the number of products that his business sold, but in the number of lives that he touched, the values that he stood for, and his undying passion to make something revolutionary happen in the most mundane of settings.

One of the true pioneers in casting technology.

I too learned many things from Mr. Sateesh about castings but also about the importance of building and maintaining a partner relationship. Each thrives because of the other.

Ken Akin
Federal-Mogul Powertrain

"SUCCESS IN LIFE COMES WHEN YOU SIMPLY REFUSE TO GIVE UP, WITH GOALS SO STRONG, THAT OBSTACLES, FAILURE AND LOSS ONLY ACT AS MOTIVATION"

This pioneer of many firsts in the industry left us on October 7, 2016 leaving behind a legacy which was founded on his values of passion and innovation. His zeal for his work was almost surreal, his family, a second fiddle to his workmen and staff, and his most treasured moments were spent in his beloved PTC, working tirelessly to create a new process, a new technique or a new product. He called himself a 'serial entrepreneur' and always showed suitable annoyance when someone referred to his age. "I am still young", he would remark, with a spark in his eyes.

He lived as a young soul, who refused to be tied down by limitations of time, distance or resources.

And yet, he had a kind word and money to spare for each one of his employees. While in the hospital for a severe lung infection, his chats with his attendant revealed that he needed extra funds to support his children's education. Sateesh did not waste a moment, and pledged a portion of his salary to be given to this attendant for the rest of his life. He believed greatly in the dictum of mind over body, and his body responded to this belief. Once, he was hospitalised with severe gall bladder pain, due to be operated the next day. He decided to check out of the hospital on his own, and left for a three week tour of Europe two days later.

His resolve and determination helped him conquer any weaknesses his body ever displayed.

He was undoubtedly one of the greatest founders as well as the managing directors in the fields of casting industries of India.

His accomplishment was outstanding by far and moreover his biggest contribution to PTC was quite clear to have selected the best successor.
GPS Koshigoe

He founded Precision Tools & Castings Private Limited (now PTC Industries Limited) in 1963 with a vision to bring the latest technology and advancements to the Indian Industry.

He began with manufacturing of Investment Castings and was one of the first foundrymen to develop complicated castings for import substitutes like impellers, etc. He was also amongst the first people to begin export of castings from India in the engineering sector in the late 1970s. During the course of his career, he significantly augmented PTC's facilities by setting up a foundry in Bhiwadi, Rajasthan in 1990 and creating a high-tech foundry and CNC machining facility near Ahmedabad in 2001. His visionary approach led him recognise the potential of the Replicast® technology and bring it to India with path-breaking results.

Chachaji was a guru to me, who shaped my life with intellect, and nudged us towards achieving dedicated growth for the company. He was a very hard task master and always a perfectionist. He always looked at business with deeper sense of engagement, which he believed was the fulcrum of life for him and his spiritual attainment.

For him, business was a medium to build relationships and to attain perfection in all walks of life. This attitude helped, in turn, to build a lot of product understanding through the communication and specific queries he would ask during business process.

He would always go the extra mile to meet customers and build personal contacts so that relationships his built went beyond business and to a higher plane. His human touch and engaging attitude was the key to his charm.

The training he gave to us was very demanding for the guru in him always had a clear vision and a sense of responsibility for all of us.

I deeply miss his love and guidance.

Priya Ranjan Agarwal
PTC Industries

Sateesh was a great man and was one of the nicest person and friend I have known in my life and I know he was a wonderful dad as well who loved you with all his heart.

Narendra Singh
Friend & Classmate

He always believed in inclusive growth and worked hard on creating an organisation where everyone, irrespective of his position became an integral member of his family, the PTC family.

Under his leadership, PTC received a number of awards from the Indian government, various agencies as well as many customers. He was bestowed with an Honorary Citizenship for the City of Tulsa for his contribution to the industrial development in Tulsa, Okhlahoma.

To be able to build up a company to where it is now, indeed requires a great vision and leadership.

Dick Heek
DMN Machinefabriek Noordwykerhout B.V.

***Mohabbat Aur Shafqut se Bharpur Hamarey Sateesh Bhai - Khuda Hafiz,* God will keep you safe.**

Mohammad Perwaiz
Friend and Brother

I hold Sateesh in high esteem, as a gentleman who was always true to his word and it was a real pleasure having been acquainted and associated to him thorough our business relations.

Antonio Da Gama
JC Fabrica de Valvulas SA

It was about 25 years ago when I first met Sateesh and I have always considered him a friend more than a business associate.

Neal Langdon
Trinity Industries

His incredible passion and zest for his work never dwindled. Under his guidance, PTC started the set up of its Advanced Manufacturing & Technology Centre in Lucknow with the most advanced foundry infrastructure and capabilities anywhere in the world.

He was an extraordinary leader, who blessed many with his wisdom, guidance and unconditional support. He inspired many, and always had a kind word for the vast number of people whose lives he touched.

The relationships that he built over the decades were founded on respect and friendship and spanned many cultures and countries. Business associates became friends, and friends became family, and Sateesh left an indelible mark on every soul he met. His true friend, guiding light and companion was his wife, Saroj Agarwal who stood by him like a pillar. Her death left him with little will to carry on. His passing marks the end of an era of technological excellence, manufacturing brilliance and qualitative distinction in the foundry industry.

I sincerely admired and respected him for making his great vision into a reality, which very few of us are able to achieve in our lifetimes. It is a matter of immense pride to all of us that he brought into the country the latest of foundry technologies, developed new capabilities and became one of the first Indian exporters of castings to USA and Europe. As a foundry man myself, I am greatly inspired by the legacy of Mr. Agarwal. I am always reminded that younger people like myself pursuing a career in this field, owe it to pioneers like Mr. Sateesh Agarwal who have tirelessly contributed to shaping the Indian foundry industry to what it has matured to today.

Nitin Rao
Flowserve Corporation

He was our inspiration and the voice of reason, always leading us from the front to the pinnacles of success. His work, his teachings and his ideals shall always continue to light our path. He is the soul of this company and his spirit shall forever endure in the identity of PTC Industries.

From my few conversations with him I could see he was a true gentleman. His legacy is yours and I can see you are following in his footsteps.

Steve Humphries
Flowserve

I am deeply saddened to hear the sad news of the passing away of your wonderful father and leader of PTC. I am sure that I was not alone throughout the industrial world of Investment Casting to have shed a tear on reading of this event, and my heart goes out to you, your family, and all the greater family of PTC that he has created and left behind. To continue in the culture and tradition he admirably created.

On behalf of all of VA Technology Ltd , we are grateful for the privilege to have known him, and we offer you our deepest sympathy at this time.

Jim Byrne
VA Technology Limited

Our business and friendship path together with him since late 80's was unique experience!

Antti Erkkilä

CHAIRMAN & MANAGING DIRECTOR'S LETTER

DEAR SHAREHOLDERS

Let's start with a summary of our performance:

A marginal increase in revenue from operations by 4% to Rs. 99.39 crores from Rs. 95.68 crores in the year 2015-16.

Percentage of Earnings before interest, taxes, depreciation and amortization (EBITDA), excluding Other Income moved to 15 percent from 14 percent in the previous year.

The percentage of Profit after Tax to Operating Revenue declined to 5.6 percent from 6.4 percent in the previous year.

Earnings Per Share (EPS) this year was Rs. 11.18 compared to Rs. 11.74 last year.

The past year has been a difficult one for me personally. The foundry industry lost a visionary, PTC lost its founder and I, within 7 months of passing away of my mother, lost my father. Mr. Sateesh Chandra Agarwal left us on October 7, 2016, just as we embarked on the last mile to realize his dream of building the finest cast component manufacturing facility in the world. Our tribute to him is to continue on the path that he showed us and to build this Company to become a leader in its field by adding profitable growth and creating value, driven by its values of innovation, quality and sustainability.

The financial performance of the Company has remained stable while the world witnessed another turbulent year with unexpected changes in political, economic and social scenarios across the globe. Domestic growth slowed down due to adverse effects of demonetization and credit constraints. Even though India remains the fastest growing economy globally, the picture isn't as encouraging as was earlier projected. While the external environment posed challenges, PTC had its own set of changes to deal with as it came closer to the completion of the Advanced Manufacturing & Technology Centre.

Over the past few years, we have continued to transform this company into a next-generation technology leader, with an aim to become differentiators in the market.

Over the past few years, we have continued to transform this company into a next-generation technology leader, with an aim to become differentiators in the market. We have strongly believed that our future growth and sustainability depends upon our ability to align ourselves with the paradigm shifts and disruptive developments brought into the manufacturing landscape by phenomena such as Industry 4.0. The capacities and capabilities that we have created in the AMTC Plant shall easily differentiate us from our peers and create a bright future for our Company with ground-breaking innovation that has always been ingrained in our approach.

With the downturn of the global economy and the Company going into a transition period as we move to a new era of manufacturing, the short term outlook for the Company remains modest. Until the new facility comes into full production, the financial performance shall remain subdued. However, the future is energizing and exciting, and we are standing at the threshold of great opportunity and extraordinary prospects. This was amply visible through our exceptional achievements in the past year. Being recognized at the TIME India Awards for our overall competitiveness, pursuit of innovation, remarkable export orientation, pioneering adoption of Industry 4.0 and focus on sustainable manufacturing among 15,000 companies was definitely a high point. Receiving the Rolls Royce Total Cost Leadership award for improved casting quality and significant cost savings that we brought to our customer filled me with an immense sense of satisfaction. Enhancing customer profitability is one of our fundamental goals, one that we lay great emphasis on in our strategy.

Looking ahead, many developments are anticipated in the economic and business environment, some of which are local factors and some triggered by global trends. The Indian economy is poised at the edge of the next phase of growth through the government's push of the 'Make-In-India' programme and other investment-led strategies. The business environment in the country is also expected to undergo a radical transformation with the big push with investment in infrastructure in roads, ports, waterways, airways, railways, power and defence opening up vast areas of growth. In addition, the newly imposed GST is expected to make operations simpler and seamless. PTC is positioned to capture the benefits of this upswing and emerge as a beacon of best-in-class technologies and manufacturing practices in the metal cast component industry. Going forward, PTC shall renew focus on the Indian market as the country enters into a favourable new phase of growth on the back of increased government spending and strong consumption growth.

The rapidly changing external and internal environment prompted us to embark on a strategic review process. This process entailed primarily reviewing the existing strategy of our organization to ascertain whether it would help us deliver future performance and growth on a long-term, sustainable basis and what changes were required on both strategic and operating platforms to bring in outstanding growth and profitability in the future. The deliberations made during this process have led to the emergence of PTC 4.0 and the formulation of a new mission and vision statement for the Company – one that will define our identity as an organization and sum up what we stand for and what we want to achieve in the coming times.

In addition, we identified a number of key priorities and focus areas which would form the building blocks of our Company's new personality. Among others, human resource upgradation and skilling have been identified as important areas of transformation, and we have already begun work on this. This brings me to that happy task of introducing you to our new Chief Operating Officer, Mr. Anthony M. Rowett, who joined us in March 2017 after holding a position as the Managing Director of the European division of one of the world's leading engineering companies. Anthony brings with him over 25 years of rich and varied experience in the cast component industry with a strong background in Metallurgy. His association with PTC goes back to more than 15 years, and apart from being the most able person to lead operations of our state-of-the-art manufacturing facility, he is also a dear friend and a fine human being.

It makes me proud to share that we are the first and only company in the world to have brought all the latest, most advanced and best-in-class technologies and equipment under a single roof to create unique, unprecedented synergies and opportunities for the manufacture of metal parts. Never before has a Titanium casting facility existed along with Stainless Steel manufacturing, nor a HIP (Hot Iso-static Pressurisation) capability been found in a foundry before, and neither has anyone thought of combining powder-metallurgy with castings, nor has anyone clubbed 3D printing with 5-axis CNC machines till now. This aggregation will initiate unforeseen possibilities of cross-pollination between these incredible technologies, processes and equipment, and one can only imagine what the future of manufacturing shall hold for metal components. I am confident that with the evolution and development of our Company, the future has never been more exciting. Our focus on technology and disruption shall allow us to move forward towards a new era, where we create and execute strategies to innovate, build and lead a new tomorrow. With our expertise, industry knowledge and strategic insight delivered by an exceptionally skilled and committed workforce, we shall be well positioned to serve our customers in this unprecedented shift in the world of manufacturing.

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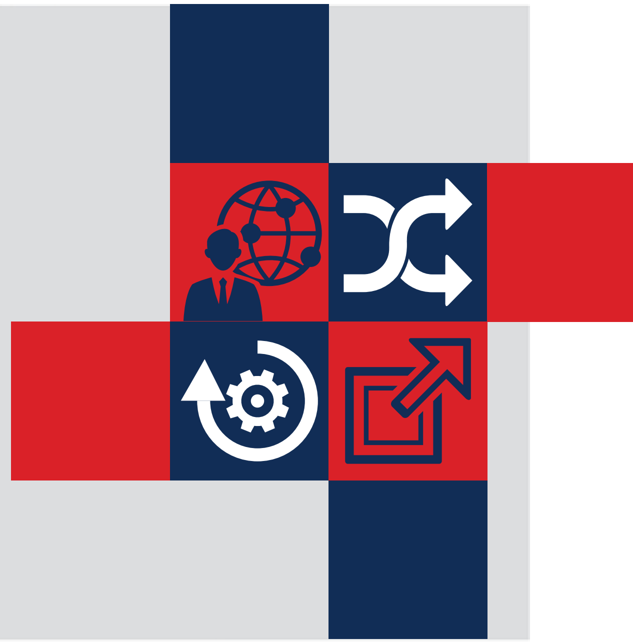


We shall continue to enhance stakeholder value for our investors by building a strong foundation for solid, profitable growth in the future. In addition, we take our responsibility towards building social and environmental value for our community and partners very seriously. Our distinctive leadership style is to be a 'Value Leader' – and create exceptional value in everything we do. Hence, we have placed equal importance on building a facility that works on the principles of Zero Defect - Zero Effect and incorporates facilities such as a 1MW rooftop solar plant, waste heat recovery systems, passive cooling, rainwater harvesting, effluent and water treatment plants and fume extraction and exhaust systems. Our aim is to contribute back to the community and the environment and bring in a new generation of sustainable manufacturing in the metal cast industry.

I am deeply grateful to each of our customers, suppliers, bankers, national and state government agencies, shareholders and employees for the faith and confidence that they have vested in this Company. It is my belief that with our undying spirit of innovation and the passionate commitment of our workforce, we shall continue to play a formative and leading role in shaping the future, and emerge as winners in our field.

Sachin Agarwal,
Chairman and Managing Director

MESSAGE FROM THE COO

My association with PTC spans more than 17 years now, but it is only recently that I have had the pleasure of working with them directly to achieve the goals that they have set out accomplish. When the opportunity arose to work for the company, I felt no hesitation in accepting the offer. Not only did they have successful automated plants running in Lucknow and Ahmedabad, but I was also aware of the upcoming Advanced Manufacturing & Technology Centre (AMTC) project, and the prospect of being involved in the ground-breaking work that the PTC team have been doing, was both exciting and exhilarating. It is a privilege and an honour to have been brought on board – thank you PTC.

PTC has great ambition, and they have redefined their vision to be the 'number one choice in the markets they serve, creating value through innovative solutions'. The capability to grow skills in external and internal services such as customer support, training and wider manufacturing technologies are central to their strategy. This demonstrates PTC's wide vision with both an alignment to the customer's businesses and a strong commitment to the workforce who are its most valuable asset.

Reflecting on my 25-years' experience, as a service provider and a producer within the global castings sector, I can see that the steel industry today is faced by an unprecedented crisis. Synchronised downturn in multiple sectors has created a scenario where the gap between capacity and actual demand has never been greater. For the wider steel industry, this is borne out by a report from the Organization for Economic Cooperation and Development (OECD), who state that the world's installed steelmaking capacity is projected to increase to 2.36 billion tons by 2017, which is 760 million tons more than the 1.6 billion tons of steel consumed in 2015. In this contradictory scenario, producers will soon be able to produce nearly one-third more steel than the world actually needs.

For conventional casting producers using first and second generation technologies, the reality is already one of financial losses, bankruptcies and plant closures. For example, it is estimated that in China alone the number of foundries will be rationalised from around 10,000 to 6,000 by the year 2020. Other such examples also exist in Europe, North America and Australia, where closures and capacity reduction programmes have already been executed. That said, it is worth remembering that historically the steel industry has always been cyclical. On a positive note, green shoots are already beginning to grow in sectors such as energy, mining and marine - sunshine follows rain. Moreover, the future is not something that just happens, it is something that we contribute to, and never has this been truer than in the case of PTC.

During my experience in the castings industry, both as global technology provider and within a large manufacturing organisation, I have been privileged to visit many manufacturing centres, particularly foundries, covering basic sand casting processes through to airspace-quality investment cast products and technologies. PTC's AMTC is a stand out facility against these global benchmarks.

This genuinely is a world first company, and they have the unique feature of having a purpose-built, sustainable facility where they can develop and create cutting-edge technologies for cast products and other metallic-based technologies. Only the blue-chip global corporate manufacturers come close to such a specialised and advanced organisation, but even they don't match this eclectic but focused capability. This is not a first for India, it is a first for the world!

To have this combination of technologies gives a tremendous opportunity for business growth and further technology development. We have several stand out technologies which are significant for their uniqueness; for example Rapidcast Ultra™ where we can make investment cast quality parts up to 6000 kgs in weight; few suppliers around the world have this capability.

Rapidcast™ offers the potential for having zero defect large parts, with consistent dimensional accuracy and exceptional surface finish, which will improve performance on dynamic surfaces. Additionally, the total freedom of design and orientation can reduce casting weight by minimising wall sections and machining allowances. This is a very attractive proposition for casting users and I am confident this will be exploited more and more as we move forward in our supply chain partnerships.

Another example would be alloys such as Titanium and Zirconium, which are essential components in applications such as petrochemical and aerospace. Only a few foundries around the world have this technically challenging reactive alloy capability. In an era where two North American producers have closed down centres capable of producing this scarce resource, PTC with its vision have invested in the latest Vacuum-melting technology. This is a prestigious achievement and sets PTC in a distinguished group of around 6 global producers who have this capability.

Furthermore, PTC now has the largest and only commercial Hot Isostatic Pressing (HIP) facility in India. Not only do we have this scarce technology, we have it in on site in combination with a multitude of advanced casting technologies. Another world first for a producer of engineered cast products. By employing HIP we also have a new capability to produce consolidated parts in high purity and exotic metals through Powder Metallurgy. Clearly this unique blend of technologies positions PTC well for future success.

In conjunction with the world class manufacturing technology, PTC have an exceptional culture which is borne out by the great achievement of AMTC. It is self-evident that without the work ethic, commitment and systems, such a large task would not have been possible. In addition to the technology improvements in our Ahmedabad plant, our new AMTC environment, presents a perfect opportunity to further improve our quality management systems, health and safety systems and most importantly work on training. We are in a wonderful position to improve skills at all levels of the workforce and train new engineers in world-class, cutting-edge manufacturing technologies. This knowledge will flow down into all our businesses which will have a lasting impact on our future capability, and the future of India in this sector.

We are well positioned to capitalising on the potential of our installed base to grow the existing business. Additionally, the broad range of adopted technologies creates an environment where PTC can look at entirely new growth opportunities through the expansion in new markets and segments. This is something that I eagerly look forward to.

Aristotle is credited with saying that 'Quality is not an act, it is a habit'; this philosophy is strongly entrenched within PTC. It is a proven fact demonstrated by our achievements, that in this context the word 'Quality' is also interchangeable with the word 'Technology'. As we move forward in our quest we have the same confidence, knowing that we will interchange the grammar with 'Training', 'Safety' and 'Revenue'.

With the giant leap that the Company has taken, the rewards that will flow in are inevitable. With the firm resolve and determination that PTC embodies, it begins its march towards a new chapter of its existence, and will revolutionise the future of the metal manufacturing world in this new era.

Anthony Milne Rowett

Chief Operating Officer

BOARD OF DIRECTORS

SACHIN AGARWAL
Chairman &
Managing Director, 44 Years
MBA, M.Sc (Finance)
Joined April18, 1998

KRISHNA DAS GUPTA
Independent Director, 74 Years
M.Com, LLB, M.Phil, Masters
Diploma in Public Administration.
Joined July 31, 2008

PRIYA RANJAN AGARWAL
Director, Marketing, 58 Years
B.E. (Mechanical)
Joined December 22, 1992

RAKESH C KATIYAR
Independent Director, 60 Years
M.Com, PhD, FICWA, D Lit.
Joined April 19, 2007

ALOK AGARWAL
Director, Quality & Technical, 54 Years
B.Tech, IT Kanpur
Joined 27 July,1994

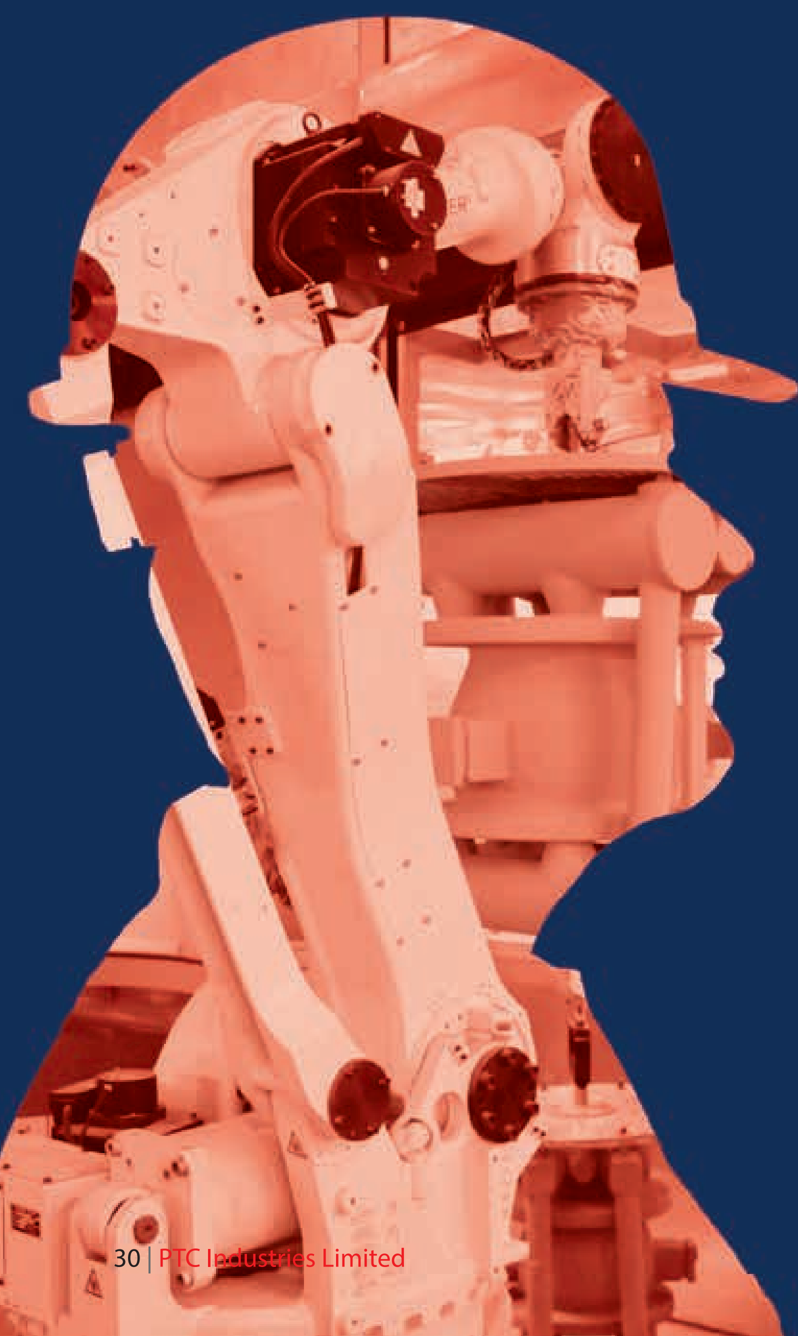
SHASHI VAISH
Independent Director, 66 Years
M.Sc.(Physics), FCS
Joined August 9, 2014

BRIJ LAL GUPTA
Independent Director, 66 Years
M.Sc.(Physics), FCS
Joined August 9, 2014

KASIVISWANATHAN MUKUNDAN
Nominee Director, 47 Years
B.Tech, Masters in Financial Mgmt
Joined February 9, 2016

AJAY KASHYAP
Independent Director, 67 Years
B.Tech (Chem), M.Sc. (Chem)
Joined April 19,2007

COMPANY PROFILE



PTC Industries Limited has become one of the world's leading suppliers of high precision metal components for critical and super critical operations. The name PTC Industries has come to signify quality, innovation and advanced technologies. With more than 80% of its products being supplied outside India, it has set new benchmarks in Indian component manufacturing. Starting operations on a modest scale in 1964 by a few family members, with a passion for manufacturing high quality castings which could be exported from India, it has emerged today as a supplier of choice for the finest engineering companies across the world.

Early Years and Growth

In 1963, Precision Tools & Castings Private Limited (now PTC Industries Limited) was incorporated with a vision to set up a technologically advanced and innovative foundry. The company began to manufacture parts using the new Lost Wax (Investment Casting) technology for import substitution primarily for Valves, Pumps and Impeller Castings. This was amongst the first such units in India. The company added latest equipment like a Plasma Arc Furnace and Induction Furnace. In 1981, PTC's research and development efforts gained cognizance and its In-house R&D Laboratory was recognized by the Department of Science & Technology (DST), Government of India.

PTC also formed alliances and entered into a technical collaboration with Aciéries et Fonderies de l'Est (AFE) of France for the technological know-how for manufacture of critical Castings by Sand Moulding process. A Joint Venture for expansion of business in the US was also set up with a US Company.

During this period, several awards including the 'Dhatu Nayak' award by the All India Induction Furnaces' Association, were presented to Mr. Sateesh Agarwal. PTC was awarded the Best Exporter Shield from EEPC (Northern Region) for many years and also received the Certificate of Excellence in 1992 for Iron & Steel based products.

In 2000, the ISO 9001-2000 certification by BVQI and AD-2000 Merkblat certification by TUVNORD were awarded to the company. It also received a certification from BVQI for the Pressure Equipment Directive.

PTC began to expand its operations and in 1990 acquired a sand-moulding foundry in Bhiwadi, Rajasthan, to supplement its growing export demand in the US for castings with marine applications. In 1991, a machine shop was acquired in Lucknow for value addition to the existing products. The Ahmedabad Plant was set up in 2001 with facilities for Investment Castings and, later, a CNC Machine Shop fully equipped with Turning Centres, Turn Mill Centres, Vertical and Horizontal Machining Centres was also added.

In 2013, PTC Industries began to envision a facility that would house the most advanced technologies, equipment and processes across the world. This led to the conception of the Advanced Manufacturing & Technology Centre (AMTC) – the most advanced metal component manufacturing facility in the world which will house under a single roof, more than 20 unique technologies, the most sophisticated equipment in the world, supported by robotics, automation and best practices in every process. With the establishment of this plant, PTC shall become unparalleled in its capabilities to manufacture engineered metal components and products for the most critical applications where precision and quality are the most crucial criteria.

Accolades and Achievements


PTC INDUSTRIES:
CASTING MAGIC WITH METAL

INDIA
Forbes
HIDDEN GEMS

PTC excelled at absorption and development of new technologies, and even proceeded to indigenize them to deliver maximum value to the customer. This was recognized by the Indian Government too, and in November 2006, PTC was awarded the prestigious National Award for R&D Efforts in the Industry by the Department of Science and Industrial Research, Government of India for successful indigenization and commercialization of the Replicast® technology.

PTC also has a technical collaboration with the prestigious Castings Technology International (CTI), a research and technology organization based in the UK with capabilities in castings design, materials development and selection, specifications, manufacturing technologies, quality control, testing and performance.

In July 2014, Forbes India identified PTC Industries as one of the sixteen 'Hidden Gems' of Indian industries. These are fast growing companies which are constantly innovating and aiming for greater heights. Forbes selection of PTC was due to its investments in unique technology and commitment to innovation.

PTC believes that its commitment to quality impacts directly on the customers' success, and therefore our company.

PTC's entrepreneurial spirit and penchant for innovation was recognized once again in January 2017 when it became the only foundry in India to be bestowed with the Special Jury Award at the 2017 Time India Awards by TIME India magazine for exhibiting overall competitiveness and pursuing innovation, and standing out for its remarkable export orientation, pioneering adoption of Industry 4.0 and focus on sustainable manufacturing.

PTC has always believed in working in close collaboration with the government to develop new technologies, systems and processes to bring best-in-class manufacturing capabilities to India. It has entered into joint projects along with the Department of Science & Technology, Ministry of Science & Technology for development and commercialization of the RapidCast™ technology and the Department of Heavy Industries, Ministry of Heavy Industries & Public Enterprises for acquisition of technology and development of Titanium Castings with Ceramic Shelling. These projects shall contribute immensely to the creation of an indigenous facility for manufacture of critical components and support India's quest for 'Self Reliance' in the core manufacturing sectors.

Commitment to Quality

PTC believes that its commitment to quality impacts directly on the customers' success, and therefore our company. Quality at PTC includes quality of work environment, technology and services offered.
PTC ensures desired quality by conducting in-depth testing and inspection based on customer requirements and international standards.

A series of inspection tests and inspections are scrupulously carried out at every stage. Destructive and Non-Destructive tests that are carried out include Tensile Testing, Impact Testing, Wet Analysis, Ultrasonic Flaw Detection, Magna Flux Crack Detection, Pressure Testing, and others.

PTC has the following approvals in place:

- ISO 9001 from TUV
- PED (Pressure Equipment directive) TUV W0 MERKBLATT from TUV
- Marine Classification Approvals from:
  DNV
  Bureau Veritas
  Lloyds
  American Bureau of Shipping

Manpower - Our key strength

PTC recognises people as the primary source of its competitiveness and continues to focus on the development of people by leveraging technology and innovation. The development and growth of employees has always been the focal point of human resource functions at PTC which is imbibed in the culture of care for people. PTC therefore, endeavours to adopt the best standards for employee well-being and quality of life.

The company focuses particularly on the health and safety of its employees. Various health schemes, camps and voluntary movements are organised by PTC for its employees' and their families. The company has laid down foundations for a quality-centric work culture by involving its employees and ensuring a good work environment.

PTC encourages employees to perform to their best ability and supports open collaboration, engagement and involvement. Constant improvements are brought about in work practices and productivity by adherence to the best practices and an efficient system of motivation. PTC believes in being an equal opportunity employer and strives to attract the best available talent and ensure diversity in its workforce. Diversity and Inclusion are important aspects of sustainable business growth and we call this the 'winning balance'.

PTC helps 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.

PTC has excellent relations with its workers and staff. It has excellent co-operation and support from the entire hierarchy of well-trained and experienced personnel.

Infrastructure

Over the years, PTC has built an infrastructure that includes all facilities in-house. Today, PTC has manufacturing facilities in Uttar Pradesh and Gujarat which include 2 foundries, 2 CNC machine shops and a DSIR approved Research & Development lab.

PTC's foundries are fully equipped with facilities for computerised methoding through solid modelling and casting simulation. PTC has invested in setting up a Design Unit, complete with high end designing software from SolidWorks® and Magma® along with qualified design engineers.

A large **Robotic 7-Axis Machining Centre** has been developed by PTC to machine patterns using the concept of **Virtual Tooling** for the its RapidCast™ technology.

Fully automated **Robot assisted Shell Coating** systems have been installed in both the Lucknow and Ahmedabad plants for shelling and moulding leading to remarkable consistency in quality, increase in efficiency, shorter lead times and less wastage.

PTC's high level of quality has materialized due to a gradual process that the company has imbibed over the last 53 years. The company's comprehensive testing facilities ensure that the desired quality is ensured by conducting in-depth tests and inspections as per the customers' requirements.

The Foundries are supplemented by Complete Machine Shops which include state-of-the-art Turning Centres, Vertical Machining Centres and Horizontal Machining Centres from Japan and Europe.

Building Capacity and Capability

With the experience and learning that PTC has acquired in the past 10 to 15 years with Replicast®, automation, robotics, CNC-machining and other technologies, PTC has built a new state-of-the-art **Advanced Manufacturing & Technology Centre,** (AMTC) in Lucknow, India with the most advanced technologies and equipment in the world.

The technologies and facilities available in this plant shall create an indigenous capability for manufacture of high precision components with unparalleled quality, consistency and reliability for super-critical applications. For the first time ever, Titanium Casting technology and manufacturing capability is being brought to the India within this facility. The unit shall provide import substitution for key components that are crucial to the realisation of our nation's dream of **'Self Reliance'** and **'Make in India'** and shall pave the way for a new era of best-in-class-manufacturing in the country. This facility shall exhibit PTC's trademarked indigenously developed technologies like **RapidCast™, PrintCast™, forgeCast™, Powderforge™** and **TiCast™,** and house the most advanced equipment, robots, CNC machines, automation and best-in-class technologies being installed with the of technology partners, machine manufacturers and vendors across the world from countries like the United Kingdom, USA, Germany, Japan etc.

PTC's CNC-machining capability shall also be expanded and shall include the latest 5-Axis CNC machines also. This facility shall have the added capability to produce single piece castings of up to **6,000 kgs**. In the first phase, the built up area for the plant shall be 150,000 square feet. All our manufacturing technologies will not just improve the quality and performance or products, but the entire process has been re-engineered to make it more green and reduce or eliminate wastage at every stage of the manufacturing process.

Considerable improvements in productivity have been kept in mind, and automation and robot-assisted manufacturing has been employed which further increases the consistency and reliability of the process. The new technologies being introduced by PTC are one of the most environmentally neutral technologies available today.

Besides bringing world-class technologies to India, this plant shall also have the best practices for sustainable manufacturing. Environmental conscientiousness forms the very essence of these technologies. Keen focus and validation was maintained right through their development to ensure that every step of the process has no adverse impact on the environment. Using these technologies, the Company has been able to recycle and re-use a significant amount of materials while generating a minimum amount of waste. Further, it has chosen to construct of one of the very few platinum-rated green buildings in the country with a rooftop solar plant, rainwater harvesting and effluent and waste treatment plants and investment in fume extraction and exhaust systems so that we can deliver the highest quality parts, while honouring our responsibility towards the environment and future generations.

Besides bringing world-class technologies to India, this plant shall also have the best practices for sustainable manufacturing.

Global Recognition and Local Strength

In the last few years, amidst the global economic crisis, PTC has reinforced its position globally and emerged stronger than ever with strong customer relationships coupled with specialized manufacturing capabilities. Its relentless focus on technology and innovation has opened up new opportunities and transformed the Company into a globally recognized engineering brand.

PTC manufactures products for various critical applications for a wide spectrum of industries including Oil & Gas, Liquefied Natural Gas (LNG), Ships & Marine, Valves and Flow-control, Power plants and turbines, Pulp & Paper machinery and Mining and Earth moving machinery. 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.

Our foundries shall have the capability to produce stainless steel and alloy steel castings which range from a few grams up to more than 6,000 kilograms per piece. Our machine shops have facilities to fully machine valves, pumps, impellers, diffusers, stuffing box, railway items, parts of earth moving machinery etc. These plants are also geared to produce moulds, dies, jigs and fixtures. The fabrication division offers complete engineered parts for power, construction, mining and earth moving equipment. PTC manufactures assembly items and fabricated parts for global OEMs for power and mining equipment and under carriage parts for track equipment for dozer, excavator and off highway equipment.

PTC caters to the needs of the following sectors on a large scale:

Foundry

Our foundries located at Lucknow and Ahmedabad produce stainless steel and alloy steel castings which range from few grams up to more than 6,000 kilograms per piece.

Machining

Our machine shops have facilities to fully machine valves, pumps, impellers, diffusers, stuffing box, railway items, parts of earth moving machinery etc. These plants are also geared to produce moulds, dies, jigs and fixtures.

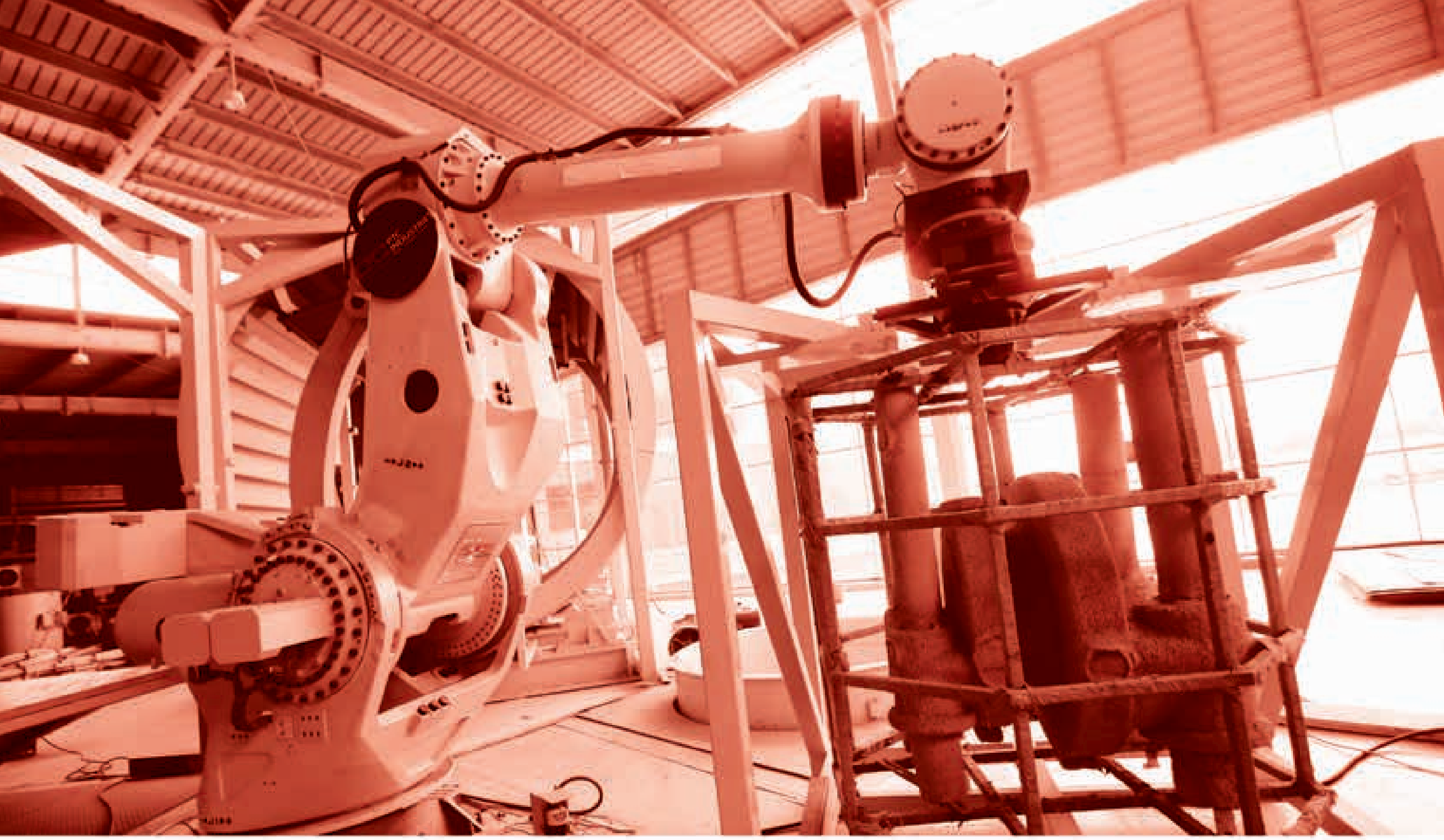
Fabrication

The fabrication division offers complete engineered parts for power, construction, mining and earth moving equipment. Currently manufacturing steel, stainless steel, alloy steel, boiler quality plate fabrication which includes complete non-destructive testing i.e. UT, MPI, radiography, stress relieving and machining up to 10 MT.

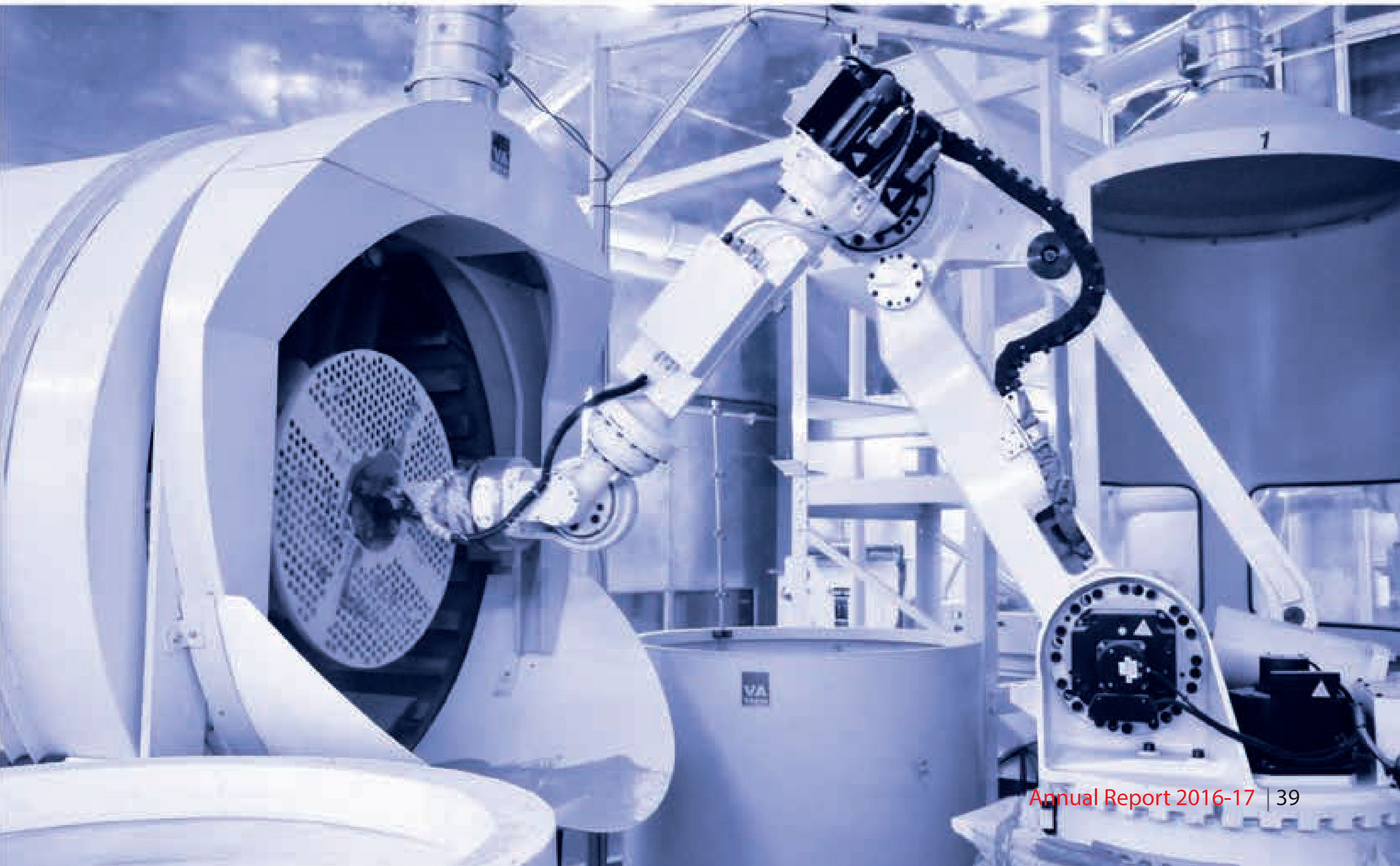
Assembly

PTC manufactures assembly items which include castings, forged parts, bought outs including bearings, bushes, fasteners, fabricated parts for global Original Equipment Manufacturers (OEM) for power and mining equipment. PTC also manufactures under carriage parts for track equipment for dozer, excavator and off highway equipment.

PTC has been exporting over three-fourths of its products for more than 30 years to countries all over Europe, North America as well as other countries in Asia and South America. It has been contributing towards foreign exchange for the nation for the past 3 decades by generating nearly 80 percent of its revenue from exports. PTC's customers are amongst leaders in the world in their domain; e.g. Rolls Royce (Marine), Flowserve, Metso, Emerson, Siemens, Alstom etc. PTC has also made contributions towards nation building by developing various critical parts for power generation equipments for BHEL, earth-moving products for BEML and also for India's space program by developing



PTC's relentless focus on technology and innovation has opened up new opportunities and transformed the Company into a globally recognized engineering brand.



CHAMPIONS OF CHANGE

MAKE IN INDIA

- Industry 4.0
- MSMEs & Value Chains
- Exports
- Logistics
- FDI and FII

Our Chairman and Managing Director, Mr. Sachin Agarwal was privileged to have been invited by Prime Minister Narendra Modi among 200 other CEOs as part of the 'Champions Of Change' programme organised by Niti Aayog. This two-day meeting was organised to seek their views on subjects including job growth, income enhancement, improving economic growth and raising farmers' income. The 200 CEOs were divided into six groups of around 30-35 each based on their area of expertise to suggest specific measures for the growth of our country. Mr. Sachin Agarwal presented his ideas on the theme 'Make in India' and gave valuable suggestions on measures to strengthen the manufacturing environment in the country by focus on componentization, technology transfers, labour reform and ease of doing business. The action points suggested during this interaction shall be incorporated in the 15 Year Vision Document being prepared by NITI Aayog.

COMPANY INFORMATION

1

CHIEF FINANCIAL OFFICER
Smita Agarwal
COMPANY SECRETARY
Arun Kumar Gupta
CHIEF OPERATING OFFICER
Anthony Milne Rowett

2

BANKERS
State Bank of India
Punjab National Bank
HDFC Bank
Yes Bank

3

AUDITORS
Walker Chandiok & Associates
L-41 Connaught Circus
New Delhi 11000
India

4

REGISTERED OFFICE
Malviya Nagar, Aishbagh,
Lucknow 226 004
Uttar Pradesh
Tel: +91 522 2265300
Fax: +91 522 2265302
Web: www.ptcil.com
CIN: L27109UP1963PLC002931

5

SHARE TRANSFER AGENT
Link Intime India Private limited
C-101, 247 Park, L. B. S. Marg
Vikhroli (West)
Mumbai 400 078 India

6

LUCKNOW PLANT 1
Malviya Nagar, Aishbagh
Lucknow 226 004
Uttar Pradesh, India

7

LUCKNOW PLANT 2
C-5 Sarojini Nagar
Industrial Estate
Lucknow 226 008
Uttar Pradesh, India

8

MEHSANA PLANT
Rajpur, Taluka Kadi
District Mehsana 382740,
Gujarat, India

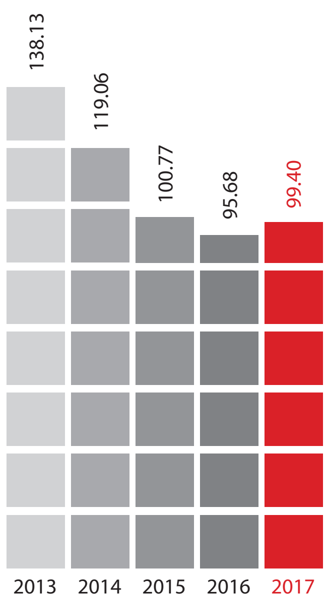
9

AMTC PLANT
NH 25A Sarai Shahjadi
Lucknow 226401
Uttar Pradesh, India

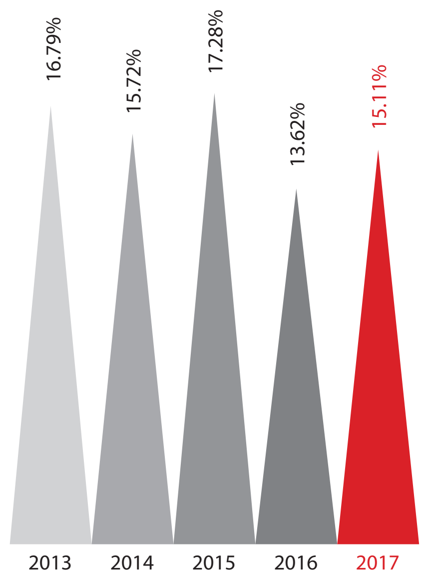
10

WINDMILL POWER DIVISION
Surajbari Region
Shikarpur Village
Kutch District
Gujarat, India

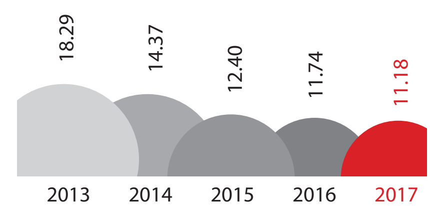
Revenue
₹ in Crores



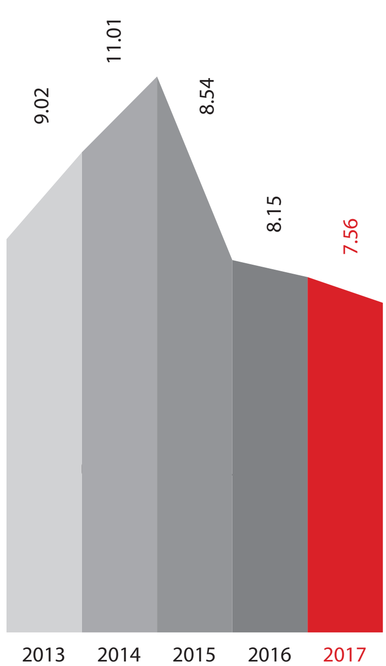
EBITDA
(%age to Revenue)



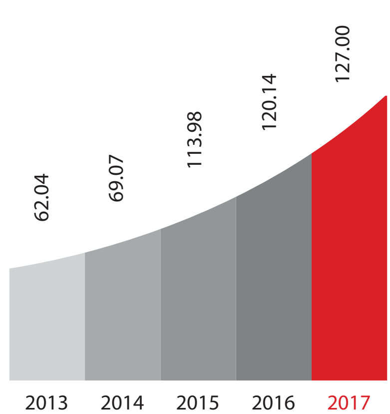
EPS
₹ in Crores



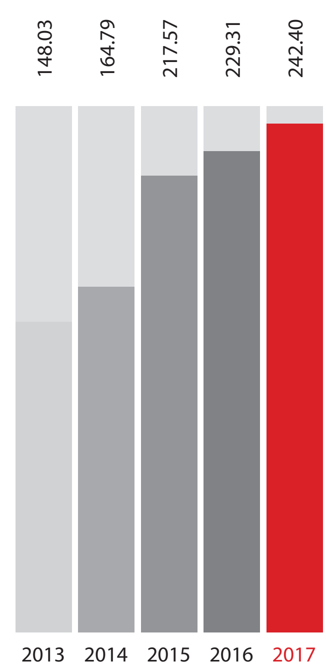
Profit before tax
₹ in Crores



Net Worth
₹ in Crores

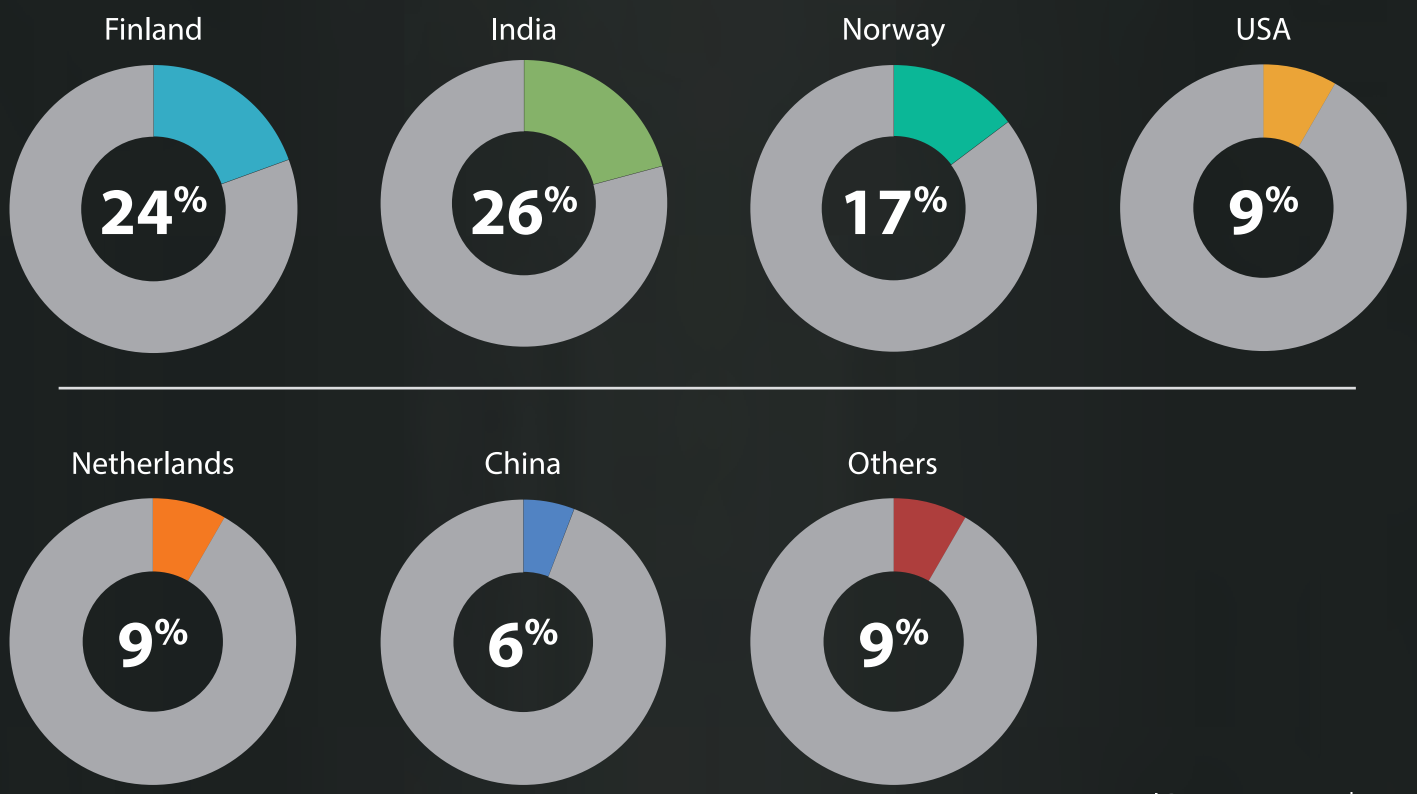


Book Value of Shares
₹ in Crores



FINANCIAL HIGHLIGHTS

GEOGRAPHICAL SALES
% of Total Revenue



HIGHLIGHTS OF THE YEAR

PTC becomes the only foundry in the country to be bestowed with the Special Jury Award at the 2017 Time India Awards by TIME India magazine for exhibiting overall competitiveness and pursuing innovation, and standing out for its remarkable export orientation, pioneering adoption of Industry 4.0 and focus on sustainable manufacturing. The esteemed Jury selected 8 companies from over 15,000 companies, after extensive qualitative and quantitative evaluation.

PTC received the Rolls Royce Marine Total Cost Leadership Award 2017 during their Supplier of the Year Awards held as part of the Marine Extended Partnership 2017 in Alesund, Norway. Rolls Royce recognized that the introduction of robotic Replicast® technology by PTC had enabled significant cost savings for them through reduced rework and finishing due to improved casting technology. This was a singular recognition of PTC's abilities and advantages by one of the leading engineering companies in the world.

Our CFO, Mrs. Smita Agarwal was awarded the Outstanding Woman Achiever Award in the Corporate Category by Lucknow Management Association on the occasion of International Women's Day for her contribution to the industry and outstanding work in providing a leadership platform to young entrepreneurs and professionals in her role as Chairperson of the CII Young Indians Lucknow Chapter.

The Grand Opening of PTC's Advanced Manufacturing & Technology Centre was a scintillating event attended by PTC's customers from across the world, its technology partners, vendors, associates and employees. PTC's breakthrough work in bringing the latest and best technologies and equipment to India was greeted with unabashed enthusiasm and anticipation. This was a significant milestone in PTC's march towards building a world-class, sustainable manufacturing facility in the country.


GRAND OPENING OF
PTC'S ADVANCED
MANUFACTURING
& TEC Y CENTRE
PTC INDUSTRIES
ADVANCED MANUFACTURING & TECHNOLOGY CENTRE

PTC's Titanium Casting project has been deemed a project of 'national importance' by the Department of Heavy Industries (DHI), Ministry of Heavy Industries and Public Enterprises, Government of India for its contribution to the country and creation of unique indigenous capabilities. DHI approved PTC's Titanium Casting venture under its Capital Goods Scheme called Technology Acquisition Fund Programme (TAFP) by committing a grant of Rs. 10 Crores towards this project.

Our CFO, Mrs. Smita Agarwal had the privilege to interact with the Honourable Chief Minister of Uttar Pradesh, Shri Akhilesh Yadav with India's first woman to win a Silver Paralympic Medal, Ms. Deepa Malik.

A *Swachh Bharat* initiative was undertaken by PTC in association with CII Young Indians Lucknow, after the launch of the biggest ever cleanliness drive in India, *Swachh Bharat Abhiyaan.* The company has also initiated a project to plant saplings for a cleaner, greener city and distribute car bins to discourage littering on the streets.

PTC's Titanium castings were on display at the India-Uk Tech Summit - a testament to the part we have played in the years of collaboration between India and UK for bringing the latest technologies and processes to India.

PTC was privileged to be associated with Sadhguru Jaggi Vasudev in his maiden visit to Lucknow when he mesmerized over 300 people on a 'Mystical Morning' with words of wisdom.


फैमिली बिजनेस का कर डाला मेकओवर

Our CFO, Mrs. Smita Agarwal featured in *Amar Ujala* for her contribution to the business, youth leadership initiatives and social outreach programs.

PTC organized a number of events for its employees during the year including league cricket matches held over 3 weeks under the PTC Cricket League and social evenings filled with entertainment and fun.

MANAGEMENT REVIEW

DEAR MEMBERS,

Your Directors are pleased to present the 54th Annual Report of the Company along with financial statements for the year ended 31st March 2017.

1. RESULTS OF OUR OPERATIONS

FINANCIAL HIGHLIGHTS

Table 1 gives the financial performance of the Company for the financial year 2016-17 as compared to the previous financial year.

TABLE 1 FINANCIAL HIGHLIGHTS ₹ In Lakhs

	2016-2017	2015-2016
Revenue From Operations		
Domestic Sales	2,786.07	2,101.90
Export Sales	7,163.93	7,435.13
Other Operating revenues	282.24	260.12
Total	**10,232.24**	**9,797.15**
Less: Excise Duty	292.33	228.71
Revenue From Operations (net)	**9,939.91**	**9,568.44**
Profit before Finance Cost, depreciation and Tax	**1,653.41**	**1,615.15**
Less: Finance Cost	343.09	256.32
Less: Depreciation	554.02	543.42
Profit before Tax	**756.30**	**815.41**
Tax Expenses		
Provision for taxation	154.99	167.26
Deferred tax	170.52	44.15
MAT credit entitlement	(154.99)	(11.30)
Profit after Tax	**585.78**	**615.30**

OPERATING RESULTS

The Company witnessed a marginal increase in revenue from operations by 4% to Rs. 99.39 crores from Rs. 95.68 crores in the previous year. Overall revenue levels have remained stagnant in spite of increase in quantitative production due to a decline in exchange rates and metal prices. During the year, a portion of the Company's capacity was also being used for trials and research for the new technologies that are being introduced in its new manufacturing facility, the *Advanced Manufacturing & Technology Centre*. Thus, some production capacity was devoted for development of new products for the future and affected present revenue levels.

The EBITDA as a percentage of revenue is 15% compared to 14% last year. The Profit after tax has reduced to Rs. 5.86 crores from Rs. 6.15 crores in the previous year due to increase in finance costs and the incidence of deferred tax arising on the expenditure incurred in completion of the Technology Development and Demonstration Programme of the Department of Scientific and Industrial Research during the year.

For a detailed discussion on the Company's financial and operating results, please refer to the Financial Performance section of the Management Discussion and Analysis Report in this Annual Report.

DIVIDEND

The Company has invested in the state-of-the-art Advanced Manufacturing & Technology Centre (AMTC) in Lucknow, Uttar Pradesh, and expects further outlay of funds for the plant to begin to function at full capacity. Hence, the directors do not consider it prudent to recommend any dividend for the year ended on March 31, 2017. The Company has also not transferred any amount to General Reserve during the year. The amount of Rs. 5.86 crores is proposed to be retained in the Profit and Loss Account for the year ended on March 31, 2017.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

As per the requirement of section 186(4) of Companies Act, 2013, particulars of loans given, investments made, guarantees given or securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the standalone financial statements. The Company is in compliance with the limits as prescribed under Section 186 of Companies Act, 2013 read with rule 11 of the Companies (Meeting of Board and its Powers) Rules, 2014.

RELATED PARTY TRANSACTIONS

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. The disclosures as required under Part A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in accordance with AS 18 in the notes to standalone and consolidated financial statements.

Particulars of contracts or arrangements with related parties referred to in section 188(1) of the Companies Act, 2013, are presented in Annexure III to the Directors' Report in Form AOC 2. The Company's policy on related party transactions may be accessed on the Company's website at http://www.ptcil.com.

MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

In terms of the provisions of Regulation 34 read with Schedule V Part B of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management's discussion and analysis is set out in this Annual Report on Page ____.

2. BUSINESS

NEW UNIT

The company had envisioned a state-of-the-art project called the Advanced Manufacturing & Technology Centre, (AMTC) in Lucknow, India which will house the most advanced component manufacturing technologies and infrastructure in the world. This facility has been set up in Lucknow, Uttar Pradesh and shall manufacture products for super-critical applications like Aerospace, Power Plants, Oil & Gas, Chemical Processing and Medical Implants.

The technologies and facilities available in this plant shall create an indigenous capability for manufacture of high precision components with unparalleled quality, consistency and reliability for super-critical applications. For the first time ever, Titanium Casting technology and manufacturing capability is being brought to India within this facility. The unit shall provide import substitution for key components that are crucial to the realisation of our Government's dream of 'Self Reliance' and 'Make in India' and shall pave the way for a new era of best-in-class-manufacturing in the country.

This facility shall house 20 unique advanced technologies in metal component manufacturing under a single roof making

it the most advanced manufacturing facility in the world in this segment. Apart from exhibiting PTC's trademarked indigenously developed technologies like RapidCast™, PrintCast™, forgeCast™, Powderforge™ and TiCast™, the new unit shall create direct employment opportunities for over 500 people and indirect employment for even a greater number. This facility shall help in the training and development of skills of the employees on advanced equipment, robots, CNC machines, automation and best-in-class technologies with the help of technology partners, machine manufacturers and vendors across the world from countries like the United Kingdom, USA, Germany, Japan etc.

During the year, the Company had submitted a proposal amounting to Rs. 51 Crores to the Department of Heavy Industries, Ministry of Heavy Industries and Public Enterprises, Government of India for acquisition and customisation of Technology for Development & Commercialisation of Titanium Castings with Ceramic Shelling under the Technology Acquisition Fund Programme (TAFP). The department has committed partial support as a grant of Rs. 10 Crores out of a total cost of Rs. 51 Crores for a project duration of four years from the date of signing of MoU with Global Innovation and Technology Alliance (GITA). Further, the Department of Science & Technology, Government of India has also funded PTC's RapidCast™ Commercialisation Project under the Technology Development & Demonstration Programme for an amount of Rs. 5 Crores.

With the new technologies and capabilities that have been added to this project including TAFP Project, the total capital expenditure planned for this project is expected to be approximately Rs. 180 crores, which is being met by borrowings from banks & financial Institutions, internal accruals, government grants and raising of fresh funds through issue of equity/convertible securities.

This plant shall become a hallmark of excellence in core manufacturing in the state of Uttar Pradesh. Besides bringing world-class technologies to the country, this plant shall also have the best practices for sustainable manufacturing. This goal is being accomplished by construction of a green building with a rooftop solar plant, rainwater harvesting, and effluent and waste treatment plants and investment in fume extraction and exhaust systems.

SUBSIDIARY

The Company has only one subsidiary, viz. Modrany Power & PTC Piping Systems Private Limited. The subsidiary Company was formed by entering into a Joint Venture with Modrany Power, a.s., a leading Czech producer and supplier of piping systems for the power industry. The subsidiary had been formed to jointly acquire knowledge and bid & execute projects for high pressure piping systems and allied equipments.

The consolidated financial statements presented by the Company include financial information of its subsidiary prepared in compliance with applicable Accounting Standards.

The Company will make available the annual report of subsidiary Company upon request by any shareholder of the Company interested in obtaining the same.

Pursuant to the provisions of section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiary, are available on the website of the Company.

Statement containing salient features of financial statements of subsidiary as required under Section 129(3) of Companies Act, 2013 read with Rule 5 of The Companies (Accounts) Rules are presented in Annexure II to the Directors' Report in form AOC 1.

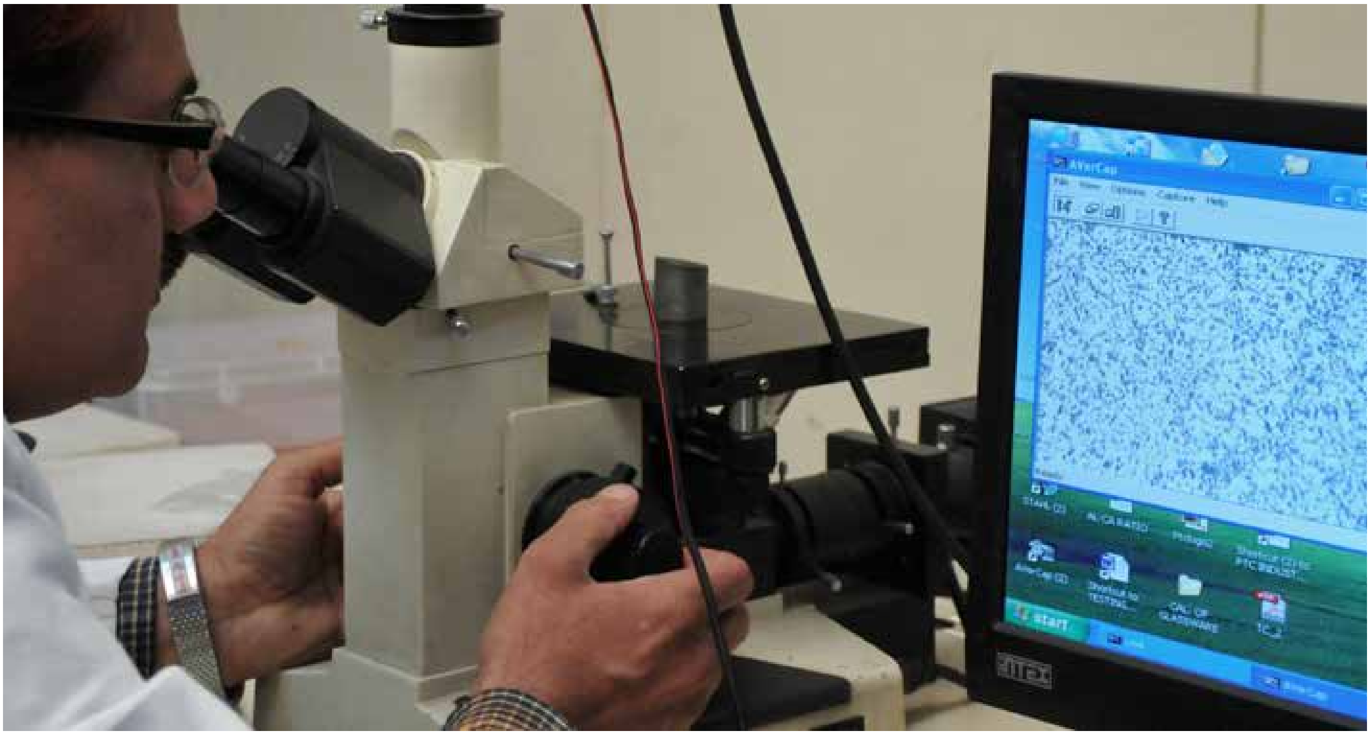
The Board assessed the progress of the subsidiary in its meeting held on August 12, 2016 and in view of no reasonable business prospects arising for the joint venture in the near future, the board has resolved to propose closure of the subsidiary company and the management is taking all necessary steps in this regard.

RESEARCH AND DEVELOPMENT

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 successfully implemented the Technology Development and Demonstration Programme (TDDP) for development and commercialization of the RapidCast™ technology for manufacture of stainless steel castings of weight up to 5,000 kilograms. The Company has been conducting several trials in this project and the project has been reviewed and approved by the Project Review Committee appointed by DSIR.

Further, the Company submitted a proposal amounting to Rs. 51 Crores to the Department of Heavy Industries, Ministry of Heavy Industries and Public Enterprises, Government of India for acquisition and customisation of Technology for Development & Commercialisation of Titanium Castings



with Ceramic Shelling under the Technology Acquisition Fund Programme (TAFP) during the year. The department has approved this project and committed partial support as a grant of Rs. 10 Crores out of a total cost of Rs. 51 Crores for a project duration of four years from the date of signing of MoU with Global Innovation and Technology Alliance (GITA).

QUALITY AND SAFETY

The Company continues to accord high priority to quality, safety, training, development, health and environment. It has always sought to deliver value to its customers through its commitment to quality. During the year, it continued to adhere to international quality standard certifications such as ISO 9001:2008, PED (Pressure Equipment directive), TUV WO MERKBLATT and various Marine Classification Approvals.

PTC's leadership places immense importance on creation of a safe working environment and reliable production facilities. It regularly reviews its health and safety practices and introduces corrective actions wherever required to remain compliant to international safety standards. The safety of our workforce is our highest priority and we believe that the involvement of every employee is vital to a injury, hazard and accident free workplace. The foundations for a quality-centric work culture have been laid down with the employees' involvement thereby ensuring a good work environment. Proper equipment has been installed to extract dust, smoke and smell which makes the environment clean and healthy. Every employee is responsible to ensure safety for themselves and those around them, as well as having the right to intervene in a situation where work may be performed in an unsafe manner.

PTC believes in minimising the environmental impact of its operations and products through the adoption of sustainable practices and continuous improvement in environmental performance. The new *Advanced Manufacturing & Technology Centre* shall exhibit the key principles of the company for environmental preservation and protection. Several new technologies have been developed and adopted by the company to improve waste utilisation and energy conservation measures like recycling and reuse, process modifications to reduce water wastage and energy efficient waste heat recovery techniques have been implemented in its new facility. There is significant focus on improving the efficiency of operations through implementation of these innovative technologies, and the use of global best practices to minimize its impact on the environment. Further, PTC also contributes positively to the communities around or near its operations by participating actively in development activities and community initiatives.

The Company's EHS department operating under an experienced environmental engineer, oversees compliance with various international guidelines for environmental, health & safety.

AWARDS & RECOGNITIONS

PTC became the first foundry in the country to receive the TIME India Awards Jury Special Mention for MSMEs in the Innovator of the Year category, a recognition of our commitment to innovation and sustainability. The winners were selected from among 18 finalists who were determined from a pool of approximately 15,000 manufacturing companies after extensive evaluation of qualitative and quantitative parameters. The finalists were announced at the World Economic Forum in Davos, Switzerland on January 17, 2017.

PTC was also awarded the Rolls Royce Marine Total Cost Leadership Award 2017 during their Supplier of the Year Awards held as part of the Marine Extended Partnership 2017 in Alesund, Norway. Rolls Royce recognized that the introduction of robotic Replicast® technology by PTC had enabled significant cost savings for them through reduced rework and finishing due to improved casting technology. This was a singular recognition of PTC's abilities and advantages by one of the leading engineering companies in the world.

During the year, the Company was featured and its management featured in many seminars and conference as a technology leader for component manufacturing in metal industry.

3. HUMAN RESOURCE MANAGEMENT

PTC people culture imbibes it with values that aim to enhance the quality of life of its employees. Our team of highly motivated and dedicated employees are our primary asset and are the seeds for the Company's holistic growth and prosperity.

Increasing productivity of workers is a key priority for the Company as it moves towards larger capacities and greater capabilities. PTC's focus on business process optimization, efficiency improvement and cost reduction continues as it works on rationalization, up-skilling and redeployment of workforce without disturbing industrial harmony. Certain administrative and organizational changes are also being implemented with the initiation of operations in the new plant.

The Company has undertaken the development of both internal and external training programs and seminars in varied fields relating to management, operations, finance and technology to ensure that its employees competencies are constantly updated to meet PTC's current and future business needs. Employees are encourages to constantly learn about technological developments in the industry and novel approaches adopted by others in the world to update their knowledge and skills.

Cross-functional training and skill development is constantly encouraged. Traditionally, the Company pays attention to the development of training resources with the aim to accumulate and spread knowledge within the Company and to develop employees' educational and training base at the level of international standards.

Communication is an important element of PTC's overall human resource principles. Effective communication channels are maintained for meaningful interactions between the management and staff. Innovation is encouraged by giving the employees just enough structure and support to help them navigate uncertainty and tapping into their own creative process without stifling it.

The management at PTC is committed to its dictum of innovation and regularly demonstrates this intent with its words and actions. This active participation enables them to spot inflection points that may be missed by their staff and also gives them a deeper intuition when it's time to take a decision. Apart from regular interaction, the management provides ample opportunities for inventive thoughts to come forward through exclusive pages and time devoted to creative and innovative thinking in our in-house magazine and office functions.

PARTICULARS OF EMPLOYEES

The disclosure as required under the provisions of Section 197 (12) of the Companies Act, 2013, read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been given at Annexure IV of this report.

Pursuant to Section 197(12) of the Companies Act, 2013 read with the Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, particulars are given for employees drawing remuneration in excess of specified therein at Annexure IV of this report.

4. CORPORATE GOVERNANCE

As stipulated in Schedule V Part C of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Corporate Governance forming part of the Directors' Report and certificate from Practicing Company Secretary confirming the compliance of the conditions on Corporate Governance are included in the Annual Report.

NUMBER OF MEETINGS OF THE BOARD

The Board met four times during the financial year, the details of which are given in the *Corporate Governance Report* that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company seeks to maintain an appropriate mix of executive and independent directors in order to maintain the independence of the Board and segregate the functions of governance and management. The Board consists of professionally qualified individuals from diverse backgrounds with wide experience in business, education, finance and public service. As at year end, the Board consists of 9 directors, one of whom is Chairman & Managing Director, two are Whole-time directors, five are Independent directors and one is a Nominee director.

Your Company, in compliance with section 178(1) of the

Companies Act, 2013 read with The Companies (Meeting of Board and its Powers) Rules, 2014, has duly constituted a Nomination and Remuneration Committee. This committee is chaired by an independent director and formulates the criteria for determining qualifications, positive attributes, independence of a director and other matters.

Appointment and the remuneration of Board members, key managerial personnel or one level below the Board level is fixed on the basis of the recommendation of the Nomination and Remuneration Committee made to the Board, which may ratify them, with or without modifications. Disclosures pursuant to the requirements of section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have been made in Annexure IV of this Board Report.

DECLARATION BY INDEPENDENT DIRECTORS

As per the requirement of section 149(7), the Company has received a declaration from every Independent Director that he or she meets the criteria of independence as laid down under section 149(6) read with rule 5 of the Companies (Appointment and Qualification of Directors) Rule, 2014 and Regulation 25 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

BOARD EVALUATION

Pursuant to the requirement of the Companies Act, 2013, a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. The Act states that the performance evaluation of the independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board as explained under the Corporate Governance section of this Annual Report. In a separate meeting of independent Directors, performance of non-independent directors was evaluated. Nomination and Remuneration Committee of the Board has also evaluated performance of the Board, as a whole.

As per the provisions of the Companies Act, 2013, Mr. Alok Agarwal retires at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment. Mr. Alok Agarwal is a whole-time director of the Company and looks after the Quality & Technical divisions of the Company. He has all the requisite skills, experience and knowledge for this role and the directors recommend his re-appointment, as proposed in the notice of the 54th Annual General Meeting.

KEY MANAGERIAL PERSONNEL

Pursuant to Section 203 of the Companies Act, 2013 the Key Managerial Personnel of the Company are Mr. Sachin Agarwal, Chairman & Managing Director, Mrs. Smita Agarwal, Chief Financial Officer and Mr. Arun Kumar Gupta, Company Secretary. During the year, the Board in its meeting held on November 11, 2017 re-designated Mr. Sachin Agarwal as a Chairman & Managing Director of the Company with effect from the date of the meeting.

COMMITTEES OF THE BOARD

Currently, the Board has 8 (eight) committees. A detailed note on the Board and its committees is provided in the Corporate Governance Report section of this Annual Report. The composition of the committees and compliances, as per applicable provisions of the Act and Rules, are as follows:

Name of the committee	Composition of the committee	Highlights of duties, responsibilities and activities
Audit committee	Dr. Rakesh Chandra Katiyar, *Chairperson* Mr. Brij Lal Gupta, Member Mr. Krishna Das Gupta, Member Mrs. Smita Agarwal, Member (CFO) Mr. Kasiviswanathan Mukundan, Member	• All recommendations made by the committee during the year were accepted by the Board. • The Company has adopted the Whistle Blower Mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud. • The Company has formed the Related Party Transaction Policy.
Nomination and remuneration committee	Mr. Krishna Das Gupta, *Chairperson* Mrs. Shashi Vaish, Member Mr. Brij Lal Gupta, Member Dr. Rakesh Chandra Katiyar, Member	• The Committee oversees and administers executive compensation. • All recommendations made by the committee during the year were accepted by the Board. • The Committee has recommended Nomination and Remuneration Policy which was subsequently approved by Board.

Name of the committee	Composition of the committee	Highlights of duties, responsibilities and activities
Stakeholders relationship committee	Dr. Rakesh Chandra Katiyar, *Chairperson*, Mr. Ajay Kashyap, Member Mr. Sachin Agarwal, Member Mr. Krishna Das Gupta, Member	• The Committee reviews and ensures redressal of investor grievances, ratifies share transfers, duplicate issue of certificates and transmissions. • The committee noted that no grievances of the investors have been reported during the year.
Corporate social responsibility committee	Mr. Krishna Das Gupta, *Chairperson* Mrs. Shashi Vaish, Member Mr. Alok Agarwal, Member Dr. Rakesh Chandra Katiyar, Member	• The Board as laid down the Company's policy on Corporate Social Responsibility (CSR). • The CSR policy is available on Company website, www.ptcil.com
Project monitoring and environment committee	Mr. Sachin Agarwal, Chairperson Mr. Krishna Das Gupta, Member Mr. Alok Agarwal, Member Mr. Ajay Kashyap, Member	• It oversees and monitors the progress of large capital expenditures and projects being implemented by the Company • It monitors and oversight all the requirements which is required for smooth establishment of Company's new Plant, Advanced Manufacturing and Technology Centre. • It also assesses the impact of the operations of the Company on the environment and initiates steps for the identification of potential issues and provision of support in setting a direction for improvements.
Banking committee	Mr. Sachin Agarwal, *Chairperson*, Mr. Alok Agarwal, Member Mr. Brij Lal Gupta, Member	• Approval of sanction letters and/or borrowings at a time or by cumulative sum not exceeding Rs. 35,00,00,000 (Rupees thirty five crores) subject to fact that the Chairman of the Committee will place such approval at the subsequent meeting of the Board. • Passing of resolution(s) for opening, closing and operation of bank accounts with present bankers of the Company viz., State Bank of India, Punjab National Bank, HDFC bank, Yes Bank or any of the banks in future. • To authorise additions/deletions to the signatories pertaining to banking transactions. • To approve investment of surplus fund for an amount not exceeding Rs. 10,00,00,000 (Rupees Ten crores) as per the policy approved by Board. • To approve transactions relating to foreign exchange exposure including but not limited to forward cover and derivatives products. • Any approval and/or execution for day to day banking matters of the Company. • To attend to any other responsibility as may be entrusted by the Board to perform any activity within terms of reference.
Risk management committee	Dr. Rakesh Chandra Katiyar, *Chairperson*, Mr. Priya Ranjan Agarwal, Member Mr. Brij Lal Gupta, Member	• It makes recommendations to the Board to manage the risk of the Company and appraises the Board regarding any noticeable and relevant risks which can have an adverse effect on the affairs of the Company. • The Risk Management Policy of the Company can be accessed at www.ptcil.com.
Listing committee	Mr. Sachin Agarwal, *Chairperson*, Mr. Alok Agarwal, Member Mrs. Smita Agarwal, Member (CFO), Mr. Arun Kumar Gupta, Member (General Manager (Finance), Compliance Officer and Company Secretary)	• To oversee and monitor all tasks in relation to the listing of equity shares of the Company at stock exchanges.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of section 134(3)(c) of the Companies Act, 2013 the Directors confirm that:

(a) in preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards read with the requirements set out under Schedule III of the Act have been followed and that there are no material departures from the same;

(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 March 31, 2017 and of the profit of the Company for year ended on that date;

(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, 2013, 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;

(e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively to the best of their knowledge and ability; and

(f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

LISTING

The Company has its equity shares listed on BSE Limited. The Company has paid listing fees for the year 2017-18. The Company has also established connectivity with both depositories, NSDL and CDSL.

4. AUDITORS

STATUTORY AUDITORS

The statutory auditors of the Company, M/s Walker Chandiok & Associates, Chartered Accountants were appointed as statutory auditors of the Company in the 51st Annual General Meeting of the Company to hold office until the conclusion of the 56th Annual General Meeting, subject to ratification of such appointment at every Annual General Meeting in accordance with the provisions of section 139 of the Companies Act, 2013 reads with Rule 3(7) of The Companies (Audit & Auditors) Rules, 2014.

Accordingly, the re-appointment of M/s. Walker Chandiok & Associates, Chartered Accountants, as statutory auditors, is placed for ratification to shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if they are re-appointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

The notes referred to by the auditors in their reports are self-explanatory and hence do not require any explanation. The Auditors' Report does not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDITOR

M/s Amit Gupta & Associates, Practicing Company Secretaries were appointed as secretarial auditors of the Company for the year 2016-17 as required under Section 204 of the Companies Act, 2013 and Rules made thereunder. The secretarial audit report for FY 2016-17 in Form MR.3 forms part of the Annual Report and carries no qualifications, reservations, adverse remarks or disclaimers and hence no explanations are required.

The Board has appointed M/s. Amit Gupta & Associates, Practicing Company Secretaries, as the secretarial auditor of the Company for the financial year 2017-18.

COST AUDIT

In terms of the provisions of Section 148 of the Companies Act, 2013, the Company is required to have its cost records audited by a Cost Accountant in practice. In this context, the Board has reappointed Mr. Arun Kumar Srivastava (Membership No. 10467) of M/s. Arun & Co., Practicing Cost Accountants (Firm Registration No. 100090) on the recommendation of the Audit Committee, for the year ended on March 31, 2018.

Mr. Arun Kumar Srivastava has also conducted Cost Audit for past several years of the Company and has fine knowledge of the cost audit.

The Company has filed the Cost Audit Report in XBRL mode for the year ended on March 31, 2016.

SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future. However, attention is drawn towards statement on contingent liabilities, in the notes of financial statements.

AUDIT COMMITTEE AND VIGIL MECHANISM

Pursuant to requirement of section 177(1) of Companies Act, 2013 read with Rule 6 of the Companies (Meeting of Board and its Powers) Rules, 2014 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has already formed the Audit Committee, composition of which is covered under Corporate Governance report section of this Annual Report. The primary objective of the Audit Committee is to monitor and provide effective supervision of the financial reporting process of the Company, and to ensure proper and timely disclosures maintaining transparency and integrity for the shareholders.

The Vigil Mechanism of the Company provides a formal structure to all the directors and employees to report genuine concerns and safeguard the interests of the stakeholders of the Company. PTC's vigil mechanism also incorporates a Whistle Blower Policy in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which includes the appointment of a Whistle Blower Officer who will look into the matter being reported, conduct detailed investigation and take appropriate disciplinary action. Protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the Whistle Blower Officer or to the Chairman of the Audit Committee. The Company's Whistle Blower policy may be accessed on the Company's website at http://www.ptcil.com. During the year under review, no employee was denied access to Whistle Blower Officer or Audit Committee and no complaint was received.

EXTRACT OF ANNUAL RETURN

Details forming part of the extract of the Annual Return of the Company are annexed herewith as Annexure I to this Report in Form MGT 9 as per the Companies Act 2013 and Rules.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested by the Statutory Auditors of the Company and no reportable material weakness in the design or operation was observed.

RISK MANAGEMENT

PTC aims to have a formalised and systematic approach for managing risks across the Company. It encourages knowledge and experience sharing in order to increase transparency on the key risks to the Company to the extent possible. This approach increases risk awareness, and ensures proper management of risks as part of the daily management activities.

The Company has constituted a Risk Management Committee which has been entrusted with the responsibility to assist the Board in:

- Reviewing and approving the Company's Risk Management Policy so that it is consistent with the Company's objectives; and
- Ensuring that all the risks that the Company faces such as strategic, operational, financial, compliance and other risks are identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

The policy on Risk Management may be accessed on the Company's website at www.ptcil.com.

The objective of the Company's risk management process is to support a structured and consistent approach to identify, prioritize, manage, monitor and report on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives.

The Company has introduced several initiatives for risk management including the introduction of audit functions and processes to identify and create awareness of risks, optimal risk mitigation and efficient management of internal control and assurance activities.

5. CORPORATE SOCIAL RESPONSIBILITY

PTC strongly believes in concept of sustainable development and is committed to operate and grow its operations in a socially and environmentally responsible way. Our vision is to expand our operations whilst reducing the environmental impact of our operations and increasing the positive social impact on our community.

As per the Companies Act, 2013, all companies with a net worth of Rs. 100 crore or more, or turnover of Rs. 1,000 crore or more or a net profit of Rs. 5 crore or more during any financial year are required to constitute a Corporate Social Responsibility (CSR) committee of the Board of Directors comprising of three or more directors, at least one of whom should be an independent director and such company shall spend at least

2% of the average net profits of the company's immediately preceding three financial years on CSR activities. The Company has duly constituted a Corporate Social Responsibility (CSR) Committee pursuant to the requirement of Section 135(1) of Companies Act, 2013 and the Rules made thereunder. On the recommendation of CSR committee, the Board has approved the Corporate Social Responsibility Policy which is available on the company's website www.ptcil.com.

The Company has formed a Trust, viz. PTC Foundation, for the purpose of undertaking CSR activities exclusively. PTC Foundation works along with the Board and the CSR committee in order to identify and implement CSR initiatives of the Company. Key CSR initiatives of the Company focus for providing primary and secondary education, supporting technical learning institutes, empowering women, improving health and sanitation facilities and promoting Indian art and culture. The Company has spent Rs. 18.47 lakhs for its CSR activities during the financial 2016-17, Detailed initiatives taken by PTC Foundation during the year are covered in the Corporate Social Responsibility Report attached as Annexure IV to this Directors' Report as per the requirement of Rule 9 of The Companies (Accounts) Rule, 2014.

6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Details of conservation of energy, technology absorption, foreign exchange earnings and outgo in accordance with the Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014 are annexed to the Directors' Report in Annexure VII.

7. DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company's has always had a very strict policy on the sexual harassment issues and has zero tolerance in this matter. Ensuring a safe environment for its women employees is a major priority for the Company and its management. The Company, in compliance with the Act, formed an Internal Compliant Committee (ICC) to deal with all the matters in relation to sexual harassment or matters incidental thereof. In your Company's legacy of more than 54 years, no instance of sexual harassment has ever been reported by any employee. During the year 2016-17 also, the Company has not received any complaints of sexual harassment.

ACKNOWLEDGEMENTS

The Board of Directors thank the bankers of the Company, other financial institutions, the Government of India, the State Governments and the government agencies 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: August 29, 2017

Sachin Agarwal
Chairman & Managing Director

Alok Agarwal
Director, Quality & Technical

ANNEXURE TO DIRECTORS' REPORT TO THE MEMBERS

Form No. MGT. 9 **ANNEXURE I**

Extract of Annual Return

(As on the financial year ended on March 31, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	**CIN**	L27109UP1963PLC002931
ii.	**Registration Date**	March 20, 1963
iii.	**Name of the Company**	PTC Industries Limited
iv.	**Category/Sub-Category of the Company**	Public Company/Limited by shares
v.	**Address of the Registered office and contact details**	Malviya Nagar, Aishbagh, Lucknow – 226 004, Uttar Pradesh, India. Phone : +91-522-2265300 Fax : +91-522-2265302 email : ptc@ptcil.com Website : www.ptcil.com
vi.	**Whether listed company**	Yes, on BSE Limited.
vii.	**Name, Address and Contact details of Registrar and Transfer Agent**	M/s. Link Intime India Private Limited, C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083. Phone : 022 49186270 Fax : 022 49186060 Website : www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

The business activities contributing 10% or more of the total turnover of the Company is stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Casting of Iron and Steel	2431	81.50%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
	Modrany Power & PTC Piping Systems Private Limited, Malviya Nagar, Aishbagh, Lucknow - 226 004, Uttar Pradesh, India.	U27100UP2013PTC061229	Subsidiary	51	Sec 2(87) of Companies Act, 2013

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year March 31, 2016				No. of Shares held at the end of the year March 31, 2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	2067760	-	2067760	39.47	2035160	-	2035160	38.85	(0.62)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	1253260	-	1253260	23.92	1253260	-	1253260	23.92	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	**3321020**	**0**	**3321020**	**63.39**	**3288420**	**0**	**3288420**	**62.77**	**(0.62)**
2) Foreign									
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
A. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub-total(B)(1)	-	-	-	-	-	-	-	-	-
2. Non Institutions									
a) Bodies Corp.									
(i) Indian	140703	86800	227503	4.34	129570	86800	216370	4.13	(0.21)
(ii) Overseas	1047813	-	1047813	20.00	1047813	-	1047813	20.00	-
b) Individuals									
(i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	57621	118410	176031	3.36	86329	116710	203039	3.88	0.52
(ii) Individual shareholders holding nominal share capital in excess of Rs 1lakh	342720	92900	435620	8.32	311564	66400	377964	7.21	(1.11)
c) Others									
i) NRI	803	19300	20103	0.38	827	19300	20127	0.38	0.00
ii) NRI (Non Repat)	-	-	-	-	5	-	5	0.00	0.00
iii) Market Maker	-	7100	7100	0.14	-	7100	7100	0.14	-
iv) Clearing Member	123	-	123	0.00	45811	-	45811	0.87	0.87
v) HUF	3750	-	3750	0.07	32414	-	32414	0.62	0.55
Sub-total(B)(2)	**1593533**	**324510**	**1918043**	**36.61**	**1654333**	**296310**	**1950643**	**37.23**	**0.62**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**1593533**	**324510**	**1918043**	**36.61**	**1654333**	**296310**	**1950643**	**37.23**	**0.62**

Category of Shareholders	No. of Shares held at the beginning of the year March 31, 2016				No. of Shares held at the end of the year March 31, 2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**4914553**	**324510**	**5239063**	**100**	**4942753**	**296310**	**5239063**	**100**	-

II. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year March 31, 2016			Shareholding at the end of the year March 31, 2017			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	Mapple Commerce Pvt. Ltd.	623750	11.91	0.00	623750	11.91	0.00	-
2.	Satish Chandra Agarwal	584480	11.16	0.00	0.00	0.00	0.00	(11.16)
3.	Saroj Agarwal	529700	10.11	0.00	0.00	0.00	0.00	(10.11)
4.	Nirala Merchants Pvt. Ltd.	460200	8.78	0.00	460200	8.78	0.00	-
5.	Priya Ranjan Agarwal	386000	7.37	0.00	386000	7.37	0.00	-
6.	Sachin Agarwal	131780	2.51	0.00	1245960	23.78	0.00	21.27
7.	Alok Agarwal	215600	4.12	0.00	215600	4.12	0.00	-
8.	Anshoo Agarwal	62300	1.19	0.00	62300	1.19	0.00	-
9.	Vidya Agarwal	32600	0.62	0.00	0.00	0.00	0.00	(0.62)
10.	Satish Chandra Agarwal, HUF	30400	0.58	0.00	30400	0.58	0.00	-
11.	Pratima Agarwal	28500	0.54	0.00	28500	0.54	0.00	-
12.	Kanchan Agarwal	21200	0.40	0.00	21200	0.40	0.00	-
13.	Kiran Arun Prasad	19200	0.37	0.00	19200	0.37	0.00	-
14.	Manu Agarwal	10000	0.19	0.00	10000	0.19	0.00	-
15.	Ritika Agarwal	10000	0.19	0.00	10000	0.19	0.00	-
16.	Reena Agarwal	4000	0.08	0.00	4000	0.08	0.00	-
17.	Arun Jwala Prasad	2000	0.04	0.00	2000	0.04	0.00	-
18.	Viven Advisory Services Pvt. Ltd.	169310	3.23	0.00	169310	3.23	0.00	-
	Total	**3321020**	**63.39**	**0.00**	**3288420**	**62.77**	**0.00**	**(0.62)**

iii. Change in Promoters' Shareholding

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Satish Chandra Agarwal	584480	11.16	0.00	0.00
2	Saroj Agarwal	529700	10.11	0.00	0.00
3	Sachin Agarwal	131780	2.51	1245960	23.78
4	Vidya Agarwal	32600	0.62	0.00	0.00

Change occurred during the year under report in shareholding of Promoters due to demise of Mr. Satish Chandra Agarwal, Mrs. Saroj Agarwal and Mrs. Vidya Agarwal.

iv. Shareholding pattern of top ten shareholders (other than directors and promoters)

Sl. No.	Name of shareholders	Shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Ashok Kumar Shukla				
	Opening balance	83150	1.59	83150	1.59
	Sale up to March 31, 2017	(1001)	(0.02)	82149	1.57
	Closing balance	82149	1.57	82149	1.57
2.	Jolen Marketing Private Ltd.				
	Opening balance	91800	1.75	91800	1.75
	Sale up to March 31, 2017	(990)	(0.02)	90810	1.73
	Closing balance	90810	1.73	90810	1.73
3.	Shashi Bala Agarwal				
	Opening balance	65000	1.24	65000	1.24
	Sale up to March 31, 2017	(14500)	(0.28)	50500	0.96
	Closing balance	50500	0.96	50500	0.96
4.	Ajay Kumar Agarwal				
	Opening balance	60000	1.15	60000	1.15
	Sale up to March 31, 2017	(60000)	(1.15)	-	-
	Closing balance	-	-	-	-
5.	Raheja Leasing & Invest Pvt. Ltd.				
	Opening balance	43200	0.82	43200	0.82
	Change	-	-	-	-
	Closing balance	43200	0.82	43200	0.82
6.	Purnendu Kumar Jain				
	Opening balance	27900	0.53	27900	0.53
	Purchase	32500	0.62	60400	1.15
	Closing balance	60400	1.15	60400	1.15

7.	Deepak Agarwal				
	Opening Balance	26500	0.51	26500	0.51
	Sale up to March 31, 2017	(26500)	(0.51)	-	-
	Closing balance	-	-	-	-
8.	Manish Jain				
	Opening Balance	23500	0.45	23500	0.45
	Sale up to March 31, 2017	(360)	(0.01)	23140	0.44
	Closing balance	23140	0.44	23140	0.44
9.	Avinash Jain				
	Opening balance	23300	0.44	23300	0.44
	Change	-	-	-	-
	Closing balance	23300	0.44	23300	0.44
10.	Manali Trading and Holdings Private Limited				
	Opening balance	21300	0.41	21300	0.41
	Change	-	-	-	-
	Closing balance	21300	0.41	21300	0.41
11.	SMIFS Capital Markets Ltd.				
	Opening balance	20000	0.38	20000	0.38
	Sale up to March 31, 2017	(1542)	0.10	14858	0.28
	Closing balance	14858	0.28	14858	0.28

V. INDEBTEDNESS

Indebtedness of the Company is as follows:

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year March 31, 2016				
i) Principal Amount	30,99,90,438.00	-	-	30,99,90,438.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**30,99,90,438.00**	**-**	**-**	**30,99,90,438.00**
Change in Indebtedness during the financial year				
- Addition	51,70,34,315.00			51,70,34,315.00
- Reduction	0	0	0	0
Net Change	**51,70,34,315.00**	**-**	**-**	**51,70,34,315.00**
Indebtedness at the end of the financial year March 31, 2017				
i Principal Amount	82,70,24,753.00	-	-	82,70,24,753.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**82,70,24,753.00**	**-**	**-**	**82,70,24,753.00**

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		Satish Chandra Agarwal, Executive Chairman	Sachin Agarwal, Managing Director	Alok Agarwal, Director (Quality & Technical)	Priya Ranjan Agarwal, Director (Marketing)	
1	**Gross salary**					
	(a)Salary as per provisions contained in section17(1) of the Income-tax Act,1961	51,81,877	89,40,419	24,65,436	23,55,413	1,89,43,145
	(b)Value of perquisites u/s 17(2) Income-tax Act, 1961	2,73,974	3,55,000	2,20,000	2,30,000	10,78,974
	(c)Profits in-lieu of salary under section17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission					
	- as % of profit	1	3	-	-	4
	- others	-	-	-	-	-
5	Others	-	-	-	-	-
	Total(A)	**54,55,851**	**92,95,419**	**26,85,436**	**25,85,413**	**2,00,22,119**
	Ceiling as per the Act					Refer note*

* Note: Due to inadequacy of profits, Company is paying remuneration as per Schedule V of the Companies Act, 2013

B. Remuneration to other directors

Particulars of Remuneration	Name of Director						Total Amount
	Rakesh Chandra Katiyar	Krishna Das Gupta	Shashi Vaish	Ajay Kashyap	Brij Lal Gupta	Kasiviswanathan Mukundan	
Independent Directors							
Fee for attending board committee meetings	27,500	40,000	17,500	12,500	42,500	-	140,000
Commission	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total(1)	**27,500**	**40,000**	**17,500**	**12,500**	**42,500**	**-**	**140,000**
Other Non-Executive Directors							
Fee for attending board committee meetings						34,500	34,500
Commission							
Others	-	-		-	-	-	-
Total(2)	**-**	**-**	**-**	**-**	**-**	**34,500**	**34,500**
Total(B)=(1+2)	**27,500**	**40,000**	**17,500**	**12,500**	**42,500**	**34,500**	**174,500**
Total Managerial Remuneration	**27,500**	**40,000**	**17,500**	**12,500**	**42,500**	**34,500**	**174,500**
Overall Ceiling as per the Act							Refer Note **

** The Company is not paying any remuneration/commission to non-executive directors. Only Sitting fees are paid to the Non-Executive directors which are below the ceiling limit prescribed under the Act.

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Arun Kumar Gupta Company Secretary	Smita Agarwal Chief Financial Officer	
1	**Gross salary**			
	a) Salary as per provisions contained in section17(1)of the Income-tax Act,1961	18,35,697	20,99,551	39,35,248
	b) Value of perquisites u/s 17(2) Income-tax Act,1961	1,44,600	1,75,000	3,19,600
	c) Profits in-lieu of salary under section 17(3)Income-tax Act,1961			
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as% of profit			
	- others	-	-	-
5	Others, please specify	-	-	-
	Total	**19,80,297**	**22,74,551**	**42,54,848**

VI. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There are no penalties, punishments or compounding of offence on directors or on Company or any other officer in default for the year ended as on March 31, 2017.

FORM NO. AOC.1 **ANNEXURE II**

Statement containing salient features of the financial statement of subsidiary/ associate company/ joint venture

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part A: Subsidiaries

(Amount In ₹)

Name of the subsidiary	Modrany Power & PTC Piping Systems Private Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable (Reporting period is same i.e. April to March)
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable (as Indian Subsidiary)
Share capital	41,553 Equity Shares of ₹ 10/- each
Reserves & surplus	(28,51,659.50)
Total assets	5,798.50
Total Liabilities	5,798.50
Investments	NIL
Turnover	NIL
Loss before taxation	(28,382.50)
Provision for taxation	NIL
Proposed Dividend	NIL
% of shareholding	51

Additional Information:

1. Names of subsidiaries which are yet to commence operations - NIL
2. Names of subsidiaries which have been liquidated or sold during the year- NIL

Part B: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

This Part B is not applicable to the Company.

Place: Lucknow
Date: August 29, 2017

Sachin Agarwal
Chairman & Managing Director

Alok Agarwal
Director, Quality & Technical

Smita Agarwal
Chief Financial Officer

A.K. Gupta
Company Secretary

FORM NO. AOC. 2 **ANNEXURE III**

Particulars of contracts/arrangements entered with related parties

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

This form discloses the particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at arm's length basis:**

   There are no contracts or arrangements entered during the year under report, which were not at arm's length basis.

2. **Details of material contracts or arrangement or transactions at arm's length basis:**

   During the year, the Company has no contracts or arrangement or transactions which are material in nature. All the transactions were at arm's length basis.

For and on behalf of Board of Directors

Place: Lucknow
Date: August 29, 2017

Sachin Agarwal
Chairman & Managing Director
(DIN: 00142885)

Alok Agarwal
Director, Quality & Technical
(DIN: 00129260)

Particulars of Employees

ANNEXURE IV

Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(₹in lakhs)

Name(s) of Whole time Directors	Designation	Remuneration in year 2016-17	Remuneration in year 2015-16	% increase in remuneration	Ratio of remuneration to median remuneration of employees	Ratio of the remuneration to Net Profit (2016-17)
Satish Chandra Agarwal	Executive Chairman of Board	54.56	47.73	14.31	32.87	0.09
Sachin Agarwal	Chairman & Managing Director	92.95	97.74	(4.90)	55.99	0.16
Alok Agarwal	Director, Quality & Technical	26.85	24.33	10.36	16.17	0.05
Priya Ranjan Agarwal	Director, Marketing	25.85	24.68	4.74	15.57	0.04

(₹ in lakhs)

Name(s) of Independent Directors	Remuneration in year 2016-17	Remuneration in year 2015-16	% increase in remuneration
Dr. R.C. Katiyar	0.27	0.55	(50.91)
Ajay Kashyap	0.12	0.10	20.00
Krishna Das Gupta	0.40	0.52	(23.08)
Brij Lal Gupta	0.42	0.47	(10.64)
Shashi Vaish	0.17	0.12	41.67

* Independent Directors are only eligible for sitting fees and other out-of pocket expenses incurred for attending meeting of Board or any committee thereof. The details provided are for sitting fees paid to Independent Directors during the year.

(₹ in lakhs)

Name of Non-Executive Director	Remuneration in year 2016-17	Remuneration in year 2015-16	% increase in remuneration
Kasiviswanathan Mukundan#	0.34	0.05	580

(₹ in lakhs)

Name of KMP	Remuneration in year 2016-17	Remuneration in year 2015-16	% increase in remuneration	Ratio of the remuneration to Net Profit (2016-17)
Smita Agarwal	22.75	21.90	3.88	0.039
Arun Kumar Gupta	19.80	18.99	4.27	0.034

i. The median remuneration of employees in the year 2017 and 2016 was Rs.165,554 and Rs. 151,100 respectively. The percentage increase in the median remuneration is 9.57%.

ii. The Company has 589 permanent employees on the rolls as on the year ended at March 31, 2017.

iii. The Company's net profit stood at Rs. 5.86 crores at the year ended as on March 31, 2017 as compared to Rs. 6.15 crores for the year ended on March 31, 2016. The percentage of decline in the net profit of the Company is 4.80%. The growth in the remuneration of all KMPs was 3.14% in year 2017 as compared with 2016. The increase in remuneration was on the recommendation of Nomination and Remuneration Committee and is at par with comparable industry pay scales.

iv. Variation in Market Capitalisation of the Company, price earnings ratio, etc.:

Sl. No.	Particulars	Value
1.	**Market Cap variation**	
	MCap on March 31, 2016	10,582.91
	MCap on March 31, 2017 (in Lacs)	15,036.11
	Variation	4,453.20
2.	**Price Earnings ratio**	
	PE as on March 31, 2016	17.21
	PE as on March 31, 2017	25.67
	Variation	8.46
3.	**% Decrease/Increase in market quotations of shares from last public offer**	
	OFS price per share (on May 2, 1995) (in Rs.)	55
	Market price as on March 31, 2016 (in Rs.)	287
	Increase from last IPO (%)	421.82

v. Comparison of remuneration of KMPs against performance of the Company:

Particular of remuneration	Key Managerial Personnel					
	Mr. Satish Chandra Agarwal, Ex-Chairman	Mr. Sachin Agarwal, Chairman & Managing Director	Mr. Alok Agarwal, Whole time Director	Mr. Priya Ranjan Agarwal, Whole time Director	Mrs. Smita Agarwal, Chief Financial Officer	Mr. Arun Kumar Gupta, Company Secretary
Remuneration during the year (in lakhs)	54.56	92.95	26.85	25.85	22.75	19.80
Revenue (lakhs)	9,939.91					
Remuneration as % of Revenue	0.55	0.94	0.27	0.26	0.23	0.20
Profit before tax (in lakhs)	756.3					
Remuneration as % of Profit before tax	7.21	12.30	3.55	3.42	3.01	2.62

vi. During the year under report, no employee received remuneration in excess of highest paid directors.

vii. The remuneration payable is as per the Nomination and Remuneration Policy of the Company.

Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Name	Remuneration (Gross) (In ₹)	Designation	Qualification	Date of Employment	Total Experience (Years)	Age in Years	Particular of Last Employment and Designation	No. of Equity shares held	% of Shareholding
1.	Sachin Agarwal	92,95,418.60	Chairman & Managing Director	MBA, M.Sc (Finance) USA	April 18, 1998	19	45	-	12,45,960	23.78

Notes:

- Employment in company is contractual
- Remuneration includes salary, commission, allowances and value of perquisites.
- The employee mentioned above was related to Mr. Satish Chandra Agarwal, Ex-Chairman of the Company. No other director is related to the employee.

Annual Report on CSR Activities

ANNEXURE V

[Pursuant to Section 135 of Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. Brief Outline of the policy

PTC has set up the PTC Foundation (the 'Foundation') to undertake the CSR activities. Formation of the Trust has given focus to the CSR initiatives of the Company. The Companies Act, 2013 allows formation of trust or society to undertake the CSR activities on behalf of the companies.

For PTCIL, the Corporate Social Responsibility (CSR) is a planned set of activities taking into consideration the Company's capabilities, expectations of the communities living in and around the areas of its operation as well as where it has its presence, targeted to have a significant positive impact in long run.

PTCIL's CSR activities are designed to promote sustainable and equitable development so as to improve the quality of life of people in the communities in and around the geographies we operate in. The focus has been on improving the quality of life amongst socially and economically backward communities, promoting education and making available safe drinking water. PTC also aims to minimize social risks associated with operations of the project site through this policy. The Company's CSR policy can be accessed at www.ptcil.com.

PTC inter-alia is planning to undertake following activities in the coming year:

- Investment In Infrastructure and Training Programs To Enable Skill Development
- Working Closely With ITI's
- On-The-Job Training
- Vocational Education
- Assessment And Counselling
- Fostering Entrepreneurship
- Up-Skilling The Existing Workforce
- Skilling Persons With Disability
- Supporting Scaling Innovation

2. Composition

The composition of CSR committee is as follows:

Sl. No.	Names	Category
1.	Mr. Krishna Das Gupta	Chairperson, Independent Director
2.	Mrs. Shashi Vaish	Member, Independent Director
3.	Mr. Alok Agarwal	Member, Executive Director, Non-Independent
4.	Mr. R.C. Katiyar	Member, Independent Director

3. Average Net Profit of Last three year

(₹ in lakhs)

Financial year	Net Profit
2013-2014	1,101.27
2014-2015	853.97
2015-2016	815.41
TOTAL	**2,770.65**
Average of three year net profits	923.55
Prescribed CSR expenditure (2% of the average net profit of three years)	**18.47**

4. Details of CSR expenditure

Total amount to be spent for the financial year	18.47 lakhs
Amount unspent	Nil
Manner in which amount is spent	As detailed Below

Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) specify the state and district where projects or programs was undertaken	Amount outlay (Budget) project or programs wise	Amount Spent on the projects or programs Sub –heads: (1) Direct Expenditure on projects or programs (2) Overheads	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	The Education Project	Education	Rural areas, near Lucknow, Uttar Pradesh	60 Lakhs (approx)	-	20.00 Lakhs*	Through PTC Foundation (CSR Trust)
2.	Skill Development Project	Skill Development	Rural areas, near Lucknow, Uttar Pradesh	80 Lakhs (approx)	18.47 Lakhs*	39.47 Lakhs*	Through PTC Foundation (CSR Trust)
	TOTAL			**100**	**18.47**	**59.47**	

* The calculated amount of Rs. 18.47 lakhs for the current year has been transferred to the PTC Foundation which has been founded with the objective of undertaking PTC's Corporate Social Responsibility. The primary objective has been expanded in view of the new capabilities acquired by the Company to develop industrial and mechanical skills and capabilities in the population to offer better employment opportunities. The Company has transferred the current year amount in a Corpus which now grosses at Rs. 59.47 Lakhs.

Even before Corporate Social Responsibility (CSR) was introduced under statute, it was already textured into our Company's value systems. Our Ex-Chairman, Late Mr. Satish Agarwal advocated the idea of giving back to the community. He always believed that the wealth that generated by the organization should be held as a trustee for our multiple stakeholder. This involves investing part of our profits beyond business, for the larger good of society.

PTC believes that its approach to corporate social responsibility will benefit the larger ecosystem comprising all our stakeholders. Its efforts towards CSR shall help create long-lasting value across the environmental, social and economic landscapes. The company firmly believes that it can fulfill its commitment to its stakeholders only by sustainable growth. One of the major initiatives envisioned by PTC Foundation is the establishment of a school for underprivileged children in a rural area of Uttar Pradesh. The Project cost around Rs. 60 Lakhs (Approx.) and PTC Foundation has so far created a corpus of Rs. 20.00 Lakhs towards this project from the funds received from PTCIL.

In view of the new capabilities being acquired by the Company, and its understanding of the need for skilling and up-scaling the existing labour force of the state, it has adopted a Skill Development Project to impart key industrial and mechanical skilling techniques and capabilities to the rural population. This is an extremely important initiative, being an area of national focus as India readies itself to become the most populated country of the world and one with the youngest workforce ever. Skilling of this young population shall help strengthen the foundation of the New India that has to be built, and PTC Foundation believes that it has a small, but important, role to play in this direction.

PTC Foundation has also taken up a Project to create awareness among children, teachers and parents regarding child abuse by adopting Project Masoom, an initiative of CII -Young Indians with a focus on 'Keeping Children Safe' and preventing 'Child Sexual Abuse'. An informative workshop on Safety First was organised under the Project "Masoom" in association with Young Indians Lucknow on 26 August 2016

in Lucknow, especially for the kids between the age group of 8 to 12 years and their parents, to educate about child safety and self defence. In total 70 students were made aware and educated on the said subject.

PTC's key CSR initiatives are being undertaken with a long-term view. Initiatives that are sustainable, that have long-term benefits and that have business linkage are accorded priority. Some initiatives are driven by our people and some are driven by our process. Any development in this regard will be updated at **www.ptcil.com**

In addition, PTC also regularly supports various social initiatives in the area of health, sanitation and child safety. PTC Foundation sponsored the blood donation camp organised by CII Yi Lucknow for patients suffering from Thalassemia, on 28 August 2016 in Lucknow. Members were encouraged to imbibe the principle of community service and be generous and large hearted - bound by beliefs beyond themselves. Organizing a Blood Donation Camp is just another step in the direction of exalting the feeling of saving someone's life.

The Foundation also sponsored the Inner Wheel Conclave on the Occasion of Multi District Rally which was held on September 10 and 11, 2016 and was attended by about 1500 lady delegates from all over the country.

A Swachh Bharat initiative was taken by PTC Foundation in association with Young Indians Lucknow, after the launch of the biggest ever cleanliness drive in India, Swachh Bharat Abhiyan, on October 2, 2016, for creation of awareness about hygiene, dental and personal hygiene, etc. In this direction, PTC also sponsored 'Car bins' to spread awareness against littering on the street and to encourage citizens to be conscious of their role building a clean India.

Further, PTC supported a Wheelchair Cricket Match for differently abled players in association with CII- Yi on 5th November, 2016, named Dare To Dream with Ms Deepa Malik, the first Woman Paralympic Silver Medal Winner, to promote sports and culture and to encourage the differently abled to participate in sports as a form of therapy and confidence building.

PTC takes its responsibility towards the society very seriously and is committed to contributing to the society in every manner that it can and making a positive impact on the community, the environment and all its stakeholders.

We undersigned hereby affirm that the implementation and monitoring of CSR Policy is in compliance with CSR objective and policy made in this regard.

Place: Lucknow
Date: August 29, 2017

Sachin Agarwal
Chairman & Managing Director

K.D. Gupta
Chairperson, CSR Committee

PTC takes its responsibility towards the society very seriously and is committed to contributing to the society in every manner that it can and making a positive impact on the community, the environment and all its stakeholders.

FORM NO. MR.3 **ANNEXURE VI**

SECRETARIAL AUDIT REPORT

(For the financial year ended on March 31, 2017)

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

PTC Industries Limited,

Malviya Nagar, Aishbagh, Lucknow – 226 004

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s PTC Industries Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit,

We hereby report that in our opinion

i. The company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also

ii. That the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made there under;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (w.e.f 15.05.2015)

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not applicable as the Company has not issued any securities during the financial year under review*;*

   d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/Securities And Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October 2014) - Not applicable as the Company has not granted any options during the financial year under review*;*

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company has not issued any listed debt securities during the financial year under review*;*

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – Not applicable as the Company has not delisted/propose to delist its equity shares from any stock exchange during the financial year under review;

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable as the Company has not bought back/propose to buyback any of its securities during the financial year under review.

vi. The following other laws as may be applicable specifically to the company:

(a) The Hazardous Wastes (Management and Handling) Rules 1989

(b) The Environment Protection Act, 1986

(c) The Water (Prevention and Control Pollution) Act, 1974

(d) The Air (Prevention and Control Pollution) Act, 1981

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India; and

(ii) Listing Agreements entered into by the Company with BSE Limited, Mumbai;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. However there is scope for further improvisation to strengthen the systems, process and reporting thereof.

We further report that during the audit period there was no reportable event/action having bearing on the company's affairs in pursuance of above referred laws, rules, regulations, guidelines, standards, etc.

For **Amit Gupta & Associates**
Company Secretaries

Amit Gupta
Proprietor
Membership No. : F5478
C.P. No. 4682

Date: August 29, 2017
Place: Lucknow
Note: This report should be read with the letter of even date by the Secretarial Auditors.

To,

The Members,

PTC Industries Limited,

Malviya Nagar, Aishbagh, Lucknow – 226 004

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Amit Gupta & Associates**
Company Secretaries

Amit Gupta
Proprietor
Membership No. : F5478
C.P. No. 4682

Date: August 29, 2017
Place: Lucknow

ANNEXURE VII

PARTICULARS OF Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo REQUIRED UNDER COMPANIES (ACCOUNTS) RULES, 2014

A. CONSERVATION OF ENERGY	
(a) Energy Conservation measures taken	- Encourage pool system for transportation to reduce fuel consumption and air pollution. - Convenient forklifts have been used, which are battery operated and energy saving with fumes free system installed. - Welding machines efficiency like inverter has been replaced by old transformer / rectifier type. - Very efficient CNC machine with 8 axes has been installed to reduced maximum energy, time and main power. - A large size Robotic System has been installed to improve coating efficiency of big shells. - Recycling of indirect waste materials like used ceramic to reduce solid waste generation and increase efficient utilization of resources. - Heat treatment furnaces converted to electrical furnace from diesel in order to enhance productivity and energy conversation. - Energy saving by optimum utilization of induction furnaces. Systematic maintenance of furnaces is carried out to ensure optimum performance on a sustainable basis. - Transparent fibre glass sheets have been fixed at various places on the roof of the shop floors to allow natural light to save on electrical lighting load. - Mercury Vapor Lamps 250W and Metal Halide150W have replaced by more energy saving LED Lights in shop floors.
(b) Additional investments and proposal, if any being implemented for reduction of energy consumption.	- Power active filters to be integrated in over all plant to save energy and will control maximum load. - 700 kW Rooftop Solar Plant has been commissioned in the AMTC plant for generation of energy by sunlight as a renewable source of energy. - Waste heat recovery systems are being installed in the new AMTC plant to utilize residual heat from the casting process. - Geo-thermal heating and cooling systems to be set up to transfer heat from the ground and reduce energy cost for heating and cooling of shells and castings respectively. - Battery operated forklift and hydraulic pallet procured to reduce diesel consumption. - Energy efficient 200 KVA UPS has been installed to control maximum load. - Comprehensive recycling and reuse systems being implemented for reuse of direct and indirect materials to reduce solid waste generation and make production more environments friendly.

	- The Energy Logger instrument shall be procured for observation of Energy trend to save energy. - Use of large size glass window panels in all areas of the new plant for ample daylight to save on electrical lighting load. - Energy saving LED Lights being installed in shop floors and offices for new requirements / replacement. - Additional active filter device has been installed with sophisticatedn machines. - Shell Firing Furnace to be installed with advance technology to reduce gas consumption. - Nitrogen oven to be planned to save fuel / energy and are environment friendly. - High frequency grinder to be planned to replace old one to increase production and energy conservation. - Special and very big size energy efficient shot blasting machine has been installed for quality improvement and faster work. - Isocratic process machine is being running for maximum energy saving.
(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact of cost of production of goods	- Reduced energy consumption - Significant reduction of carbon footprint - Energy hedge against rise in power costs
B. TECHNOLOGY ABSORPTION	
I. RESEARCH & DEVELOPMENT (R&D)	
(a) Specific areas in which R&D carried out by the Company	- Company has taken up an innovative project for development of new casting technology overcoming limitations of existing casting technologies for large sized castings required for critical applications like Power, Oil & Gas & Refining Sectors. - The Company has successfully developed 5,000 kgs single piece casting by RapidCast™ Technology. - 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. The Company has been accorded approval for weighted deduction by the DSIR. The weighted tax deduction is equal to 200% of such expenditure incurred. - The Company has been developing innovative manufacturing process whereby pouring is carried out under vacuum in order to minimize defects normally associated with traditional casting processes. - Solid modeling and simulation is done before actual production in order to optimize the manufacturing process.

	- Rapid prototyping is done to reduce production cycle times and manufacture small volume parts with high integrity and reliability. - A high level of automation and process control is employed through the Company's path-breaking technologies. - The Company is in an advanced stage of establishing a Titanium Casting manufacturing capability using Ceramic Shelling for the first time in India. - The major VAR furnace required of skull melting has been installed.
(b) Benefits derived as a result of above R&D	- High levels of integrity and consistency in the products manufactured by the Company. - Conservation of scarce resources and better environment. - Reduced cycle times with Zero Defect Quality – Level 1 Radiography castings in exotic and difficult-to-make alloys which ordinarily cannot be manufactured through the casting process. - Significant weight reduction and reduced total cost of ownership of parts which is beneficial to the customers as well. - Latest and best-in-class manufacturing processes at par with international technology and standards. - Import substitution and creation of viable export revenues through the establishment of facilities offering products that shall be manufactured with the best technologies in the world.
(c) Future plan of action	- The commissioning of the new Advanced Manufacturing and Technology Centre shall introduce state-of-the-art manufacturing processes and systems to the country. - Capabilities are being developed to manufacture large size castings over 5,000 kilograms a piece by the RapidCast™ Process. - Titanium Casting facility is being commissioned for manufacture of Titanium and Other Exotic alloy cast components through ceramic shelling. This shall be India's first such facility. - Significant developments are being made to reduce casting weights and improve surface finish in order to manufacture parts with higher integrity and quality. - Development of environmentally neutral manufacturing processes which reduce solid wastes and toxic gaseous emissions. - Large number materials used in the manufacturing process are recycled thereby reducing operating cost and impact on the environment. - Increase in export turnover and consequently foreign exchange earnings for the country. - Import substitution for critical components leading the path to self reliance in manufacturing in the heavy and infrastructure industries.

(d) Expenditure on R&D		2016-17 (Rupees in lakhs)	2015-16 (Rupees in lakhs)
i.	Capital	-	2.15
ii.	Revenue	80.04	84.41
iii.	Total	80.04	86.56
iv.	% of total turnover	0.81	0.90

II. TECHNOLOGY ABSORPTION, ADAPTION 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 by the Company. This technology has brought about remarkable improvements in the quality of castings that are manufactured by the Company.
- However, the limitation of the process was the maximum size which could be produced. In order to break this limit, the Company undertook a Research and Development Project to develop the Rapidcast™ process to make large size castings without manufacturing any tooling.
- This project has been completed and approved by the Department of Scientific and Industrial Research of the Government of India.
- The Company has already successfully produced up to 5,000 kgs single piece casting
- Benefits derived as a result of this process are
  - Reduced production times for manufacture of small volume, large size parts for critical and super critical applications.
  - Significant improvements in quality, reduction in total cost of ownership, development of more efficient parts, import substitution etc.
  - Certain complex castings can be produced by in a more cost-effective and efficient manner.
  - A high degree of dimensional accuracy can be achieved with less machining allowances.
  - The 'uncastable' can now to be 'cast' – costly fabricated parts can be converted into castings.
- There are very few foundries in the world who have such a wide range to moulding processes including Replicast®, Rapidcast™ and the latest machining facilities within a single facility. Hence, the Company will have a vast range of products for a wide range of applications which shall make it the supplier of choice both in the domestic as well as export markets.
- An increase in exports of better quality products at competitive price.
- Development of the RapidCast™ Process will break the weight barrier limitation of castings to 5 Tons per piece.
- Working towards development of processes to enhance the mechanical and metallurgical properties of castings to be at par or better than forged parts through use of the forgeCAST™ technology using India's first commercial Hot Iso-static Pressurization equipment.

	- Intensive research and extensive trials on imported equipment led to the creation of a process where various techniques were combined, and equipment was modified to create a process leading to densification of the part and creating a smaller grain or microstructure equivalent to that of forgings. - This radical technology shall enable the Company to manufacture any size, near-net-shape, complex parts in exotic and higher metallurgies with mechanical properties, strength, reliability and quality equivalent to that of forgings.
(b) In case of imported technology, (imported during the last five years), reckoned from the beginning of the financial year.	- The Company has licensed the Titanium Casting technology using ceramic shelling and is building a Titanium Casting facility in the new AMTC plant. - This shall be the first such facility in the country and shall have the capability to manufacture high integrity cast components in titanium, zirconium and other exotic alloys for critical and super critical applications in a wide range of industries. - With the Company's successful history of absorbing and using the latest technologies, this shall be a big step towards indigenization of a very important set of products. - PTC has brought in unique technologies like Vacuum Melt, HIP, etc from different countries in order to bring in best-in-class manufacturing to the cast metal component manufacturing industry in the country.
(c) Technology imported and Year of Import	An agreement has been signed for an exclusive use of technology to produce castings by Replicast® process from M/s Casting Technology International, UK during the financial year 2007-2008. An agreement has also been signed for exclusive licensing of titanium casting technology using ceramic shelling with M/s Casting Technology International, UK during the financial year 2015-16.
(d) Has technology been fully absorbed?	Yes, Replicast® Castings are being commercially produced by the Company. The titanium casting technology transfer process has been initiated and the technology shall be absorbed by the Company over a period of 2-3 years.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

(a) Activities relating to exports, initiatives taken, increase exports, development of new export market for products and services and export plans

- The Company's continuous efforts have led to consistency in high percentage of export turnover, reduction in manufacturing costs and improvement in operating efficiencies. The Company expects that after the commissioning of its new unit Advanced Manufacturing and Technology Centre, it will have significant business opportunities and a competitive edge through all the technologies and systems that it shall be able to offer.
- The Company is under process of increasing its capabilities in terms of introducing and indigenizing new technologies which shall enable remarkable improvements in performance, efficiencies, significant weight reduction and will be environmentally neutral. With the focus of the world shifting on Indian manufacturing facilities, the Company shall be in a position to offer world-class products at affordable prices.
- Many new customers are being added by the Company in its bid to expand its export operations and augment its revenue from exports. During the year, the management has been concentrating on the set up of the new Advanced Manufacturing & Technology Centre, the Company's new state-of-the-art manufacturing facility in Lucknow. With the commencement of commercial production in this plant, the Company expects to add significantly to its export turnover due to increased capacity and capabilities.

(b) Total Foreign Exchange used and earned	**2016-17 (Rupees in lakhs)**	**2015-16 (Rupees in lakhs)**
Expenditure	3948.02	1427.21
Earnings	7163.93	7407.07
Net foreign exchange earning	3215.91	5979.86
Net foreign exchange/earning %	44.89	80.73

Place: Lucknow
Date: August 29, 2017

Sachin Agarwal
Chairman & Managing Director

Alok Agarwal
Director - Quality & Technical

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The core business of PTC Industries Limited is manufacture of cast components, machined and fabricated parts for critical and super-critical applications across the world. The management discussion and analysis report has been included in adherence to the requirement under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The management herewith presents the Forward Looking Statements, Economic Overview, Industry Structure and Developments, Highlights and Key Events, Opportunities and Threats, Outlook, Risks and Concerns, Internal Control Systems and their adequacy, Financial Performance with respect to operational performance, Segment-wise performance, Material Developments in Human Resources and Industrial Relations. 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.

FORWARD LOOKING STATEMENTS

The report contains forward-looking statements, identified by words like 'plans', 'expects', 'will', anticipates', 'believes', 'intends', 'projects', 'estimates' and so on. All statements that address expectations or projections about the future, but not limited to the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realised. The Company's actual results, performance or achievements could thus differ from those projected in any forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events.

Economic Overview

In 2016, the world economy expanded by 2.2%, the slowest rate of growth since the Great Recession of 2009. The sluggishness of the global economy is attributable to the feeble pace of global investment, dwindling world trade growth, flagging productivity growth and high levels of debt. World gross product is forecast to expand by 2.7% in 2017 and 2.9% in 2018. This modest recovery is more an indication of economic stabilisation rather than a signal of a robust and sustained revival of global demand.

While governments in developed countries have made steep cuts in public investment, reflecting fiscal adjustment policies in response to high debt levels, many commodity-exporting countries have also curtailed investments in infrastructure and social services in response to the sharp loss of commodity revenue. Given the close linkages between demand, investment, trade and productivity, the extended episode of weak global growth may prove self-perpetuating in the absence of concerted policy efforts to revive investment and foster a recovery in productivity.

Even in such times, India continues to be one of the fastest growing economies globally. Several interventions and policy measures in India have further strengthened the positive outlook towards the Indian economy, whereas the global economy can, at best, be said to be characterised by an atmosphere of uncertainty for now. In the current financial year, real GDP in India is projected to grow at about 7%, which is still significantly lower than the 7.6% growth the economy registered in 2015-2016. This lower growth is due to multiple factors including the impact of demonetization, advent of GST, etc.

Manufacturing has the potential to emerge as one of the high growth sectors in India and is a critical area for the country's growth in the coming years. The Prime Minister's 'Make in India' programme focuses on placing India on the world map as a manufacturing hub and gaining global recognition for the Indian economy. India is expected to become the fifth largest manufacturing country in the world by the end of 2020, and the government has set an ambitious target of increasing the contribution of manufacturing output to 25% of gross domestic product (GDP) by 2025—this would be a 9% point increase from the current level of 16%.

The manufacturing industry in India has shown resilience and is confident about its growth prospects amidst challenges such as unavailability of adequate raw material, pressure for increased wages and muted demand. The government, on its part, is determined to support the industry by undertaking policy reforms such as GST and enhancing public spending through infrastructure projects. Promoting quality job creation and income enhancement in manufacturing shall require further reduction in restrictions on FDI and trade, modernization of labour regulations and provision of better education and skills. Better infrastructure, transport and logistics services are also required to facilitate manufacturing industry's access to global markets, leading to improved growth.

Companies are also looking to increase their competitiveness by focusing on innovation—by launching new products and service offerings, boosting R&D spend and investing in newer technologies. The Indian manufacturing industry has acknowledged the importance of Industry 4.0 and has now made it part of its long-term business strategy. Industrial companies in India are digitising their essential functions with a focus on achieving operational efficiencies, cost control and revenue growth. A business transformation is underway as the manufacturing sector embarks on this new journey.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Background

The metal casting industry makes parts from molten metal according to an end-user's specifications. Facilities are typically categorized as casting either ferrous or nonferrous products. Foundries and die casters that produce ferrous and nonferrous castings generally operate on a job or order basis, manufacturing castings for sale to others companies. In addition, many facilities do further work on castings such as machining, assembling and coating.

Most of these castings are produced from recycled metals. There are thousands of cast metal products, many of which are incorporated into other products. Almost 90 percent of all manufactured products contain one or more metal castings. It seems fair to assume at this moment in time that metalcasting is a permanent fixture in the manufacturing supply chain: other processes may displace some functions or applications of metalcasting, but as a forming technology it provides advantages in terms of material science or industrial technology that cannot be displaced. And yet, matching those advantages to a particular requirement, at a specific time, is the unending challenge for metalcasting professionals.

Automobiles and other transportation equipment use 50 to 60 percent of all castings produced. The defense industry also uses a large portion of the castings produced in the world. Some of other common castings include: pipes and pipe fittings, valves, pumps, pressure tanks, impellers, blades, etc.

Depending on the desired properties of the product, castings can be formed from many types of metals and metal alloys. Gray and Ductile Iron make up almost 75 percent of all castings (ferrous and nonferrous) by weight. Malleable iron foundries produce only about two percent of all castings (ferrous and nonferrous).

Steel castings make up about 10 percent of all castings (ferrous and nonferrous). In general, steel castings have better strength, ductility, heat resistance, durability and weldability than iron castings. There are a number of different classes of steel castings based on the carbon or alloy content, with different mechanical properties. A large number of different alloying metals can be added to steel to increase its strength, heat resistance, or corrosion resistance.

Global Trends in the Casting Industry

In 2015, worldwide casting production reached 104.1 million metric tons, a shade over the 103.7 million metric tons produced in 2014. Casting growth from 2013 to 2014 was 2.37% and from 2014 to 2015 it was 0.4%. It is the sixth year in a row that the market has expanded after the global recession of 2008-2009. However, it is the third year in a row, where worldwide annual growth has been less than 4%.

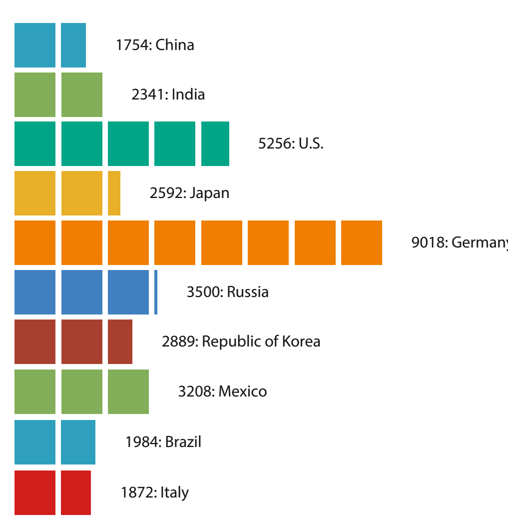
The world's two top producing nations in 2014, both reported small decreases in production. China's output decreased by 1.3% from 46.2 million to 45.6 million metric tons, while US dropped 0.8% to 10.39 million metric tons from 10.47 million metric tons. India, on the other hand, reported an increase of 7.5% to 10.77 million metric tons. However, with the Indian government's move to demonetize by pulling high value currencies out of the market, growth forecasts for 2016 have been lowered by rating agencies. During this period, the US is expected to make comebacks in the hard-hit oil and gas, agriculture and construction markets. According to the census of World Casting Production, China accounts for 44% of the world's casting production while the US and India together account for 20%. Of the countries in the top ten casting nations, India's and Mexico's growth have been the most significant in terms of tonnage, but there are smaller nations reporting double digit percentage growth.

It has also been noted that the total casting facilities in the world have decreased to about 47,000 down from 48,164 in 2010. As global casting production has increased in the past five years, the decrease in number of plants indicates that metal casting businesses are consolidating and becoming more efficient.

The new manufacturing policy envisages the increase in the share of manufacturing in the GDP to 25% from the current 16% and to create 100 million additional jobs in next 10 years. Since all engineering and other sectors use metal castings in their manufacturing, the role of foundry industry in supporting manufacturing is very vital. It is not possible to achieve this goal without the sustainable corresponding growth of the foundry sector.

Analysing production per plant and efficiencies, the slight decline in the number of metalcasting facilities coupled with growth in overall production meant that metalcasters are producing more tonnage per plant. The industry emphasis on efficiency also helps explain how less are producing more. Germany remained, far and away, the nation that produces the

Production Per Plant



most castings per plant, shipping 9,018 metric tons per plant. The U.S., No. 2 in average production per plant, produced 5,256 metric tons per site, a slight decrease from 2014's figure. India's average output is at 2,341 per site has shown a marginal increase but is still on the lower side compared to the top ten producers of castings.

Indian Casting Industry

India has emerged as the third largest castings manufacturer in the world only after China and United States of America. There are nearly 5,000 foundries across the country largely in MSME sector in 17 foundry clusters employing over 2 million people. The foundry industry currently produces about 10 million tonnes of cast components in ferrous and nonferrous category as per various international standards. The sector's annual turnover is nearly $18 billion at current production rates of which $2.7 billion comes from exports. It is estimated that the demand will grow threefold in the next 10 years, which will throw open new opportunities and challenges too.

While still dominating in terms of global casting output, China is now learning how to cope with the demands often associated with rapid growth rates - a more demanding workforce, skills development and increasing legislative pressures. With 2.6 million foundries, the country has excess manufacturing capacity and at least 10 per cent of Chinese foundries are not able to meet the advanced technical and environmental demands now required to increase the country's stronghold on the market. Inevitably labour costs have increased and the need for high-end research and development into technically advanced innovative solutions is putting the industry under pressure in terms of developing equipment to cope with the advanced requirements, consequently foundries are reliant on importing equipment from trusted global suppliers.

At this time, the Indian foundry industry is also faced with a downturn in growth rate as demand slackens. Growth in the sector has been stagnant for the past three to four years but optimism is in the air thanks to new national projects in infrastructure and defense. It is true that real growth of India is not possible without manufacturing and exports and the foundry industry is backbone of engineering. Although the Indian foundry industry is reasonably strong, there lies a huge potential for global market share. The target could be three-fold growth in next 10 years with improvement in utilization of installed capacity and collaboration and synergy among cluster members.

The country's 'Made in India' campaign - which predicts India to become the fastest growing economy - will require the foundry industry to grow significantly in the next few years to cater for other sectors. The major challenges to achieve this are: lack of skilled manpower, good power supply at competitive rates, sand availability due to mining and environmental issues,

Production of Castings in Million M.T (2015-16) - INDIA

	4.87	5.332	4.532	5.05	6.18	6.798	6.254	6.7	6.83	7.41
	0.762	0.802	0.785	0.8	0.984	1.09	0.981	1.000	1.07	1.18
	0.0623	0.0651	0.0605	0.0602	0.0692	0.066	0.0604	0.060	0.06	0.05
	0.914	0.964	0.916	0.88	1.07	1.14	1.158	1.100	0.968	0.88
	0.571	0.608	0.547	0.653	0.75	0.9	0.891	0.95	1.093	1.25
	7.1793	7.7711	6.8405	7.4432	9.0532	9.994	9.3444	9.810	10.021	10.77

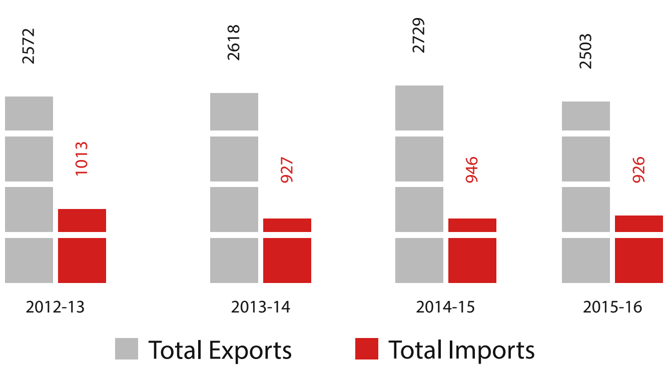
and the short-term slowdown in demand which could hinder medium and longer term investment.

The capacity utilization of Indian foundry units, also has seen a gradual decline over the last few years due to weak demand from consumer industries. From the level of over 70 per cent in early this decade, the capacity utilization has declined to nearly 40-45 per cent. The foundry sector is understood as the barometer of the real growth in India's economy as it includes consumption from the sectors that really indicate the economic growth of the country. While the growth in India's economy slows down gradually, foundry sector in the country has also seen similar downward growth.

Pan India, the targeted growth rate is 13% to 14% as compared with about 5% to 7% currently. Some growth in the auto industry, agriculture sector and the earth moving industry signals new hope. Significant boost to the manufacturing sector is expected to come from agriculture, infrastructure, wind turbines, automotive, railways, defense and oil & gas sectors.

Emerging opportunities are evident due to investment in infrastructure, in oil and gas within the country, mining sector, railways and defense. These sectors will drive the future of the industry. The Indian casting industry caters to only 4% of the global market. The opportunity exists to scale up the exports

Export / Import Data of Major Castings
(Value in Million USD)



further and grow the sector. If India can capture even 6 to 7% of global demand, it will almost double the capacity. Hence, the potential for exports of castings is huge.

PTC has positioned itself ideally in this scenario, and is equipped with the latest technologies and advanced manufacturing techniques, to take advantage of the paradigm shift happening worldwide in the industry. Its commitment to sustainable manufacturing practices with little or no impact on the environment shall ensure a positive future for the Company.

The Company continues to derive sustainable benefit from its strong foundation and long tradition of research, which differentiates it from many others. New products, processes and metallurgies flow from work done in the PTC research and development centre. With upcoming world class facilities and superior technologies, the Company shall be able to maintain its position in the world market and provide a significant technology differentiation in its products and processes.

HIGHLIGHTS AND KEY EVENTS

PTC has always followed a growth strategy of creating a differentiation for itself in terms of capabilities and quality and becoming the preferred choice of its customers due to its high performance and delivery standards. Since its inception, PTC has believed in investing in the latest technologies and creating an infrastructure which supports its inherent strength of producing high quality, high precision cast components for critical and super critical applications. PTC long and resilient history in the casting industry is testament to its competence and capability to persevere in adverse circumstances also.

In its new avatar, PTC Industries has focused on the establishing a new world class manufacturing facility, the *Advanced Manufacturing & Technology Centre* housing the latest technologies, most advanced equipment and comprehensive manufacturing facilities which are both sustainable and environmentally positive. Even in these challenging times, the Company's leadership and committed workforce has held on to its ideals and continued to sustain its position in the market. Financial performance has been also been maintained at a stable level as the company prepares for the great possibilities opening up in the future. The Company's new vision and missions statement reflect its long term strategic plans and the benefits from the efforts that are being made in the current period are expected to arise in the coming years.

PTC 4.0

In the reporting period, the Company continued its efforts towards exploring and building new markets both geographically and in different industry sectors. The Company's has considerably expanded its existing product portfolio with the introduction of new technologies like RapidCast™, forgeCAST™, TiCast™, etc., and significant work carried out on increasing its penetration in both the domestic and overseas market and expansion of the current customer base.

Some of the achievements of the company during the period are:

- Advance Manufacturing and Technology Centre (AMTC) a new state-of-the art facility is in the final stages of being set-up in Lucknow, This will be a one-of-its-kind unit with the most advanced technologies, state-of-the-art automation and robot assisted manufacturing. This new plant shall also have Titanium casting capability for the first time in India.
- PTC became the only foundry in the country to be awarded the Special Jury Award in the MSME Innovator of the Year category at the 2017 TIME India Awards by Time India Magazine.
- Rolls Royce (Marine), one of PTC's most prestigious customers recognized PTC's contribution to their value chain by bestowing it with the Total Cost Leadership Award at their Supplier of the Year Awards 2017.
- Ms. Smita Agarwal, CFO PTC Industries was awarded the Outstanding Woman Achiever Award in the Corporate category by Lucknow Management Association on the occasion of International Women's Day.
- Our Chairman and Managing Director, Mr. Sachin Agarwal was invited by NITI Aayog to participate as a Champion of Change in a 2 day interaction with the honourable Prime Minister, Shri Narendra Modi to build a roadmap on the theme 'Make in India' in partnership with the government.
- PTC's *Advanced Manufacturing & Technology Centre* was inaugurated at a scintillating gala event attended by esteemed customers, technology partners, vendors and associates from all over the world.
- PTC's Titanium Casting project was approved by the Department of Heavy Industries (DHI), Ministry of Heavy Industries and Public Enterprises, Government of India under its Capital Goods Scheme called Technology Acquisition Fund Programme (TAFP) and a grant of Rs. 10 Crores was committed by the government towards this project.
- PTC partnered with many organizations and associations during the year in support of social causes relating to the physically challenged, child safety and for spreading awareness towards protecting the environment, promoting cleanliness and hygiene.

The Company has maintained a stable financial performance despite a fall in metal prices and euro rates leading to a marginal improvement in turnover in the year 2016-17. PTC Foundation carried out extensive work under Project Masoom for creating awareness on Child Sexual Abuse in association with the CII Young Indians and identified skill development as one of its prime areas of focus in line with the need of the hour for the country.

PTC's capabilities has been significantly augmented through additions in technology and latest equipment. PTC continues to reinforce its position globally among the worldwide crisis and has maintained its stable performance with strong customer relationships and advanced manufacturing abilities. Its relentless focus on technology and innovation has opened up a completely new era of opportunities and possibilities which promise to transform the company into a globally recognized casting brand.

OUTLOOK

India has not been immune to the global economic slowdown which has so far engulfed all countries including developed and developing ones. Although, the Indian economy has shown growth yet the pace of growth declined. Therefore, the slowdown in global economy had a negative repercussion in the overall industrial growth in India and the foundry sector was no exception. Owing to under utilization of capacities on account of economic recession, there was a keen competition amongst foundry units within the country. All these trends pushed realization lower resulting in closure of many small units. The large units also showed negative growth in cash flows.

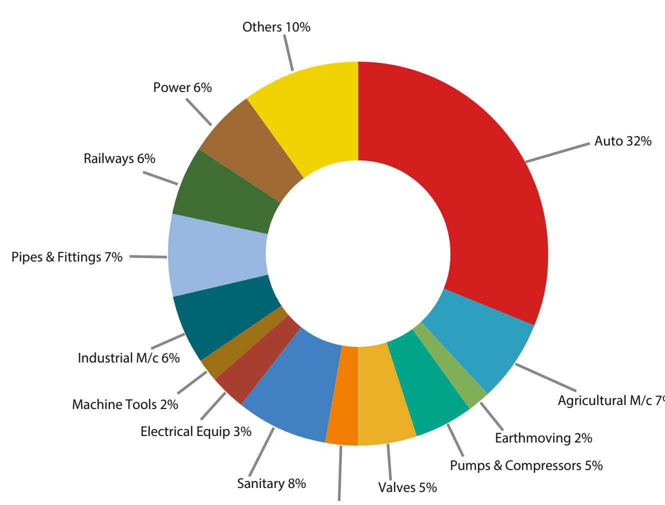
The Indian foundry industry is set to experience a comparatively slower growth in 2017 in view of the impact of demonetisation and implementation of GST, although a healthy revival is expected in the next year. Demonetisation had a definite impact on the industry, particularly in sourcing of metal scrap and a 20-30 per cent drop in production was recorded. Steep decline in castings demand due to a slowdown in capital goods sector, a sharp increase in the cost of energy and other inputs worsened the foundry sector's financial performance steadily.

Lack of investment in infrastructure had hampered demand of metallic castings over the last few years. With the government now focusing on infrastructure development with over Rs 100,000 crore of proposed investment over the next few years, the demand of metal castings is expected to surge in the years to come. Business confidence in last few months has started to look upbeat after several years of economic slowdown. There are clear indications in the policies of government focusing on increasing GDP, which will require scaling up of manufacturing and skill development -- the backbone of economic activity. The slogan 'Make in India' is true reflection of government policy to promote manufacturing in India. There is need to promote investments in productive and environment-friendly technologies and equipment.

As noted earlier, there are about 5,000 foundries in India, largely in the MSME sector, spread across clusters, from Punjab in the north to Coimbatore in the south. The casting industry produces over10 million tonne of cast components worth about $18 billion, which is nearly 10% of global production by weight. With a sustainable growth plan in place, this global share can go up to 20% in five years. The industry is exporting castings worth $2.7 billion a year. This also has the potential to go up to $8-10 billion with greater productivity, value addition and market expansion.

The 'Make in India' campaign augurs well for the foundry industry as it is a key feeder to engineering and manufacturing. Demand for the foundry industry is estimated to grow three-fold in the ten years, which will throw up new opportunities and challenges, too. New niche markets are opening up for the industry, such as application of light weight and specially alloyed metal castings for reduced energy consumption. The advancements in downstream industry are creating

Sectorwise Major Consumers of Castings



requirements for metal castings that can withstand critical applications in nuclear and ultra-critical mega power plants, railways, aerospace and defence sectors. At the same time there could be several challenges such as the need for investments in modern manufacturing/design tools, balanced automation, and up-scaling of IT. These will create skilling opportunities for the future, which must be met by timely interventions by all stakeholders.

The industry needs to take upon itself the mantle of scaling up production to 25-30 million tonnes per annum, which entails a 100% improvement in productivity through balanced automation, skill development, application of modern manufacturing/design tools and IT, and reduced consumption of natural resources by efficient management, recycling and waste reduction.

As manufacturing activity climbs, demand for ferrous foundry products shall also grow. In addition, previously delayed construction projects are expected to pick up again and input cost for iron and steel have declined since 2013. While this benefits industry margins, lower iron and steel prices lead to reduced raw material surcharges and therefore lower product prices. The declining metal prices along with a sluggish euro in the previous year led to a drop in the realization levels for PTC also. This is reflected in the top line even though casting production in quantitative terms rose during the year. Until now, weaker demand from the machinery manufacturing sector had placed downward pressure on industry performance. In the next five years to 2022, rising industrial production and construction activity are projected to drive revenue growth.

With the optimism in sales expectations, a large number of foundries have indicated that they would be investing in upgrades to improve processes and testing equipment. However, employment growth may not be driven proportionally as nearly one-quarter of the companies believe that robotics technology is high on their list of improvements. The challenge for today's foundries is to develop new and more efficient processes and material designs that will meet the technology of tomorrow. New technologies such as 3D scanning, 3D measurement instruments along with 3D printing and the introduction of robotics and automation in the manufacturing cycle are dramatically changing the way products are designed, constructed, and perfected. These new break throughs in technology enable faster, more accurate, and more reliable production of products and prototypes. Not only does this advent of technology and automation make the

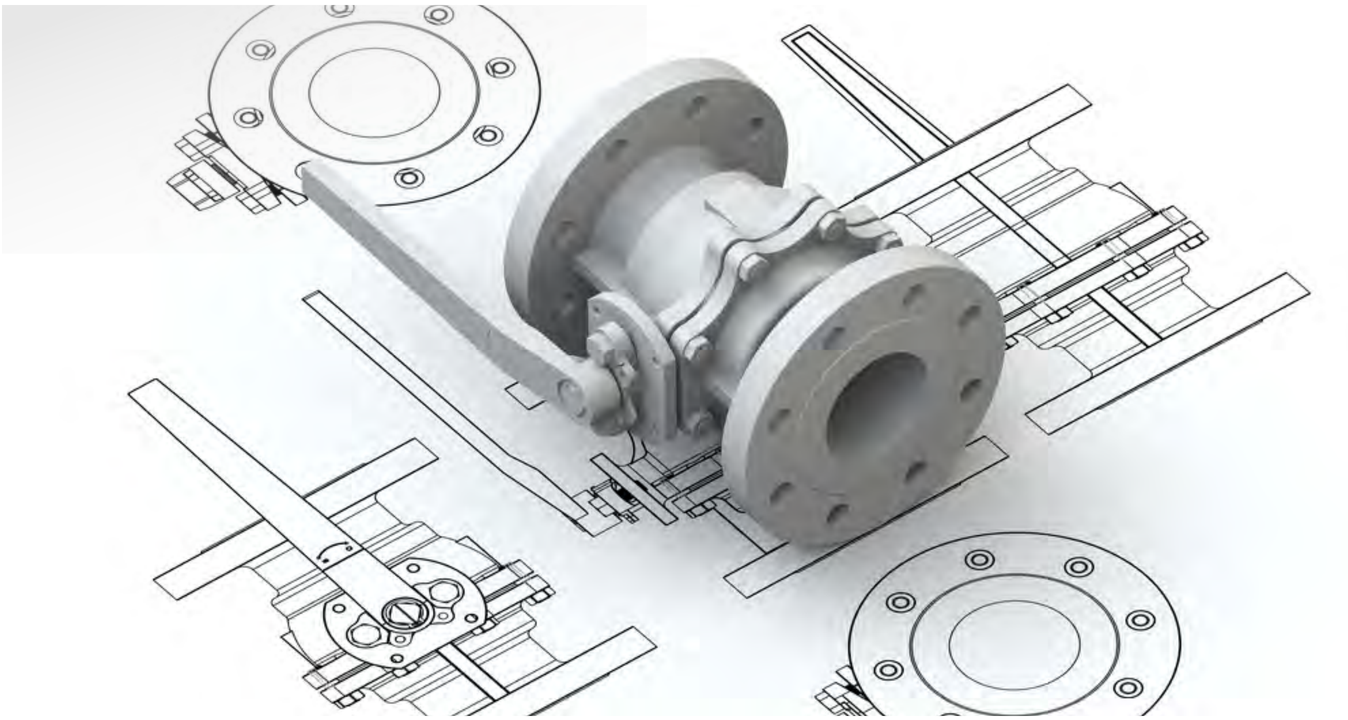
process of metal casting more efficient and cost-effective, it also provides innovative breakthroughs that were not possible even five years ago. As foundry operations evolve into the modern world of automated technology, the manufacturers need to work on providing the most innovative and advanced techniques for process level automation in order to maintain their market positions.

PTC has positioned itself ideally to take advantage of this promising growth in the foundry sector. It has successfully developed and indigenized world class technologies and processes and brought them under a single roof to create unprecedented synergies. It has created systems based on robotics and automation leading to remarkable quality and consistency in its products. With this investment in capacity and capability, PTC shall be able to offer state-of-the-art facilities for manufacture of metal components and parts for critical and super-critical applications for a wide spectrum of industries like marine transport, power, oil & gas, pulp & paper manufacturing, desalination etc. which will make it the supplier of choice both in the domestic as well as export markets.

The medium to long-term outlook for the sectors to which the Company caters is quite positive, but the domestic as well as export markets in the current period are still sluggish and the short term growth outlook is not too bright. The Company is in the final stages of commissioning of its new 'Advanced Manufacturing & Technology Centre' in Lucknow, Uttar Pradesh and shall be geared to take advantage of the upturn in industry in the coming period. Significant investments have been made in building manufacturing capabilities and capacity, making technology enhancements, developing product platforms and putting together manpower upgrades for sustenance and enhancement of growth. The Company's investment in all these areas is targeted to seize the considerable opportunity that is evident both at the domestic and international level in the future.

OPPORTUNITIES AND THREATS

India is poised to become the new China. It is now the fastest growing economy in the world. The growth is due to internal demand coupled with international companies shifting production from China to India. Production costs in India from the global viewpoint are now lower than China although transportation is slightly higher but the net result is that landed cost is lower. India has nearly 5,000 foundries that are mainly clustered in 19 areas. They produce almost 11 million metric tons per year with 500,000 direct employees. India has seen



major increases in internal demand competing for capacity that have moderated in the last year. The country has an automobile building mandate designed to produce vehicles not only for India but also for export. It is estimated that India needs to double its casting capacity in the next five years to meet projected demand.

There exists a great opportunity for the Indian foundry industry where it can become a significant player in the world castings market. With a focus on lean manufacturing and efficient resource management, it can contribute to the country's 'Make in India' goal. Foundries supply castings to almost all engineering industries including the infrastructure industry and are hence considered the 'mother' of all engineering industries.

However, the Indian foundries are hampered by cumbersome regulations and comparatively high energy costs. Also, with lower availability of raw materials than other major countries, there are extra costs incurred in acquiring raw materials. Mostly, they manufacture predominantly low-value, low-quality products for a saturated market. Pressure to reduce prices adds a further strain on their profit margins, and the lack of technology in most production processes leads to inefficiency and poor quality. To add to their woes, pollution generating operations in the traditional casting process have to led to the entire industry being placed in the 'red category'. Most Indian foundries are facing challenges like technological obsolescence, production inefficiencies and weak finances. They suffer from problems in supply of castings due to issues related to raw materials and energy supplies, and are also hampered by cumbersome regulations and very high energy costs.

Nevertheless, India poses a threat to global foundries. In total weight, India is a close second to the United States as the third largest producer of castings. It is evident though, that there is no merit in adding total tonnage as a measure of size. The current tonnage in India is dominated by gray iron, the lowest cost metal. In dollar value, India has a long way to go to catch up to the top two producers of castings. Therefore, India needs to develop the requisite capabilities for manufacture of high-quality and high-value foundry products. Currently, almost 60 per cent of the casting production in the country is for the automobile sector. Demand from sectors such as oil, infrastructure and mining had been slowing down. This year, the automobile sector has begun showing indications of revival and another area of significant growth that the foundries can bank on for both, ferrous and non-ferrous castings, could be in aerospace and defense.

This time can signal immense growth opportunities globally for high quality, high integrity castings for a wide range of industries. The global economic situation is driving demand for cost competitive suppliers across all industries. This could be a welcome opportunity for Indian foundries. The comparatively low labour costs in the country is a major factor that can support India's drive for higher volumes in the global market. To take advantage of these trends, the foundry industry must focus on internal factors like technological up-gradation and operational excellence. Lean manufacturing practices and automation are amongst the most popular tools available to all companies, to help attain operational excellence.

In this scenario, PTC continues to enjoy a unique position where it is hugely ahead of its peers in technological advancement, sophisticated equipment, automation and best processes and practices that include an environmentally conscious approach. Hence, the Company expects to steady growth

once it's new facility is completely operational. The Company's differentiation from its high quality, near-net-shape cast components available at an overall cost effective level gives it an edge in terms of pricing, quality and demand. The creation of indigenous capabilities for manufacturing high integrity castings in a range of alloys including titanium and zirconium shall open up untapped markets for the Company. It must also be understood that, the gestation period in this industry is considerably longer than other types of manufacturing. While the Company has begun exploring new markets and new products aggressively, translating them in to viable commercial production would require time. The sluggish domestic and global scenario are further dampening the rate at which new opportunities are realized.

Some of the key factors that define the environment in which the Company must find, grow and protect its profits are summarised below:

Technology Upgradation and Modernisation

While the government is striving to make policies, facilitate new investments and joint ventures with global players to improve infrastructure and ease of doing business, the industry

also needs to look at bringing about transformation in various areas. With the increased use of modern design and best-in-class manufacturing, including increased use of IT and demand for goods with competitive costs and improved response time, the industry must focus on automation, technology, and also add value by producing ready to use finished castings and sub assemblies to meet the demands for the ever changing requirements of the industry.

PTC has managed to establish one of the most modern manufacturing facilities in the world with the latest technologies and solutions and the capability to supply finished components and sub-assemblies. Hence, it is ready to take on the challenges of new manufacturing practices and Industry 4.0.

Customer Bargaining Power

A key question is how easy is it for customers to drive the price down in the industry? This is driven by a number of factors, such as the number of buyers, the importance of any one customer to the business, the total cost of switching, and the ability to switch to substitute products, and so on.

Consolidation of casting-consuming OEMs is perhaps the single biggest development of the past decade which gives casting buyers the upper hand. It is estimated that more than 50% of all castings, by value, are consumed by less than 200 companies and their major tier suppliers, globally. Hence, generally customers of castings have very high bargaining power overall in the industry.

However, with its superior manufacturing capabilities coupled with lower operational costs, PTC also has significant advantages in the current market scenario.

Supplier Bargaining Power

As raw materials, consumables, and specialized equipment are key requirements for the metal casting industry, the suppliers also have significant bargaining power. In addition, the bargaining power is also influenced by availability, unique performance attributes, and service capabilities, to name a few factors.

Suppliers of commodity metals, scrap, alloys, and the like, price and supply on a global basis. Often other sectors drive the pricing of these materials, as foundry consumption is small in comparison. Hence, it seems fair to say that suppliers to foundries have high bargaining power overall.

Again, PTC has significantly mitigated this threat by introducing recycling measures for direct and indirect materials and replacing traditional sand casting methods with Replicast®, RapidCast™, Printcast™ and forgeCAST™ technologies. Further. PTC has managed to forge relations with the most reputed suppliers in the world especially to source its capital equipment requirements thereby succeeding in bringing the most advanced equipment and technologies to India.

Intensity of Competition

Some metal casters do have such a well-developed, differentiated, and protectable position that they have few competitors. However, in slow growth markets, there has been shut down of a number of foundries and consolidation of players as well. This can, and has, led to less competitive rivalry. On the other hand, the consolidation of the customer base, coupled with a proliferation of low cost countries has kept competitive rivalry high for foundries.

Again, PTC has maintained its competitive edge by investing in research and the latest and most advanced technologies which differentiate PTC from its competition. The creation of world class capabilities for manufacture of castings in difficult to cast higher alloys like titanium, zirconium, inconel, monel, super duplex stainless steel and other higher alloys makes PTC the ideal choice for customers across the world. PTC's strong commitment to quality and reduction of overall costs for its customers has led to its position as the preferred supplier for critical and super-critical cast components.

Substitute Products

There is, and always will be substitution of one material for another, for example plastics instead of metal, for some components. Likewise, there will always be the rivalry offered between metal choices. Alternatives to making a metal component via machining and weldments, via forging, via powdered metals, etc. are part of the strategic discussion for metal casters.

Fortunately, PTC has been at the forefront of adopting new technologies and processes, while most metal casters take time to pro-actively adjust. Additionally, there are ample opportunities that are being pursued by PTC to counter substitution, such as converting forgings to castings through the newly developed forgeCAST™. In fact, PTC itself has come up with innovative technologies to substitute a large number of components being manufactured using traditional technologies or forgings. This opens up a huge potential market for the capabilities that the Company has acquired.

Sustainable Energy

Since foundry is a power intensive industry, the availability of good quality power consistently at competitive tariff is paramount for competitive operations and global competitiveness of the sector and for supporting manufacturing. There is a need of substantial attractive differential in power tariff during peak and non-peak hours so that the units are motivated to shift power intensive operations towards non peak hours. Further, switching to renewable energy resources for sustainability and reduced impact on the environment is a key focus area for similar industries.

PTC has had the foresight to invest in a 1 MW solar rooftop plant to augment and support its energy needs and reduce dependence on external power. This shall bring in considerable cost savings in addition to the Company's contribution towards the environment.

RISKS AND CONCERNS

PTC employs a vigilant approach to continuously identify,

analyse and monitor the risks associated with its business. The procedure for identification, reduction and mitigation of risks has been institutionalised by the Company. The Company's structured risk management policies help in swift response and necessary action in order to mitigate the risks. The management aims 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:

- **Strategic Risks**

  These include market risks like uncertainties in the global economic scenario and declining demand in domestic sectors like power and infrastructure. Prolonged unfavourable conditions in the market result in delay or cancellation of projects. The Company's diverse portfolio has helped it to shift focus to other industries, customers and geographies. Hence, while a decline was witnessed in certain segments, the Company has been able to maintain its performance by expanding its product and geographical portfolio. Further, the Company is creating facilities which shall be perfectly positioned to supply to a wide range of industries including oil & gas, marine transport, pulp & paper manufacturing, power, chemical processing, desalination, transportation, etc. thereby mitigating the risks associated with a particular sector.

- **Operational Risks**

  The rapid evolution of technologies and the natural ageing of existing facilities pose the risk of the current production facilities becoming obsolete and uneconomic. There is also a saturation on the capacity to expand in the current unit, especially in Lucknow. Hence, the Company has deployed the latest best-in-class technologies like Replicast®, RapidCast™, Princast™ and forgeCAST™ and is constructing the new state-of-the-art *'Advanced Manufacturing & Technology Centre'* to enhance the capacity and capability of its operations. The operational efficiencies that shall be built into the new plant shall also substantially reduce the operating costs while improving the safety of operating conditions. A number of processes, for which the company was dependent on outside vendors, are also being developed in-house which shall lead to further reduction in cost and improvement in operations.

  The Company also has a history of good relationships with dealers, excellent labour relations and an efficient and devoted staff due to which the level of risk relating operational instabilities are also minimised.

- **Financial Risks**

  Financial risks include, amongst others, increase in debt and exposure to movements in interest rates and foreign exchange rates. With the investment in the AMTC plant in its final stages, the long term debt of the Company has increased. Further, the Company is exposed to fluctuating dollar and euro prices. While a majority of the Company's purchases are local, the Company is exposed to currency risk where the realisation of sales proceeds is in local currencies. During the year, the Company invested in a large amount of imported machinery and equipment for its AMTC Plant which exposed it to volatility in the exchange rates leading sometimes to an adverse effect. The Company has mitigated risks on its foreign currency borrowings and realisations by hedging them partially. However, at any point of time, PTC's exports remain higher than its foreign currency borrowings there by giving it a natural hedge.

  In view of the Company's constant expansion activities, it needs to preserve a financial framework in order to maintain an appropriate level of liquidity and financial capacity. PTC has already raised Rupees forty crores in the form of equity in order to partially fund the expansion of its manufacturing facilities, and has entered into long term loan arrangements with banks to finance the balance requirements. The approval of a grant of Rupees ten crores by the Department of Heavy Industries under its Capital Goods Scheme, the Technology Acquisition and Fund Programme (TAFP) to partially fund the Company's Titanium Castings project has also been a step towards decreasing the Company's debt burden.

- **Compliance Risk**

  Due to the recent events in the corporate world, the subject of corporate governance has gained significant importance. The change in the regulatory environment in the country has resulted in increased regulatory scrutiny that raises minimum standards required for corporate entities. This requires the alignment of corporate performance objectives, whilst ensuring compliance with regulatory requirements. PTC's management is committed to the establishment of systems, processes and principles

to ensure that the Company is governed in the best interests of its members. Hence, it will:

- make efforts to understand the changing regulatory requirements so as to incorporate and integrate these in its business strategy, and
- drive business performance through the convergence of risk, compliance processes and control mechanisms to ensure continued operational efficiency and effectiveness.

The risk mitigation plans are reviewed regularly by the Audit Committee of the Company. The Company's contingent liabilities, are disclosed in Note 2.30 Contingent Liabilities of Notes to Accounts.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place an adequate system of internal controls, with documented procedures covering major corporate functions. Systems of Internal Controls are designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls, and compliance with applicable laws and regulations. Adequate internal control measures are in the form of various policies and procedures issued by the Management covering critical and important activities of Manufacturing Operations, Environment and Safety etc. These policies & procedures are reviewed and updated from time to time and compliance is monitored. The Company continues its efforts to align all its processes and controls with global best practices.

The effectiveness of internal controls is reviewed through the internal audit process. The focus of these reviews is as follows:

- Identify weaknesses and areas of improvement
- Compliance with defined policies and processes
- Safeguarding of tangible and intangible assets
- Management of business and operational risks
- Compliance with applicable statutes
- Compliance with the Code of Conduct

The Audit Committee of the Board oversees the adequacy of the internal control through regular reviews of the audit findings and monitoring implementations of internal audit recommendations.

The Company's Internal Financial Controls were also tested and reviewed by the management and the statutory auditors during the year in accordance with the Companies Act, 2013. They were found effective and adequate to the size and operations of the Company.

FINANCIAL PERFORMANCE

Total Income

₹ In Crores

Particulars	FY 17	FY 16	% change
Revenue from sale of products	99.50	95.37	4
Other operating income	2.82	2.60	8
Less: Excise Duty	2.92	2.29	28
	99.40	**95.68**	4
Other income	1.52	3.12	(51)
Total Income	**100.92**	**98.80**	2

The Company witnessed a increase in revenue from operations by 4% to Rs. 99.39 crores from Rs. 95.68 crores in the previous year. The EBITDA in number terms increased by Rs. 0.38 crores to Rs. 16.53 crores from Rs. 16.15 crores in the previous year but as a percentage of revenue rose to 15% from 14% last year. There is an increase in net domestic sales by approximately 32%. Export sales (including incentives) fell by 3% to Rs. 73.92 crores as against Rs. 76.36 crores during the previous year as the environment in Europe remained subdued. The Profit after tax has reduced by Rs. 0.30 crores to Rs. 5.86 crores from Rs. 6.15 crores in the previous year.

Gross Sale of products

₹ In Crores

Particulars	FY 17	FY 16	% change
Stainless steel castings	83.40	80.86	3
Alloy and non-alloy steel castings	9.81	7.85	25
Structures and forgings	1.81	1.53	18
Assembly items	0.25	1.81	(86)
Others	4.24	3.33	27
Revenue from Sale of products	**99.51**	**95.38**	4

Gross sale of products marginally increased during the financial year 2016-17 by 4% as compared to the previous year. With the recovery of the global and domestic markets in the coming years, the Company expects a growth in these numbers.

Raw Materials consumed

₹ In Crores

Particulars	FY 17	FY 16	% change
Scraps and metals			
Stainless steel scrap	16.22	15.97	2
Iron and steel scrap	0.64	1.56	(59)
Ferrous and non-ferrous alloys	6.58	6.95	(5)
Structures and fabrication	0.66	0.22	200
Raw castings (including assembly)	1.06	1.68	(37)
Total	**25.16**	**26.38**	(5)

Overall, the consumption has declined by 5% due to low volumes, drop in metal prices and overall efficiencies. This is due to a shift in the product mix on related castings.

Employee benefits expense

₹ In Crores

Particulars	FY 17	FY 16	% change
Payments to & provisions for employees	**17.50**	**17.44**	-

There has been no significant movement in this area this year.

Other expenses

₹ In Crores

Particulars	FY 17	FY 16	% change
Manufacturing expenses	35.69	32.86	9.00
Administrative and selling expenses	7.01	7.01	-
Total	**42.70**	**39.87**	7

Manufacturing expenses rose by 9% which includes increases in stores and spares consumed (10%), work charges 31(%) and testing charges(29%) paid during previous year. This is a result of the shift in the product mix to more critical and complicated parts.

Finance costs

₹ In Crores

Particulars	FY 17	FY 16	% change
Finance costs	**3.43**	**2.56**	34

Finance costs rose by 34% during previous year. This is due to the increase in borrowings as the capital expenditure on the AMTC plant reaches its final stages.

Fixed Assets

₹ In Crores

Particulars	FY 17	FY 16	% change
Tangible & intangible assets	48.81	44.31	10
Capital work in progress	135.52	65.92	106
Total	**184.33**	**110.23**	67

The increase in capital work in progress is primarily related to investment in the new AMTC plant which is expected to be commissioned in the year 2017-18.

Inventories

₹ In Crores

Particulars	FY 17	FY 16	% change
Raw materials	9.88	9.29	6
Stores and spares	3.94	3.34	18
Work in progress & finished goods	24.46	22.84	7
Total	**38.28**	**35.47**	8

Inventory has increased by 8% (including an increases in raw materials by 6% and stores and spares by 18%) mainly due to increased development activities being undertaken by the Company. The production cycle period for manufacture of critical parts is also relatively higher than other parts.

Sundry Debtors

₹ In Crores

Particulars	FY 17	FY 16	% change
Gross Debtors	27.28	31.20	(13)
Less: provisions	-	(0.24)	(100)
Total	**27.28**	**30.96**	(12)

A decline of 12% in Sundry debtors due to timely realizations has been a favourable movement.

Loans and Advances

₹ In Crores

Particulars	FY 17	FY 16	% change
Loans and Advances	22.79	20.60	11

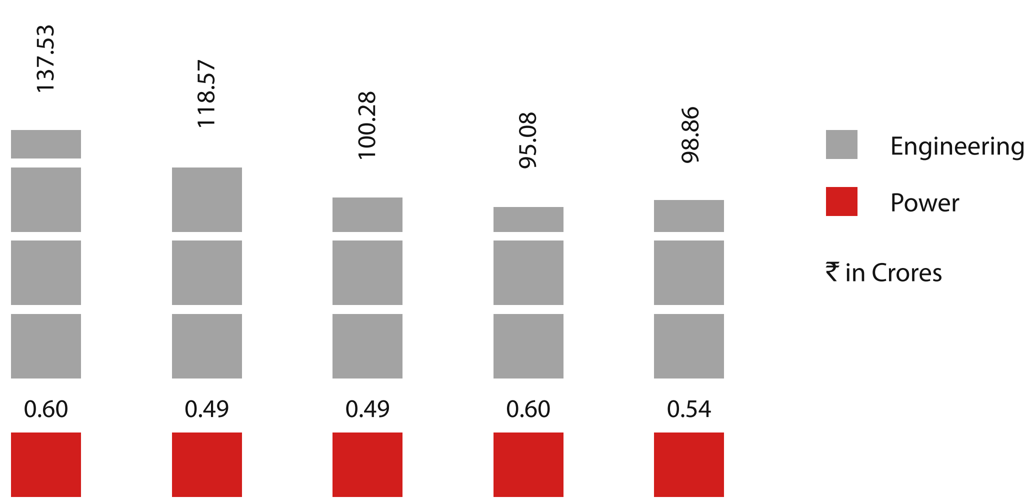
The increase in loans and advances is primarily due to balances with statutory and government authorities especially relating to the capital expenditure for the AMTC plant.

SEGMENT-WISE PERFORMANCE

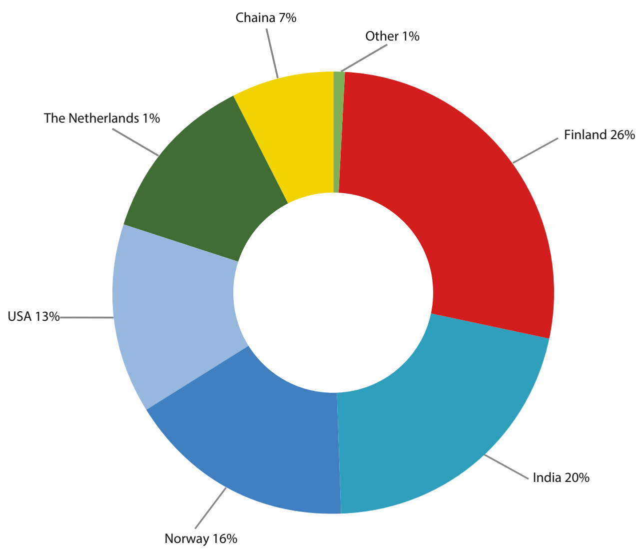
The Company recognizes manufacturing of Stainless Steel Castings, Alloys Steel Castings, Non Alloy Steel Castings and Steel Structure as its primary segment while the Company has presented secondary segmental reporting on the basis of geographical location of customers. Accounting Standard 17-"Segment 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 :

			March 31, 2017
	Engineering Division	Power Division	Total
Segment Revenue			
Revenue	98,85,86,168.00	-	98,85,86,168.00
Income from power generation	-	54,04,750.00	54,04,750.00
Income from operations	**98,85,86,168.00**	54,04,750.00	**99,39,90,918.00**
Other income	1,51,52,668.00	-	1,51,52,668.00
Total Revenue	**1,00,37,38,836.00**	**54,04,750.00**	**1,00,91,43,586.00**
Segment results			
Profit before finance cost, depreciation, exceptional items and tax	16,12,51,210.00	40,89,315.00	**16,53,40,525.00**
Less: finance cost	3,43,09,423.00	-	3,43,09,423.00
Less: depreciation	5,39,18,545.00	14,83,243.00	5,54,01,788.00
Profit before tax	**7,30,23,242.00**	**26,06,072.00**	**7,56,29,314.00**
Provision for taxation			
current tax			1,54,98,625.00
deferred tax			1,70,51,763.00
deferred tax (earlier years)			-
MAT credit entitlement			(1,54,98,625.00)
Profit for the year			**5,85,77,551.00**

Revenue by Segment



Sales (Geographical mix)



GEOGRAPHICAL SALES

COUNTRY	Net Sales (in Rs.) 2016-17	Net Sales (in Rs.) 2015-16
Finland	23,56,68,092.00	24,43,89,682.00
India	25,47,78,915.00	19,60,80,125.00
Norway	16,65,02,075.00	15,37,88,750.00
USA	9,28,81,574.00	12,41,09,507.00
Netherlands	8,85,96,971.00	11,04,43,356.00
China	5,49,40,066.00	6,94,47,596.00
Malaysia	31,74,407.00	1,14,13,302.00
Denmark	11,80,747.00	74,20,168.00
Sweden	1,80,53,510.00	60,01,309.00
Belgium	39,34,219.00	44,13,473.00
Germany	4,50,59,128.00	38,36,152.00
Brazil	15,76,660.00	25,58,845.00
Japan	23,73,654.00	13,65,792.00
Spain	-	8,42,972.00
France	8,32,154.00	6,76,584.00
Canada	8,74,053.00	-
UK	7,45,930.00	-
Sub Total	**97,11,72,155.00**	**93,67,87,613.00**
Export Incentives	2,28,18,763.00	2,00,56,301.00
Total	**99,39,90,918.00**	**95,68,43,914.00**

HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATIONS

Professional, motivated and highly qualified personnel are among PTC's most precious assets and the key to our future growth. At the core of PTC's Human Resource Management (HRM) policy is the underlying belief that employees are our primary source of competitiveness. Hence, PTC believes in offering the best possible opportunities for growth, development and a better quality of life, while developing their potential and maximising their productivity. PTC believes that the workplace should provide a climate of openness, fairness and respect for the individual with the freedom to experiment. Mutual trust and teamwork are some of the core values at the Company.

PTC encourages employees to perform to their best ability and supports open collaboration, engagement and involvement. Constant improvements are brought about in work practices and productivity by adherence to the best practices and an efficient system of motivation. PTC believes in being an equal opportunity employer and strives to attract the best available talent and ensure diversity in its workforce. Diversity and Inclusion are important aspects of sustainable business growth and we call this the 'winning balance'. The Company has also sought to augment its human resources by appointing a Chief Operations Officer with technical knowledge and capability in the latest manufacturing practices in the foundry industry. After heading the entire European division of a large engineering company, he comes with vast experience in managing large organizations and brings with him the finest HR practices in the world.

The Company has always believes in placing equal emphasis on working towards the well-being of our own workers as well as those of our suppliers. Futher HR policy improvements are being implemented for enhancing the quality of life of the employees and their families. The 'Family Support' insurance scheme, unsecured loans are just some of the measures that the Company has adopted to achieve this purpose.

Employees continue to be encouraged to participate in several technical and non-technical training and skills development programs during the year. Schemes introduced for rewarding employees at all levels, based on the Company's overall performance is yielding results. A key objective of the Company in human resource management is to raise the personal interest of each employee in achieving the best possible result. The Company has also adopted Technical Skilling as one of its

CSR projects and is building a vast repository of online skilling courses with the help of its technology partners for training workforce and developing best manufacturing practices under this umbrella.

Efforts to build the capability of employees at all levels continued with an augmented organisational capability in technical, functional and project management areas. The workforce is being trained on advanced mechanisation and world class manufacturing equipment and processes. In its role of a global and knowledge-based Company, PTC believes in the need to develop and foster its human resources. It has always been the firm belief of the management that the business cannot grow until and unless the full potential of employees is utilized effectively in its operations.

The Company's HRD Plan being developed has all the parameters to achieve excellent results. Steps are being 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. The Company's 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.

PTC has always targeted zero injuries and incidents. Safety is a critical aspect for the Company in delivering responsible products, and hence, it conducts its operations considering safety of its employees, suppliers and vendors, as well as the communities in which it operates. A fully equipped and well-qualified EHS structure is in place providing necessary governance, documentation and EHS assurance.

PTC would not have been where it is today without its people and their commitment, innovation, engagement, strive for excellence and a strong sense of belongingness to the organisation. A strong industrial harmony of over five decades bears testimony to strong people practices of the Company.

Industrial relations during the year have been cordial and are expected to continue in the future. The Company has excellent co-operation and support from the entire hierarchy of well-trained and experienced personnel. The total strength of employees on the roll at the end of the year was 589.

STATUTORY COMPLIANCE

The Directors makes a declaration regarding the compliance with provisions of various statutes after obtaining a confirmation from all the units of the Company. The Company Secretary ensures compliance with the SEBI regulations and provisions of the Listing Regulations. The Company Secretary is appointed as the Compliance Officer.

CEO & CFO CERTIFICATION

The Managing Director and Chief Financial Officer of the company give annual certification on financial reporting and internal controls to the board in terms of Regulation 17(8) and Schedule II Part B of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Managing Director and Chief Financial Officer also give quarterly certifications on financial results while placing the financial results before the Board in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

CEO & CFO Certificate under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,

The Board of Directors,

PTC Industries Limited

1. We have reviewed financial statements and the cash flow statement of PTC Industries Limited (hereinafter referred to as the 'Company') for the year ended at March 31, 2017 (hereinafter referred to as the 'year') and to the best of our knowledge and belief:
   i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   ii. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We, along with other certifying officers, accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the audit committee, that there are no deficiencies in the design or operation of such internal controls of which we are aware.
4. We have indicated to the auditors and the Audit committee:
   i. That there are no significant changes in internal control over financial reporting during the year;
   ii. That there no significant changes in accounting policies during the year
   ii. That there are no instances of significant fraud of which we have become aware.
5. We confirm that all Directors and Members of the Senior Management have affirmed compliance with PTC's Code of Business Conduct & Ethics.

Place: Lucknow
Date: August 29, 2017

(Sachin Agarwal)
Chairman & Managing Director

(Smita Agarwal)
Chief Financial Officer

REPORT ON CORPORATE GOVERNANCE

Corporate governance has assumed a crucial role in today's progressive and aggressive business environment. Today, as trust in businesses is on the decline, it is important that companies strive to build and maintain trust through ethical practices and to act with integrity in everything they do. Companies need to abide by the principles of corporate governance and instill the vision, strategy, processes, and structures that help them to make decisions that ensure longer-term sustainability. Good corporate governance also helps to shape a company's culture, which in turn shapes the way the leaders of the organization lead, they way its workers work and how customers perceive the businesses with which they choose to work.

More than ever, today we need companies that can be profitable as well as achieving environmental, social and economic value for the society. Responsible and transparent corporate governance practices are the duty of a good corporate management and aids in creation of long-term value.

PTC's corporate governance practices are in many ways value based, since they stem from our ideals and our Company's spirit. Around these are our policies and guidelines, along with external regulations, which provide a framework that states clearly how we conduct ourselves in relation to the world around us. Briefly, PTC's strength can be described as a simple, down-to-earth, cost-conscious, and entrepreneurial corporate culture that focuses on teamwork, our belief in people and constant improvement. Sustainability is well integrated into every part of our business and forms a natural part of our employees' everyday life.

The four pillars of our Corporate Governance philosophy continue to be corporate fairness, fiscal accountability, disclosure and complete transparency.

Our board of directors has always believed that good governance cannot be imposed; it emerges naturally from the culture of the organization and it is the responsibility of the top management to foster such an organizational framework. Establishing the corporate culture, and the values by which executives throughout our organization will behave, is one of the board's highest priorities. This translates and permeates into every relationship of the Company, whether it be with investors, employees, customers, suppliers, regulators, local communities or other constituents.

In order to fulfill its responsibilities and to discharge its duty, the board of directors follows the procedures and standards that are set forth in Corporate Governance code. The governance practices followed by the Company are continuously reviewed and the same are benchmarked to the best governed companies.

Board of Directors

Size and composition of the board

PTC has an effective mix of Executive Directors, Non-Executive Directors and Independent Directors in order to maintain the Board's independence and separate the functions of governance from the day to day management activities. The board of directors of the Company consists of nine (9) directors out of which seven (7) are Non-Rotational directors (including Nominee director, Independent directors and Managing Director) and two (2) are Rotational directors. There is also an Independent Woman Director on the board of the Company. The composition of the board is in compliance with Regulation 17 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015. The board periodically evaluates the need for change in its composition and size.

The Company has issued formal appointment letters to the Independent Directors as required by Regulation 46 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Composition of the board, and directorships held on March 31, 2017

Name of Director	Age	Other directorships held	Number of Committee Membership in domestic public companies (including this company)	
			As Chairman	As Member
Executive Directors, Non Independent				
Sachin Agarwal	45	7	3	1
Priya Ranjan Agarwal	58	2	-	1
Alok Agarwal	55	-	-	4

Non-Executive Director, Nominee of Pragati India Fund Limited (Foreign Equity Investor)				
Kasiviswanathan Mukundan	48	2	-	1
Non-Executive Directors, Independent				
Dr. Rakesh Chandra Katiyar	61	1	3	2
Ajay Kashyap	68	3	-	2
Krishna Das Gupta	74	4	2	3
Shashi Vaish	66	1	-	2
Brij Lal Gupta	65	-	-	3

Notes:

Directorship of directors in other companies also includes directorship in Private Limited Companies.

Note:

1) Non-Executive Directors of the Company, do not hold any securities of the Company.

2) There is no relationship inter-se between any of the Directors of the Company.

3) Familiarization program imparted to Independent Directors of the Company can be found at www.ptcil.com

A brief profile of the directors is given below:

Sachin Agarwal

Mr. Sachin Agarwal, the Chairman and Managing Director of PTC Industries Limited was born in Lucknow, UP where he spent his early years. For his higher education, he proceeded to the United States where he obtained an MBA in Operations from the University of Tulsa, Oklahoma and an M.Sc in Finance from Boston College, Massachusetts. He returned to Lucknow in 1998 as Director, Corporate Planning for PTC and developed an ERP software along with e.Soft Technologies Limited, a company that he co-founded in 1999. After firmly establishing e.Soft's name in India and abroad, Sachin went on to re-engineer the casting manufacture processes in PTC. His creative approach towards the business led him to experiment with many new and promising technologies for this age old industry.

When Sachin took over as Managing Director of PTC in the year 2006, he was only 34. Under his leadership, PTC began to grow at an extraordinary pace. His explorations with new technologies continued and by this time he had succeeded in developing and commercializing the Replicast® Technology. Due to his efforts, PTC became the only foundry in India to successfully indigenize this technology and received the 'National Award for R&D Efforts in Industry' by DSIR which was presented to Sachin by Dr. Krishnamurthy and Dr. Mashelkar, renowned personalities in the field of science and technology and advisors to the Prime Minister at that time.

Sachin's worked on the development of new technologies and metallurgies for production of components required for various super-critical applications like oil & gas, energy and marine. He added customers like Rolls Royce, Emerson and Wartsila to the Company's already impressive portfolio. His management approach has been exemplary and his track record includes driving the Company's casting business to develop innovative technologies and expand significantly. It is his vision which has led PTC to new heights, and he continues to constantly introduce new technologies, build capabilities and inspire the workforce with his zeal and enthusiasm.

Sachin is the Vice-chairman of Regional Committee on MSMEs, CII, Northern Region and Past Chairman for CII in UP and in this role he has worked tirelessly to showcase UP in many parts of the country. He was recognized for his achievements in a publication 'Small Big Bang' by Indian Institute of management (IIM) where he was recognized for his significant contribution to industry and his leadership qualities. He was also featured in Forbes India as leading one of the "16 Hidden Gems" of the country. PTC also received the Special Jury Award from TIME India Magazine in the 2017 TIME India Awards under the Innovator of the Year category under his leadership. In association with CII, he has been working towards policy advocacy for the industry. Within his own organisation also, he institutes various welfare funds for the benefit of his workers thus providing support to them in times of need for education and their medical needs. He is committed to bringing an improvement in the lives of all the members of his company through creation of a better and safe work environment and better quality of life.

Priya Ranjan Agarwal

Mr. Priya Ranjan Agarwal joined PTC in 1992 and has been working with company for the last 24 years. He is a Whole-time director on the Board of the Company. He has made a substantial contribution in creation of a wide base of customers in the domestic market. Mr. Priya Ranjan Agarwal is a Bachelor of Engineering (Mechanical).

He is primarily responsible for business development in key infrastructure projects and domestic marketing activities and has contributed largely for PTC to become a well known and respected name in the country. He handles the Heavy Engineering division and is also responsible for the activities of Lucknow Plant 2. He continues to lead PTC's marketing efforts by working tirelessly with government and non-government organizations. He has been instrumental in the execution of several large orders received by PTC from companies like BHEL and BEML.

Alok Agarwal

Mr. Alok Agarwal began working with PTC Industries in the year 1994, nearly 22 years ago. He is a Whole-time director designated as an Executive Director on the Board of the Company. Mr. Alok Agarwal has done his B.Tech from a premiere engineering institution, the Indian Institute of Technology (IIT), Kanpur.

Over the years, he has held various senior positions in the Production, Quality, Technical and Co-ordination areas. He spent a number of years at the Ahemdabad Plant, and was deeply involved in the design, project management and commissioning of the unit. Being a person with a strong penchant for analytical work and high technology skills, he was chosen to head Lucknow Plant 1 and the Quality & Technical divisions of the Company. He has done extensive work in improving the quality standards in the Plant and obtaining various ISO and other quality certifications for the Company. He has successfully implemented the Technology Development and Demonstration Programme. His responsibilities also include Environment, Health and Safety compliances for the Company.

Kasiviswanathan Mukundan

Mr. Kasiviswanathan Mukundan joined the Company in February 9, 2016 as Non-Executive, Nominee Director of the Investors. Mr. Mukundan is B.Tech and Masters in Financial Management. Mr. Mukundan is currently CEO of UTI Capital, the alternate assets platform of the UTI Mutual Fund Group.

Mr. Kasiviswanathan Mukundan has more than 23 years of experience. He has brought a wealth of experience to PTC and is actively involved in the Board process.

Ajay Kashyap

Mr. Ajay Kashyap joined PTC in April 2007 and is an Independent Director on the Board of the Company. He is also a director on the Board of various other companies. Mr. Kashyap is a Bachelor in Technology (Chemistry) and has a Masters in Science (Chemistry). He has a vast experience in the engineering Industry.

Dr. Rakesh Chandra Katiyar

Dr. Rakesh Chandra Katiyar joined PTC in April 2007 and is an Independent Director on the Board of the Company. He educational qualifications include M.Com, Ph.D, FICWA, D.Literature and he is a professor at the Chatrapati Sahuji Maharaj University, Kanpur. He is a well-known and respected person in his field.

Krishna Das Gupta

Mr. Krishna Das Gupta joined the Company in July 2008 as an Independent Director on the Board. His educational qualifications include M.Com, LLB, M.Phil and Masters in Public Administration. Mr. Gupta is an ex-Commissioner of Income-Tax with the Government of India. He is a director on the Board of various other companies.

Shashi Vaish

Mrs. Shashi Vaish has done her M.Sc in Physics from Kanpur University. She is also a Company Secretary and has served on the Working Committee of Seth M.R. Jaipuria School, Lucknow for over five years. She is also a Director on the Board of M/s Vaibhav Electronics Private Limited. Mrs. Shashi Vaish has an experience of more than 40 years in secretarial work in various capacities.

Brij Lal Gupta

Mr. Brij Lal Gupta's educational qualifications include B.Sc from Meerut University, IRDA and CAIIB. Mr. Brij Lal Gupta has retired as General Manager from Punjab National Bank after 40 years of experience in banking. He holds the position of panel head in interview board of IBPS and serves as guest faculty in various Bank Training Colleges. He is presently also associated as Business Associate with BRICK (Risk Rating company). His experience includes the areas of sales, marketing operations, control, strategic planning and banking operations, recovery in NPAs.

The following table gives the details of the numbers of board meeting attended and attendance at last Annual General Meeting (AGM).

Name of directors	Director Identification Number	Number of Board Meeting during the year		Attendance at Last AGM held on 28th September, 2016
		Held	Attended	
Satish Chandra Agarwal*	00142960	2	0	Absent
Sachin Agarwal	00142885	4	3	Present
Priya Ranjan Agarwal	00129176	4	3	Present
Alok Agarwal	00129260	4	3	Present
Kasiviswanathan Mukundan	02756249	4	4	Absent
Dr. Rakesh Chandra Katiyar	00556214	4	2	Absent
Ajay Kashyap	00661344	4	1	Absent
Krishna Das Gupta	00374379	4	3	Present
Shashi Vaish	00655901	4	2	Absent
Brij Lal Gupta	06503805	4	4	Present

* Mr. Satish Chandra Agarwal, Ex-Chairman of the Company expired on October 7, 2016.

The board met four times during the financial year ended 31st March, 2017 and the attendance of each director in board meeting is as under:

Name of Directors	Dates of Board Meetings in 2016-2017			
	28th May, 2016	12th August, 2016	11th November, 2016	11th February, 2017
Satish Chandra Agarwal	-	-	NA*	
Sachin Agarwal	✓	-	✓	✓
Priya Ranjan Agarwal	✓	✓	-	✓
Alok Agarwal	✓	✓	-	✓
Kasiviswanathan Mukundan	✓	✓	✓	✓
Ajay Kashyap	-	-	-	✓
Dr. Rakesh Chandra Katiyar	-	-	✓	✓
Krishna Das Gupta	✓	✓	-	✓
Shashi Vaish	-	-	✓	✓
Brij Lal Gupta	✓	✓	✓	✓

* Mr. Satish Chandra Agarwal, Ex-Chairman of the Company expired on October 7, 2016.

Committees of the Board

There are eight Committees of the board, viz: Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Project Monitoring and Environment Committee, Corporate Social Responsibility Committee, Banking Committee, Risk Management Committee and Listing Committee. The details as to the composition, terms of reference, number of meetings and related attendance, etc., of these committees are provided hereunder:

AUDIT COMMITTEE

Composition

The Audit Committee comprises of five members (3 Independent-Non-executive, 1 Key Managerial Personnel and 1 Nominee Director). The composition and attendance of the Audit Committee is as under:

Sl. No.	Name	Category	Number of meetings during 2016-17	
			Held	Attended
1.	Dr. Rakesh Chandra Katiyar	Chairman, Independent Director	4	2
2.	Brij Lal Gupta	Member, Independent Director	4	4
3.	Krishna Das Gupta	Member, Independent Director	4	3
4.	Kasiviswanathan Mukundan	Member, Nominee Director	4	4
5.	Smita Agarwal	Member, Chief Financial Officer	4	3
6.	Arun Kumar Gupta, General Manager (Finance) & Company Secretary	Secretary to the Committee	4	4

The scope, activities and terms of reference of the Audit Committee is as set out in Regulation 18 read with Part C of the Schedule II of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and section 177 of the Companies Act, 2013.

Terms of Reference

a) To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

b) To recommend for appointment, remuneration and terms of appointment of auditors of the Company and approve payment to statutory auditors for any other service rendered by the statutory auditors.

c) To review the annual financial statements and auditor's report thereon before submission to the board for their approval.

d) To review the quarterly, half-yearly financial results of the Company before submission to the board.

e) To review the statement of uses / application of funds raised through an issue (public, rights or preferential) and make appropriate recommendations to the board in this regard.

f) To review and monitor the auditors' independence and performance and effectiveness of the audit process.

g) To approve or to make any subsequent modification of transactions of the Company with related parties.

h) To review functioning of the whistle blower mechanism.

i) To evaluate internal financial controls and risk management system.

j) To monitor the end use of funds raised through public offer, etc, if any.

k) To review the adequacy of the internal audit function with respect to competence and capability of the internal auditor, reporting structure and frequency of internal audit.

l) To discuss with the internal auditor his findings relating to various functions of the company and follow up thereon.

m) To hold periodic discussions with the statutory auditors and internal auditors of the Company concerning the accounts of the Company, scope of audit and observations of auditors, etc.

Nomination and remuneration committee

Composition

The Nomination and Remuneration Committee comprises of four directors (all are Independent-Non Executive directors). The Composition and attendance of the Nomination and Remuneration Committee is as under:

	Name	Category	Number of meetings during 2015-16	
			Held	Attended
1.	Krishna Das Gupta	Chairman, Independent Director	2	1
2.	Shashi Vaish	Member, Independent director	2	2
3.	Brij Lal Gupta	Member, Independent Director	2	2
4.	Dr. Rakesh Chandra Katiyar	Member, Independent Director	2	1
5.	Arun Kumar Gupta, General Manager (Finance) & Company Secretary	Secretary to the Committee	2	2

Note: Performance Evaluation of Independent Directors is carried by standards in relation to the Company and its business. The evaluation criteria are self adopted by Committee which includes, Quality and knowledge of the Independent Directors, integrity and industry knowledge, understanding the business and attributed risk, process and procedures, involvement in the oversight of the financial reporting process including internal controls and oversight of audit functions , etc. The evaluation is made in the point of 0 to 5, where 0 means insufficient knowledge; 1 means strong disagree and 5 means strongly agree.

Terms of Reference

a) To recommend to the board the set up and composition of the board and its committees. This committee will periodically review the composition of the board with the objective of achieving an optimum balance of size, skills, knowledge, independence and experience.

b) To recommend to the board the appointment or reappointment of directors, key managerial personnel (KMPs) and executives appointed one level below the board.

c) To devise a policy on board diversity.

d) To review the performance of the every director after considering the Company's performance, and to assist the board and the independent directors in evaluation of performance of the board, its committees and individual directors.

e) To make recommendations to the board about the remuneration policy including salary, perquisites and commission to be paid to the directors, KMPs and executives one level below the board.

f) To finalize the remuneration, including salary, perquisites and retirement benefits, of the directors and KMPs and to oversee the remuneration paid to them on an annual basis.

g) To introduce and oversee a familiarisation program for the directors.

h) Perform such duties and responsibilities as may be consistent with the charter of the committee.

Remuneration of directors for the Financial Year 2016-2017

(₹ in Lacs)

Name	Salary	Contribution to funds	Sitting fees	Perquisite/ Commission	Total
Satish Chandra Agarwal*	46.89	-	-	7.67	**54.56**
Sachin Agarwal	57.70	2.92	-	32.34	**92.96**
Priya Ranjan Agarwal	22.53	1.02	-	2.30	**25.85**
Alok Agarwal	22.25	2.40	-	2.20	**26.85**
Krishna Das Gupta	-	-	0.40	-	**0.40**
Ajay Kashyap	-	-	0.12	-	**0.12**
Dr. Rakesh Chandra Katiyar	-	-	0.27	-	**0.27**
Shashi Vaish	-	-	0.17	-	**0.17**
Brij Lal Gupta	-	-	0.42	-	**0.42**
Kasiviswanathan Mukundan	-	-	0.34	-	**0.34**
TOTAL					**201.94**

* Satish Chandra Agarwal, Ex-Chairman of the Company expired on October 7, 2016.

Non Executive directors of the Company are only entitled for sitting fees and other ancillary expenditures incurred for attending the meeting of board of directors or committee thereof in which director is inducted as member.

STAKEHOLDERS RELATIONSHIP COMMITTEE

Composition

The Stakeholder Relationship Committee comprises of four directors (3 Independent-Non Executive and 1 Executive director). Composition and attendance of the Stakeholders Relationship Committee is as under:

Sl. No.	Name	Category	Number of meetings during 2016-17	
			Held	Attended
1.	Dr. Rakesh Chandra Katiyar	Chairman, Independent Director	1	1
2.	Sachin Agarwal	Member, Executive Director	1	1
3.	Krishna Das Gupta	Member, Independent Director	1	1
4.	Ajay Kashyap	Member, Independent Director	1	1
5.	Arun Kumar Gupta, General Manager (Finance) & Company Secretary	Secretary to the Committee	1	1

Terms of Reference

The Stakeholder Relationship Committee was formed to look into matters related to transfer of shares, redressal of grievances of investors related to transfer or credit of shares, issue of duplicate share certificates, dividends, non-receipt of notices or annual reports and other related matters.

The details pertaining to the number of complaints received and responded and the status thereof during the financial year ended **March 31, 2017** are as under:

No. of complaints received from the shareholders	:	Nil
No. of complaints solved to the satisfaction of the shareholders	:	NA
No. of complaints pending	:	Nil

Share Transfers (from April 1, 2016 to March 31, 2017)

No. of shares transferred / transmitted	:	800/0
No. of shares pending for transfer	:	Nil
Pending due to Exchange of Counter Receipts (CR) to share certificates	:	NA

There are 69,000 equity shares against which shareholders have not claimed share certificates in lieu of the Counter Receipts (CR) aggregating to 1.32% of the total paid-up equity share capital of the Company.

Project Monitoring and Environment Committee

Composition

The Project Monitoring and Environment Committee has been reconstituted during the year. It comprises of four directors (2 Independent-Non Executive and 2 Executive Directors). Composition and attendance of Project Monitoring and Environment Committee is as under:

Sl. No.	Name	Category	Number of meetings during 2016-17	
			Held	Attended
1.	Satish Chandra Agarwal*	Chairman, Executive Chairman	0	0
2.	Sachin Agarwal*	Chairman, Executive Director	1	1
3.	Alok Agarwal	Member, Executive Director	1	1
4.	Ajay Kashyap	Member, Independent Director	1	1
5.	Krishna Das Gupta	Member, Independent Director	1	1
6.	Arun Kumar Gupta, General Manager (Finance) & Company Secretary	Secretary to the Committee	1	1

* Mr. Sachin Agarwal, Executive Director was designated as Chairman of the Committee with effect from February 11, 2017 in place of Late Mr. Satish Chandra Agarwal, Ex-Chairman of the Company.

Terms of Reference

The Project Monitoring Committee oversees and monitors the progress of large capital expenditures and projects being implemented by the Company. It approves placement of large orders of equipment, plant and machinery relating to the projects and monitors their execution. It also assesses the impact of the operations of the Company on the environment and initiates steps for the identification of potential issues and provision of support in setting a direction for improvements. It also takes on account matters pertaining to new project (Advanced Manufacturing & Technology Centre (AMTC)) monitoring and for its smooth implementation.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Composition

The Corporate Social Responsibility Committee comprises of four directors (3 Independent-Non Executive and 1 Executive director). The composition and attendance of the Corporate Social Responsibility Committee is as under:

Sl. No.	Name	Category	Number of meetings during 2016-17	
			Held	Attended
1.	Krishna Das Gupta	Chairman, Independent Director	1	1
2.	Alok Agarwal	Member, Executive Director	1	1
3.	Dr. Rakesh Chandra Katiyar	Member, Independent Director	1	1
4.	Shashi Vaish	Member, Independent Director	1	1
5.	Arun Kumar Gupta, General Manager (Finance) & Company Secretary	Secretary to the Committee	1	1

Terms of Reference

The Corporate Social Responsibility Committee has been formed as per section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014. Its mandate includes formulating and recommending to the board of directors a corporate social responsibility (CSR) Policy, recommend the amount of expenditure to be incurred on eligible activities as per Schedule VII of the Companies Act, 2013, monitoring of CSR activities and overseeing the conduct of the Company with regard to its corporate and social obligations and its reputation as a responsible corporate citizen.

The Company's CSR policy can be accessed at company's website www.ptcil.com.

BANKING COMMITTEE

Composition

The Banking Committee of the board comprises of three directors (1 Independent-Non Executive and 2 Executive directors). The composition and attendance of the Banking Committee is as under:

Sl. No.	Name	Category	Number of meetings held during 2016-17	
			Held	Attended
1.	Sachin Agarwal	Chairman, Managing Director	5	5
2.	Alok Agarwal	Member, Executive Director	5	5
3.	Brij Lal Gupta	Member, Independent Director	5	3
4.	Arun Kumar Gupta, General Manager (Finance) & Company Secretary	Secretary to the Committee	5	5

Terms of Reference

a) Approval of sanction letters and/or borrowings at a time or by cumulative sum not exceeding Rs. 350,000,000 (Rupees thirty five crores) subject to fact that the Chairman of the Committee will place such approval at the subsequent meeting of the Board

b) Passing of resolution(s) for opening, closing and operation of bank accounts with present bankers of the Company viz., State Bank of India, Punjab National Bank, HDFC bank, Yes Bank or any of the banks in future.

c) To authorise additions/deletions to the signatories pertaining to banking transactions.

d) To approve investment of surplus fund for an amount not exceeding Rs. 100,000,000 (Rupees Ten crores) as per the policy approved by Board.

e) To approve transactions relating to foreign exchange exposure including but not limited to forward cover and derivatives products.

f) Any approval and/or execution for day to day banking matters of the Company.

g) To attend to any other responsibility as may be entrusted by the Board to perform any activity within terms of reference.

RISK MANAGEMENT COMMITTEE

Composition

The Risk Management Committee comprises of three directors (2 Independent-Non Executive directors, 1 Executive director). During the year one meeting was held of the Risk Management Committee. The composition of the Risk Management Committee is as under:

Sl. No.	Name	Category	No. of meetings held during the year 2016-17	
			Held	Attended
1.	Dr. Rakesh Chandra Katiyar	Chairman, Independent Director	1	1
2.	Priya Ranjan Agarwal	Member, Executive Director	1	1
3.	Brij Lal Gupta	Member, Independent Director	1	1
4.	Arun Kumar Gupta, General Manager (Finance) & Company Secretary	Secretary to the Committee	1	1

Terms of Reference

To recommend to the board a risk management policy, to manage the risk of the Company mainly un-systematic risk and apprise the board regarding any noticeable and relevant risks which can have an adverse effect on the affairs of the Company.

LISTING COMMITTEE

Composition

The Listing Committee of the board was formed by the resolution passed in the meeting of the board of directors held on April 23, 2014. It comprises of two directors, Chief Financial Officer and Company Secretary (2 Executive directors, CFO and CS). During the year no meeting was held of the Committee. The composition of the Listing Committee is as under:

	Name	Category
1.	Sachin Agarwal	Chairman, Executive Director
2.	Alok Agarwal	Member, Executive Director
3.	Smita Agarwal	Member, Chief Financial Officer
4.	Arun Kumar Gupta	Member, General Manager (Finance), Compliance Officer & Company Secretary

Terms of Reference

To oversee and monitor all tasks in relation to the listing of equity shares of the Company at stock exchanges and the compliance of all the provisions of the Listing Agreement.

BOARD EVALUATION AND TRAINING

Training of board members

The Company, in order to keep its directors appraised with the developments in the industrial sector, arranges skill development program for the directors from time to time. The Company also trains its board of directors regarding its business as well as the risk parameters of the business during the board meetings. Presentations are also made to educate the directors regarding their duties, responsibilities, powers and roles under various statutes.

Evaluating the performance of non-executive directors

The board evaluates the performance of non-executive directors and other directors of the Company. Further, the independent directors also evaluate the performance of non-independent directors in a separate meeting where non-Independent directors remain absent and the Nomination and Remuneration Committee also evaluates the performance of board as a whole, including the Executive Chairman of the Company in their meeting.

Whistleblower policy

The company has established a vigil mechanism pursuant to the requirement under Clause 49 of the Listing Agreement & section 177 of the Companies Act, 2013 and adopted a 'Whistle Blower Policy' for employees and directors to report instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects employees wishing to raise a concerns about serious irregularities within the Company. In line with this policy, no person is denied access to the chairman on the audit committee.

General Body Meetings

The date, time and venue of the last three Annual General Meetings of the Company are as follows:

No. of AGM	Date	Time	Location	Special Resolution Passed
53rd	September 28, 2016	03:00 P.M.	Registered Office	*Yes
52nd	August 12, 2015	03:00 P.M.	Registered Office	Yes
51st	July 23, 2014	03:00 P.M.	Registered Office	Yes

*In the 53rd Annual General Meeting of the Company three resolutions were passed with requisite majority as Special Resolution.

Postal Ballot- During the year under report no resolution was passed by shareholders through Postal ballot.
No Extraordinary General meeting was held during the year under report.
Resolutions, if any, to be passed through Postal Ballot during the current financial year will be taken up as and when necessary.

Disclosures

1. Your Company has not entered into any transaction of a material nature except transactions with related parties which have been given under notes to the financial statements as stipulated under Accounting Standard 18 (AS-18) and Annexure to the Director's report in Annexure III, with the promoters, directors, management, their subsidiaries or relatives etc. All transactions were carried out on an arms-length basis and were not prejudicial to the interest of the Company.
2. There has been no instance of any non-compliance during the last three years by the Company on any matter under Securities and Exchange Board of India, any stock exchange or any other statutory authority related to capital market.
3. The Company has adopted a 'Whistle Blower Policy' and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior. It is affirmed that no person was denied access to the chairman of the audit committee. The Whistle Blower Policy can be accessed at www.ptcil.com.
4. Your company has made compliances with mandatory requirements under SEBI (Listing Obligation and Disclosure Requirements)
5. Policy on Materiality and Policy on Related party Transactions can be accessed at http://www.ptcil.com/PoliciesandReports.aspx
6. The Company has a risk management policy for risk identification, assessment and control to effectively manage risk associated with business of the Company.

Means of Communication

1. The quarterly results are placed on the Company's website whilst submitting to the Stock Exchange.
2. Financial results are published in English and Hindi newspapers (generally in Financial Express and Jansatta). Notices of board meetings to approve the financial results are also published in these newspapers.
3. Financial results along with notice of the board meetings can be accessed at Company's website www.ptcil.com under the head 'Financials'.
4. The Company's website www.ptcil.com not only gives description of its products and activities, but also highlights the achievements of the Company and official news releases. There are no Institutional Investors nor are any presentations made to analysts.

General Shareholders' Information

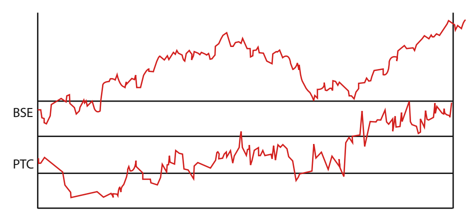
Annual General Meeting	Date: September 29, 2017 Time: 03:00 P.M. Venue: Registered Office at Malviya Nagar, Aishbagh, Lucknow-226 004, Uttar Pradesh, India.
Financial calendar (Tentative)	1st April 2016 to 31st March 2017
Dividend Payment date	As the Company is in implementation stage of its new plant, Advanced Manufacturing and Technology Centre (AMTC), outlay of funds for capital expenditure and R&D shall continue. Hence, Directors regret their ability to recommend any dividend this year.
Listing on Stock Exchange	BSE Limited The Company has paid Annual Listing Fees to BSE Limited for the current year.
Stock Exchange Code	539006

Market Price Data

Stock market price data for the financial year 2016-17. High/Low of daily closing market price of the Company's shares traded at BSE during each month in the Financial Year ended on March 31, 2017 are as under:

Month	High (₹)	Low (₹)	No. of shares traded
April-2016	229.80	180.50	3056
May-2016	171.60	163.10	1515
June-2016	226.70	157.35	18766
July-2016	221.50	178.00	5356
August-2016	247.00	184.05	1195
September-2016	256.70	204.70	58985
October-2016	252.00	204.00	11509
November-2016	255.55	185.20	1505
December-2016	259.95	192.00	2563
January-2017	294.00	210.00	12532
February-2017	309.00	240.05	7745
March-2017	316.90	251.10	85237

Performance of the share price of the Company in comparison to the BSE Sensex:



Registrar and Transfer Agent

M/s Link Intime India Pvt. Ltd.
C-101, 247 Park, L.B.S. Marg, Vikhroli West,
Mumbai 400 083

Phone	91-22 - 49186000
Fax	91-22 - 49186060
e-mail	rnt.helpdesk@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 period prescribed under the law and the listing agreement. Share transfers are approved by a committee of directors which meets periodically.

Plant Locations

Lucknow Plant 1
Malviya Nagar, Aishbagh,
Lucknow-226 004, Uttar Pradesh, India.

Lucknow Plant 2
C-5 Sarojini Nagar, Industrial Estate,
Lucknow-226 008, Uttar Pradesh, India.

Windmill Power Division
Surajbari Region, Shikarpur Village, Kutch District, Gujarat, India

AMTC Plant
NH 25A, Sarai Shahjadi,
Lucknow-226 401, Uttar Pradesh, India.

Mehsana Plant
Rajpur, Taluka Kadi, District Mehsana 382 740, North Gujarat, India.

Address for correspondence

To Company Secretary
PTC Industries Limited
Malviya Nagar, Aishbagh, Lucknow-226 004, Uttar Pradesh, India.

Dematerialization of Shares

The Company has signed a tri-partite agreement with both depositories National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited and Company's Registrar and Share Transfer Agent M/s Link Intime India Private Limited to facilitate dematerialization of Shares. The Company's equity shares have been admitted to dematerialisation w.e.f. July 20, 2002 and the ISIN is INE596F01018. The details of shares in physical and demat form as on March 31, 2017 is as under:

Description of Shares	Number of Shares	Percentage
No. of shares in physical mode	2,96,310	5.66
No. of shares in electronic mode	49,42,753	94.34
Total	**52,39,063**	**100.00**

Distribution of shareholding (As on March 31, 2017)

Number of shares	Number of shareholders	Number of shares	Percentage to total number of shares
From - To			
1 - 500	641	101590	1.9391
501 - 1000	57	45254	0.8638
1001 - 2000	15	22991	0.4388
2001 - 3000	7	18033	0.3442
3001 - 4000	2	7276	0.1389
4001 - 5000	6	28798	0.5497
5001 - 10000	9	69266	1.3221
10001 and above	35	4945855	94.4034
Total	**772**	**52,39,063**	**100.00**

Shareholding Pattern	No. Of Shares	% of Capital
Promoters and directors (including relatives)	32,88,420	62.77
Foreign companies	10,47,813	20.00
Corporate bodies (other than promoters' companies)	2,16,370	4.13
Indian public	5,81,003	11.09
NRIs	20127	0.38
Non Resident (Non Repatriable)	5	0.00
Market makers	7,100	0.14
HUF	32,414	0.62
Clearing Members	45811	0.87
Total	**52,39,063**	**100.00**

Information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations. 2015

Name	Mr. Alok Agarwal
Date of Birth	29/08/1962
Date of Joining	27/07/1994
No. of shares held	386000
Qualification	B.Tech (IIT Kanpur)
Experience	23 years
Expertise	Quality, Technical, Operations
Other Listed Company Directorship	-
Chairman/ membership in other listed company committees	-

GREEN INITIATIVE

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report to shareholders at their e-mail address previously registered with the DPs and RTAs.

Shareholders who have not registered their e-mail addresses so far are requested to do the same. Those holding shares in demat form can register their e-mail address with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with RTA, by sending a letter, duly signed by the first/sole holder quoting details of Folio No.

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of PTC Industries Limited

We have examined the compliance of conditions of Corporate Governance by PTC Industries Limited ("the Company"), for the year ended on March 31, 2017, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the period December 1, 2016 to March 31, 2017.

1. The Compliance of conditions of Corporate Governance is the responsibility of the Company's 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.
2. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2017.
3. 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: August 29, 2017

(C.P Shukla)
CP No.: 5138
M. No.: F3819

Independent Auditor's Report

To the Members of PTC Industries Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of PTC Industries Limited (the 'Company'), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the 'Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these standalone financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. Further to our comments in Annexure I, as required by Section 143(3) of the Act, we report that:

a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. the standalone financial statements dealt with by this report are in agreement with the books of account;

d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;

f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 24 May 2017 as per Annexure II expressing out unmodified opinion on adequacy and operating effectiveness of the internal financial controls over financial reporting; and

g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

   i. the Company, as detailed in Note 2.30 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position;

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and

   iv. the Company, as detailed in Note 2.40 to the standalone financial statements, has made requisite disclosures in these standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the Company.

For Walker Chandiok & Associates
Chartered Accountants
Firm Registration No.: 001329N

per **Arun Tandon**
Partner
Membership No. 517273

Place: New Delhi
Date: 24 May 2017

Annexure I to the Independent Auditor's Report of even date to the members of PTC Industries Limited, on the standalone financial statements for the year ended 31 March 2017

Annexure I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, fixed assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (which are included under the head 'fixed assets') are held in the name of the Company.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management. No material discrepancies were noticed on the aforesaid verification.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3 (v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) The dues outstanding in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹)	Amount paid under protest (₹)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty	4,42,047	-	April 2014 to March 2015	Assistant Commissioner, Central Excise
Central Excise Act, 1944	Excise duty	2,64,140	-	June 2015	CESTAT, Allahabad
Central Excise Act, 1944	Excise duty	1,12,494	-	Financial year 2013-14	Superintendent, Central Excise
Central Excise Act, 1944	Excise duty	25,60,755	-	Financial year 2011-12 to Financial year 2015-16	Commissioner (Appeal), Central Excise

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution during the year. The Company has no loans or borrowings payable to government or any outstanding debentures during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been provided by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Walker Chandiok & Associates
Chartered Accountants
Firm Registration No.: 001329N

per **Arun Tandon**
Partner
Membership No. 517273

Place: New Delhi
Date: 24 May 2017

Annexure B to the Independent Auditor's Report of even date to the members of PTC Industries Limited, on the standalone financial statements for the year ended 31 March, 2017

Annexure B

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the 'Act')

1. In conjunction with our audit of the standalone financial statements of PTC Industries Limited (the 'Company') as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the company of as of that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Associates**
Chartered Accountants
Firm Registration No: 001329N

per **Arun Tandon**
Partner
Membership No. 517273

Place: New Delhi
Date: 24 May 2017

(All amounts in Indian rupees, unless stated otherwise)

Balance Sheet

	Note	As at March 31, 2017	As at March 31, 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	5,23,90,630	5,23,90,630
Reserves and surplus	2.2	1,21,75,62,230	1,14,89,84,679
		1,26,99,52,860	**1,20,13,75,309**
Non current liabilities			
Long term borrowings	2.3	78,60,96,713	26,07,05,602
Deferred tax liabilities, net	2.4	8,48,82,108	6,78,30,345
Other long term liabilities	2.5	10,500	10,500
Long term provisions	2.6	65,38,191	84,48,618
		87,75,27,512	**33,69,95,065**
Current liabilities			
Short term borrowings	2.7	39,45,53,281	28,96,02,237
Trade payables	2.8		
- dues of micro and small enterprises		-	-
- dues of creditors other than micro and small enterprises		8,63,56,043	9,69,38,471
Other current liabilities	2.9	16,34,05,166	9,87,06,748
Short term provisions	2.10	9,09,535	12,25,140
		64,52,24,025	**48,64,72,596**
TOTAL		**2,79,27,04,397**	**2,02,48,42,970**
ASSETS			
Non current assets			
Fixed assets			
Tangible assets	2.11	48,68,27,695	44,11,83,458
Intangible assets	2.11	12,67,966	18,88,532
Capital work in progress		1,35,51,97,217	65,92,11,508
Non current investments	2.12	2,82,020	2,82,020
Long term loans and advances	2.13	12,14,15,344	13,90,72,597
Other non current assets	2.14	17,80,697	17,88,951
		1,96,67,70,939	**1,24,34,27,066**
Current assets			
Current investments	2.15	3,08,518	3,08,518
Inventories	2.16	38,28,50,445	35,47,17,330
Trade receivables	2.17	27,28,48,363	30,96,31,617
Cash and bank balances	2.18	3,56,70,246	98,06,492
Short term loans and advances	2.19	10,64,69,979	6,69,30,587
Other current assets	2.20	2,77,85,907	4,00,21,360
		82,59,33,458	**78,14,15,904**
TOTAL		**2,79,27,04,397**	**2,02,48,42,970**

Notes 1 to 2.43 form an integral part of financial statements
This is the Balance Sheet referred to in our report of even date

For **Walker Chandiok & Associates**
Chartered Accountants

per **Arun Tandon**
Partner

Place : Delhi
Date : May 24, 2017

For and on behalf of the Board of Directors
PTC Industries Limited

Sachin Agarwal
Chairman and Managing Director
DIN No. : 00142885

Alok Agarwal
Director (Quality & Technical)
DIN No. : 00129260

Smita Agarwal
Chief Financial Officer

A. K. Gupta
Company Secretary
Mem. No. : FCS-3747

Place : Lucknow
Date : May 24, 2017

(All amounts in Indian rupees, unless stated otherwise)

Statement of Profit and Loss

	Note	For the year ended March 31, 2017	For the year ended March 31, 2016
INCOME			
Revenue from operations, gross	2.21	1,02,32,23,688	9,79,714,781
Less : Excise duty		2,92,32,770	2,28,70,867
Revenue from operations, net		**99,39,90,918**	**95,68,43,914**
Other income	2.22	1,51,52,668	3,11,88,258
Total income		**1,00,91,43,586**	**98,80,32,172**
EXPENSES			
Cost of materials consumed	2.23	24,99,81,335	26,27,53,665
Changes in inventories of finished goods and work in progress	2.24	(1,61,84,982)	(1,78,81,413)
Employee benefits expense	2.25	17,50,44,562	17,44,48,005
Research and development expense	2.28	80,03,672	84,41,201
Other expenses	2.26	42,69,58,474	39,87,56,011
Total expenses		**84,38,03,061**	**82,65,17,469**
Profit before finance cost, depreciation and amortisation and tax		**16,53,40,525**	**16,15,14,703**
Finance cost	2.27	3,43,09,423	2,56,31,693
Depreciation and amortisation	2.11	5,54,01,788	5,43,41,900
Profit before tax		**7,56,29,314**	**8,15,41,110**
Tax expenses			
- current tax		1,54,98,625	1,67,25,657
- deferred tax		1,70,51,763	44,15,043
- Minimum Alternate Tax (MAT) credit entitlement		(1,54,98,625)	(11,29,966)
Profit for the year		**5,85,77,551**	**6,15,30,376**
Earning per share ₹ 10/- each fully paid up			
Basic/Diluted (in ₹)	2.37	11.18	11.74

Notes 1 to 2.43 form an integral part of financial statements
This is the Statement of Profit and Loss referred to in our report of even date

For **Walker Chandiok & Associates**
Chartered Accountants

per **Arun Tandon**
Partner

Place : Delhi
Date : May 24, 2017

For and on behalf of the Board of Directors
PTC Industries Limited

Sachin Agarwal
Chairman and Managing Director
DIN No. : 00142885

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Chief Financial Officer

A. K. Gupta
Company Secretary
Mem. No. : FCS-3747

Place : Lucknow
Date : May 24, 2017

(All amounts in Indian rupees, unless stated otherwise)

Statement of cash flow

		As at March 31, 2017	As at March 31, 2016
A	**Cash flow from operating activities**		
	Net profit before tax	**7,56,29,314**	**8,15,41,110**
	Adjustment for :		
	Depreciation	5,54,01,788	5,43,41,900
	Unrealised foreign exchange fluctuation loss/(gain)	58,68,857	(3,40,908)
	Loss on sale of fixed assets, net	62,704	3,28,616
	Provision for doubtful debts/ loans and advances	-	1,20,354
	Bad debts, loans and advances written off	35,53,456	16,73,944
	Dividend and other income	-	(14,000)
	Provisions made no longer required written back	(10,04,659)	(37,03,019)
	Finance costs	2,98,58,661	2,13,63,875
	Interest on deposit	(44,10,857)	(24,26,093)
	Operating profit before working capital changes	**16,49,59,264**	**15,28,85,779**
	Adjustments for changes in working capital :		
	(Increase)/decrease in trade receivables	2,73,06,748	78,93,479
	(Increase)/decrease in inventories	(2,81,33,115)	(3,30,01,818)
	Decrease /(increase) in loans and advances and other assets (current and non current)	(1,48,14,357)	6,39,178
	Increase/(decrease) in trade payables, provisions and other liabilities	(2,06,34,062)	2,58,42,942
	Cash generated from operations	**12,86,84,478**	**15,42,59,560**
	Income tax paid	(1,69,47,229)	(1,55,00,000)
	Net cash from operating activities(A)	**11,17,37,249**	**13,87,59,560**
B	**Cash flows from investment activities**		
	Purchase of fixed assets including capital advances	(71,58,57,708)	(45,53,09,783)
	Sale of fixed assets	1,50,85,312	2,47,380
	Interest received	22,25,115	15,06,876
	Placement of fixed deposits	(2,40,97,655)	10,16,415
	Purchase of current and non current investments	-	15,27,791
	Dividend received	-	14,000
	Net cash used in investment activities (B)	**(72,26,44,936)**	**(45,09,97,321)**
C	**Cash from financing activities**		
	Proceeds from long term borrowings	55,54,41,078	17,86,95,171
	Repayment of long term borrowings	(30,0,49,967)	(2,68,11,090)
	Proceeds from grant{refer note 2.2(a)}	1,00,00,000	-
	Proceeds from short term borrowings (net)	10,49,51,044	17,95,52,217
	Interest expense	(2,76,68,369)	(2,02,91,080)
	Net cash from/(used in) financing activities (C)	**61,26,73,786**	**31,11,45,218**
	Net increase in cash and cash equivalents (A)+(B)+(C)	**17,66,099**	**(10,92,543)**
	Cash and cash equivalents at beginning of year	**48,09,052**	**59,01,595**
	Cash and cash equivalents at end of period (refer note 2.18)	**65,75,151**	**48,09,052**

This is the Statement of Cash Flow referred to in our report of even date

For **Walker Chandiok & Associates**
Chartered Accountants

per **Arun Tandon**
Partner

Place : Delhi
Date : May 24, 2017

For and on behalf of the Board of Directors
PTC Industries Limited

Sachin Agarwal
Chairman and Managing Director
DIN No. : 00142885

Alok Agarwal
Director (Quality & Technical)
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Smita Agarwal
Chief Financial Officer

A. K. Gupta
Company Secretary
Mem. No. : FCS-3747

Place : Lucknow
Date : May 24, 2017

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

(All amounts in Indian rupees, unless stated otherwise)

1.1 Basis of preparation of financial statements

The financial statements have been prepared to comply with the accounting principles generally accepted in India ("Indian GAAP"), including the Accounting Standards specified under Section 133 of the Companies Act 2013 (the 'Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The financial statements have been prepared on a going concern basis under the historical cost convention on the accrual basis of accounting. The accounting policies have been consistently applied by the Company.

1.2 Use of estimates

In preparing the Company's financial statements in conformity with the accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Examples of such estimates includes estimated provision for doubtful debts/ advances, employee retirement benefit plans, provision for income taxes, useful life of fixed assets, diminution in value of investments, other probable obligations and inventory write down. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

1.3 Fixed assets

(a) Tangible assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable costs of bringing the asset to its working condition for its intended use. When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss. Project under commissioning and other assets under erection/installation are shown under capital work in progress and are carried at cost, comprising of direct cost and related incidental expenses. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Foreign currency loans availed for acquisition of fixed assets are converted at the rate prevailing on the due date for installments repayable during the year and at the rate prevailing on the date of balance sheet for the outstanding loan. The fluctuation is adjusted in the original cost of fixed assets.

(b) Intangible assets

Intangibles are stated at cost less accumulated amortization and impairment losses (if any). Cost related to technical assistance for new projects are capitalized. The software is amortised over a period of 6 years and technical assistance is amortised over a period of 5 years.

1.4 Depreciation

(a) Tangible and Intangible assets

(I) Depreciation on fixed assets is provided on straight line method basis pursuant to the enactment of the Companies Act 2013 (the 'Act'), the Company has, effective from 1st April 2014, revised the estimated useful lives of its fixed assets, which are either less than or in accordance with the provisions of Schedule II to the Act.

(II) Leasehold land is depreciated over the period of lease.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

(All amounts in Indian rupees, unless stated otherwise)

1.5 Investments

Investments that are readily realizable and intended to be held for not more than one year are classified as current investments; all other investments are classified as long term investments. Long term investments are carried at cost less provision (if any) for decline in value which is other than temporary in nature. Current investments are carried at lower of cost and fair value.

1.6 Inventories

Inventories are valued at the lower of cost and net realisable value determined on the basis of first in first out method. Cost of inventories comprises of all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition:

- Cost of raw materials includes components, packing materials, stores and spares and goods-in-transit. Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
- Work in progress- Cost for this purpose includes material, labour and appropriate allocation of overheads.
- Finished products- Cost for this purpose includes material, labour and appropriate allocation of overheads. Excise duty on stock lying with Company is added to the cost of the finished goods inventory.

1.7 Employee benefits

(a) Provident fund

The Company makes contribution to statutory provident fund in accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The plan is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee. The Company makes monthly contributions and has no further obligation under the plan beyond its contributions.

(b) Gratuity

Gratuity is a post-employment benefit and is in the nature of defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from adjustments and changes in actuarial assumptions are charged or credited to the Statement of Profit and Loss in the year in which such gains or losses arise.

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 Statement of Profit and Loss.

(c) Compensated absences

Provision for compensated absences when determined to be a long term benefit is made on the basis of actuarial valuation as at the end of the year. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the Statement of Profit and Loss in the year in which such gains or losses arise. Provision related to short term compensated absences of workers is provided on actual basis.

(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.

(All amounts in Indian rupees, unless stated otherwise)

1.8 Research and development costs

Revenue expenditure is charged to the Statement of Profit and Loss 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.

1.9 Impairment

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists then the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

1.10 Foreign currency transactions

(a) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(b) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(c) Exchange differences

Exchange differences arising on the settlement of monetary items or on restatement of the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

The Company generally uses foreign exchange forward contracts to hedge its exposure for movement in foreign exchange rates. The use of these foreign exchange forward contracts 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.,

(i) 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.

(ii) 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 are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

(All amounts in Indian rupees, unless stated otherwise)

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

(iv) 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 31 March, 2009 (as amended on 29 December, 2011). Accordingly, the effect of exchange differences on long term foreign currency loans of the Company is accounted by addition or deduction to the cost of fixed assets so far it relates to depreciable capital assets.

1.11 Taxation

The tax expense comprises of current taxes and deferred taxes. Current tax is the amount of income tax determined to be payable in respect of taxable income for a period as per the provisions of Income Tax Act, 1961. Deferred tax is the effect of timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are reviewed at each Balance Sheet date and recognized/derecognized only to the extent that there is reasonable/virtual certainty, depending on the nature of the timing differences, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT Credit is allowed to be carried forward. In the year in which the Company recognizes MAT Credit as an asset, the said asset is created by way of credit to the statement of Profit and Loss and shown as "MAT Credit Entitlement."

The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

1.12 Revenue recognition

(a) Revenue from sale of goods is recognised upon transfer of all significant risks and rewards incident to ownership to the buyer which generally coincides with the dispatch of goods to the customers.

i) Domestic sales are recorded net of sale returns, sales tax and excise duty. Export sales are stated net of returns and include export incentives and;

ii) No significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

(b) 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.

The Company has been permitted by the Gujarat Energy Development Agency (GEDA) to set up a Wind Farm of 0.75 MW in district Kutch, Gujarat in accordance with the provisions of the Wind Power Generation Policy, 2002. A tripartite Wheeling and Banking agreement has been entered into by the Company with GEDA and Gujarat Energy Transmission Corporation Limited (GETCO).

(c) Income from interest on deposits, loans and interest bearing securities is recognised on the time proportionate method taking into account the amount invested and the underlying rate of interest.

1.13 Export benefits/incentives

Revenue in respect of focus claims /merchandise exports from India scheme (MEIS) and duty drawback scheme is recognized on an accrual basis on export of goods if the entitlement can be estimated with reasonable accuracy.

1.14 Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

1.15 Provisions and contingent liabilities

The Company creates a provision when there is a present obligation as a result of a past event, where the outflow of economic resources is probable and a reliable estimate of the amount of obligation can be made.

A disclosure for a contingent liability is made where there is a :

(i) possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Company;

(ii) present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

(iii) or where reliable estimate of the obligation cannot be made.

Where there is a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

1.16 Earning per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.17 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, in current accounts and deposits accounts with an original maturity of three months or less and exclude restricted cash. Restricted cash represents deposits that have been pledged with banks against performance guarantees issued to customers as security to meet contractual obligations.

1.18 Government grants

Grants in the nature of contribution towards capital cost of setting up projects are treated as capital reserve.

1.19 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

(All amounts in Indian rupees, unless stated otherwise)

Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for its intended use are complete.

1.20 Segment reporting

Identification of segments:

The Company's operating businesses are organized and managed separately according to the nature of goods produced, with each segment representing a strategic business unit that serves different markets.

Intersegment transfers:

Inter segment revenues have been accounted for based on the transaction price agreed to between segments which is primarily market led.

Allocation of costs:

Direct revenues and direct expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenues and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis are presented as "Unallocable" in the segment disclosure.

1.21 Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956 (now Schedule III of Companies Act, 2013), 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. In its measurement, the Company does not include depreciation and amortisation expense, finance costs and tax expense.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

(All amounts in Indian rupees, unless stated otherwise)

2.1 SHARE CAPITAL

Particulars	As at March 31, 2017	As at March 31, 2016
Authorised		
89,75,000 (previous year 89,75,000) equity shares of ₹10 each	8,97,50,000	8,97,50,000
20,25,000 (previous year 20,25,000) redeemable cumulative preference shares of ₹10 each	2,02,50,000	2,02,50,000
	11,00,00,000	**11,00,00,000**
Issued, subscribed and fully paid up		
52,39,063 (previous year 52,39,063) equity shares of ₹10 each	5,23,90,630	5,23,90,630
	5,23,90,630	**5,23,90,630**

a) There is no movement in the equity share capital during the previous year and current year.

b) Terms and rights attached to equity shares

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

The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5 percent of the issued shares capital:

	Equity shares with voting rights			
	As at March 31, 2017		As at March 31, 2016	
Name of shareholders	**No. of shares held**	**% of holding**	**No. of shares held**	**% of holding**
Sachin Agarwal	12,45,960	23.78%	-	-
Pragati India Fund Limited	10,47,813	20.00%	10,47,813	20.00%
Mapple Commerce Private Limited	6,23,750	11.91%	6,23,750	11.91%
Late Satish Chandra Agarwal	-	-	5,84,480	11.16%
Late Saroj Agarwal	-	-	5,29,700	10.11%
Nirala Merchants Private Limited	4,60,200	8.78%	4,60,200	8.78%
Priya Ranjan Agarwal	3,86,000	7.37%	3,86,000	7.37%

d) Information regarding issue of shares in the last five years

i) The Company has not issued any shares without payment being received in cash. Although, the Company had allotted in the previous years 10,47,813 equity shares of ₹10/- each in lieu of the conversion of 4,00,000 Zero Coupon Compulsory Convertible Debentures of face value ₹1,000/- each to Pragati India Fund Limited.

ii) There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and bought back during the last 5 years.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

(All amounts in Indian rupees, unless stated otherwise)

2.2 RESERVES AND SURPLUS

Particulars	As at March 31, 2017	As at March 31, 2016
Capital reserve (note a)		
Opening balance	4,01,75,200	-
Add: additions during the year	1,00,00,000	-
	5,01,75,200	**4,01,75,200**
Securities premium account	**41,20,71,870**	**41,20,71,870**
General reserve	**46,24,16,726**	**46,24,16,726**
Statement of profit and loss		
Opening balance	23,43,20,883	17,27,90,507
Add: Net profit for the year	5,85,77,551	6,15,30,376
Closing balance	**29,28,98,434**	**23,43,20,883**
Total	**1,21,75,62,230**	**1,14,89,84,679**

a) Capital reserve includes grant received under the Technology Development and Demonstration Programme of Department of Scientific and Industrial Research (DSIR) amounting to ₹5,00,00,000. The Company had submitted a project proposal amounting to ₹18,00,00,000 to the Department of Scientific and Industrial Research, Ministry of Science and Technology, New Delhi, for development and commercialization of RapidCast™ Technology of single piece Stainless Steel Casting of upto 5,000 kgs. The department has committed partial support as a grant of ₹5,00,00,000 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 September 20, 2011. The project was completed on September 30, 2016. The Company had received grant of ₹4,00,00,000 during previous years and received the balance ₹1,00,00,000 during the current year. The Company has incurred cumulative expense of ₹18,25,05,584 (including ₹4,18,38,299 during the year) towards the project.

2.3 LONG TERM BORROWINGS

Particulars	As at March 31, 2017	As at March 31, 2016
Secured		
Term loans from banks	82,13,16,316	30,68,26,009
Vehicle loans from others	15,84,791	12,31,075
Total	**82,29,01,107**	**30,80,57,084**
Less: current maturities of long term loans	3,68,04,394	4,73,51,482
Non-current portion of long term loans	**78,60,96,713**	**26,07,05,602**

Notes:

(a) Term loans including foreign currency loan from banks are secured by way of:

i) Equitable mortgage on pari-passu basis on the land and building of Lucknow Plant 1, Lucknow Plant 2 and AMTC Plant (at village Sarai Shahajadi) and first pari-passu charge on all movable fixed assets of the Company.

ii) Personal guarantee of some directors.

iii) Vehicle loans are secured by way of absolute charge on specific assets purchased.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

(All amounts in Indian rupees, unless stated otherwise)

(b) Term of repayments

i) Term loans including foreign currency loans from banks carry interest rate ranging between 10.50% - 11.75% and LIBOR +0.20 bps - LIBOR +0.85 bps respectively and are repayable in quarterly/half yearly installments starting from March 2018/October 2016 till March 2027

ii) Vehicle loans from others carry interest rate ranging between 10.50%-10.70% and are repayable with in a period of 11/31 months.

2.4 DEFERRED TAX LIABILITIES, NET

Particulars	As at March 31, 2017	As at March 31, 2016
Deferred tax liability		
Impact of difference between tax depreciation and depreciation charged in the books	4,07,02,192	3,66,52,195
Tax impact on allowance under tax exemptions/deductions	4,63,96,915	3,58,70,218
Deferred tax assets		
Provision for employee benefits	22,16,999	39,14,433
Provision for doubtful debts	-	7,77,635
Deferred tax liabilities, net	**8,48,82,108**	**6,78,30,345**

2.5 OTHER LONG TERM LIABILITIES

Particulars	As at March 31, 2017	As at March 31, 2016
Security deposit	10,500	10,500
	10,500	**10,500**

2.6 LONG TERM PROVISIONS

Particulars	As at March 31, 2017	As at March 31, 2016
Provision for employees benefits		
- Compensated absences	65,38,191	84,48,618
	65,38,191	**84,48,618**

2.7 SHORT TERM BORROWINGS

Particulars	As at March 31, 2017	As at March 31, 2016
Secured		
Loans repayable on demand - from banks	38,40,60,241	28,43,70,343
Buyer's credit in foreign currency - from banks	1,04,93,040	52,31,894
	39,45,53,281	**28,96,02,237**

Short term borrowings are secured by way of:

i) First charge ranking pari-passu on the whole of the present and future current assets of the Company.

ii) Second charge on equitable mortgage on pari-passu basis on the land and building of Lucknow Plant 1, Lucknow Plant 2 and AMTC Plant (at village Sarai Shahajadi) and first pari-passu charge on all movable fixed assets of the Company.

iii) Personal guarantee of some directors.

Short term borrowings carry interest rate ranging between 8.45%-10.75% and are repayable on demand.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

(All amounts in Indian rupees, unless stated otherwise)

2.8 TRADE PAYABLES

Particulars	As at March 31, 2017	As at March 31, 2016
Payables to micro, small and medium enterprises	-	-
Others	8,63,56,043	9,69,38,471
	8,63,56,043	**9,69,38,471**

Based on the information available with the Company, no principal or interest is payable to micro, small and medium enterprises at the balance sheet date. Further, no interest during the year has been paid or was payable in this respect. The above disclosure has been determined to the extent such parties have been identified on the basis of information available with the Company.

2.9 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2017	As at March 31, 2016
Current maturities of long term borrowings (refer note 2.3)	3,68,04,394	4,73,51,482
Interest accrued but not due on borrowings	41,23,646	19,33,354
Advance from customers	37,53,407	36,92,519
Creditors for capital goods	7,24,23,855	1,65,29,900
Statutory dues payable	19,92,354	9,45,382
Employee payables	68,70,314	67,37,871
Other payables	3,74,37,196	2,15,16,240
	16,34,05,166	**9,87,06,748**

2.10 SHORT TERM PROVISIONS

Particulars	As at March 31, 2017	As at March 31, 2016
Provision for taxation (current year, net of advance tax)	-	12,25,140
Provision for employee benefits		
- Leave encashment	9,09,535	-
	9,09,535	**12,25,140**

(All amounts in Indian rupees, unless stated otherwise)

2.11 FIXED ASSETS

DESCRIPTION OF ASSETS	GROSS BLOCK				ACCUMULATED DEPRECIATION AND AMORTISATION				NET BLOCK	
Particulars	As at April 1, 2016	Additions	Deductions	As at March 31, 2017	Up to April 1, 2016	For the year	Deductions	Up to March 31, 2017	As at March 31, 2017	As at March 31, 2016
TANGIBLE ASSETS										
Freehold land	4,01,33,593	3,00,47,314	-	7,01,80,907	-	-	-	-	7,01,80,907	4,01,33,593
Leasehold land	2,59,18,684	-	2,08,95,943	50,22,741	71,07,372	3,31,897	60,67,409	13,71,860	36,50,881	1,88,11,312
Factory building	8,70,95,447	3,73,409	-	8,74,68,856	2,99,24,544	27,37,217	-	3,26,61,761	5,48,07,095	5,71,70,903
Plant and machinery	52,87,39,227	6,49,51,896	26,00,961	59,10,90,162	27,74,46,899	3,48,38,625	22,83,258	31,00,02,266	28,10,87,896	25,12,92,328
Computer	1,63,86,673	6,74,171	35,579	1,70,25,265	1,43,47,209	9,30,571	33,800	1,52,43,980	17,81,285	20,39,464
Mould and dies	10,34,77,031	1,77,44,627	-	12,12,21,658	6,48,29,878	1,03,86,014	-	7,52,15,892	4,60,05,766	3,86,47,153
Vehicles	2,09,27,820	12,93,593	-	2,22,21,413	93,37,427	23,15,450	-	1,16,52,877	1,05,68,536	1,15,90,393
Furniture and fixtures	1,11,57,492	45,913	-	1,12,03,405	69,90,744	7,32,894	-	77,23,638	34,79,767	41,66,748
Office equipments	94,93,299	4,26,602	-	99,19,901	74,29,076	4,78,277	-	79,07,353	20,12,548	20,64,223
Research and development assets										
Plant and machinery	2,53,27,511	-	-	2,53,27,511	1,16,33,675	18,38,230	-	1,34,71,905	1,18,55,606	1,36,93,836
Computer	1,11,804	-	-	1,11,804	1,04,346	-	-	1,04,346	7,458	7,458
Mould and dies	1,11,76,876	-	-	1,11,76,876	1,00,11,180	1,25,505	-	1,01,36,685	10,40,191	11,65,696
Vehicles	6,34,822	-	-	6,34,822	2,34,471	50,592	-	2,85,063	3,49,759	4,00,351
TOTAL (A)	**88,05,80,279**	**11,55,57,525**	**2,35,32,483**	**97,26,05,321**	**43,93,96,821**	**5,47,65,272**	**83,84,467**	**48,57,77,626**	**48,68,27,695**	**44,11,83,458**
INTANGIBLE ASSETS										
Software	95,50,705	15,950	-	95,66,655	76,92,805	6,36,516	-	83,29,321	12,37,334	18,57,900
Licences	39,70,296	-	-	39,70,296	39,70,296	-	-	39,70,296	-	-
Research and development assets										
Software	4,71,582	-	-	4,71,582	4,40,950	-	-	4,40,950	30,632	30,632
TOTAL (B)	**1,39,92,583**	**15,950**	**-**	**1,40,08,533**	**1,21,04,051**	**6,36,516**	**-**	**1,27,40,567**	**12,67,966**	**18,88,532**
GRAND TOTAL (A+B)	**89,45,72,862**	**11,55,73,475**	**2,35,32,483**	**98,66,13,854**	**45,15,00,872**	**5,54,01,788**	**83,84,467**	**49,85,18,193**	**48,80,95,661**	**44,30,71,990**

a) Additions to fixed assets include exchange loss of ₹ Nil (previous year exchange loss of ₹18,60,118) capitalized during the year.

b) Additions to capital work in progress include interest of ₹ 4,05,65,978 (previous year ₹ 53,66,625) capitalized during the year.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

(All amounts in Indian rupees, unless stated otherwise)

2.11 FIXED ASSETS

DESCRIPTION OF ASSETS	GROSS BLOCK				ACCUMULATED DEPRECIATION AND AMORTISATION				NET BLOCK	
Particulars	As at April 1, 2015	Additions	Deductions	As at March 31, 2016	Up to April 1, 2015	For the year	Deductions	Up to March 31, 2016	As at March 31, 2016	As at March 31, 2015
TANGIBLE ASSETS										
Freehold land	4,01,33,593	-	-	4,01,33,593	-	-	-	-	4,01,33,593	4,01,33,593
Leasehold land	2,12,49,549	46,69,135	-	2,59,18,684	67,75,309	3,32,063	-	71,07,372	1,88,11,312	1,44,74,240
Factory building	8,70,04,285	91,162	-	8,70,95,447	2,72,12,149	27,12,395	-	2,99,24,544	5,71,70,903	5,97,92,136
Plant and machinery	46,90,77,744	5,96,61,483	-	52,87,39,227	24,54,86,904	3,19,59,995	-	27,74,46,899	25,12,92,328	22,35,90,840
Computer	1,55,44,817	8,41,856	-	1,63,86,673	1,37,96,820	5,50,389	-	1,43,47,209	20,39,464	17,47,997
Mould and dies	10,23,92,152	10,84,879	-	10,34,77,031	5,40,73,972	1,07,55,906	-	6,48,29,878	3,86,47,153	4,83,18,180
Vehicles	2,17,12,093	7,19,330	15,03,603	2,09,27,820	76,08,263	26,66,815	9,37,651	93,37,427	1,15,90,393	1,41,03,830
Furniture and fixtures	1,10,26,199	1,31,293	-	1,11,57,492	61,95,092	7,95,652	-	69,90,744	41,66,748	48,31,107
Office equipments	91,09,235	4,58,663	74,599	94,93,299	67,09,231	7,84,400	64,555	74,29,076	20,64,223	24,00,004
Research and development assets										
Plant and machinery	2,51,15,911	2,11,600	-	2,53,27,511	94,41,258	21,92,417	-	1,16,33,675	1,36,93,836	1,56,74,653
Computer	1,11,804	-	-	1,11,804	1,04,346	-	-	1,04,346	7,458	7,458
Mould and dies	1,11,76,876	-	-	1,11,76,876	91,35,764	8,75,416	-	1,00,11,180	11,65,696	20,41,112
Vehicles	6,34,822	-	-	6,34,822	1,83,879	50,592	-	2,34,471	4,00,351	4,50,943
TOTAL (A)	**81,42,89,080**	**6,78,69,401**	**15,78,202**	**88,05,80,279**	**38,67,22,987**	**5,36,76,040**	**10,02,206**	**43,93,96,821**	**44,11,83,458**	**42,75,66,093**
INTANGIBLE ASSETS										
Software	94,50,408	1,00,297	-	95,50,705	70,99,177	5,93,628	-	76,92,805	18,57,900	23,51,231
Licences	39,70,296	-	-	39,70,296	39,70,296	-	-	39,70,296	-	-
Research and development assets										
Software	4,68,525	3,057	-	4,71,582	3,68,718	72,232	-	4,40,950	30,632	99,807
TOTAL (B)	**1,38,89,229**	**1,03,354**	**-**	**1,39,92,583**	**1,14,38,191**	**6,65,860**	**-**	**1,21,04,051**	**18,88,532**	**24,51,038**
GRAND TOTAL (A+B)	**82,81,78,309**	**6,79,72,755**	**15,78,202**	**89,45,72,862**	**39,81,61,178**	**5,43,41,900**	**10,02,206**	**45,15,00,872**	**44,30,71,990**	**43,00,17,131**

a) Additions to fixed assets include exchange loss of ₹18,60,118 (previous year exchange loss of ₹ 20,86,237) capitalized during the year.

b) Additions to capital work in progress include interest of ₹53,66,625 (previous year ₹ nil) capitalized during the year.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

(All amounts in Indian rupees, unless stated otherwise)

2.12 NON CURRENT INVESTMENTS

Particulars	As at March 31, 2017	As at March 31, 2016
Long term investments (Non - Trade) (valued at cost unless otherwise stated)		
Quoted		
Investments in mutual funds		
UTI Equity Fund (Prev. Mastergain1992 of UTI) 5,000 units of Rs. 10 each (previous year - 5,000 units of ₹10 each)	50,000	50,000
Investment in equity instruments		
Equity Shares in Valecha Engineering Limited 1,125 shares of Rs. 10 each (previous year - 1,125 shares of ₹10 each)	20,100	20,100
	70,100	**70,100**
Unquoted - Trade (valued at cost unless otherwise stated)		
Investment in subsidiaries		
21,192 (previous year - 21,192) Equity shares in Modrany & PTC Piping Systems Private Limited	2,11,920	2,11,920
(face value of ₹10/-each fully paid up)		
	2,11,920	**2,11,920**
	2,82,020	**2,82,020**
Aggregate market value of investments in mutual funds	4,65,638	3,92,586
Aggregate market value of investments in equity instruments	19,913	32,569

2.13 LONG TERM LOANS AND ADVANCES

Particulars	As at March 31, 2017	As at March 31, 2016
(Unsecured considered good)		
Capital advances	6,46,95,669	10,45,03,190
Security deposits	1,06,21,106	68,20,972
Loan to employees	54,31,256	60,10,944
Accrued interest	39,95,662	17,01,550
Advance income tax (previous years, net of provision)	29,43,089	18,06,004
Minimum alternate tax credit entitlement	3,37,28,562	1,82,29,937
	12,14,15,344	**13,90,72,597**

2.14 OTHER NON CURRENT ASSETS

Particulars	As at March 31, 2017	As at March 31, 2016
Deposits with banks with maturity more than 12 months	17,80,697	17,88,951
	17,80,697	**17,88,951**

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

(All amounts in Indian rupees, unless stated otherwise)

2.15 CURRENT INVESTMENTS

Particulars	As at March 31, 2017	As at March 31, 2016
Quoted (valued at cost or fair value, whichever is lower)		
Investments in mutual funds		
PNB Mutual Fund	17,277	17,277
8.760 units (previous year 8.760 units) of ₹1,972.26 each		
IDFC Mutual Fund	2,91,241	2,91,241
190.688 units (previous year 190.688 units) of ₹1,527.32 each		
	3,08,518	**3,08,518**
Market value of investments in mutual fund as at the end of the year	3,98,447	3,71,495

2.16 INVENTORIES

Particulars	As at March 31, 2017	As at March 31, 2016
Raw materials	9,88,40,453	9,28,87,320
Stores and spares	3,94,00,312	3,34,05,312
Work in progress	23,58,60,574	22,73,25,869
Finished goods	87,49,106	10,98,829
	38,28,50,445	**35,47,17,330**

2.17 TRADE RECEIVABLES

Particulars	As at March 31, 2017	As at March 31, 2016
Trade receivables outstanding for a period exceeding		
six months from the date they are due for payment		
Unsecured, considered good	98,80,229	91,67,533
Unsecured, considered doubtful	-	23,51,980
Less: Provision for bad debts	-	(23,51,980)
	98,80,229	**91,67,533**
Others		
Unsecured, considered good	26,29,68,134	30,04,64,084
	27,28,48,363	**30,96,31,617**

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

(All amounts in Indian rupees, unless stated otherwise)

2.18 CASH AND BANK BALANCES

Particulars	As at March 31, 2017	As at March 31, 2016
Cash and cash equivalents		
Cash in hand	7,51,111	9,62,486
Balance with banks in current account		
- in current accounts	45,80,363	38,46,566
- in deposit account with original maturity upto 3 months	12,43,677	-
	65,75,151	**48,09,052**
Other bank balances		
Deposits with original maturity more than 3 months but less than 12 months*	2,90,95,095	49,97,440
	3,56,70,246	**98,06,492**

* includes margin money deposits which are pledged with banks for issuance of bank guarantees, buyer's credit and letter of credits.

2.19 SHORT TERM LOANS AND ADVANCES

Particulars	As at March 31, 2017	As at March 31, 2016
(Unsecured, considered good)		
Prepaid expenses	37,40,175	40,13,250
Interest accrued on deposits	2,86,502	3,94,872
Loan to employees	50,91,670	62,79,278
Balances with statutory and government authorities	6,94,77,973	3,71,37,639
Other loans and advances	2,78,73,659	1,79,61,825
Receivable from subsidiary	-	11,43,723
	10,64,69,979	**6,69,30,587**

2.20 OTHER CURRENT ASSETS

Particulars	As at March 31, 2017	As at March 31, 2016
(Considered good, unless otherwise stated)		
Export incentives receivable	1,30,68,829	1,84,07,318
Claims receivable	1,47,17,078	2,16,14,042
	2,77,85,907	**4,00,21,360**

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

(All amounts in Indian rupees, unless stated otherwise)

2.21 REVENUE FROM OPERATIONS

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Sale of products (refer note (a) below)	99,50,00,175	95,37,02,409
Other operating revenues (refer note (b) below)	2,82,23,513	2,60,12,372
Gross revenue from operations	**1,02,32,23,688**	**97,97,14,781**
Less: excise duty	2,92,32,770	2,28,70,867
Net revenue from operations	**99,39,90,918**	**95,68,43,914**
(a) Sale of products comprises		
Castings (stainless steel)	83,39,51,650	80,85,82,250
Castings (alloy and non-alloy steel)	9,81,03,927	7,84,63,888
Structures and forgings	1,80,68,064	1,52,59,327
Assembly items	24,66,205	1,81,01,822
Others	4,24,10,329	3,32,95,122
	99,50,00,175	**95,37,02,409**
(b) Other operating revenues		
Export incentives	2,28,18,763	2,00,56,301
Income from power generation	54,04,750	59,56,071
	2,82,23,513	**2,60,12,372**
(c) Domestic and export sales		
Domestic sales	27,86,06,935	21,01,89,624
Export sales	71,63,93,240	74,35,12,785
	99,50,00,175	**95,37,02,409**

2.22 OTHER INCOME

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest received		
- from banks	22,17,573	5,40,775
- from others	21,93,284	18,85,318
Dividend income	-	14,000
Bad debts recovered	1,60,169	24,619
Provisions made no longer required written back	10,04,659	37,03,019
Miscellaneous income	73,105	-
Profit on sale of assets/investment	-	2,96,142
Insurance claims received	3,57,600	-
Foreign exchange fluctuation gain (net)	91,46,278	2,47,24,385
	1,51,52,668	**3,11,88,258**

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

(All amounts in Indian rupees, unless stated otherwise)

2.23 COST OF MATERIALS CONSUMED

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Opening stock	9,28,87,320	8,15,41,852
Add: purchases	25,75,77,356	27,51,45,972
Less: closing stock	9,88,40,453	9,28,87,320
	25,16,24,223	**26,38,00,504**
Less: consumed for research and development (note 2.28)	16,42,888	10,46,839
Cost of materials consumed	**24,99,81,335**	**26,27,53,665**
Note (i) cost of materials consumed :		
Scraps and metals		
Stainless steel scrap	16,21,95,253	15,96,96,172
Iron and steel scrap	63,91,916	1,55,94,382
Ferrous and non-ferrous alloys	6,58,16,073	6,94,61,750
Structures and fabrication	66,12,629	22,26,772
Raw castings (including assembly)	1,06,08,352	1,68,21,428
	25,16,24,223	**26,38,00,504**
Less: raw material consumed for research and development (note 2.28)	16,42,888	10,46,839
	24,99,81,335	**26,27,53,665**

2.24 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Inventories as at March 31, 2016		
Work-in-progress	22,73,25,869	21,05,43,285
Finished goods	10,98,829	-
	22,84,24,698	**21,05,43,285**
Inventories as at March 31, 2017		
Work-in-progress	23,58,60,574	22,73,25,869
Finished goods	87,49,106	10,98,829
	24,46,09,680	**22,84,24,698**
Change in inventories	**(1,61,84,982)**	**(1,78,81,413)**

2.25 EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Salaries, wages and bonus	15,69,47,869	15,76,10,424
Contribution to provident and other funds	1,37,73,526	1,22,84,040
Staff welfare expenses	43,23,167	45,53,541
	17,50,44,562	**17,44,48,005**

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

(All amounts in Indian rupees, unless stated otherwise)

2.26 OTHER EXPENSES

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Manufacturing expenses		
Stores and spares consumed	14,33,23,362	13,02,90,203
Power and fuel	9,80,01,175	9,85,95,830
Repairs and maintenance		
- plant and machinery	2,13,00,393	2,30,52,149
- building	20,40,700	21,57,667
Packing and general consumables	1,90,87,084	1,78,12,935
Processing and work charges	5,31,84,166	4,06,98,035
Freight inward	20,08,337	21,44,394
Testing and inspection charges	1,79,28,837	1,38,83,128
	35,68,74,054	**32,86,34,341**
Administrative and selling expenses		
Rent	11,95,687	11,32,838
Rates and taxes	36,82,633	32,49,971
Insurance expenses	29,31,808	22,94,946
Security expenses	50,90,160	48,54,028
Legal and professional expenses	68,43,498	88,86,515
Travelling and conveyance	53,88,637	45,17,955
Vehicle running and maintenance	43,13,457	40,68,057
Communication expenses	25,64,743	29,02,607
Printing and stationery	28,90,582	27,28,577
Conference, training and recruitment	13,71,721	38,40,071
Freight and clearing	1,09,55,997	96,22,797
Sales commission	63,59,732	69,46,230
Late delivery charges	22,73,036	8,54,088
Advertisement and promotion	29,88,894	26,89,835
Payment to auditors (refer note a below)	21,50,378	24,74,327
Donation and charity	1,28,451	1,13,171
Loss on sale of assets, net	62,704	3,52,549
Corporate social responsibility expenses	18,47,104	21,12,916
Bad debts, loans and advances written off	35,53,456	16,73,944
Provision for doubtful debts, loans and advances	-	1,20,354
Miscellaneous expenses	34,91,742	46,85,894
	7,00,84,420	**7,01,21,670**
	42,69,58,474	**39,87,56,011**

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

(All amounts in Indian rupees, unless stated otherwise)

a. Statutory auditors:		
Audit fees	12,90,000	12,90,000
Tax audit fees	1,80,000	1,80,000
Limited review	2,10,000	2,10,000
Certification	70,000	50,000
Out of pocket expenses	4,00,378	7,44,327
	21,50,378	**24,74,327**

2.27 FINANCE COST

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest		
- working capital loans	2,66,99,187	1,94,52,733
- term loans	23,27,411	13,89,029
- others	8,32,063	5,22,113
Bank charges	44,50,762	42,67,818
	3,43,09,423	**2,56,31,693**

2.28 RESEARCH AND DEVELOPMENT EXPENSE

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Raw materials consumed	16,42,888	10,46,839
Materials, stores and spares consumed	44,47,683	49,98,973
Conversion cost	-	5,90,880
Salary and wages	19,13,101	18,04,509
	80,03,672	**84,41,201**

2.29 The Company has entered into operating leases for its guest houses and employees' residences that are renewable on a periodic basis and are cancellable at Company's option. Total lease payments recognized in the statement of profit and loss with respect to aforementioned premises is ₹11,95,687 (previous year ₹11,32,838)

2.30 CONTINGENT LIABILITIES AND COMMITMENTS

(a) Contingent Liabilities

Particulars	As at March 31, 2017	As at March 31, 2016
(i) In respect of non fund-based working capital facilities from banks:		
Bank guarantees	1,69,64,264	91,09,905
Letter of credit	10,79,119	-
(ii) Disputed demands for excise duty and service tax (refer note a below)	33,79,436	9,86,522
(iii) Disputed demands for sales tax	-	15,90,000

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

(All amounts in Indian rupees, unless stated otherwise)

Notes:

a) 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. The Company has given replies to all the show-cause notice/demands to the department and the appeals are pending with Appellate authorities.

Based on advice of subject matter experts, the management is of the opinion that above matters will be allowed in favour of the Company and hence no provision is required for the above.

(b) Commitments

Particulars	As at March 31, 2017	As at March 31, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	2,45,48,609	33,55,17,833

2.31 Employee Benefit Obligations

Defined contribution plans

Amount of ₹1,36,23,001 (previous year - ₹ 1,22,84,040) has been recongnized as an expense in respect of contribution for Provident Fund and Employee State Insurance Fund deposited with the government authorities.

Defined benefit plans

The Company makes contribution towards gratuity to a defined contribution retirement benefits plan for qualifying employees. The Company has taken policy with Life Insurance Corporation of India to provide for payment of retirement benefits to vested employees. The present value of obligation is determined based on actuarial valuation.

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

Particulars	As at March 31, 2017	As at March 31, 2016
Present value of the obligation at the beginning of the period	4,53,56,956	4,41,73,684
Current service cost	32,12,331	29,16,795
Interest cost	34,01,772	35,33,895
Benefits paid	(1,09,05,574)	(27,41,476)
Actuarial loss/(gain) on obligation	27,55,312	(25,25,942)
Present value of the obligation at the end of the period	**4,38,20,797**	**4,53,56,956**
Change in plan assets:		
Fair value of plan assets at the beginning of the period	4,60,93,968	4,15,15,595
Adjustment due to LIC fund certificate	-	-
Expected return on plan assets	34,57,048	35,04,382
Contributions	49,13,521	36,84,155
Benefits paid	(60,03,014)	(27,41,476)
Actuarial gain / (loss) on plan aasets	2,29,332	1,31,312
Fair value of plan asset at the end of the period	**4,86,90,855**	**4,60,93,968**

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

(All amounts in Indian rupees, unless stated otherwise)

Amount of the obligation recognised in the Balance Sheet		
Present value of the obligation at the end of the period	4,38,20,797	4,53,56,956
Fair value of plan assets at end of period	4,86,90,855	4,60,93,968
Net (asset)/liability recognized in Balance Sheet	**(48,70,058)**	**(7,37,012)**

Amount of gratuity expenses recognised in the statement of profit and loss

Current service cost	32,12,331	29,16,795
Interest cost	34,01,772	35,33,895
Expected return on plan asset	(34,57,048)	(35,04,382)
Net actuarial loss/(gain) recognized in the period	25,25,980	(26,57,253)
	56,83,035	**2,89,055**

The expense for gratuity in respect of the current year and previous year have been included under Salaries, wages and bonus.

The present value of the defined benefit obligation, the fair value of the plan assets and the surplus or deficit in the plan arising on the plan liabilities and the plan assets.

Particulars	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**	**March 31, 2013**
Present value of defined benefit obligation	4,38,20,797	4,53,56,956	4,41,73,684	3,85,07,052	3,17,23,460
Fair value of plan assets	4,86,90,855	4,60,93,968	4,15,15,595	3,01,75,545	2,86,15,739
Surplus/(deficit) in the plan assets	48,70,058	7,37,012	(26,58,089)	(83,31,507)	(31,07,721)

The actuarial assumptions used to determine the gratuity benefit obligations are as follows :

Particulars	**Year ended March 31, 2017**	**Year ended March 31, 2016**
Discount rate	7.50%	8.00%
Salary escalation rate	6.50%	6.50%

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 details of investment maintained by Life Insurance Corporation are not available with the Company and have not been disclosed.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

(All amounts in Indian rupees, unless stated otherwise)

2.32 Value and percentage to total consumption of imported/indigenous direct raw materials, indirect raw materials stores, spares and other consumables consumed

Particulars	Year ended March 31, 2017		Year ended March 31, 2016	
Raw materials	**Imported**	**Indigenous**	**Imported**	**Indigenous**
Value (₹)	1,89,98,468	23,09,82,867	98,60,195	25,28,93,470
Percentage	7.60%	92.40%	3.75%	96.25%
Stores and spares consumed	**Imported**	**Indigenous**	**Imported**	**Indigenous**
Value (₹)	1,16,85,545	13,16,37,817	93,30,080	12,09,60,123
Percentage	8.15%	91.85%	7.16%	92.84%

2.33 C.I.F. value of imports

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Raw materials	2,15,27,812	95,04,749
Stores and spares	91,06,303	64,96,951
Capital goods	34,86,88,081	11,12,92,153
	37,93,22,196	**12,72,93,853**

2.34 Expenditure in foreign currency during the year (on accrual basis, including research and development)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Travelling and conveyance	14,75,715	10,29,331
Testing and inspection charges	73,31,152	38,77,004
Legal and professional charges	2,67,191	7,33,549
Rent and export warehousing charges	14,17,426	14,23,674
Printing and stationery	2,30,463	2,52,051
Sales commission	47,58,021	67,82,859
Conference, training and recruitment	-	13,28,544
	1,54,79,968	**1,54,27,012**

2.35 Earning in foreign currency

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
From export of castings and forgings/structures on FOB basis	71,55,20,540	73,94,54,546

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

(All amounts in Indian rupees, unless stated otherwise)

2.36 Corporate social responsibility expenses

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Corporate social responsibility expenses	18,47,104	21,12,916
	18,47,104	**21,12,916**

(a) Gross amount required to be spent by the company during the year in compliance with section 135 of the Act is ₹18,47,104 (previous year - ₹ 21,12,916)

b) Amount spent during the year on-

	In cash	Yet to be paid in cash	Total
Contribution to trust	1,847,104	-	1,847,104

2.37 Calculation of earning per share and diluted earning per share

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Net profit for the period	5,85,77,551	6,15,30,376
Weighted average number of ordinary shares outstanding	52,39,063	52,39,063
Basid and diluted earning per share on profit after taxation (face value ₹10/- per share)	11.18	11.74

2.38 SEGMENT REPORTING

Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India which requires disclosure of information on the basis of reportable segment.

The Company recognizes manufacturing of stainless steel castings, alloy steel castings, non alloy steel castings, steel structures and assembly items as its primary segment.

Business segment has been disclosed as the primary segment. The Company is organised into two business segments namely engineering division and power division.

Business segment :

Performance of business segment is as follows :

	March 31, 2017			March 31, 2016		
	Engineering Division	Power Division	Total	Engineering Division	Power Division	Total
Segment Revenue						
Revenue	98,85,86,168	-	98,85,86,168	95,08,87,843	-	95,08,87,843
Income from power generation	-	54,04,750	54,04,750	-	59,56,071	59,56,071
Income from operations	**98,85,86,168**	**54,04,750**	**99,39,90,918**	**95,08,87,843**	**59,56,071**	**95,68,43,914**
Other income	1,51,52,668	-	1,51,52,668	3,11,88,258	-	3,11,88,258
Total Revenue	**1,00,37,38,836**	**54,04,750**	**1,00,91,43,586**	**98,20,76,101**	**59,56,071**	**98,80,32,172**
Segment results						
Profit before finance cost, depreciation and tax	**16,12,51,210**	**40,89,315**	**16,53,40,525**	**15,68,46,611**	**46,68,092**	**16,15,14,703**

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

(All amounts in Indian rupees, unless stated otherwise)

Less: finance cost	3,43,09,423	-	3,43,09,423	2,56,31,693	-	2,56,31,693
Less: depreciation	5,39,18,545	14,83,243	5,54,01,788	5,28,58,660	14,83,240	5,43,41,900
Profit before exceptional item and tax	**7,30,23,242**	**26,06,072**	**7,56,29,314**	**7,83,56,258**	**31,84,852**	**8,15,41,110**
Exceptional item	-	-	-	-	-	-
Profit before tax	**7,30,23,242**	**26,06,072**	**7,56,29,314**	**7,83,56,258**	**31,84,852**	**8,15,41,110**
Provision for taxation						
Current tax			1,54,98,625			1,67,25,657
Deferred tax			1,70,51,763			44,15,043
MAT credit entitlement			(1,54,98,625)			(11,29,966)
Profit for the year			**5,85,77,551**			**6,15,30,376**
Segment assets and liabilities						
Segment assets	2,74,03,01,072	1,86,74,763	2,75,89,75,835	1,98,64,59,894	2,01,53,139	2,00,66,13,033
Add: unallocable assets			3,37,28,562			1,82,29,937
Net segment assets			**2,79,27,04,397**			**2,02,48,42,970**
Segment liabilities	1,43,61,69,818	33,34,549	1,43,95,04,367	74,69,93,696	74,18,997	75,44,12,693
Add: unallocable liabilities (net of advance tax)			8,32,47,170			6,90,54,968
Net segment liabilities			**1,52,27,51,537**			**82,34,67,661**
Capital expenditure incurred	81,15,59,184	-	81,15,59,184	38,00,22,318	-	38,00,22,318
Depreciation and amortisation	5,39,18,545	14,83,243	5,54,01,788	5,28,58,660	14,83,240	5,43,41,900
Non cash expenses included in segment expenses	35,53,456	-	35,53,456	17,94,298	-	17,94,298

(All amounts in Indian rupees, unless stated otherwise)

2.39 Related Party Disclosure :

The disclosure of transactions with the related party as defined in the Accounting Standard are given below:

Key Management Personnel ("KMP") of the Company	1. Mr. Satish Chandra Agarwal 2. Mr. Sachin Agarwal 3. Mr. Priya Ranjan Agarwal 4. Mr. Alok Agarwal 5. Ms. Smita Agarwal 6. Mr. Arun Kumar Gupta
Entities controlled by KMPs and/or their relatives	1. e.Soft Technologies Limited 2. PTC Foundation
Subsidiary company	1. Modrany Power and PTC Piping Systems Private Limited
Relatives of Key Management Personnel	1. Ms. Kanchan Agarwal 2. Ms. Anshoo Agarwal 3. Ms. Reena Agarwal 4. Ms. Veena Gupta

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

(All amounts in Indian rupees, unless stated otherwise)

The following transactions were carried out with the related parties:

Particulars	Year ended March 31, 2017				Year ended March 31, 2016			
	Enterprises controlled by directors / relatives	Subsidiary	Key management personnel (KMP)	Relatives of KMPs	Enterprises controlled by directors / relatives	Subsidiary	Key management personnel (KMP)	Relatives of KMPs
Transactions during the year								
1. Service charges								
a. e.Soft Technologies Limited	2,58,000	-	-	-	10,25,743	-	-	-
2. Rent paid								
a. Ms. Kanchan Agarwal	-	-	-	9,00,000	-	-	-	7,75,000
3. Legal and professional expenses								
a. Modrany Power & PTC Piping Systems Private Limited	-	-	-	-	-	13,44,405	-	-
4. Corporate social responsibility expenses								
a. PTC Foundation	18,47,104	-	-	-	21,12,916	-	-	-
Amounts paid during the year to KMP's and relatives of KMP's								
1. Managerial remuneration	-	-	2,00,22,119	-	-	-	1,94,47,790	-
2. Salary and allowances	-	-	42,54,848	32,00,757	-	-	40,89,602	30,08,309
Outstanding balance (Amount payable)	**As at March 31, 2017**				**As at March 31, 2016**			
Enterprises controlled by directors/relatives								
e.Soft Technologies Limited	2,35,500	-	-	-	2,35,125	-	-	-
Key management personnel								
Managerial remuneration	-	-	15,96,982	-	-	-	6,92,947	-
Salary and allowances	-	-	1,80,055	-	-	-	1,56,555	-
Relative of KMP's								
Salary and allowances	-	-	-	2,19,760	-	-	-	1,97,920
Rent	-	-	-	67,500	-	-	-	67,500.00
Outstanding balance (Amount receivable)								
Modrany Power & PTC Piping Systems Private Limited	-	-	-	-	-	11,43,723	-	-

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

(All amounts in Indian rupees, unless stated otherwise)

2.40 Details of Specified Bank Notes (SBN) held and transacted by the Group during the period from 8 November 2016 to 30 December 2016

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	14,32,000	3,27,679	17,59,679
(+) Permitted receipts	-	25,03,209	25,03,209
(-) Permitted payments	-	23,76,946	23,76,946
(-) Amount deposited in banks	14,32,000	-	14,32,000
Closing cash in hand as on 30 December 2016 as per books of account maintained by the Company	**-**	**4,53,942**	**4,53,942**

2.41 Derivative instruments

The Company uses forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

(a) The forward currency exposure hedged by derivative instruments outstanding as at the year end are as under:

Particulars		As at March 31, 2017		As at March 31, 2016	
	Currency	Foreign Currency	INR	Foreign Currency	INR
Trade receivables	EUR	2,00,000	1,47,92,000	2,00,000	1,48,32,000
Creditors	GBP	-	-	1,00,000	96,15,000

Marked to market gain of ₹ 709,500 has been incurred on trade receivables during the current year.

(b)The foreign currency exposures not hedged as at year end are as under:

Particulars		As at March 31, 2017		As at March 31, 2016	
	Currency	Foreign Currency	INR	Foreign Currency	INR
Buyer's credit	EUR	2,86,000	2,01,22,961	2,86,000.00	2,16,73,080.00
Buyer's credit	USD	33,92,288	22,25,34,105	11,52,935.00	7,69,81,487.00
Buyer's credit	JPY	7,03,05,336	4,13,11,415	-	-
Foreign currency term loans	USD	-	-	2,01,500	1,34,54,155
Creditors	USD	4,34,813	2,85,23,733	3,90,000	2,60,40,300
Creditors	EUR	36,644	25,78,292	94,833	71,86,443
Creditors	GBP	1,04,681	86,18,398	40,306	38,75,387
Creditors	JPY	3,55,066	208,637	52,00,892	31,01,812
Trade receivables	USD	8,20,708	5,26,07,402	10,66,943	7,03,32,879
Trade receivables	EUR	21,19,978	14,43,91,708	25,48,612	18,90,05,080
Trade receivables	GBP	8,810	7,01,629	-	-

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2017

(All amounts in Indian rupees, unless stated otherwise)

2.42 Subsequent events

The Company had submitted a proposal amounting to Rs. 51.02 Crores to the Department of Heavy Industries, Ministry of Heavy Industries and Public Enterprises, Government of India for acquisition and customization of technology for development & commercialisation of titanium castings with ceramic shelling under the Technology Acquisition Funds Programme(TAFP). The department has committed partial support of Rs. 10 Crores for a duration of maximum four years from the date of signing of memorandum of understanding with the Global Innovation and Technology Alliance (GITA).

2.43 Previous year figures have been regrouped/reclassified wherever considered necessary to make them comparable with those of the current year.

For **Walker Chandiok & Associates**
Chartered Accountants

per **Arun Tandon**
Partner

Place : Delhi
Date : May 24, 2017

For and on behalf of the Board of Directors
PTC Industries Limited

Sachin Agarwal
Chairman and
Managing Director
DIN No. : 00142885

Alok Agarwal
Director (Quality & Technical)
DIN No. : 00129260

Smita Agarwal
Chief Financial Officer

A. K. Gupta
Company Secretary
Mem. No. : FCS-3747

Place : Lucknow
Date : May 24, 2017

Five Years at a Glance

Particulars	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013
Revenue from operations(net)	9,939.91	9,568.44	10,077.40	11,905.93	13,813.02
Export	7,163.93	7,435.13	7,622.91	8,970.96	8,149.99
Export incentive	228.19	200.56	222.35	325.42	333.87
Income from power generation	54.05	59.56	43.70	48.71	59.68
Domestic, net of taxes and duties	2,493.74	1,873.19	2,188.44	2,560.84	5,269.48
Earnings before interest, depreciation, exceptional items & taxes	**1,653.41**	**1,615.15**	**1,905.90**	**2,126.57**	**2,401.13**
Finance costs	343.09	256.32	256.30	530.05	760.53
Depreciation	554.02	543.42	635.73	437.30	426.47
Exceptional items	-	-	159.90	57.95	311.82
Profit before tax	**756.30**	**815.41**	**853.97**	**1,101.27**	**902.31**
Taxes, net of mat credit entitlement	170.52	200.11	204.55	498.87	135.72
Net profit	**585.78**	**615.30**	**649.42**	**602.40**	**766.59**
Share capital	523.91	523.91	523.91	419.13	419.13
Reserve & surplus	12,175.62	11,489.85	10,874.54	6,487.71	5,785.31
Net worth	**12,699.53**	**12,013.76**	**11,398.45**	**6,906.84**	**6,204.44**
Earnings per share	**11.18**	**11.74**	**12.40**	**14.37**	**18.29**
Book value (Rs.)	**242.40**	**229.31**	**217.57**	**164.79**	**148.03**
Total outside liabilities/ tangible net worth	1.20	0.69	0.40	1.38	1.49
Current assets/current liabilities	1.43	1.96	1.96	1.13	1.25
Operating profit margin	16.63%	16.88%	18.91%	17.86%	17.38%
Net profit margin	5.89%	6.43%	6.44%	5.06%	5.55%
Average realisation					
(I) U.S. Dollor = Rupees	66.30	65.17	60.97	58.93	53.59
(Ii) Euro = Rupees	72.22	72.12	77.09	77.68	69.55

Independent Auditor's Report

To the Members of PTC Industries Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of PTC Industries Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these consolidated financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on these consolidated financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiary as noted below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2017, their consolidated profit and loss account and their consolidated cash flows for the year ended on that date.

Other Matter

9. We did not audit the financial statements of a subsidiary included in the consolidated financial statements, whose financial statements reflect total assets of ₹ 5,798 and net liabilities of ₹ 2,441,928 as at 31 March 2017, total revenues of ₹ nil and net cash outflows amounting to ₹ 4,082 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

   Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors and the financial statements.

Report on Other Legal and Regulatory Requirements

10. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiary, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

    c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

    e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the report of the other statutory auditor of its subsidiary company, none of the directors of the Group companies, is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary company and the operating effectiveness of such controls, refer to our separate report in 'Annexure I'; and

    g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiary:

(i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;

(ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company covered under the Act during the year ended 31 March 2017; and

(iv) These consolidated financial statements have made requisite disclosures as to holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 by the Holding Company and its subsidiary company. Based on the audit procedures performed and taking into consideration the information and explanations given to us and on consideration of the report(s) of the other auditor(s) on separate financial statements and other financial information, in our opinion, these disclosures are in accordance with the books of account maintained by the respective companies.

For Walker Chandiok & Associates
Chartered Accountants
Firm Registration No.: 001329N

per **Arun Tandon**
Partner
Membership No. 517273

Place: New Delhi
Date: May 24, 2017

Annexure A to the Independent Auditor's Report of even date to the members of PTC Industries Limited, on the consolidated financial statements for the year ended 31 March 2017

Annexure A

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the 'Act')

1. In conjunction with our audit of the consolidated financial statements of the PTC Industries Limited ("the Holding Company") and its subsidiary, (the Holding Company and its subsidiary together referred to as "the Group"), as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the Holding Company and its subsidiary company, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the company's policies, the safeguarding of the company's assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company and its subsidiary company based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR and the Guidance Note, issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter(s) paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company and its subsidiary company.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company and its subsidiary company have, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

9. We did not audit the IFCoFR insofar as it relates to a subsidiary company whose financial statements reflect total assets of ₹ 5,798 as at 31 March 2017, total revenues of ₹ nil and net cash outflows amounting to ₹ 4,082 for the year ended on that date. Our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company and its subsidiary company, under Section 143(3)(i) of the Act insofar as it relates to the aforesaid subsidiary, is solely based on the corresponding reports of the auditors of such companies. Our opinion is not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

For **Walker Chandiok & Associates**
Chartered Accountants
Firm Registration No: 001329N

per **Arun Tandon**
Partner
Membership No. 517273

Place: New Delhi
Date: May 24, 2017

(All amounts in Indian rupees, unless stated otherwise)

Consolidated Balance Sheet

	Note	As at March 31, 2017	As at March 31, 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	5,23,90,630	5,23,90,630
Reserves and surplus	2.2	1,21,72,48,309	1,14,75,55,417
		1,26,96,38,939	**1,19,99,46,047**
Non current liabilities			
Long term borrowings	2.3	78,60,96,713	26,07,05,602
Deferred tax liabilities, net	2.4	8,48,82,108	6,78,30,345
Other long term liabilities	2.5	10,500	10,500
Long term provisions	2.6	65,38,191	84,48,618
		87,75,27,512	**33,69,95,065**
Current liabilities			
Short term borrowings	2.7	39,45,53,281	28,96,02,237
Trade payables	2.8		
- dues of micro and small enterprises		-	-
- dues of creditors other than micro and small enterprises		8,63,56,043	9,69,38,471
Other current liabilities	2.9	16,35,12,966	9,87,90,248
Short term provisions	2.10	9,09,535	12,25,140
		64,53,31,825	**48,65,56,096**
TOTAL		**2,79,24,98,276**	**2,02,34,97,208**
ASSETS			
Non current assets			
Fixed assets			
Tangible assets	2.11	48,68,27,695	44,11,83,458
Intangible assets	2.11	12,67,966	18,88,532
Capital work in progress		1,35,51,97,217	65,92,11,508
Non current investments	2.12	70,100	70,100
Long term loans and advances	2.13	12,14,15,344	13,90,72,597
Other non current assets	2.14	17,80,697	17,88,951
		1,96,65,59,019	**1,24,32,15,146**
Current assets			
Current investments	2.15	3,08,518	3,08,518
Inventories	2.16	38,28,50,445	35,47,17,330
Trade receivables	2.17	27,28,48,363	30,96,31,617
Cash and bank balances	2.18	3,56,76,045	98,16,373
Short term loans and advances	2.19	10,64,69,979	6,57,86,864
Other current assets	2.20	2,77,85,907	4,00,21,360
		82,59,39,257	**78,02,82,062**
TOTAL		**2,79,24,98,276**	**2,02,34,97,208**

Notes 1 to 2.36 form an integral part of financial statements
This is the Consolidated Balance Sheet referred to in our report of even date

For **Walker Chandiok & Associates**
Chartered Accountants

per **Arun Tandon**
Partner

Place : Delhi
Date : May 24, 2017

For and on behalf of the Board of Directors
PTC Industries Limited

Sachin Agarwal
Chairman and Managing Director
DIN No. : 00142885

Alok Agarwal
Director, Quality & Technical
DIN No. : 00129260

Smita Agarwal
Chief Financial Officer

A. K. Gupta
Company Secretary
Mem. No. : FCS-3747

Place : Lucknow
Date : May 24, 2017

(All amounts in Indian rupees, unless stated otherwise)

Consolidated Statement of Profit and Loss

	Note	For the year ended March 31, 2017	For the year ended March 31, 2016
INCOME			
Revenue from operations, gross	2.21	1,02,32,23,688	97,97,14,781
Less : Excise duty		2,92,32,770	2,28,70,867
Revenue from operations, net		**99,39,90,918**	**95,68,43,914**
Other income	2.22	1,51,52,668	3,11,88,258
Total income		**1,00,91,43,586**	**98,80,32,172**
EXPENSES			
Cost of materials consumed	2.23	24,99,81,335	26,27,53,665
Changes in inventories of finished goods and work in progress	2.24	(1,61,84,982)	(1,78,81,413)
Employee benefits expense	2.25	17,50,44,562	17,44,48,005
Research and development expense	2.28	80,03,672	84,41,201
Other expenses	2.26	42,58,39,051	39,76,08,817
Total expenses		**84,26,83,638**	**82,53,70,275**
Profit before finance cost, depreciation and amortisation and tax		**16,64,59,948**	**16,26,61,897**
Finance cost	2.27	3,43,13,505	2,56,32,323
Depreciation and amortisation	2.11	5,54,01,788	5,43,41,900
Profit before tax		**7,67,44,655**	**8,26,87,674**
Tax expenses			
- current tax		1,54,98,625	1,67,25,657
- deferred tax		1,70,51,763	44,15,043
- Minimum Alternate Tax (MAT) credit entitlement		(1,54,98,625)	(11,29,966)
Profit for the year		**5,96,92,892**	**6,26,76,940**
Earning per share ₹10/- each fully paid up Basic/Diluted (in ₹)	2.32	11.39	11.96

Notes 1 to 2.36 form an integral part of financial statements
This is the Consolidated Statement of Profit and Loss referred to in our report of even date

For **Walker Chandiok & Associates**
Chartered Accountants

per **Arun Tandon**
Partner

Place : Delhi
Date : May 24, 2017

For and on behalf of the Board of Directors
PTC Industries Limited

Sachin Agarwal
Chairman and Managing Director
DIN No. : 00142885

Alok Agarwal
Director, Quality & Technical
DIN No. : 00129260

Smita Agarwal
Chief Financial Officer

A. K. Gupta
Company Secretary
Mem. No. : FCS-3747

Place : Lucknow
Date : May 24, 2017

(All amounts in Indian rupees, unless stated otherwise)

Consolidated Statement of cash flow

		For the year ended March 31, 2017	For the year ended March 31, 2016
A	**Cash flow from operating activities**		
	Net profit before tax	**7,67,44,655**	**8,26,87,674**
	Adjustment for :		
	Depreciation	5,54,01,788	5,43,41,900
	Unrealised foreign exchange fluctuation loss/(gain)	58,68,857	(3,40,908)
	Loss on sale of fixed assets, net	62,704	3,28,616
	Provision for doubtful debts/ loans and advances	-	1,20,354
	Bad debts, loans and advances written off	24,09,733	4,83,540
	Dividend and other income	-	(14,000)
	Provisions made no longer required written back	(10,04,659)	(37,03,019)
	Finance costs	2,98,58,661	2,13,63,875
	Interest on deposit	(44,10,857)	(24,26,093)
	Operating profit before working capital changes	**16,49,30,882**	**15,28,41,939**
	Adjustments for changes in working capital :		
	(Increase)/decrease in trade receivables	2,84,50,471	78,93,479
	(Increase)/decrease in inventories	(2,81,33,115)	(3,30,01,818)
	Decrease /(increase) in loans and advances and other assets		
	(current and non current)	(1,59,58,080)	(7,05,226)
	Increase/(decrease) in trade payables, provisions and other liabilities	(2,06,09,762)	2,70,30,357
	Cash generated from operations	**12,86,80,396**	**15,40,58,731**
	Income tax paid	(1,69,47,229)	(1,55,00,000)
	Net cash from operating activities(A)	**11,17,33,167**	**13,85,58,731**
B	**Cash flows from investment activities**		
	Purchase of fixed assets including capital advances	(71,58,57,708)	(45,53,09,783)
	Sale of fixed assets	1,50,85,312	2,47,380
	Interest received	22,25,115	15,06,876
	Placement of fixed deposits	(2,40,97,655)	10,16,415
	Purchase of current and non current investments	-	15,27,791
	Dividend received	-	14,000
	Net cash used in investment activities (B)	**(72,26,44,936)**	**(45,09,97,321)**
C	**Cash from financing activities**		
	Proceeds from long term borrowings	55,54,41,078	17,86,95,171
	Repayment of long term borrowings	(3,00,49,967)	(2,68,11,090)
	Proceeds from grant{refer note 2.2(a)}	1,00,00,000	-
	Proceeds from short term borrowings (net)	10,9,51,044	17,95,52,217
	Interest expense	(2,76,68,369)	(2,02,91,080)
	Net cash from/(used in) financing activities (C)	**61,26,73,786**	**31,11,45,218**
	Net increase in cash and cash equivalents (A)+(B)+(C)	**17,62,017**	**(12,93,372)**
	Cash and cash equivalents at beginning of year	**48,18,933**	**61,12,305**
	Cash and cash equivalents at end of period (refer note 2.18)	**65,80,950**	**48,18,933**

This is the Consolidated Statement of Cash Flow referred to in our report of even date

For **Walker Chandiok & Associates**
Chartered Accountants

per **Arun Tandon**
Partner

Place : Delhi
Date : May 24, 2017

For and on behalf of the Board of Directors
PTC Industries Limited

Sachin Agarwal
Chairman and
Managing Director
DIN No. : 00142885

Alok Agarwal
Director, Quality &
Technical
DIN No. : 00129260

Smita Agarwal
Chief Financial Officer

A. K. Gupta
Company Secretary
Mem. No. : FCS-3747

Place : Lucknow
Date : May 24, 2017

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2017

(All amounts in Indian rupees, unless stated otherwise)

1.1 Principles of consolidation

The consolidated financial statements relate to PTC Industries Limited ('the Parent Company') and its subsidiary company, Modrany Power & PTC Pipings Systems Private Limited (together known as "the Group"). The consolidated financial statements have been prepared on the following basis:

The financial statements of the Parent Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements".

Additional information to consolidated financial statements as at 31 March 2017 (Pursuant to Schedule III to the Companies Act, 2013):

	Net assets i.e. total assets minus total liabilities		Share in profit or (loss)	
Name of the entity	**Amount**	**As a % of consolidated net assets**	**Amount**	**As a % of consolidated profit and loss**
Parent Company				
PTC Industries Limited	1,26,99,52,860	100.02%	5,85,77,553	98.13%
Subsidiaries: Indian				
Modrany Power & PTC Piping Systems Pvt Limited	(24,36,130)	-0.19%	(28,384)	-0.05%
Less: Effects of intercompany adjustments/eliminations	21,22,209	0.17%	11,43,723	1.92%
Total	**1,26,96,38,939**		**5,96,92,892**	

1.2 Basis of preparation of financial statements

The financial statements have been prepared to comply with the accounting principles generally accepted in India ("Indian GAAP"), including the Accounting Standards specified under Section 133 of the Companies Act 2013 (the 'Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The financial statements have been prepared on a going concern basis under the historical cost convention on the accrual basis of accounting. The accounting policies have been consistently applied by the Group.

1.3 Use of estimates

In preparing the Group's financial statements in conformity with the accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Examples of such estimates includes estimated provision for doubtful debts/ advances, employee retirement benefit plans, provision for income taxes, useful life of fixed assets, diminution in value of investments, other probable obligations and inventory write down. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

1.4 Fixed assets

(a) Tangible assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable costs of bringing the asset to its working condition for its intended use. When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss. Project under commissioning and other assets under erection/installation are shown under capital work in progress and are carried at cost, comprising of direct cost and related incidental expenses. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Foreign currency loans availed for acquisition of fixed assets are converted at the rate prevailing on the due date for installments repayable during the year and at the rate prevailing on the date of balance sheet for the outstanding loan. The fluctuation is adjusted in the original cost of fixed assets.

(b) Intangible assets

Intangibles are stated at cost less accumulated amortization and impairment losses (if any). Cost related to technical assistance for new projects are capitalized. The software is amortised over a period of 6 years and technical assistance is amortised over a period of 5 years.

1.5 Depreciation

(a) Tangible and Intangible assets

(I) Depreciation on fixed assets is provided on straight line method basis pursuant to the enactment of the Companies Act 2013 (the 'Act'), the Parent Company has, effective from 1st April 2014, revised the estimated useful lives of its fixed assets, which are either less than or in accordance with the provisions of Schedule II to the Act.

(II) Leasehold land is depreciated over the period of lease.

1.6 Investments

Investments that are readily realizable and intended to be held for not more than one year are classified as current investments; all other investments are classified as long term investments. Long term investments are carried at cost less provision (if any) for decline in value which is other than temporary in nature. Current investments are carried at lower of cost and fair value.

1.7 Inventories

Inventories are valued at the lower of cost and net realisable value determined on the basis of first in first out method. Cost of inventories comprises of all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition:

- Cost of raw materials includes components, packing materials, stores and spares and goods-in-transit - Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
- Work in progress- Cost for this purpose includes material, labour and appropriate allocation of overheads.
- Finished products- Cost for this purpose includes material, labour and appropriate allocation of overheads. Excise duty on stock lying with Parent Company is added to the cost of the finished goods inventory.

1.8 Employee benefits

(a) Provident fund

The Parent Company makes contribution to statutory provident fund in accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The plan is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee. The Parent Company makes monthly contributions and has no further obligation under the plan beyond its contributions.

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2017
(All amounts in Indian rupees, unless stated otherwise)

(b) Gratuity

Gratuity is a post-employment benefit and is in the nature of defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from adjustments and changes in actuarial assumptions are charged or credited to the Statement of Profit and Loss in the year in which such gains or losses arise.

The Parent 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 Statement of Profit and Loss.

(c) Compensated absences

Provision for compensated absences when determined to be a long term benefit is made on the basis of actuarial valuation as at the end of the year. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the Statement of Profit and Loss in the year in which such gains or losses arise. Provision related to short term compensated absences of workers is provided on actual basis.

(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.

1.9 Research and development costs

Revenue expenditure is charged to the Statement of Profit and Loss 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.

1.10 Impairment

The Parent Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Parent Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists then the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

1.11 Foreign currency transactions

(a) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(b) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(c) Exchange differences

Exchange differences arising on the settlement of monetary items or on restatement of the Parent Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

The Parent Company generally uses foreign exchange forward contracts to hedge its exposure for movement in foreign exchange rates. The use of these foreign exchange forward contracts reduces the risk or cost to the Parent Company and the Group 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.,

(i) 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.

(ii) 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 are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change.

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

(iv) The Parent 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 long term foreign currency loans of the Parent Company is accounted by addition or deduction to the cost of fixed assets so far it relates to depreciable capital assets.

1.12 Taxation

The tax expense comprises of current taxes and deferred taxes. Current tax is the amount of income tax determined to be payable in respect of taxable income for a period as per the provisions of Income Tax Act, 1961. Deferred tax is the effect of timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are reviewed at each Balance Sheet date and recognized/ derecognized only to the extent that there is reasonable/virtual certainty, depending on the nature of the timing differences, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent there is convincing evidence that the Parent Company will pay normal income tax during the specified period, i.e., the period for which MAT Credit is allowed to be carried forward. In the year in which the Parent Company recognizes MAT Credit as an asset, the said asset is created by way of credit to the statement of Profit and Loss and shown as "MAT Credit Entitlement."

The Parent Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

1.13 Revenue recognition

(a) Revenue from sale of goods is recognised upon transfer of all significant risks and rewards incident to ownership to the buyer which generally coincides with the dispatch of goods to the customers.

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2017 *(All amounts in Indian rupees, unless stated otherwise)*

i) Domestic sales are recorded net of sale returns, sales tax and excise duty. Export sales are stated net of returns and include export incentives and;

ii) No significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

(b) 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.

The Parent Company has been permitted by the Gujarat Energy Development Agency (GEDA) to set up a Wind Farm of 0.75 MW in district Kutch, Gujarat in accordance with the provisions of the Wind Power Generation Policy, 2002. A tripartite Wheeling and Banking agreement has been entered into by the Company with GEDA and Gujarat Energy Transmission Corporation Limited (GETCO).

(c) Income from interest on deposits, loans and interest bearing securities is recognised on the time proportionate method taking into account the amount invested and the underlying rate of interest.

1.14 Export benefits/incentives

Revenue in respect of focus claims /merchandise exports from India scheme (MEIS) and duty drawback scheme is recognized on an accrual basis on export of goods if the entitlement can be estimated with reasonable accuracy.

1.15 Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

1.16 Provisions and contingent liabilities

The Parent Company creates a provision when there is a present obligation as a result of a past event, where the outflow of economic resources is probable and a reliable estimate of the amount of obligation can be made.

A disclosure for a contingent liability is made where there is a :

(i) possible obligation, the existence of which will be confirmed by the occurrence/non occurrence of one or more uncertain events, not fully within the control of the Parent Company;

(ii) present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

(iii) or where reliable estimate of the obligation cannot be made.

Where there is a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

1.17 Earning per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2017

(All amounts in Indian rupees, unless stated otherwise)

1.18 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, in current accounts and deposits accounts with an original maturity of three months or less and exclude restricted cash. Restricted cash represents deposits that have been pledged with banks against performance guarantees issued to customers as security to meet contractual obligations.

1.19 Government grants

Grants in the nature of contribution towards capital cost of setting up projects are treated as capital reserve.

1.20 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for its intended use are complete.

1.21 Segment reporting

Identification of segments:

The Parent Company's operating businesses are organized and managed separately according to the nature of goods produced, with each segment representing a strategic business unit that serves different markets.

Intersegment transfers:

Inter segment revenues have been accounted for based on the transaction price agreed to between segments which is primarily market led.

Allocation of costs:

Direct revenues and direct expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenues and expenses, which relate to the Parent Company as a whole and are not allocable to segments on a reasonable basis are presented as "Unallocable" in the segment disclosure.

1.22 Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956 (now Schedule III of Companies Act, 2013), the Group 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. In its measurement, the Group does not include depreciation and amortisation expense, finance costs and tax expense.

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2017
(All amounts in Indian rupees, unless stated otherwise)

2.1 SHARE CAPITAL

Particulars	As at March 31, 2017	As at March 31, 2016
Authorised		
89,75,000 (previous year 89,75,000) equity shares of ₹10 each	8,97,50,000	8,97,50,000
20,25,000 (previous year 20,25,000) redeemable cumulative preference shares of ₹10 each	2,02,50,000	2,02,50,000
	11,00,00,000	**11,00,00,000**
Issued, subscribed and fully paid up		
52,39,063 (previous year 52,39,063) equity shares of ₹10 each	5,23,90,630	5,23,90,630
	5,23,90,630	**5,23,90,630**

a) There is no movement in the equity share capital during the previous year and current year.

b) Terms and rights attached to equity shares

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

The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5 percent of the issued shares capital:

	Equity shares with voting rights			
	As at March 31, 2017		As at March 31, 2016	
Name of shareholders	**No. of shares held**	**% of holding**	**No. of shares held**	**% of holding**
Sachin Agarwal	12,45,960	23.78%	-	-
Pragati India Fund Limited	10,47,813	20.00%	10,47,813	20.00%
Mapple Commerce Private Limited	6,23,750	11.91%	6,23,750	11.91%
Late Satish Chandra Agarwal	-	-	5,84,480	11.16%
Late Saroj Agarwal	-	-	5,29,700	10.11%
Nirala Merchants Private Limited	4,60,200	8.78%	4,60,200	8.78%
Priya Ranjan Agarwal	3,86,000	7.37%	3,86,000	7.37%

d) Information regarding issue of shares in the last five years

i) The Company has not issued any shares without payment being received in cash. Although, the Company had allotted in the previous years 10,47,813 equity shares of ₹10/- each in lieu of the conversion of 4,00,000 Zero Coupon Compulsory Convertible Debentures of face value ₹1,000/- each to Pragati India Fund Limited.

ii) There are no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and bought back during the last 5 years.

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2017

(All amounts in Indian rupees, unless stated otherwise)

2.2 RESERVES AND SURPLUS

Particulars	As at March 31, 2017	As at March 31, 2016
Capital reserve (note a)		
Opening balance	4,01,75,200	-
Add: additions during the year	1,00,00,000	-
	5,01,75,200	**4,01,75,200**
Securities premium account	**41,20,71,870**	**41,20,71,870**
General reserve	**46,24,16,726**	**46,24,16,726**
Statement of profit and loss		
Opening balance	23,28,91,621	17,02,14,681
Add: Net profit for the year	5,96,92,892	6,26,76,940
Closing balance	**29,25,84,513**	**23,28,91,621**
Total	**1,21,72,48,309**	**1,14,75,55,417**

a) Capital reserve includes grant received under the Technology Development and Demonstration Programme of Department of Scientific and Industrial Research (DSIR) amounting to ₹5,00,00,000. The Company had submitted a project proposal amounting to ₹18,00,00,000 to the Department of Scientific and Industrial Research, Ministry of Science and Technology, New Delhi, for development and commercialization of RapidCast™ Technology of single piece Stainless Steel Casting of upto 5,000 kgs. The department has committed partial support as a grant of ₹5,00,00,000 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 September 20, 2011. The project was completed on September 30, 2016. The Company had received grant of ₹4,00,00,000 during previous years and received the balance ₹1,00,00,000 during the current year. The Company has incurred cumulative expense of ₹18,25,05,584 (including ₹4,18,38,299 during the year) towards the project.

2.3 LONG TERM BORROWINGS

Particulars	As at March 31, 2017	As at March 31, 2016
Secured		
Term loans from banks	82,13,16,316	30,68,26,009
Vehicle loans from others	15,84,791	12,31,075
Total	**82,29,01,107**	**30,80,57,084**
Less: current maturities of long term loans	3,68,04,394	4,73,51,482
Non-current portion of long term loans	**78,60,96,713**	**26,07,05,602**

Notes:

(a) Term loans including foreign currency loan from banks are secured by way of:

i) Equitable mortgage on pari-passu basis on the land and building of Lucknow Plant 1, Lucknow Plant 2 and AMTC Plant (at village Sarai Shahajadi) and first pari-passu charge on all movable fixed assets of the Company.

ii) Personal guarantee of some directors.

iii) Vehicle loans are secured by way of absolute charge on specific assets purchased.

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2017

(All amounts in Indian rupees, unless stated otherwise)

(b) Term of repayments

i) Term loans including foreign currency loans from banks carry interest rate ranging between 10.50%-11.75% and LIBOR +0.20 bps - LIBOR +0.85 bps respectively and are repayable in quarterly/half yearly installments starting from March 2018/October 2016 till March 2027

ii) Vehicle loans from others carry interest rate ranging between 10.50%-10.70% and are repayable with in a period of 11/31 months.

2.4 DEFERRED TAX LIABILITIES, NET

Particulars	As at March 31, 2017	As at March 31, 2016
Deferred tax liability		
Impact of difference between tax depreciation and depreciation charged in the books	4,07,02,192	3,66,52,195
Tax impact on allowance under tax exemptions/deductions	4,63,96,915	3,58,70,218
Deferred tax assets		
Provision for employee benefits	22,16,999	39,14,433
Provision for doubtful debts	-	7,77,635
Deferred tax liabilities, net	**8,48,82,108**	**6,78,30,345**

2.5 OTHER LONG TERM LIABILITIES

Particulars	As at March 31, 2017	As at March 31, 2016
Security deposit	10,500	10,500
	10,500	**10,500**

2.6 LONG TERM PROVISIONS

Particulars	As at March 31, 2017	As at March 31, 2016
Provision for employees benefits		
- Compensated absences	65,38,191	84,48,618
	65,38,191	**84,48,618**

2.7 SHORT TERM BORROWINGS

Particulars	As at March 31, 2017	As at March 31, 2016
Secured		
Loans repayable on demand - from banks	38,40,60,241	28,43,70,343
Buyer's credit in foreign currency - from banks	1,04,93,040	52,31,894
	39,45,53,281	**28,96,02,237**

(All amounts in Indian rupees, unless stated otherwise)

Short term borrowings are secured by way of:

i) First charge ranking pari-passu on the whole of the present and future current assets of the Company.

ii) Second charge on equitable mortgage on pari-passu basis on the land and building of Lucknow Plant 1, Lucknow Plant 2 and AMTC Plant (at village Sarai Shahajadi) and first pari-passu charge on all movable fixed assets of the Company.

iii) Personal guarantee of some directors.

Short term borrowings carry interest rate ranging between 8.45%-10.75% and are repayable on demand.

2.8 TRADE PAYABLES

Particulars	As at March 31, 2017	As at March 31, 2016
Payables to micro, small and medium enterprises	-	-
Others	8,63,56,043	9,69,38,471
	8,63,56,043	**9,69,38,471**

Based on the information available with the Parent Company, no principal or interest is payable to micro, small and medium enterprises at the balance sheet date. Further, no interest during the year has been paid or was payable in this respect. The above disclosure has been determined to the extent such parties have been identified on the basis of information available with the Company.

2.9 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2017	As at March 31, 2016
Current maturities of long term borrowings (refer note 2.3)	3,68,04,394	4,73,51,482
Interest accrued but not due on borrowings	41,23,646	19,33,354
Advance from customers	37,53,407	36,92,519
Creditors for capital goods	7,24,23,855	1,65,29,900
Statutory dues payable	19,92,354	9,45,382
Employee payables	68,70,314	67,37,871
Other payables	3,75,44,996	2,15,99,740
	16,35,12,966	**9,87,90,248**

2.10 SHORT TERM PROVISIONS

Particulars	As at March 31, 2017	As at March 31, 2016
Provision for taxation (current year, net of advance tax)	-	12,25,140
Provision for employee benefits		
- Leave encashment	9,09,535	-
	9,09,535	**12,25,140**

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2017

(All amounts in Indian rupees, unless stated otherwise)

2.11 FIXED ASSETS

DESCRIPTION OF ASSETS	GROSS BLOCK				ACCUMULATED DEPRECIATION AND AMORTISATION				NET BLOCK	
Particulars	**As at April 1, 2016**	**Additions**	**Deductions**	**As at March 31, 2017**	**Up to April 1, 2016**	**For the year**	**Deductions**	**Up to March 31, 2017**	**As at March 31, 2017**	**As at March 31, 2016**
TANGIBLE ASSETS										
Freehold land	4,01,33,593	3,00,47,314	-	7,01,80,907	-	-	-	-	7,01,80,907	40,13,35,93
Leasehold land	2,59,18,684	-	2,08,95,943	50,22,741	71,07,372	3,31,897	60,67,409	13,71,860	36,50,881	1,88,11,312
Factory building	8,70,95,447	3,73,409	-	8,74,68,856	2,99,24,544	27,37,217	-	3,26,61,761	5,48,07,095	5,71,70,903
Plant and machinery	52,87,39,227	6,49,51,896	26,00,961	59,10,90,162	27,74,46,899	3,48,38,625	22,83,258	31,00,02,266	28,10,87,896	25,12,92,328
Computer	1,63,86,673	6,74,171	35,579	1,70,25,265	1,43,47,209	9,30,571	33,800	1,52,43,980	17,81,285	20,39,464
Mould and dies	10,34,77,031	1,77,44,627	-	12,12,21,658	6,48,29,878	1,03,86,014	-	7,52,15,892	4,60,05,766	3,86,47,153
Vehicles	2,09,27,820	12,93,593	-	2,22,21,413	93,37,427	23,15,450	-	1,16,52,877	1,05,68,536	1,15,90,393
Furniture and fixtures	1,11,57,492	45,913	-	1,12,03,405	69,90,744	7,32,894	-	77,23,638	34,79,767	41,66,748
Office equipments	94,93,299	4,26,602	-	99,19,901	74,29,076	4,78,277	-	79,07,353	20,12,548	20,64,223
Research and development assets										
Plant and machinery	2,53,27,511	-	-	2,53,27,511	1,16,33,675	18,38,230	-	1,34,71,905	1,18,55,606	1,36,93,836
Computer	1,11,804	-	-	1,11,804	1,04,346	-	-	1,04,346	7,458	7,458
Mould and dies	1,11,76,876	-	-	1,11,76,876	1,00,11,180	1,25,505	-	1,01,36,685	10,40,191	11,65,696
Vehicles	6,34,822	-	-	6,34,822	2,34,471	50,592	-	2,85,063	3,49,759	4,00,351
TOTAL (A)	**88,05,80,279**	**11,55,57,525**	**2,35,32,483**	**97,26,05,321**	**43,93,96,821**	**5,47,65,272**	**83,84,467**	**48,57,77,626**	**48,68,27,695**	**44,11,83,458**
INTANGIBLE ASSETS										
Software	95,50,705	15,950	-	95,66,655	76,92,805	6,36,516	-	83,29,321	12,37,334	18,57,900
Licences	39,70,296	-	-	39,70,296	39,70,296	-	-	39,70,296	-	-
Research and development assets										
Software	4,71,582	-	-	4,71,582	4,40,950	-	-	4,40,950	30,632	30,632
TOTAL (B)	**1,39,92,583**	**15,950**	**-**	**1,40,08,533**	**1,21,04,051**	**6,36,516**	**-**	**1,27,40,567**	**12,67,966**	**18,88,532**
GRAND TOTAL (A+B)	**89,45,72,862**	**11,55,73,475**	**2,35,32,483**	**98,66,13,854**	**45,15,00,872**	**5,54,01,788**	**83,84,467**	**49,85,18,193**	**48,80,95,661**	**44,30,71,990**

a) Additions to fixed assets include exchange loss of ₹ Nil (previous year exchange loss of ₹18,60,118) capitalized during the year.

b) Additions to capital work in progress include interest of ₹ 4,05,65,978 (previous year ₹ 53,66,625) capitalized during the year.

(All amounts in Indian rupees, unless stated otherwise)

2.11 FIXED ASSETS

DESCRIPTION OF ASSETS	GROSS BLOCK				ACCUMULATED DEPRECIATION AND AMORTISATION				NET BLOCK	
Particulars	As at April 1, 2015	Additions	Deductions	As at March 31, 2016	Up to April 1, 2015	For the year	Deductions	Up to March 31, 2016	As at March 31, 2016	As at March 31, 2015
TANGIBLE ASSETS										
Freehold land	4,01,33,593	-	-	4,01,33,593	-	-	-	-	4,01,33,593	4,01,33,593
Leasehold land	2,12,49,549	46,69,135	-	2,59,18,684	67,75,309	3,32,063	-	71,07,372	1,88,11,312	1,44,74,240
Factory building	8,70,04,285	91,162	-	8,70,95,447	2,72,12,149	27,12,395	-	2,99,24,544	5,71,70,903	5,97,92,136
Plant and machinery	46,90,77,744	5,96,61,483	-	52,87,39,227	24,54,86,904	3,19,59,995	-	27,74,46,899	25,12,92,328	22,35,90,840
Computer	1,55,44,817	8,41,856	-	1,63,86,673	1,37,96,820	5,50,389	-	1,43,47,209	20,39,464	17,47,997
Mould and dies	10,23,92,152	10,84,879	-	10,34,77,031	5,40,73,972	1,07,55,906	-	6,48,29,878	3,86,47,153	4,83,18,180
Vehicles	2,17,12,093	7,19,330	15,03,603	2,09,27,820	76,08,263	26,66,815	9,37,651	93,37,427	1,15,90,393	1,41,03,830
Furniture and fixtures	1,10,26,199	1,31,293	-	1,11,57,492	61,95,092	7,95,652	-	69,90,744	41,66,748	48,31,107
Office equipments	91,09,235	4,58,663	74,599	94,93,299	67,09,231	7,84,400	64,555	74,29,076	20,64,223	24,00,004
Research and development assets										
Plant and machinery	2,51,15,911	2,11,600	-	2,53,27,511	94,41,258	21,92,417	-	1,16,33,675	1,36,93,836	1,56,74,653
Computer	1,11,804	-	-	1,11,804	1,04,346	-	-	1,04,346	7,458	7,458
Mould and dies	1,11,76,876	-	-	1,11,76,876	91,35,764	8,75,416	-	1,00,11,180	11,65,696	20,41,112
Vehicles	6,34,822	-	-	6,34,822	1,83,879	50,592	-	2,34,471	4,00,351	4,50,943
TOTAL (A)	**81,42,89,080**	**6,78,69,401**	**15,78,202**	**88,05,80,279**	**38,67,22,987**	**5,36,76,040**	**10,02,206**	**43,93,96,821**	**44,11,83,458**	**42,75,66,093**
INTANGIBLE ASSETS										
Software	94,50,408	1,00,297	-	95,50,705	70,99,177	5,93,628	-	76,92,805	18,57,900	23,51,231
Licences	39,70,296	-	-	39,70,296	39,70,296	-	-	39,70,296	-	-
Research and development assets										
Software	4,68,525	3,057	-	4,71,582	3,68,718	72,232	-	4,40,950	30,632	99,807
TOTAL (B)	**1,38,89,229**	**1,03,354**	**-**	**1,39,92,583**	**1,14,38,191**	**6,65,860**	**-**	**1,21,04,051**	**18,88,532**	**24,51,038**
GRAND TOTAL (A+B)	**82,81,78,309**	**6,79,72,755**	**15,78,202**	**89,45,72,862**	**39,81,61,178**	**5,43,41,900**	**10,02,206**	**45,15,00,872**	**44,30,71,990**	**43,00,17,131**

a) Additions to fixed assets include exchange loss of ₹18,60,118 (previous year exchange loss of ₹20,86,237) capitalized during the year.

b) Additions to capital work in progress include interest of ₹53,66,625 (previous year ₹ nil) capitalized during the year.

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2017

(All amounts in Indian rupees, unless stated otherwise)

2.12 NON CURRENT INVESTMENTS

Particulars	As at March 31, 2017	As at March 31, 2016
Long term investments (Non - Trade) (valued at cost unless otherwise stated)		
Quoted		
Investments in mutual funds		
UTI Equity Fund (Prev. Mastergain1992 of UTI) 5,000 units of Rs. 10 each (previous year - 5,000 units of Rs. 10 each)	50,000	50,000
Investment in equity instruments		
Equity Shares in Valecha Engineering Limited 1,125 shares of Rs. 10 each (previous year - 1,125 shares of Rs. 10 each)	20,100	20,100
	70,100	**70,100**
Aggregate market value of investments in mutual funds	4,65,638	3,92,586
Aggregate market value of investments in equity instruments	19,913	32,569

2.13 LONG TERM LOANS AND ADVANCES

Particulars	As at March 31, 2017	As at March 31, 2016
(Unsecured considered good)		
Capital advances	6,46,95,669	10,45,03,190
Security deposits	1,06,21,106	68,20,972
Loan to employees	54,31,256	60,10,944
Accrued interest	39,95,662	17,01,550
Advance income tax (previous years, net of provision)	29,43,089	18,06,004
Minimum alternate tax credit entitlement	3,37,28,562	1,82,29,937
	12,14,15,344	**13,90,72,597**

2.14 OTHER NON CURRENT ASSETS

Particulars	As at March 31, 2017	As at March 31, 2016
Deposits with banks with maturity more than 12 months	17,80,697	17,88,951
	17,80,697	**17,88,951**

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2017

(All amounts in Indian rupees, unless stated otherwise)

2.15 CURRENT INVESTMENTS

Particulars	As at March 31, 2017	As at March 31, 2016
Quoted (valued at cost or fair value, whichever is lower)		
Investments in mutual funds		
PNB Mutual Fund 8.760 units (previous year 8.760 units) of Rs. 1,972.26 each	17,277	17,277
IDFC Mutual Fund 190.688 units (previous year 190.688 units) of Rs. 1,527.32 each	2,91,241	2,91,241
	3,08,518	**3,08,518**
Market value of investments in mutual fund as at the end of the year	3,98,447	3,71,495

2.16 INVENTORIES

Particulars	As at March 31, 2017	As at March 31, 2016
Raw materials	9,88,40,453	9,28,87,320
Stores and spares	3,94,00,312	3,34,05,312
Work in progress	23,58,60,574	22,73,25,869
Finished goods	87,49,106	10,98,829
	38,28,50,445	**35,47,17,330**

2.17 TRADE RECEIVABLES

Particulars	As at March 31, 2017	As at March 31, 2016
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	98,80,229	91,67,533
Unsecured, considered doubtful	-	23,51,980
Less: Provision for bad debts	-	(23,51,980)
	98,80,229	**91,67,533**
Others		
Unsecured, considered good	26,29,68,134	30,04,64,084
	27,28,48,363	**30,96,31,617**

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2017

(All amounts in Indian rupees, unless stated otherwise)

2.18 CASH AND BANK BALANCES

Particulars	As at March 31, 2017	As at March 31, 2016
Cash and cash equivalents		
Cash in hand	7,51,111	9,62,486
Balance with banks in current account		
- in current accounts	45,86,162	38,56,447
- in deposit account with original maturity upto 3 months	12,43,677	-
	65,80,950	**48,18,933**
Other bank balances		
Deposits with original maturity more than 3 months but less than 12 months*	2,90,95,095	49,97,440
	3,56,76,045	**98,16,373**

* includes margin money deposits which are pledged with banks for issuance of bank guarantees, buyer's credit and letter of credits.

2.19 SHORT TERM LOANS AND ADVANCES

Particulars	As at March 31, 2017	As at March 31, 2016
(Unsecured, considered good)		
Prepaid expenses	37,40,175	40,13,250
Interest accrued on deposits	2,86,502	3,94,872
Loan to employees	50,91,670	62,79,278
Balances with statutory and government authorities	6,94,77,973	3,71,37,639
Other loans and advances	2,78,73,659	1,79,61,825
	10,64,69,979	**6,57,86,864**

2.20 OTHER CURRENT ASSETS

Particulars	As at March 31, 2017	As at March 31, 2016
(Considered good, unless otherwise stated)		
Export incentives receivable	1,30,68,829	1,84,07,318
Claims receivable	1,47,17,078	2,16,14,042
	2,77,85,907	**4,00,21,360**

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2017

(All amounts in Indian rupees, unless stated otherwise)

2.21 REVENUE FROM OPERATIONS

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Sale of products (refer note (a) below)	99,50,00,175	95,37,02,409
Other operating revenues (refer note (b) below)	2,82,23,513	2,60,12,372
Gross revenue from operations	**1,02,32,23,688**	**97,97,14,781**
Less: excise duty	2,92,32,770	2,28,70,867
Net revenue from operations	**99,39,90,918**	**95,68,43,914**
(a) Sale of products comprises		
Castings (stainless steel)	83,39,51,650	80,85,82,250
Castings (alloy and non-alloy steel)	9,81,03,927	7,84,63,888
Structures and forgings	1,80,68,064	1,52,59,327
Assembly items	24,66,205	1,81,01,822
Others	4,24,10,329	3,32,95,122
	99,50,00,175	**95,37,02,409**
(b) Other operating revenues		
Export incentives	2,28,18,763	2,00,56,301
Income from power generation	54,04,750	59,56,071
	2,82,23,513	**2,60,12,372**
(c) Domestic and export sales		
Domestic sales	27,86,06,935	21,01,89,624
Export sales	71,63,93,240	74,35,12,785
	99,50,00,175	**95,37,02,409**

2.22 OTHER INCOME

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest received		
- from banks	22,17,573	5,40,775
- from others	21,93,284	18,85,318
Dividend income	-	14,000
Bad debts recovered	1,60,169	24,619
Provisions made no longer required written back	10,04,659	37,03,019
Miscellaneous income	73,105	-
Profit on sale of assets/investment	-	2,96,142
Insurance claims received	3,57,600	-
Foreign exchange fluctuation gain (net)	91,46,278	2,47,24,385
	1,51,52,668	**3,11,88,258**

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2017

(All amounts in Indian rupees, unless stated otherwise)

2.23 COST OF MATERIALS CONSUMED

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Opening stock	9,28,87,320	8,15,41,852
Add: purchases	25,75,77,356	27,51,45,972
Less: closing stock	9,88,40,453	9,28,87,320
	25,16,24,223	**26,38,00,504**
Less: consumed for research and development (note 2.28)	16,42,888	10,46,839
Cost of materials consumed	**24,99,81,335**	**26,27,53,665**
Note (i) cost of materials consumed :		
Scraps and metals		
Stainless steel scrap	16,21,95,253	15,96,96,172
Iron and steel scrap	63,91,916	1,55,94,382
Ferrous and non-ferrous alloys	6,58,16,073	6,94,61,750
Structures and fabrication	66,12,629	22,26,772
Raw castings (including assembly)	1,06,08,352	1,68,21,428
	25,16,24,223	**26,38,00,504**
Less: raw material consumed for research and development (note 2.28)	16,42,888	10,46,839
	24,99,81,335	**26,27,53,665**

2.24 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Inventories as at March 31, 2016		
Work-in-progress	22,73,25,869	21,05,43,285
Finished goods	10,98,829	-
	22,84,24,698	**21,05,43,285**
Inventories as at March 31, 2017		
Work-in-progress	23,58,60,574	22,73,25,869
Finished goods	87,49,106	10,98,829
	24,46,09,680	**22,84,24,698**
Change in inventories	**(1,61,84,982)**	**(1,78,81,413)**

2.25 EMPLOYEE BENEFITS EXPENSE

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Salaries, wages and bonus	15,69,47,869	15,76,10,424
Contribution to provident and other funds	1,37,73,526	1,22,84,040
Staff welfare expenses	43,23,167	45,53,541
	17,50,44,562	**17,44,48,005**

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2017 *(All amounts in Indian rupees, unless stated otherwise)*

2.26 OTHER EXPENSES

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Manufacturing expenses		
Stores and spares consumed	14,33,23,362	13,02,90,203
Power and fuel	9,80,01,175	9,85,95,830
Repairs and maintenance		
- plant and machinery	2,13,00,393	2,30,52,149
- building	20,40,700	21,57,667
Packing and general consumables	1,90,87,084	1,78,12,935
Processing and work charges	5,31,84,166	4,06,98,035
Freight inward	20,08,337	21,44,394
Testing and inspection charges	1,79,28,837	1,38,83,128
	35,68,74,054	**32,86,34,341**
Administrative and selling expenses		
Rent	11,95,687	11,32,838
Rates and taxes	36,86,233	32,49,971
Insurance expenses	29,31,808	22,94,946
Security expenses	50,90,160	48,54,028
Legal and professional expenses	68,54,998	89,20,565
Travelling and conveyance	53,88,637	45,17,955
Vehicle running and maintenance	43,13,457	40,68,057
Communication expenses	25,64,743	29,02,607
Printing and stationery	28,90,582	27,28,577
Conference, training and recruitment	13,71,721	38,40,071
Freight and clearing	1,09,55,997	96,22,797
Sales commission	63,59,732	69,46,230
Late delivery charges	22,73,036	8,54,088
Advertisement and promotion	29,88,894	26,89,835
Payment to auditors (refer note a below)	21,59,578	24,83,487
Donation and charity	1,28,451	1,13,171
Loss on sale of assets, net	62,704	3,52,549
Corporate social responsibility expenses	18,47,104	21,12,916
Bad debts, loans and advances written off	24,09,733	4,83,540
Provision for doubtful debts, loans and advances	-	1,20,354
Miscellaneous expenses	34,91,742	46,85,894
	6,89,64,997	**6,89,74,476**
	42,58,39,051	**39,76,08,817**

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2017

(All amounts in Indian rupees, unless stated otherwise)

a. Statutory auditors:		
Audit fees	12,90,000	12,90,000
Tax audit fees	1,80,000	1,80,000
Limited review	2,10,000	2,10,000
Certification	70,000	50,000
Out of pocket expenses	4,09,578	7,53,487
	21,59,578	**24,83,487**

2.27 FINANCE COST

Particulars	**Year ended March 31, 2017**	**Year ended March 31, 2016**
Interest		
- working capital loans	2,66,99,187	1,94,52,733
- term loans	23,27,411	13,89,029
- others	8,32,063	5,22,113
Bank charges	44,54,844	42,68,448
	3,43,13,505	**2,56,32,323**

2.28 RESEARCH AND DEVELOPMENT EXPENSE

Particulars	**Year ended March 31, 2017**	**Year ended March 31, 2016**
Raw materials consumed	16,42,888	10,46,839
Materials, stores and spares consumed	44,47,683	49,98,973
Conversion cost	-	5,90,880
Salary and wages	19,13,101	18,04,509
	80,03,672	**84,41,201**

2.29 The Company has entered into operating leases for its guest houses and employees' residences that are renewable on a periodic basis and are cancellable at Company's option. Total lease payments recognized in the statement of profit and loss with respect to aforementioned premises is ₹11,95,687 (previous year ₹11,32,838)

2.30 CONTINGENT LIABILITIES AND COMMITMENTS

(a) Contingent Liabilities

Particulars	**As at March 31, 2017**	**As at March 31, 2016**
(i) In respect of non fund-based working capital facilities from banks:		
Bank guarantees	1,69,64,264	91,09,905
Letter of credit	10,79,119	-
(ii) Disputed demands for excise duty and service tax (refer note a below)	33,79,436	9,86,522
(iii) Disputed demands for sales tax	-	15,90,000

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2017

(All amounts in Indian rupees, unless stated otherwise)

Notes:

a) 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. The Company has given replies to all the show-cause notice/demands to the department and the appeals are pending with Appellate authorities.

Based on advice of subject matter experts, the management is of the opinion that above matters will be allowed in favour of the Company and hence no provision is required for the above.

(b) Commitments

Particulars	As at March 31, 2017	As at March 31, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	2,45,48,609	33,55,17,833

2.31 Employee Benefit Obligations

Defined contribution plans

Amount of ₹1,36,23,001 (previous year - ₹1,22,84,040) has been recongnized as an expense in respect of contribution for Provident Fund and Employee State Insurance Fund deposited with the government authorities.

Defined benefit plans

The Parent Company makes contribution towards gratuity to a defined contribution retirement benefits plan for qualifying employees. The Company has taken policy with Life Insurance Corporation of India to provide for payment of retirement benefits to vested employees. The present value of obligation is determined based on actuarial valuation.

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

Particulars	As at March 31, 2017	As at March 31, 2016
Present value of the obligation at the beginning of the period	4,53,56,956	4,41,73,684
Current service cost	32,12,331	29,16,795
Interest cost	34,01,772	35,33,895
Benefits paid	(1,09,05,574)	(27,41,476)
Actuarial loss/(gain) on obligation	27,55,312	(25,25,942)
Present value of the obligation at the end of the period	**4,38,20,797**	**4,53,56,956**
Change in plan assets:		
Fair value of plan assets at the beginning of the period	4,60,93,968	4,15,15,595
Adjustment due to LIC fund certificate	-	-
Expected return on plan assets	34,57,048	35,04,382
Contributions	49,13,521	36,84,155
Benefits paid	(60,03,014)	(27,41,476)
Actuarial gain / (loss) on plan aasets	2,29,332	1,31,312
Fair value of plan asset at the end of the period	**4,86,90,855**	**4,60,93,968**

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2017

(All amounts in Indian rupees, unless stated otherwise)

Amount of the obligation recognised in the Balance Sheet		
Present value of the obligation at the end of the period	4,38,20,797	4,53,56,956
Fair value of plan assets at end of period	4,86,90,855	4,60,93,968
Net (asset)/liability recognized in Balance Sheet	(48,70,058)	(7,37,012)
Amount of gratuity expenses recognised in the statement of profit and loss		
Current service cost	32,12,331	29,16,795
Interest cost	34,01,772	35,33,895
Expected return on plan asset	(34,57,048)	(35,04,382)
Net actuarial loss/(gain) recognized in the period	25,25,980	(26,57,253)
	56,83,035	**2,89,055**

The expense for gratuity in respect of the current year and previous year have been included under Salaries, wages and bonus.

The present value of the defined benefit obligation, the fair value of the plan assets and the surplus or deficit in the plan arising on the plan liabilities and the plan assets.

Particulars	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Present value of defined benefit obligation	4,38,20,797	4,53,56,956	4,41,73,684	3,85,07,052	3,17,23,460
Fair value of plan assets	4,86,90,855	4,60,93,968	4,15,15,595	3,01,75,545	2,86,15,739
Surplus/(deficit) in the plan assets	48,70,058	7,37,012	(26,58,089)	(83,31,507)	(31,07,721)

The actuarial assumptions used to determine the gratuity benefit obligations are as follows :

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Discount rate	7.50%	8.00%
Salary escalation rate	6.50%	6.50%

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 details of investment maintained by Life Insurance Corporation are not available with the Parent Company and have not been disclosed.

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2017

(All amounts in Indian rupees, unless stated otherwise)

2.32 Calculation of earning per share and diluted earning per share

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Net profit for the period	5,96,92,892	6,26,76,940
Weighted average number of ordinary shares outstanding	52,39,063	52,39,063
Basid and diluted earning per share on profit after taxation (face value ₹10/- per share)	11.39	11.96

2.33 Related Party Disclosure :

The disclosure of transactions with the related party as defined in the Accounting Standard are given below:

Key Management Personnel ("KMP") of the Company	1. Mr. Satish Chandra Agarwal 2. Mr. Sachin Agarwal 3. Mr. Priya Ranjan Agarwal 4. Mr. Alok Agarwal 5. Ms. Smita Agarwal 6. Mr. Arun Kumar Gupta
Entities controlled by KMPs and/or their relatives	1. e.Soft Technologies Limited 2. PTC Foundation
Subsidiary company	1. Modrany Power and PTC Piping Systems Private Limited
Relatives of Key Management Personnel	1. Ms. Kanchan Agarwal 2. Ms. Anshoo Agarwal 3. Ms. Reena Agarwal 4. Ms. Veena Gupta

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2017

(All amounts in Indian rupees, unless stated otherwise)

The following transactions were carried out with the related parties:

	Year ended March 31, 2017				Year ended March 31, 2016			
Particulars	**Enterprises controlled by directors / relatives**	**Subsidiary**	**Key management personnel (KMP)**	**Relatives of KMPs**	**Enterprises controlled by directors / relatives**	**Subsidiary**	**Key management personnel (KMP)**	**Relatives of KMPs**
Transactions during the year								
1. Service charges								
a. e.Soft Technologies Limited	2,58,000	-	-	-	10,25,743	-	-	-
2. Rent paid								
a. Ms. Kanchan Agarwal	-	-	-	9,00,000	-	-	-	7,75,000
3. Corporate social responsibility expenses								
a. PTC Foundation	18,47,104	-	-	-	21,12,916	-	-	-
Amounts paid during the year to KMP's and relatives of KMP's								
1. Managerial remuneration	-	-	2,00,22,119	-	-	-	1,94,47,790	-
2. Salary and allowances	-	-	42,54,848	32,00,757	-	-	40,89,602	30,08,309
Outstanding balance (Amount payable)	**As at March 31, 2017**				**As at March 31, 2016**			
Enterprises controlled by directors/relatives								
e.Soft Technologies Limited	2,35,500	-	-	-	2,35,125	-	-	-
Key management personnel								
Managerial remuneration	-	-	15,96,982	-	-	-	6,92,947	-
Salary and allowances	-	-	1,80,055	-	-	-	1,56,555	-
Relative of KMP's								
Salary and allowances	-	-	-	2,19,760	-	-	-	1,97,920
Rent	-	-	-	67,500	-	-	-	67,500

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2017

(All amounts in Indian rupees, unless stated otherwise)

2.34 Details of Specified Bank Notes (SBN) held and transacted by the Group during the period from 8 November 2016 to 30 December 2016

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	14,32,000	3,27,679	17,59,679
(+) Permitted receipts	-	25,03,209	25,03,209
(-) Permitted payments	-	23,76,946	23,76,946
(-) Amount deposited in banks	14,32,000	-	14,32,000
Closing cash in hand as on 30 December 2016 as per books of account maintained by the Company	-	4,53,942	4,53,942

2.35 Derivative instruments

The Parent Company uses forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Group does not enter into any derivative instruments for trading or speculative purposes.

(a) The forward currency exposure hedged by derivative instruments outstanding as at the year end are as under:

Particulars		As at March 31, 2017		As at March 31, 2016	
	Currency	Foreign Currency	INR	Foreign Currency	INR
Trade receivables	EUR	2,00,000	1,47,92,000	2,00,000	1,48,32,000
Creditors	GBP	-	-	1,00,000	96,15,000

Marked to market gain of Rs. 709,500 has been incurred on trade receivables during the current year.

(b)The foreign currency exposures not hedged as at year end are as under:

Particulars		As at March 31, 2017		As at March 31, 2016	
	Currency	Foreign Currency	INR	Foreign Currency	INR
Buyer's credit	EUR	2,86,000	2,01,22,961	2,86,000.00	2,16,73,080.00
Buyer's credit	USD	33,92,288	22,25,34,105	11,52,935.00	7,69,81,487.00
Buyer's credit	JPY	7,03,05,336	4,13,11,415	-	-
Foreign currency term loans	USD	-	-	2,01,500	1,34,54,155
Creditors	USD	4,34,813	2,85,23,733	3,90,000	2,60,40,300
Creditors	EUR	36,644	25,78,292	94,833	71,86,443
Creditors	GBP	1,04,681	86,18,398	40,306	38,75,387
Creditors	JPY	3,55,066	2,08,637	52,00,892	31,01,812
Trade receivables	USD	8,20,708	5,26,07,402	10,66,943	7,03,32,879
Trade receivables	EUR	21,19,978	14,43,91,708	25,48,612	18,90,05,080
Trade receivables	GBP	8,810	7,01,629	-	-

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2017

(All amounts in Indian rupees, unless stated otherwise)

2.36 Previous year figures have been regrouped/reclassified wherever considered necessary to make them comparable with those of the current year.

For **Walker Chandiok & Associates**
Chartered Accountants

per **Arun Tandon**
Partner

per **Arun Tandon**
Partner

Place : Delhi
Date : May 24, 2017

For and on behalf of the Board of Directors
PTC Industries Limited

Sachin Agarwal
Chairman and
Managing Director
DIN No. : 00142885

Alok Agarwal
Director, Quality & Technical
DIN No. : 00129260

Smita Agarwal
Chief Financial Officer

A. K. Gupta
Company Secretary
Mem. No. : FCS-3747

Place : Lucknow
Date : May 24, 2017

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 54th Annual General Meeting of the members of PTC Industries Limited will be held on Friday, the 29th day of September, 2017 at 03.00 P.M. at the registered office of the Company situated at Malviya Nagar, Aishbagh, Lucknow, Uttar Pradesh to transact the following businesses:

ORDINARY BUSINESS

To consider and, if thought fit, to pass, the following resolutions, with or without modification, as Ordinary Resolution:

1. **To consider and adopt (a) the audited financial statements of the Company for the financial year ended March 31, 2017 and the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2017 and the report of the Auditors thereon and in this regard, pass the following resolution(s) as an Ordinary Resolution(s):**

    a) **"Resolved that, the audited financial statements of the Company for the financial year ended March 31, 2017 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."**

    b) **"Resolved that, the audited consolidated financial statements of the Company for the financial year ended March 31, 2017 and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted."**

2. **To appoint a director in place of Mr. Alok Agarwal, who retires by rotation and being eligible offers himself for re-appointment.**

    "RESOLVED THAT Mr. Alok Agarwal (DIN: 00129260) who retires by rotation pursuant to the provisions of Section 152 of the Companies Act, 2013 and being eligible, be and is hereby re-appointed as director of the Company liable to retire by rotation.**"**

3. **Ratification for appointment of M/s. Walker Chandiok & Associates, Chartered Accountants, New Delhi, as the Statutory Auditors of Company**

    "RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Walker Chandiok & Associates, Chartered Accountants (Registration No. 001329N), who were appointed as Statutory Auditors of the Company at the 51st Annual General Meeting to hold office up to the conclusion of 56th Annual General Meeting and who have confirmed their eligibility to be appointed as Auditors in terms of the provisions of Section 141 of the Act and the relevant Rules and offered themselves for re-appointment, the consent of the Company be and is hereby accorded for their continuance as Statutory Auditors on such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the said Auditors."

    "RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof), be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution.**"**

SPECIAL BUSINESS

4. **Appointment of Mr. Ashok Kumar Shukla as a Whole Time Director**

    To consider and, if thought fit, to pass with or without modification(s), the following resolution as Special resolution:-

    "RESOLVED THAT, pursuant to the provisions of Section 160 of the Companies Act, 2013 and the Rules made there under read with the Articles of Association of the Company, Mr. Ashok Kumar Shukla, in respect of whom a notice in writing has been received from a member, signifying his intention to propose him as a candidate for the office of director, be and is hereby appointed as a director on the Board of the Company, whose period of office shall be liable to retire by rotation**."**

"RESOLVED FURTHER THAT, pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred as 'the Act') and rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force, and subject to the approval of such other authorities including Central Government, as may be required, consent of the shareholders of the Company, be and is hereby accorded to the appointment of Mr. Ashok Kumar Shukla as the Whole time Director of the Company for a period of five (5) years with effect from October 01, 2017 till September 30, 2022 on the terms and conditions as set out in the explanatory statement, subject to the restrictions, if any, contained under the applicable provisions of the Act or otherwise as may be applicable in law as follow:

Name	:	Shri Ashok Kumar Shukla
Designation	:	Whole Time Director
Period of Appointment	:	w.e.f. October 1, 2017 to September 30, 2022
Remuneration	:	w.e.f. October 1, 2017 to September 30, 2022
	:	Basic Salary: Rs.1,35,000-22,500-2,25,000 per month

Allowances / Perquisites: (it will be effective from October 1, 2017 to September 30, 2022)

i. House Rent Allowance equal to three month's Basic Salary.

ii. Contribution to Provident Fund @ 12% of Basic Salary, 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 as per the Rules of the company and will not be included in computation of the ceiling of the remuneration.

v. House Maintenance/Other Allowances shall be 5% of the Basic Salary or Rs. 7,000 per month, whichever is more.

vi. Encashment of Leave as per rules of the Company.

vii. Personal accidental/ Medical Insurance of an amount, the annual premium of which will not exceed Rs. 5,000.

viii. Club Fees: Subscription or reimbursement of membership fees for clubs in India and/ or abroad, including admission and life membership fees.

ix. 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 Ashok Kumar Shukla, Director and use of car for private purposes shall be billed as specified under Rules 3C of the Income Tax Rules.

"Resolved further that, in case the Company has, in any financial year, no profits or if its profits are inadequate anytime during the three years period starting from the date of appointment, the Director shall be paid the remuneration in accordance with the provisions of Section II of Part II of Schedule V to the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof, as may, for the time being, be in force and as may be agreed to by and between the Board and the Director."

"Resolved further that, the aforesaid appointment shall be subject to the following terms and conditions:

i) Director shall not be entitled to any sitting fee for attending meetings of the Board and/or Committee(s) thereof;

ii) The appointment may be terminated by either party giving the other party six months' notice or paying six months' salary in lieu thereof;

iii) If at any time the Shri Ashok Kumar Shukla ceases to be a director of the Company for any reason whatsoever, he shall cease to be the Whole Time Director of the Company.

iv) The office of the Director will be subject to retirement by rotation."

"Resolved further that, the Board of Directors of the Company be and is hereby authorized to alter and/or vary the terms and conditions of the said appointment and/or enhance, enlarge, alter or vary the scope and quantum of remuneration, perquisites, benefits and amenities payable to Shri Ashok Kumar Shukla in accordance with the provisions of the Act and rules made there under and to do, perform and execute all such acts, deeds and things and to settle any question, difficulty or doubt, that may arise and to do all such acts, deeds, matters and things as may be required and to sign and execute all documents or writings as may be necessary, proper or expedient and for matters concerned therewith or incidental thereto for the purpose of giving effect to this resolution."

5. Re-appointment of Mr. Sachin Agarwal as Chairman & Managing Director

To consider and, if thought fit, to pass with or without modification(s), the following resolution as Special resolution:-

"RESOLVED THAT, pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred as 'the Act') and rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force, and subject to the approval of such other authorities including Central Government, as may be required, consent of the shareholders of the Company, be and is hereby accorded to the re-appointment of Mr. Sachin Agarwal (DIN- 00142885) as the Chairman & Managing Director of the Company for a period of five (5) years with effect from October 01, 2017 till September 30, 2022 on the terms and conditions as set out in the explanatory statement, subject to the restrictions, if any, contained under the applicable provisions of the Act or otherwise as may be applicable in law as follows:

Name	:	Shri Sachin Agarwal
Designation	:	Chairman & Managing Director
Period of Appointment	:	w.e.f. October 1, 2017 to September 30, 2022
Remuneration	:	w.e.f. October 1, 2017 to September 30, 2022
	:	Basic Salary: 1,85,000-18,500-2,59,000 per month

Allowances / Perquisites: (it will be effective from October 1, 2017 to September 30, 2022)

i. Commission @ 3% of the profits of the Company subject to approval of Central Government in this regard.

ii. House Rent Allowance equal to 50% of the Basic Salary or Leased Accommodation.

iii. Other Allowances of Rs. 1,90,000/- per month such as House Maintenance Allowance, Gas, Electricity & Water Allowance, Entertainment Allowance, Children Education Allowance, Magazine & Books Allowance and Special Allowance.

iv. 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.

v. 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.

vi. 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.

vii. Encashment of Leave as per rules of the Company.

viii. Personal accidental/ Medical Insurance of an amount, the annual premium of which will not exceed Rs. 5,000.

ix. Club Fees: Subscription or reimbursement of membership fees for clubs in India and/ or abroad, including admission and life membership fees.

x. 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, in case the Company has, in any financial year, no profits or if its profits are inadequate anytime during the three years period starting from the date of appointment, the Chairman & Managing Director shall be paid the remuneration in accordance with the provisions of Section II of Part II of Schedule V to the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof, as may, for the time being, be in force and as may be agreed to by and between the Board and the Chairman & Managing Director."

"Resolved further that, the aforesaid appointment shall be subject to the following terms and conditions:

i. Chairman & Managing Director shall not be entitled to any sitting fee for attending meetings of the Board and/or Committee(s) thereof;
ii. The appointment may be terminated by either party giving the other party six months' notice or paying six months' salary in lieu thereof;
iii. If at any time the Chairman & Managing Director ceases to be a director of the Company for any reason whatsoever, he shall cease to be the Chairman & Managing Director of the Company; and
iv. The office of the Chairman & Managing Director will not be subject to retirement by rotation."

"Resolved further that, the Board of Directors of the Company be and is hereby authorized to alter and/or vary the terms and conditions of the said appointment and/or enhance, enlarge, alter or vary the scope and quantum of remuneration, perquisites, benefits and amenities payable to Chairman & Managing Director in accordance with the provisions of the Act and rules made there under and to do, perform and execute all such acts, deeds and things and to settle any question, difficulty or doubt, that may arise and to do all such acts, deeds, matters and things as may be required and to sign and execute all documents or writings as may be necessary, proper or expedient and for matters concerned therewith or incidental thereto for the purpose of giving effect to this resolution."

6. Re-appointment of Mr. Alok Agarwal as Director (Quality & Technical)

To consider and, if thought fit, to pass with or without modification(s), the following resolution as Special resolution:-

"RESOLVED THAT, pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred as 'the Act') and rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force, and subject to the approval of such other authorities including Central Government, as may be required, consent of the shareholders of the Company, be and is hereby accorded to the re-appointment of Mr. Alok Agarwal (DIN- 00129260) as the Director (Quality and Technical) of the Company for a period of five (5) years with effect from October 01, 2017 till September 30, 2022 on the terms and conditions as set out in the explanatory statement, subject to the restrictions, if any, contained under the applicable provisions of the Act or otherwise as may be applicable in law as follows:

Name	:	Shri Alok Agarwal
Designation	:	Director (Quality and Technical)
Period of Appointment	:	w.e.f. October 1, 2017 to September 30, 2022
Remuneration	:	w.e.f. October 01, 2017 till September 30, 2022
	:	Basic Salary: Rs.1,20,000-12,000-1,68,000 per month

Allowances / Perquisites: (it will be effective from October 01, 2017 till September 30, 2022)

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. 5,000.

vii. Club Fees: Subscription or reimbursement of membership fees for clubs in India and/ or abroad, including admission and life membership fees.

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, in case the Company has, in any financial year, no profits or if its profits are inadequate anytime during the three year period starting from the date of appointment, the Director shall be paid the remuneration in accordance with the provisions of Section II of Part II of Schedule V to the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof, as may, for the time being, be in force and as may be agreed to by and between the Board and the Director."

"Resolved further that, the aforesaid appointment shall be subject to the following terms and conditions:

i) Director (Quality and Technical) shall not be entitled to any sitting fee for attending meetings of the Board and/ or Committee(s) thereof;

ii) The appointment may be terminated by either party giving the other party six months' notice or paying six months' salary in lieu thereof;

iii) If at any time the Director (Quality and Technical) ceases to be a director of the Company for any reason whatsoever, he shall cease to be the Director (Quality and Technical).

iv) The office of the Director will be subject to retirement by rotation.""

"Resolved further that, the Board of Directors of the Company be and is hereby authorized to alter and/or vary the terms and conditions of the said appointment and/or enhance, enlarge, alter or vary the scope and quantum of remuneration, perquisites, benefits and amenities payable to Director (Quality and Technical) in accordance with the provisions of the Act and rules made there under and to do, perform and execute all such acts, deeds and things and to settle any question, difficulty or doubt, that may arise and to do all such acts, deeds, matters and things as may be required and to sign and execute all documents or writings as may be necessary, proper or expedient and for matters concerned therewith or incidental thereto for the purpose of giving effect to this resolution."

7. Re-appointment of Mr. Priya Ranjan Agarwal as Director (Marketing)

To consider and, if thought fit, to pass with or without modification(s), the following resolution as Special resolution:-

"Resolved that, pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred as 'the Act') and rules made thereunder, including any statutory modification(s) or re-enactment thereof for the time being in force, and subject to the approval of the members of the Company, the appointment of Mr. Priya Ranjan Agarwal (DIN- 00129176) as the Director (Marketing) of the Company for a period of five (5) years with effect from October 01, 2017 till September 30, 2022 on the terms and conditions as set out in the explanatory statement, subject to the restrictions, if any, contained under the applicable provisions of the Act or otherwise as may be applicable in law as follows:

Name	:	Shri P.R Agarwal
Designation	:	Director (Marketing)
Period of Appointment	:	w.e.f. October 1, 2017 to September 30, 2022
Remuneration	:	w.e.f. October 1, 2017 to September 30, 2022
	:	Basic Salary: Rs.1,25,000-12,500-1,75,000 per month

Allowances / Perquisites: (it will be effective from October 1, 2017 to September 30, 2022)

i) House Rent Allowance equal to 50% of the Basic Salary or Leased Accommodation.

ii) House Maintenance/Other Allowances shall be 22% of the Basic Salary on annual basis.

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) Encashment of Leave as per rules of the Company.

v) Personal accidental/ Medical Insurance of an amount, the annual premium of which will not exceed Rs. 5,000.

vi) Club Fees: Subscription or reimbursement of membership fees for clubs in India and/ or abroad, including admission and life membership fees.

vii) 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 P.R Agarwal, Director (Marketing) and use of car for private purposes shall be billed as specified under Rules 3C of the Income Tax Rules.

"Resolved further that, in case the Company has, in any financial year, no profits or if its profits are inadequate anytime during the three years period starting from the date of appointment, the Director shall be paid the remuneration in accordance with the provisions of Section II of Part II of Schedule V to the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof, as may, for the time being, be in force and as may be agreed to by and between the Board and the Director."

"Resolved further that, the aforesaid appointment shall be subject to the following terms and conditions:

i) Director (Marketing) shall not be entitled to any sitting fee for attending meetings of the Board and/or Committee(s) thereof;

ii) The appointment may be terminated by either party giving the other party six months' notice or paying six months' salary in lieu thereof;

iii) If at any time the Director (Marketing) ceases to be a director of the Company for any reason whatsoever, he shall cease to be the Director (Marketing).

iv) The office of the Director will be subject to retirement by rotation."

"Resolved further that, the Board of Directors of the Company be and is hereby authorized to alter and/or vary the terms and conditions of the said appointment and/or enhance, enlarge, alter or vary the scope and quantum of remuneration, perquisites, benefits and amenities payable to Director (Marketing) in accordance with the provisions of the Act and rules made there under and to do, perform and execute all such acts, deeds and things and to settle any question, difficulty or doubt, that may arise and to do all such acts, deeds, matters and things as may be required and to sign and execute all documents or writings as may be necessary, proper or expedient and for matters concerned therewith or incidental thereto for the purpose of giving effect to this resolution."

8. **Ratification of Cost Auditors' remuneration**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary resolution:-

"RESOLVED THAT pursuant to Section 148 and other applicable provision, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of Rs. 27,500/- plus Service Tax and out of pocket expenses payable to Mr. Arun Kumar Srivastava, who is appointed as Cost Auditor of the Company to conduct the audit of cost records maintained by the Company for the Financial Year 2017-18".

9. **Increase in Borrowing Powers**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as Special Resolution

"**RESOLVED THAT** in supersession to the resolution passed by the members of the Company in the 50th Annual General Meeting of the company held on 16th July, 2013 and pursuant to the provisions of 180(1)(c) of the Companies Act, 2013, subject to such other provisions as may be applicable from time to time, the company be and is hereby authorized to borrow money, from time to time at its discretion either from the Company's bankers or from other banks, financial institutions or persons on such terms and conditions as may be considered suitable by the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any committee which the Board may constitute to exercise its powers including the powers conferred by this resolution) for the business of the company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital and its free reserves i.e., reserves not set apart for any specific purpose provided that the total amount up to which monies may be borrowed by the company shall not exceed Rs. 250 crores (Rupees Two hundred and fifty Crores only)".

"**RESOLVED FURTHER THAT** the board be and is hereby authorized to do, perform and execute all such acts, deeds and things and to settle all questions arising out of and incidental thereto, and to give such directions that may be necessary or which arise in regard to or in connection with any such matter as it may, in its absolute discretion, deem fit to give effect to this resolution".

10. **Creation of Charge for securing borrowings up to limit of Rs. 250 crores.**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as Special Resolution

"RESOLVED THAT in supersession to the resolution passed by the members in the 50th Annual General Meeting of the company held on 16th July, 2013 and pursuant to the provisions of 180(1)(a) of the Companies Act, 2013, the consent of the shareholders be and is hereby accorded to create charges and/or mortgage and/or hypothecation in addition to the existing charges and/or mortgage and/or hypothecation created by the Company on all the movable / immovable properties of the Company wherever situated, present or future, whether by first charge / mortgage or subsequent charges / mortgages, as the Board may direct together with power to take over the management / undertaking of the Company in certain events to or in favour of all or any of the financial institutions, bankers to the Company or other bankers, other bodies corporate and other lenders(hereinafter collectively referred to as "the Lending Agencies") and/or trustees for the holders of the debentures / bonds / other instruments to secure borrowings of Company by way of loan /issue of debentures / bonds / other instruments which may be issued on pari passu basis or otherwise not exceeding Rs. 250 crores (Rupees Two hundred and fifty crores only), which have been obtained or may be obtained from or privately placed with the lending agencies together with interest thereon at the agreed rates, further interest, liquidated damages, premium on prepayment or on redemption, costs, charges, expenses and all other monies payable by the Company, to the trustee under the trust deeds entered into or to be entered into by the company in respect of the said borrowings".

"**RESOLVED FURTHER THAT** the mortgage / charge created / to be created and /or all agreement(s) / documents executed /to be executed and all acts done in terms of the above resolution by and all acts done in terms of the above resolution by and with the authority of the Board to be and hereby confirmed and ratified".

"RESOLVED FURTHER THAT the board be and is hereby authorized to do, perform and execute all such acts, deeds and things and to settle all questions arising out of and incidental thereto, and to give such directions that may be necessary or arise in regard to or in connection with any such matter as it may, in its absolute discretion, deem fit to give effect to this resolution"**.**

Notes:

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/ herself and the proxy need not be a member of the Company. The proxy in order to be effective must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of companies, HUF, etc. must be supported by appropriate resolution/ authority, as applicable, issued on behalf of the nominating organisation.**
2. A person can act as proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. The copy of annual report, notice of general meeting, notice of e-voting, etc. are being sent to the members through e-mail who have registered their email ids with their depository participant (DPs) / Company's Registrar and Transfer Agent (RTA).

   Members are requested to update their preferred e-mail ids with the Company / DPs / RTA, which will be used for the purpose of future communications.

   Members whose e-mail id is not registered with the Company will be sent physical copies of Annual Report, notice of e-voting etc. at their registered address through permitted mode.
4. Annual Report will also be available in the Financials section on the website of the Company at www.ptcil.com.
5. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business set out in Item Nos. 4 to 10 (both inclusive) of the accompanying notice is annexed hereto.
6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company's RTA.
7. **Shareholders are requested to provide their E-mail address, telephone numbers and quote their Folio numbers / DP ID & Client ID in all correspondences to facilitate prompt response.**
8. **E-voting:**

   In compliance with Regulation 44(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108 read with Rule 20 of the Companies (Management & Administration) Rules, 2014, and other applicable provisions of the Companies Act, 2013, if any, the Company is pleased to provide the facility to the members to exercise their votes electronically and vote on all resolutions through e voting service facility arranged by CDSL.

   The e-voting period begins on September 26, 2017 at 09:00 IST and ends on September 28, 2017 17:00 IST. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date September 22, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

   I. **The instructions for shareholders voting electronically are as under:**

      (i) The shareholders should log on to the e-voting website www.evotingindia.com.

      (ii) Click on Shareholders.

(iii) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(iv) Next enter the Image Verification as displayed and Click on Login.

(v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for the Company- PTC Industries Limited.

(xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xviii) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

II. In case of members receiving physical copy:

i. Please follow the steps from sr. no. (I) to (xvii) above, to cast your vote.

ii. If you are already registered with CDSL for e-voting then you can use your existing user ID and password for Login to cast your vote.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

9. The Board of Directors has appointed Mr. Amit Gupta of M/s. Amit Gupta & Associates, Company Secretaries in practice, Lucknow, as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

10. In terms of provisions of Section 107 of the Companies Act, 2013 since the Company is providing the facility of e-voting to the shareholders, there shall be no voting by show of hands at the 54th Annual General Meeting. The shareholders who will be physically present at the 54th Annual General Meeting shall be provided with polling papers to cast their votes at the meeting.

11. The shareholders can opt for only one mode of voting i.e. e-voting or physical polling at the meeting. In case of voting by both the modes, vote casted through e-voting will be considered final and voting through physical ballot will not be considered. The members who have casted their vote electronically may attend the meeting but shall not be entitled to cast the vote again.

12. The voting rights of members for e-voting and for physical voting at the meeting shall be in proportion to their share of the paid up equity share capital of the Company as on cut-off date, i.e. September 22, 2017.

13. Members having any question on financial statements or any agenda item proposed in the notice of 54th Annual General Meeting are requested to send their queries at least ten days prior to the date of Annual General Meeting of the Company at its registered office address to enable the Company to collect the relevant information.

14. Members are requested to bring the duly filled in attendance slips sent herewith while attending the Annual General Meeting and notice of Annual General Meeting.

By Order of the Board of Directors,
A.K. Gupta
G.M. (Finance) & Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4, 5, 6 & 7

The Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee and Audit Committee of the Board of Directors, have proposed to induct Mr. Ashok Kumar Shukla as a director on the Board of the Company in respect of whom a notice in writing has been received from a member under the provisions of Section 160 (1) of the Companies Act, 2013 (herein after referred as 'the Act'), signifying his intention to propose him as a candidate for the office of director, whose period of office, if so approved, will be liable to retire by rotation. It is proposed to appoint him as a Whole Time Director, subject to approval of members, for the period of 5 (five) years commencing from October 01, 2017 to September 30, 2022, which shall be subject to review by the Board of Directors of the Company, once he attains the age of 60 years. The Board is of the opinion that the appointment of Mr. A K Shukla as whole time director will be in the best interest of the Company.

Further the appointment of Mr. Sachin Agarwal as Managing Director, Mr. Alok Agarwal as Director (Quality & technical) & Mr. Priya Ranjan Agarwal as Director (Marketing) of the Company w.e.f. July 01, 2013 was approved at 50th Annual General Meeting held on July 16, 2013 for the period of five years. Further the terms and conditions were revised w.e.f. April 01, 2015 with the approval of the shareholders of the Company in their 52nd Annual General Meeting held on August 12, 2015. The Board of Directors of the Company in their meeting held on November 11, 2016 re-designated Mr. Sachin Agarwal as Chairman & Managing Director (CMD) with other terms and conditions remaining unchanged.

Since the tenure of Mr. Sachin Agarwal as CMD, Mr. Alok Agarwal as Director (Quality & technical) & Mr. Priya Ranjan Agarwal as Director (Marketing) of the Company is getting expired on June 30, 2018 and annual general meeting for the year ended at March 31, 2018 is likely to be held around August/September, 2018. Accordingly it is considered appropriate to re-appoint them for the period of five years w.e.f. October 01, 2017.

The appointment/re-appointments shall be as per such terms and conditions at such remuneration as enumerated in the resolution passed by the members in the Annual General Meeting. The Board of Directors of the Company may revise the remuneration as they may deem fit within the permissible limits as prescribed under the provisions of the Act, and rules made there under. Further in case the Company has, in any financial year, no profits or if its profits are inadequate anytime during the three years period starting from the date of appointment, the Board shall have power to approve the remuneration in accordance with the provisions of Section II of Part II of Schedule V to the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof, as may, for the time being in force. The brief profile, roles and responsibilities of the proposed appointees is provided in Annexure – A.

Presently, Mr. A K Shukla is responsible for the management of day to day operations of the Mehsana Plant of the Company. In this regard, he looks after the implementation of the Company's business plan directives; framing of policy related to the Mehsana Plant; preparation of growth and action plans for this plant; and works on increasing production, asset capacity and flexibility, while minimizing unnecessary costs and maintaining current quality standards. He holds 82,149 equity shares in the share capital of the Company. He is not related to the promoters, directors or key managerial personnel of the Company and shall be designated as a non-promoter executive director.

The Chairman & Managing Director is responsible for implementation of the functions assigned by the Board from time to time, including but not limited to making recommendations to the Board with respect to the investments/disinvestments decisions, senior level appointments, retrenchments and increments, collaborations/joint ventures/ further capital issues, borrowings, appointment of internal auditors/statutory auditors/other intermediaries as may be required under laws as applicable to the Company and to take all extraordinary decisions and undertake activities, which are necessary to run the day to day operations of the Company and to carry out other supervisory and regulatory functions, including delegation/assignment of duties in the manner as may be required from time to time. He is a promoter director holding 12,45,960 equity shares in the share capital of the Company.

Mr. Alok Agarwal, Director (Quality & Technical) is responsible for operations, engineering, quality, R&D and procurement activities of the Company. He is also responsible for undertaking activities as assigned to him by CMD/Board from time to time. He is a promoter director holding 2,15,600 equity shares in the share capital of the Company.

Mr. Priya Ranjan Agarwal, Director (Marketing) is responsible for marketing activities of the Company. He is also responsible for undertaking activities as assigned to him by CMD/Board from time to time. He is a promoter director holding 3,86,000 equity shares in the share capital of the Company.

Hence, the resolution is proposed as a special resolution and the required additional information pursuant to Schedule V Part II Section II of the Companies Act, 2013 and other details regarding, nature of their expertise in specific functional areas and names of companies in which they holds directorships and member/chairmanships of Board Committees, shareholding and relationships between directors is annexed to this Notice as **Annexure-A**. The disclosure under Regulation 36 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is annexed to this Notice as **Annexure-B**.

The Board, accordingly, recommends the resolution set out under item number 4, 5, 6 & 7 for approval of the members of the Company as a Special Resolution.

None of the Promoters, Directors, Key Managerial personnel or their relatives, except respective appointee director himself, is concerned or interested, financially or otherwise, in passing of the aforesaid Resolution except to the extent of his shareholding as a member of the Company.

Annexure – A

The Information required under Section II, Part II of Schedule V of the Companies Act, 2013 (For items 4, 5, 6 and 7 of the 54th Annual General Meeting Notice)

	Mr. Sachin Agarwal	Mr. Alok Agarwal	Mr. Priya Ranjan Agarwal	Mr. Ashok Kumar Shukla
I. General Information				
Nature of Industry	Engineering with foundry, machining, forging & fabrication as key activities			
Date of commencement of commercial production	PTC Industries Limited has legacy of more than 54 years with its date of incorporation being March 20, 1963.			
Financial performance based on given indicators	The details of financial performance of the Company for the years 2016-17 and 2015-16 are provided separately in the Annual Report.			
Foreign investments or collaborations, if any	The Company had entered into a Joint Venture Agreement with Modrany Power, a.s. a leading Czech producer and supplier of piping systems for the power industry. Modrany Power & PTC Piping Systems Private Limited has been incorporated as a subsidiary of PTC to jointly acquire knowledge and bid & execute projects for high pressure piping systems and allied products. Foreign investors, mainly comprising NRIs and Overseas Body Corporate are investors in the Company on account of past issuances of securities and issue of equity shares in lieu of conversion of Zero Coupon Compulsorily Convertible Debentures (CCD's).			
II. Information about the appointee				
Background details	Mr. Sachin Agarwal is the Chairman & Managing Director of the Company.	Mr. Alok Agarwal is Director - Quality & Technical of the Company	Mr. Priya Ranjan Agarwal is Director - Marketing of the Company	Mr. Ashok Kumar Shukla is an Executive Director - Mehsana Plant

Past remuneration	Details of past remuneration are as follows: (₹ In lakhs) **Year** – **Remuneration** 2015-16 – 97.74 2014-15 – 63.19 2013-14 – 40.71	Details of past remuneration are as follows: (₹ In lakhs) **Year** – **Remuneration** 2015-16 – 24.33 2014-15 – 22.04 2013-14 – 19.80	Details of past remuneration are as follows: (₹ In lakhs) **Year** – **Remuneration** 2015-16 – 24.68 2014-15 – 22.58 2013-14 – 20.05	Details of past remuneration are as follows: (₹ In lakhs) **Year** – **Remuneration** 2015-16 – 20.99 2014-15 – 18.62 2013-14 – 16.87
Recognition or awards	Under the leadership of Mr. Sachin Agarwal, the Company has won many awards and recognitions, including the TIME India Award, National Award for R&D Efforts in the Industry, by the Department of Science and Industrial Research, Government of India; approval from the Department of Scientific & Industrial Research under their Technology Development and Demonstration Programme; being recognized as one of the 16 Hidden Gems by Forbes India, and numerous export and supplier awards by State departments and customers.	Mr. Alok Agarwal has done extensive work in improving the quality standards in the Plant and obtaining various ISO and other quality certifications for the Company. His responsibilities also include Environment, Health and Safety compliances for the Company. Under this able guidance, the Company has been bestowed with many awards including the Exporter Award from the Government of Uttar Pradesh.	Mr. Priya Ranjan Agarwal is primarily responsible for business development in key infrastructure projects and marketing activities and has contributed largely for PTC to become a well known and respected name in the country. Earlier, he handled Heavy Engineering division and is now also responsible for the activities of Lucknow Plant 2. In addition, he continues to shoulder several other corporate responsibilities. He has been instrumental in the execution of several large project orders received by PTC from companies like BHEL and BEML. His hard work and perseverance have led to the recognition of the Company as a vendor in various Public Sector Undertakings.	Mr. Ashok Kumar Shukla has done extensive work in improving the quality standards in the Plant and obtaining various ISO and other quality certifications for the Company. His responsibilities also include Environment, Health and Safety compliances for the Mehsana Plant He has successfully establish the production line from 5 Kg casting to 25 Kg casting.
Job profile and his suitability	Mr. Sachin Agarwal is an MBA in Operations from University of Tulsa, USA and has pursued M.S. in Finance from Boston College, USA. He has also worked for an year with American Airlines. He has over 19 years of professional experience in the overall managerial areas.	Mr. Alok Agarwal is a B.Tech from IIT, Kanpur. He has been working with PTC Industries for the past 22 years. He is a Whole-time director designated as Director (Quality & Technical). Over the years, he has held various senior positions in the Production, Quality, Technical and Co-ordination areas.	Mr. Priya Ranjan Agarwal joined PTC in 1992 and has been working with company for the last 25 years. He is a Whole-time director on the Board of the Company. Mr. Priya Ranjan Agarwal is a Bachelor of Engineering (Mechanical).	Mr. Ashok Kumar Shukla joined PTC IN 2003 and has been working with the Company for the last 14 years in various capacities. He is an Executive director (Mehsana Plant) of the Company. Mr. Ashok Kumar Shukla is a Bachelor of Technology (Mechanical).

	Taking this into consideration, the Board bestowed the task of managing the overall operations of the Company, international business development, day to day management of the Company and implementation of Board policies and decisions. Under Mr. Sachin Agarwal's leadership, the Company has achieved new heights and remarkable growth. Further, with the establishment of new Plant of the Company, viz. the *Advanced Manufacturing and Technology Centre*, his leadership and guidance is of great significance for the overall operations of the Company.	He spent a number of years at the Ahemdabad Plant, and was deeply involved in the design, project management and commissioning of the unit. Being a person with a strong penchant for analytical work and high technology skills, he was chosen to head Lucknow Plant 1 and the Quality & Technical divisions of the Company. Mr. Alok Agarwal also looks after the Operations, engineering, quality R&D and procurement activities of the Company. He has all the requisite qualifications and rich experience which Company requires. Further, with the establishment of new Plant of the Company, viz. the *Advanced Manufacturing and Technology Centre*, his immense support and continuous association with the Company is of great significance for the overall operations of the Company.	He has made a substantial contribution in creation of a wide base of customers for the Company. He has significant experience in the Casting industry spanning more than 30 years and has been instrumental in making PTC a recognized name in the country. With the establishment of the AMTC Plant of the Company, his immense skill, knowledge and capability in marketing and sales is of great significance for the overall operations of the Company especially at a stage when the Company has increased its capacity four times and shall require new business to efficiently utilize this capacity.	He has made a substantial contribution for the implementation and achieving business plan directives, implementation of policy matters, boundary management, charting growth plans, increasing production, assets capacity and flexibility, while minimizing unnecessary costs and maintaining current quality standards in respect of Company's Mehsana Plant.
Remuneration proposed	Details of proposed remuneration are presented in the Item No. 5 of the ensuing meeting notice and in the explanatory statement under Section 102 of the Companies Act, 2013..	Details of proposed remuneration are presented in the Item No. 6 of the ensuing meeting notice and in the explanatory statement under Section 102 of the Companies Act, 2013.	Details of proposed remuneration are presented in the Item No. 7 of the ensuing meeting notice and in the explanatory statement under Section 102 of the Companies Act, 2013.	Details of proposed remuneration are presented in the Item No. 4 of the ensuing meeting notice and in the explanatory statement under Section 102 of the Companies Act, 2013.

Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration proposed is as per Section 197 & 198 of the Companies Act, 2013 read with Schedule V and is comparable to the remuneration of Chief Executive Officer /Managing Director levels of similar sized Engineering (Casting) companies.	The remuneration proposed is as per Section 197 & 198 of the Companies Act, 2013 read with Schedule V and is comparable to the remuneration of Whole time directors of similar sized Engineering (Casting) companies.	The remuneration proposed is as per Section 197 & 198 of the Companies Act, 2013 read with Schedule V and is comparable to the remuneration of Whole time directors of similar sized Engineering (Casting) companies.	The remuneration proposed is as per Section 197 & 198 of the Companies Act, 2013 read with Schedule V and is comparable to the remuneration of Whole time directors of similar sized Engineering (Casting) companies.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Besides the remuneration, Mr. Sachin Agarwal holds 12,45,960equity shares of the Company. Further, he is the son of Late Mr. Satish Chandra Agarwal, Ex-Chairman of the Company and husband of Mrs. Smita Agarwal, Chief Financial Officer of the Company.	Besides the remuneration receivable, Mr. Alok Agarwal holds 2,15,600 equity shares of the Company and his spouse is appointed to office of profit in the Company pursuant to the provision of Section 188(1) of the Companies Act, 2013. He does not have any other relationship directly or indirectly with the Company or any relationship with managerial personnel.	Besides the remuneration receivable, Mr. Priya Ranjan Agarwal holds 3,86,000 equity shares of the Company and his spouse is appointed to office of profit in the Company pursuant to the provision of Section 188(1) of the Companies Act, 2013 He does not have any other relationship directly or indirectly with the Company or any relationship with managerial personnel.	Besides the remuneration receivable, Mr. Ashok Kumar Shukla holds 82,149 equity shares of the Company and his spouse is appointed to office of profit in the Company pursuant to the provision of Section 188(1) of the Companies Act, 2013 He does not have any other relationship directly or indirectly with the Company or any relationship with managerial personnel.

III. Other Information

Reasons of loss or inadequate profits	The Profit after tax has reduced to Rs. 0.30 crores from Rs. 6.15 crores in the previous year due to the incidence of Deferred Tax arising on the expenditure incurred in completion of the Technology Development and Demonstration Programme of the Department of Scientific and Industrial Research during the year. Decline in international markets and reduction in metal prices and exchange rates has affected the overall sales.
Steps taken or proposed to be taken for improvement	With the improvements in technology and processes that the Company has introduced, it expects a significant reduction in its operational costs. Further, the Company is in the final stages of setting up the AMTC plant which shall substantially increase the capacity of the Company and reduce costs. This unit shall have the capacity to manufacture castings up to 5,000 kgs single piece using the Replicast® and RapidCast™ technologies. It shall house the latest equipment, systems and software and shall be a "clean, green and lean" facility. These measures shall significantly improve the profitability of the Company.
Expected increase in productivity and profits in measurable terms	The aforesaid steps taken / to be taken by the Company are expected to improve the Company's performance and profitability in the future by 25-30% in the next 2-3 years.

Annexure – B

Disclosure Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2

	Mr. Sachin Agarwal	Mr. Alok Agarwal	Mr. Priya Ranjan Agarwal
Age	45	55	58
Date of Appointment	18/06/1998	27/07/1994	28/12/1992
Nature of his expertise in specific functional areas	Managing the overall operations of the Company and implementation of Board policies and decisions.	Quality and Technical, Operations.	Marketing, Technical, Operations
Qualification	MBA in Operations, MS in Finance	Bachelor of Technology	Bachelor of Engineering (Mechanical)
Experience	19 years	23 years	25 years
The number of Meetings of the Board attended during the Year	3 out of 4	3 out of 4	3 out of 4
Board Membership of other listed companies as on March 31, 2017			
1. Names of companies in which the person also holds the directorship	N.A.	N.A.	N.A.
2. Names of companies in which the person also holds the Membership /Chairman of Committees of the Board$	N.A.	N.A.	N.A.

Item No. 8

Pursuant to Section 148 of the Companies Act, 2013 (the Act), the Company is required to have the audit of its cost records conducted by a cost accountant in practice. On the recommendation of the Audit Committee, the Board of Directors has approved the re-appointment of Mr. Arun Kumar Srivastava as the Cost Auditor of the Company to conduct audit of cost records maintained by the Company for the Financial Year 2017-18, at a remuneration of Rs. 27,500/- plus Service tax and out-of-pocket expenses.

Mr. Arun Kumar Srivastava has furnished a certificate regarding his eligibility for appointment as Cost Auditor of the Company. He has vast experience in the field of cost audit and has conducted the audit of the cost records of the Company for the previous year under the provisions of the Act.

The Board commends the Resolution placed at Item no. 9 for approval by members.

None of the Directors or KMP of the Company or their respective relatives are concerned or interested in the said Resolution.

Item No. 9 & 10

The shareholders in their 50th Annual General Meeting held on 16th July, 2013 had authorised the Board of Directors of the Company to borrow money to the extent of Rs.150 crores (Rupees One hundred fifty crores only) excluding working capital credit facility granted by bankers in ordinary course of business u/s 293(1)(d) of the Companies Act, 1956. Further the shareholders in their 51st Annual General Meeting held on 23rd July, 2014, in view of the enactment of new Companies Act, 2013 authorised u/s 180(1)(c) of the Companies Act, 2013 to borrow money from time to time for business of the company notwithstanding that the money to be borrowed together with the monies already borrowed by the company to the extent of Rs.150 crores. It is proposed to get fresh delegation of powers regarding proposed enhancement in borrowing/creation of charges from shareholders in terms of the provisions of section 180 of the Companies Act, 2013. Accordingly the matter is proposed to be placed before the shareholders at ensuing 54th Annual General meeting to approve the increase in limits for borrowing power from Rs. 150 Crores (Rupees One hundred fifty crores only) to Rs. 250 Crores (Rupees Two hundred fifty crores only).

Further as per terms of sanction, the borrowings made by the Company by taking term loan/working capital/other credit facilities from banks, financial institution etc. are secured by first charge/second charges in favour of the lenders, on the assets of the Company. The shareholders in their 50th Annual General Meeting held on 16th July, 2013 had authorised the Board of Directors of the Company for creation of Charge on assets of the Company to the extent of Rs.150 crores (Rupees One hundred fifty crores only). Further the shareholders in their 51st Annual General Meeting held on 23rd July, 2014, in view of the enactment of the Companies Act, 2013 again authorized Board u/s 180 of the Companies Act, 2013 for making borrowing/creation of Charge on assets of the Company to the extent of Rs.150 crores. Now as it is proposed to increase the limits of borrowing power/creation of charge from Rs. 150 Crores to 250 Crores, it is considered necessary to get authorization from shareholders u/s 180(1)(a) and 180(1)(c) of the Companies Act, 2013 for delegation of powers to the Board for making borrowings/creation of Charge on assets of the Company for securing borrowings upto the extent of Rs. 250 crores (Rupees Two hundred fifty crores only).

None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested , financially or otherwise, in these resolutions.

The Board commends the Special Resolution set out at Item Nos. 9 & 10 of the Notice for approval by the shareholders.

By order of the Board for
PTC INDUSTRIES LIMITED
A.K. Gupta
G.M. (Finance) & Company Secretary

Place: Lucknow
Date: August 29, 2017

Attendance Slip

54TH Annual General Meeting

[Please complete this attendance slip and hand it over at the entrance of meeting hall]

Venue of the meeting	:	Company's registered office at Malviya Nagar, Aishbagh, Lucknow 226 004, Uttar Pradesh, India.
Date and time	:	September 29, 2017 at 03:00 p.m.

Name of member/Proxy name	
Address of member/Proxy address	
***DP Id**	
***Client Id**	
.Folio No	
No. of shares held	

*Applicable for investors holding shares in Electronic form.

I certify that I am the registered shareholders/proxy for the registered shareholder of the Company.

I hereby record my presence at the 54th Annual General Meeting of the Company held on September 29, 2017 at 3:00 pm at registered office of the Company at Malviya Nagar, Aishbagh, Lucknow 226 004, Uttar Pradesh, India.

*Applicable for shareholders holding shares in electronic form

(Signature of shareholder/proxy)

Note:

1. Electronic copy of the Annual Report for 2017 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company/ Depositary Participant unless any member has requested for a hard copy of the same. Shareholders receiving electronic copy and attending the Annual General Meeting can print copy of this Attendance Slip.
2. Physical copy of the Annual Report for 2017 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email id is not registered or have requested for a hard copy.
3. Only member or Proxy holder can attend the meeting.

Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	L27109UP1963PLC002931
Name of the company	PTC INDUSTRIES LIMITED
Address	Malviya Nagar, Aishbagh,Lucknow-226004,Uttarpradesh

54th Annual General Meeting – September 29, 2017

(Name of Member(s	
Registered Address	
Email Id	
Folio. No./ Client ID	
DP ID	

I/we being member(s) of________________ shares of above named company, hereby appoint

Name	
Address	
Email Id	
Signatures	

or failing him/her,

Name	
Address	
Email Id	
Signatures	

or failing him/her,

Name	
Address	
Email Id	
Signatures	

as my/our proxy to attend and vote (on poll) for me/us and on my/our behalf at 54th Annual General Meeting of the Company, to be held on Friday, September 29, 2017 at 03:00 p.m. IST at the registered office of the Company at Malviya Nagar, Aishbagh, Lucknow 226 004, Uttar Pradesh, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution number	Resolution	Vote (see note no. 6)		
		For	Against	Abstain
Ordinary Business				
1. (a)	Adopt the audited financial statements of the Company for the financial year ended March 31, 2017 and the reports of the Board of Directors and Auditors thereon			
(b)	Adopt the audited consolidated financial statements of the Company for the financial year ended March 31, 2017 and the report of the Auditors thereon			
2.	Appointment of a director in place of Mr. Alok Agarwal, who retires by rotation and is eligible, for re-appointment.			
3.	Ratification for appointment of M/s Walker Chandiok & Associates, Statutory Auditors of the Company.			
Special Business				
4.	Appointment of Mr. Ashok Kumar Shukla as Whole Time Director			
5.	Re-appointment of Mr. Sachin Agarwal as Chairman & Managing Director of the Company			
6.	Re-appointment of Mr. Alok Agarwal as Director (Quality & Technical) of the Company			
7.	Re-appointment of Mr. Priya Ranjan Agarwal as Director (Marketing) of the Company			
8.	Ratification of Cost Auditors' Remuneration			
9.	Increase in Borrowing Powers from Rs. 150 cr to Rs. 250 cr			
10.	Creation of Charge for Securing Borrowings up to limit of Rs. 250 Crores			

Affix one rupee revenue stamp

Signed this ______________ day of __________________ , 2017.

______________________ ______________________

Signature of shareholder signature of proxy holder(s)

Notes:

1. The Proxy to be effective should be deposited at the Registered office of the Company situated at Malviya Nagar, Aishbagh, Lucknow 226 004, Uttar Pradesh, India, not less than FORTY EIGHT HOURS before the commencement of the Meeting.
2. A Proxy need not be a member of the Company.
3. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
4. The form of Proxy confers authority to demand or join in demanding a poll.
5. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.
6. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitles to vote in the manner as he/she deems appropriate.

NOMINATION FORM

Form No. SH-13

[Pursuant to section 72 of the Companies Act, 2013 and rule 19 (1) of the Companies (Share Capital and Debentures) Rules, 2014]

To,

Name of the company	PTC Industries Limited **(CIN – L27109UP1963PLC002931)**
Address of the company	Malviya Nagar, Aishbagh, Lucknow 226 004, Uttar Pradesh, India.

I/We ________________________ the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following person in whom shall vest, all the rights in respect of such securities in the event of my/our death.

1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.

2) PARTICULARS OF NOMINEE/S

a) Name

b) Date of birth

c) Father's/ Mother's/ Spouse's Name

d) Occupation

e) Nationality

f) Address

g) E-mail id

h) Relationship with the security holder

3) IN CASE OF NOMINEE IS A MINOR

a) Date of birth

b) Date of attaining majority

c) Name of guardian

d) Address of guardian

Witness:	**Security Holder(s):**
Name:	Name:
Address:	Address:
Signature:	Signature:

PTC INDUSTRIES LIMITED
(Regd. Office: Malviya Nagar, Aishbagh, Lucknow 226 004, Uttar Pradesh, India)
CIN: L27109UP1963PLC002931
Phone No.: 91 522 2265300, 2265301; Fax: 91 522 2265302
Email: companysecretary@ptcil.com; Website: www.ptcil.com

Sub: Service of Documents through electronic mode

Pursuant to section 101 of the Companies Act, 2013 read with rule 18(3)(1) of Chapter VII and rule 11 of Chapter IX, the Company is requesting for a positive consent from its members to receive Notice of General Meeting/Postal Ballot, Annual Report and other shareholders communication. This will enable you to receive such Notice(s)/Annual Report(s)/Document(s)/Communication(s), etc. promptly and without loss in postal transit. Once we receive your positive consent, henceforth, the Notice of Meetings, Annual Report, Directors' Report, Auditor's Report and other shareholders communication will be sent to you electronically to your email address as provided by you AND/OR made available to the Company by the Depositories viz. National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL).

As and when there are any changes in your email address, you are requested to update the same with your Depository Participant (DP). For shares held in physical form, you can register your email address with the Company's Registrar M/s Link Intime India Pvt. Ltd. at mumbai@linkintime.co.in OR the company at companysecretary@ptcil.com mentioning your name(s) and folio number.

Please note that if you still wish to get a physical copy of the above documents, the Company will send the same, free of cost, upon receipt of a request from you. We look forward to your support.

Thanking You

For PTC Industries Limited
A.K. Gupta
G.M. (Finance) & Company Secretary

Date:

M/s. Link Intime India Pvt. Ltd.

Unit: PTC Industries Limited

C-101, 247 Park, L.B.S. Marg, Vikhroli West,

Mumbai 400 083

Dear Sir,

As per your letter (supra) , I/We submit to you as under:

1) I/We hereby give my/our consent to the company to use my/our registered email id in my/our demat account with the Depository Participant for serving members related documents under the Companies Act, 2013.

(Please tick mark (þ) appropriately)

DP ID/Client ID: ____________________________

YES ☐ NO ☐

2) Kindly use my/our email id: ____ for serving documents.

Physical Folio No.: ____________________________

YES ☐ NO ☐

Thanking You

Yours sincerely,

Name of first/sole holder ______________________

Signature: ____________________________

ROUTE MAP TO THE VENUE OF AGM

Map not to scale

PTC Industries Limited

Malviya Nagar, Aishbagh

Lucknow 226 004

Uttar Pradesh, India

Notes:

1. There will be no parking facility provided at the venue.
2. Kindly use only AGM entrance.
3. Members are required to produce duly signed attendance slip to attend the meeting.
4. Members who have received notice electronically are requested to print the attendance slip and submit duly filled in attendance slip at the registration counter to attend the AGM.
5. **Electronic voting** - The business, as set out in the notice will be transacted through e-voting. Members are requested to refer to the detailed procedure on e-voting provided in the notice of Annual General Meeting.

PTC INDUSTRIES
Aspire. Innovate. Achieve.

PTC Industries Limited

Malviya Nagar, Aishbagh,
Lucknow 226 004,
Uttar Pradesh, India
www.ptcil.com