



where *technology*
means *business* ...

PTC's vision of **Aspire**, **Innovate** and **Achieve** continues to be the core value of each of its members. In our 51st Annual Report, we endorse our commitment towards quality and excellence, and continue to look for ways to improve everything we do - to transform the way we live and work. This year, we focus on **technology**, as we prepare ourselves for a new era of innovation leading to sustainable, profitable growth, while creating long-term value for our shareholders, our people and our customers.

Our mission...

Aspire

- **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.

Innovate

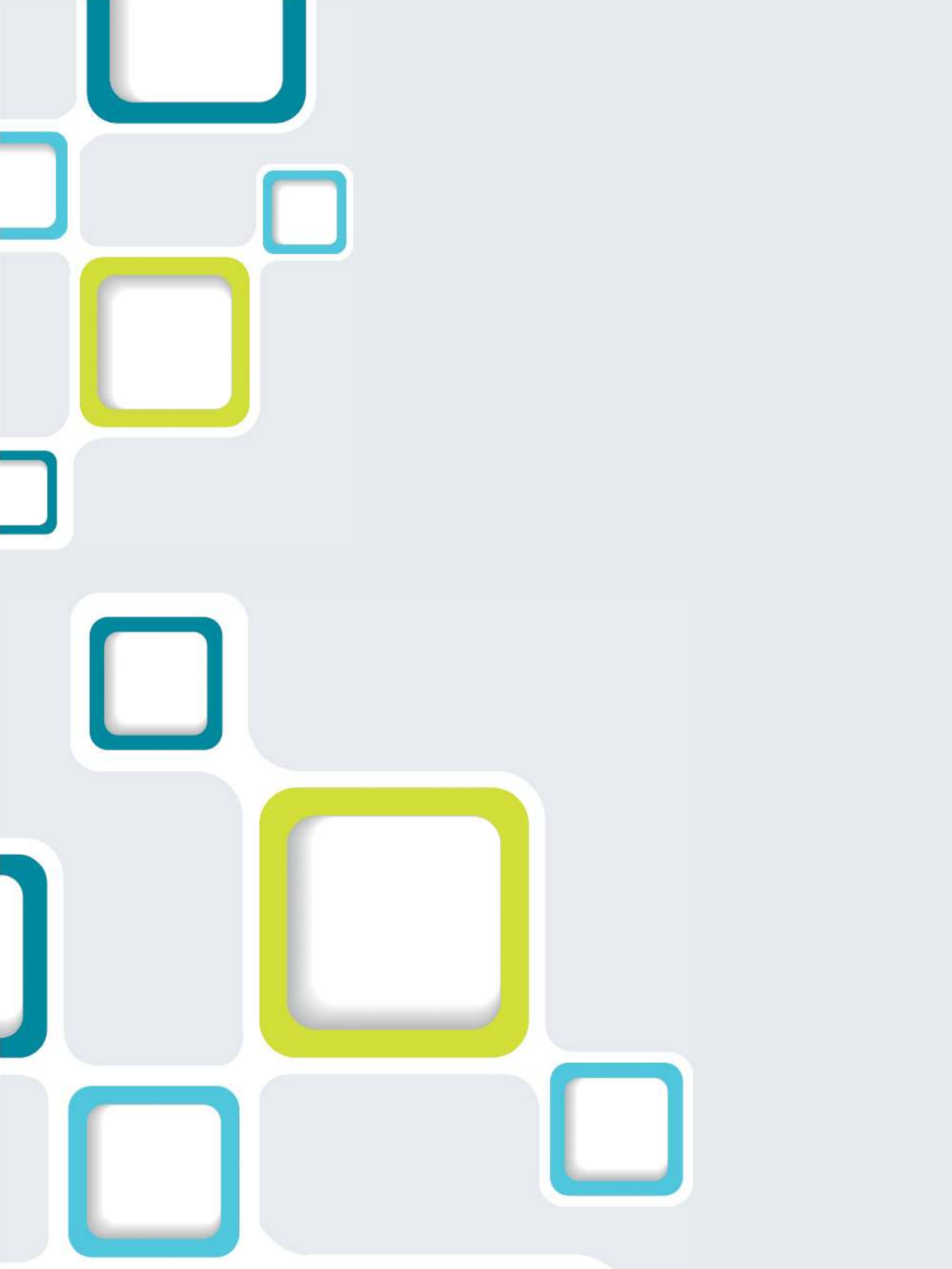
Achieve

The focus on technology promises to reshape every aspect of our business, magnifying our efficiency, improving our quality and creating value for our customers.

- Sateesh Agarwal
Chairman

This time promises to be the most beautiful time in the history of our Company; I see ahead all kinds of creative possibilities made likely by the innovation and technology that have become the keystones of our business.

- Sachin Agarwal
Managing Director



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CHAIRMAN'S LETTER

DEAR SHAREHOLDERS

In the financial year 2013-14, we continued on our path of profitable growth, being recognized as the best-in-class manufacturer of components for critical applications. We focused on building our technological and R&D skills, as we continued to innovate for improvement in the lives of all our members.

Our key financial results were:

- Revenue declined by 14% to Rs. 119.06 crores from Rs. 138.13 crores in the year 2012-13 due to decrease in domestic turnover.
- Net Operating Margin grew from 17.44% to 18.23% this year in spite of a sluggish global economic environment.
- Profit before Tax (before prior period items) grew by 32% to Rs. 12.03 Crores this year.
- Basic Earnings Per Share (before prior period items) increased from Rs. 18.42 last year to Rs. 22.10 this year while Diluted Earnings Per Share (before prior period items) was Rs. 18.87 in the current year.

Last year, our Company completed 50 years of its existence. It is with great honour and pride that I have watched PTC grow from its humble beginnings to a professionally managed, technologically advanced company that it has now become. PTC's evolution has been a result of its ability to act with agility, and perseverance in striving towards its goals. PTC's commitment and focus towards its core values is now embedded in the consciousness of its every member.

Today, we are living in remarkable times. India is poised at the cusp of a massive transition period, the impact of which will be lasting in the times to come. Major technological forces are changing to how we work and what we do, driving change on a scale seldom seen. This is being referred to as the "Third Industrial Revolution" and it is PTC's aim to be an important part of this.

Because technology is one of the most important drivers of

improvement and a competitive advantage for many organizations in the world, there is a vast market opportunity for us. While PTC has significantly expanded its customer base in the past few years, I believe we have captured only a small percentage of our potential market opportunity. To take advantage of this expansive opportunity, we have developed a consistent, proven strategy for growth. The fundamentals of this strategy are:

- focus on technology and research
- deliver innovative and highly differentiated products
- improve operational effectiveness
- provide unmatched quality and customer service

This year has been significant for your Company for a number of reasons; Pragati India Fund, backed by IFC and CDC, has invested Rupees forty crores in the form of Compulsorily

Convertible Debentures (CCDs) in the company. I welcome Mr. Narayanan Shadagopan, our Nominee Director from Pragati on the Board. Further, we have signed a joint venture with Modrany Power, a.s. a leading Czech producer of piping systems for the power sector across the world. Construction on our new plant in Lucknow has also begun, and this facility shall be a model manufacturing unit in our sector.

With so many reasons to look forward to the coming year, I thank each one of you personally, who have played such a significant role in our success and growth and hope for your continuing support and commitment to help PTC scale new heights. I take this opportunity to place on record my gratitude and appreciation for all our customers, suppliers, shareholders and employees who have been our valued partners in this journey of delivering consistent, competitive, profitable and responsible growth.

Sateesh Agarwal
Founder and Chairman

A WORD FROM THE MANAGING DIRECTOR

PTC's key business characteristic is its focus on development and absorption of new technologies. Our strategy for the long term must be directed towards building a sustainable business, whereby innovation and technology become keywords in our value system.



During my years as Managing Director at PTC, I have sensed that it is an extraordinary privilege to serve a company with such a rich past. In the past few years, I have travelled widely and met a large number of remarkable people in the industry including customers and suppliers.

These interactions have given me two dominant perspectives about our company. The first is the respect that people across the country and the world have in the activities and achievements of the company. Our company has built a name that really does aspire to be 'trusted to deliver quality' and still does not project a sense of complacency.

The second impression is that of opportunity. In the current economic scenario, there is some inevitable volatility in the business and some of our segments have experienced a slowdown.

Nevertheless, PTC has a firm foothold in a market characterized by long-term demand and the opportunity to add value. While, the opportunities are primarily global in nature, changes in the domestic market signal a rise in opportunities within the country also.

PTC's key business characteristic hence is, its focus on development and absorption of new technologies. Our strategy for the long term must be directed towards building a sustainable business, whereby innovation and technology become keywords in our value system.

PTC has always believed in targeting profitable growth whilst achieving a positive economic, social and environmental impact. We believe that evolution in technology shall be crucial to secure a better future for the company, and build on our achievements to develop a better

business, ready to meet the challenges ahead.

I believe that improvement in our quality and operational capabilities shall be extremely important as we strive to improve the performance and efficiency of our business. Our investment in the new "Advanced Manufacturing & Technology Center" at Lucknow is a step in this direction. This plant is based on a clean, lean & green concept and will house the latest technologies while focusing on a sustainable manufacturing model for the future.

In my experience, most enduring organizations invest equivalent resource and imagination in the long term health of their business as they do in their short term performance. Hence, over and above the continuing need for investment in capacity and capability enhancements, I want to highlight

two more themes relating to our long term health: diversity and governance.

I have always felt the need for PTC to diversify its product base. Our efforts towards expansion of our activities has led to a decision to establish a joint venture with Modrany Power, a.s. a leading Czech producer and supplier of piping systems for power plants. Modrany, a company founded in 1913, has a rich experience in development, design, manufacture and installation of piping systems and valves for power plants in more than forty countries around the world.

This joint venture will allow an interchange of experience between both companies and will focus on supply of components in Indian and other Asian markets. The JV is expected to start production of medium pressure and low pressure piping components in India from the year 2015. This will increase our capabilities in the power sector and will, in the future, become a critical part of our overall product profile.

The subject of governance has leapt to limelight from relative obscurity after a string of collapses of high profile companies in the recent past. Good corporate governance requires the establishment of systems, processes and principles to ensure that a company is governed in the best interests of its stakeholders.

In order to meet these responsibilities, we need to create a system whereby each member of the organization is aware of his role and the standards expected of him. Trust and integrity are an important aspect of this, and the management and Board of PTC are equally committed to these principles. Various policies and codes of conduct are being put in place as part of this endeavor, and importance is being placed on communication and practice of these plans.

In spite of a decline in revenues this year due to the domestic slowdown, PTC has delivered stable profits and increase in value for our stakeholders. Sectors like power and infrastructure have witnessed a steep decline in demand in the current environment. However, using our consistent policy for growth, the company's sound and sustained track record continues to show improvement across our key metrics.

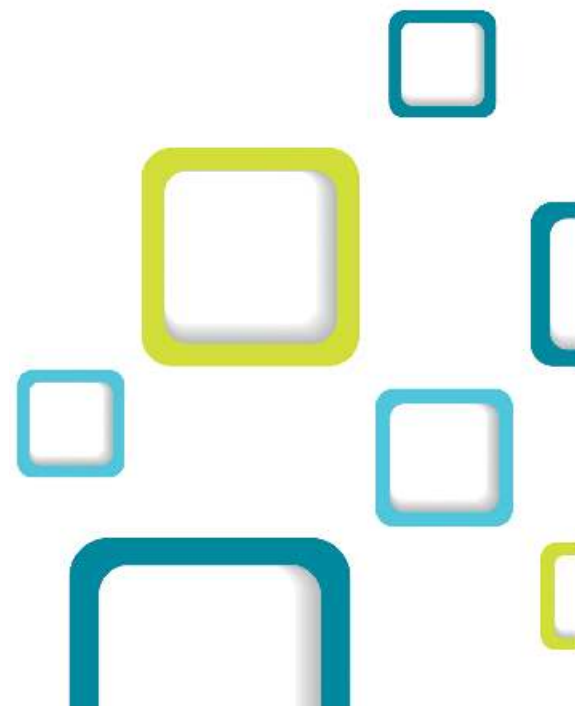
In line with our strategy to concentrate on high value and higher technology products, the Bhiwadi Unit manufacturing alloy steel castings was sold off last year. Focusing on the promises we made last year, the company turned its attention to investment in new technologies and machineries to improve operational performance and reduce cost. Enhancements in

our IT resources has also been a key enabler for our business.

I am proud that our strong commitment to technology and innovation has led to our growth into a stable and healthy company which promises to deliver steady returns to all its stakeholders.

No successful company has ever been the product of any one person. I want to convey my deep sense of gratitude towards all my colleagues and co-workers who have been the key contributors in our success. Their hard work, innovative thinking and outstanding enthusiasm have led our Company to its rightful place in the industry - a supplier of choice, differentiated by its products, processes and services.

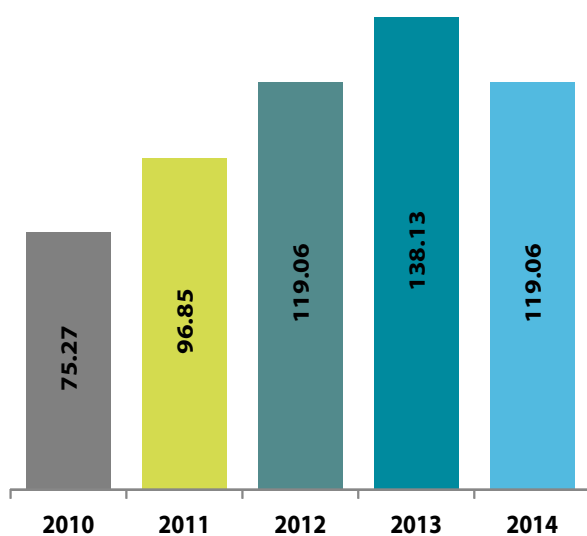
Sachin Agarwal
Managing Director



FINANCIAL TRENDS & HIGHLIGHTS

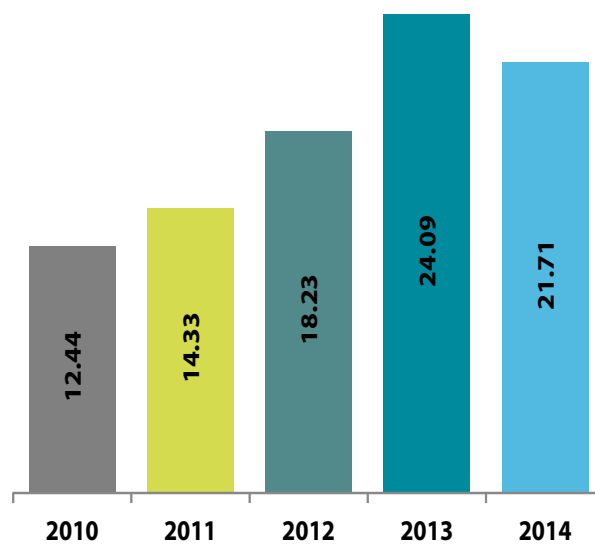
Revenue

₹ in Crores



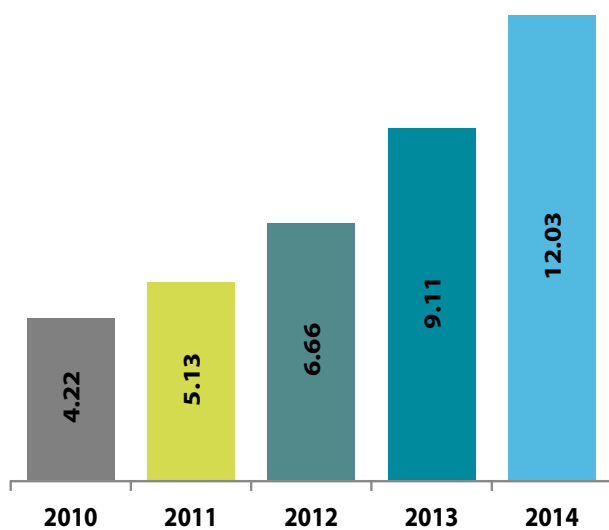
EBITDA

₹ in Crores



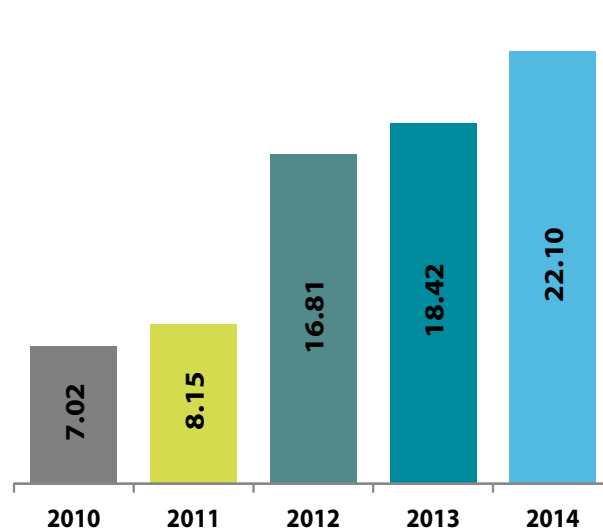
Profit before Tax

(Before prior period items)
₹ in Crores

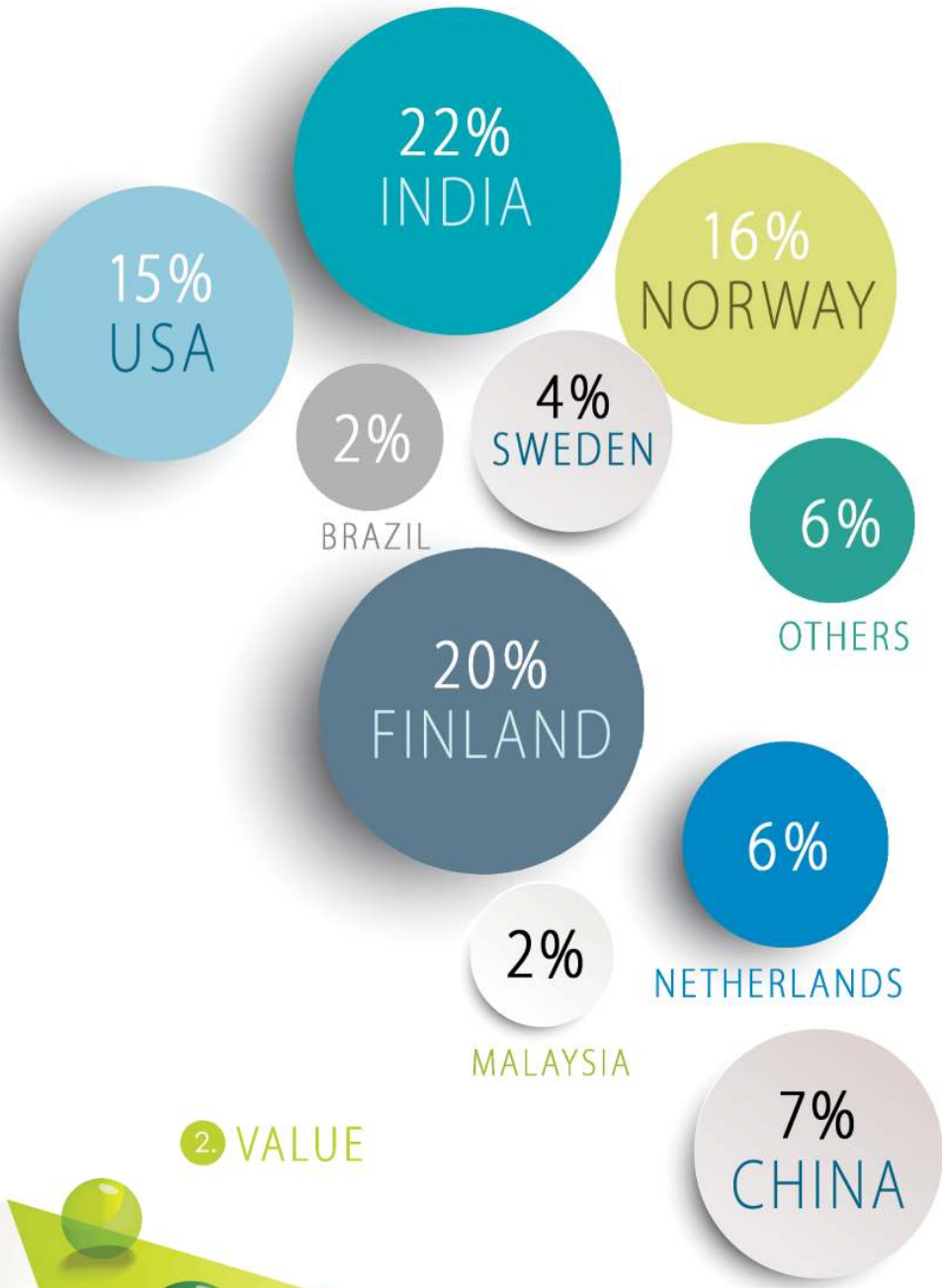


Earnings per Share

(Before prior period items)
in ₹

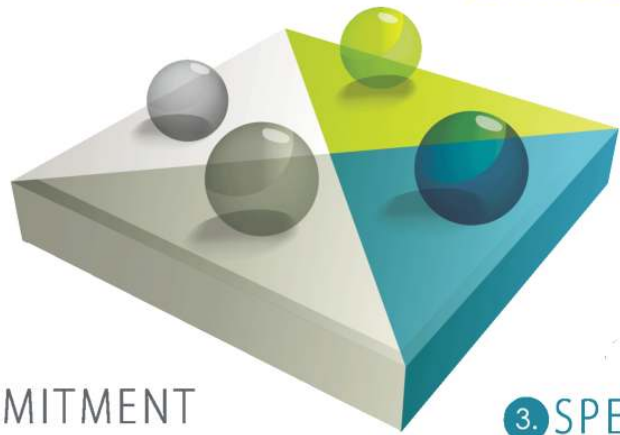


Revenue
Geographical Mix



1. QUALITY

2. VALUE



4. COMMITMENT

3. SPEED

COMPANY'S PROFILE

PTC INDUSTRIES LIMITED started as a modest small scale industry 50 years back and has now become the leading supplier of castings, machined components and fabricated parts for critical and super-critical applications across the world.

PTC was one of the first foundries to introduce the Investment Casting (Lost Wax) process in India and it began exporting to major European countries and USA as early as 1986. With the rapidly changing global scenario, and the frequent evolutions in technology, PTC has managed to keep pace with the changing needs of the market. It has excelled at absorbing and developing new technologies, and even proceeded to indigenize it to deliver maximum value to the customer. This has been recognized by the Indian Government too, and in November 2006, PTC was awarded the prestigious National Award in the Industry by the Department of Science and Industrial Research for successful absorption 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 unrivalled capabilities in castings design, materials development and selection, specifications, manufacturing technologies, quality control, testing and performance.

In the last three 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. Our relentless focus on technology and innovation has opened up new opportunities and transformed the Company into a globally recognized engineering brand. At PTC, we believe in building for the future.

Today, PTC has manufacturing facilities in Uttar Pradesh and Gujarat which include 2 foundries, 2 CNC machine shops, 1 heavy engineering and fabrication facility and a DSIR approved Research & Development lab. It provides direct employment to over 700 people and indirectly to another 1500. PTC holds various certifications and approvals including ISO 9001:2000, ISO 14001:2004 OHSAS 18001:2007, approvals from Nuclear Power Corporation of India, various marine classification approvals from ABS,

DNV, BV and Lloyds.

PTC's impressive facilities are constantly transformed through upgrades in technology and automation. Fully automated Robot assisted Shell Coating systems have been installed in the plants leading to remarkable consistency in quality, increase in efficiency, shorter lead times and less wastage. RapidCast™, the latest technology being employed by PTC, uses the concept of Virtual Tooling with the help of a large 7-Axis Machining Centre which machines the pattern from a solid block of polystyrene. PTC's infrastructure includes state of the art Turning Centres, Vertical Machining Centres and Horizontal Machining Centres from Japan and Germany.

PTC manufactures products for various critical applications for a wide spectrum of industries including Oil & Gas, Liquefied Natural Gas (LNG), Aerospace, Ships & Marine, Valves



and Flow-control, Power plants and turbines, Pulp & paper manufacturing machinery and Mining and earthmoving 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. PTC has been contributing towards foreign exchange earnings for the nation for the past 30 years by generating nearly 75 percent of its revenue from exports. Some of its overseas customers include Rolls Royce

(Marine), Flowserve, Siemens, Metso, Emerson and Alstom. 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 now also for India's space program by developing critical parts for Vikram Sarabhai Space Centre (VSSC).

In line with the Company's goals, ambitions and vision, an "Advanced Manufacturing & Technology Centre" is being set up in Lucknow. This plant shall house the latest hi-tech equipment and machineries and will be set up with a high level of automation. This unit shall have the

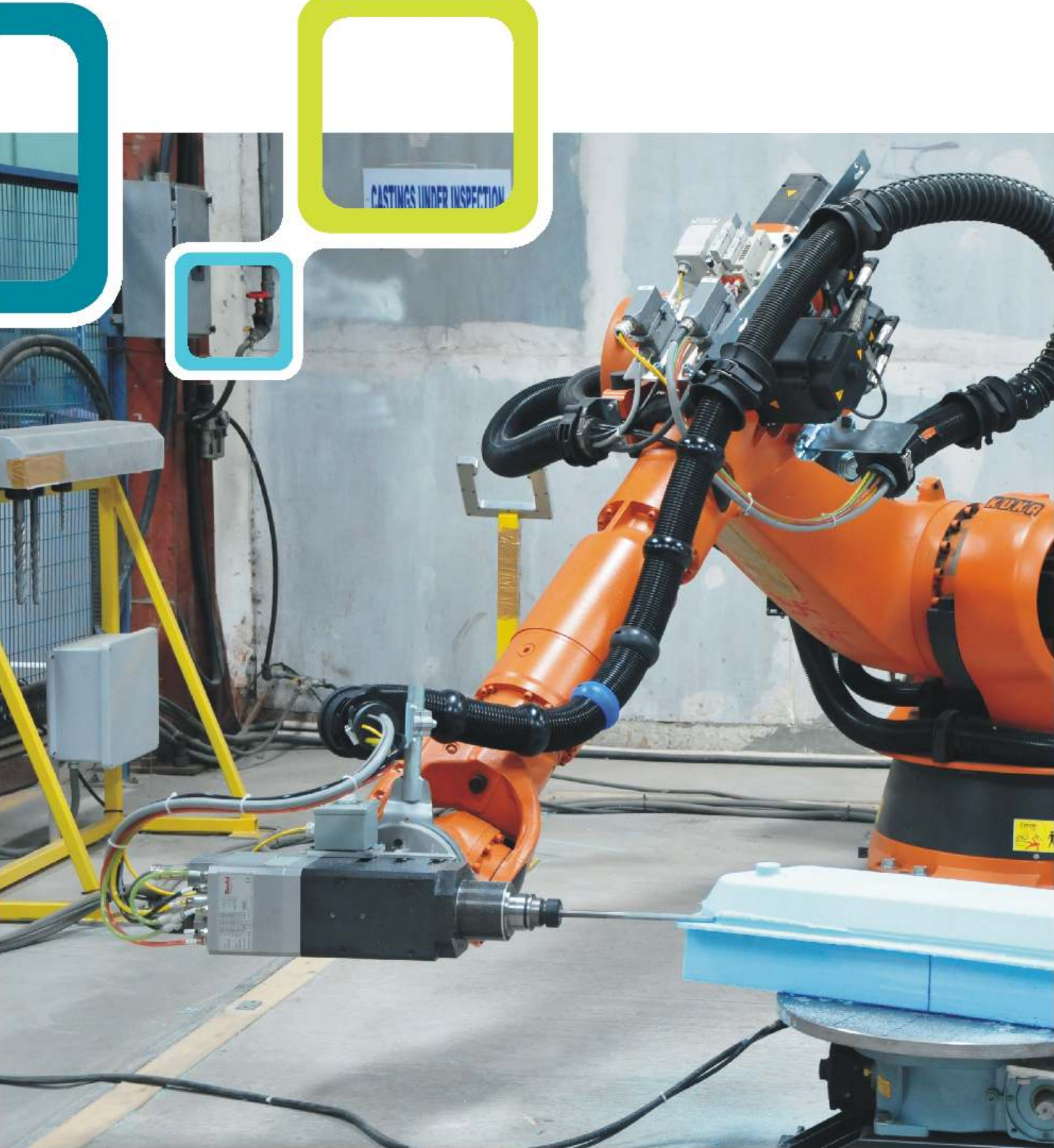
capability to manufacture castings up to 5,000 kgs single piece using the Replicast[®] and Rapidcast[™] technologies. The plant is being specially designed to have a minimum impact on the environment making it a "Clean, Lean & Green" manufacturing facility.

During the past 50 years, PTC's vision of 'Aspire', 'Innovate' & 'Achieve' has become entrenched in the heart of each of its members. This milestone is a point where it prepares itself for a new era of innovation leading to sustainable and profitable growth, while creating long-term value for its people, its customers and the society.



DESCRIPTION OF ACTIVITIES

The main activities of the Company include:



- Offshore Oil and Gas
- Power Plants & Turbines
- Ships & Marine
- Mining & Earth Moving
- Liquefied Natural Gas
- Aerospace
- Valves and Flow control
- Pulp & Paper



We cater 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 with a capacity of 4,550 tons per year. Castings range from few grams up to more than 3,000 kilograms per piece.

Machining

Our machine shops at Lucknow and Ahmedabad plants 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 molds, 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 for single piece part.

Assembly

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

Piping

PTC shall also manufacture High Pressure/ Low Pressure Piping Systems including hangers and supports in India for Super Critical Power Plants, Nuclear Power Plants and CCGT Plants in a joint venture collaboration with Modrany Power, a.s. a Czech company.

MR. SATEESH AGARWAL

80 Years
B. Sc. Engg (Mech) M.I.E.
Joined 20 March, 1963

CHAIRMAN

MR. SACHIN AGARWAL

42 Years
MBA, M.Sc (Finance) USA
Joined 18 April, 1998

MANAGING DIRECTOR

MR. P. R. AGARWAL

56 Years
B.E. (Mechanical)
Joined 28 December, 1992

DIRECTOR, MARKETING

MR. ALOK AGARWAL

52 Years
B. Technology (IIT Kanpur)
Joined 27 July, 1994

DIRECTOR,
QUALITY & TECHNICAL

MR. ARUN PRASAD

56 Years
MA (Sc) Canada,
B. Tech (IIT)
Joined 30 July, 1997

DIRECTOR

MR. NARAYANAN
SHADAGOPAN

43 Years
B.E. MBA (London)
Joined 24 July, 2013

NOMINEE DIRECTOR

MR. R.K. PANDEY

74 Years
MCom, LLB, FCS, PGDBA
Joined 17 March, 2003

INDEPENDENT DIRECTOR

MR. AJAY KASHYAP

65 Years
B.Tech (Chem), M.Sc. (Chem)
Joined 19 April, 2007

INDEPENDENT DIRECTOR

DR. R.C. KATIYAR

58 Years
MCom, Ph.D, FICWA, D Lit.
Joined 19 April, 2007

INDEPENDENT DIRECTOR

MR. K.D. GUPTA

71 Years
MCom, LLB, M Phil,
Masters Diploma in
Public Administration
Joined 19 April, 2007

INDEPENDENT DIRECTOR

REGISTERED
OFFICE

MALVIYA NAGAR
AISHBAGH
LUCKNOW 226004
UTTAR PRADESH
INDIA

BOARD OF DIRECTORS & COMPANY INFORMATION

BANKERS

STATE BANK OF
INDIA
PUNJAB NATIONAL
BANK
YES BANK
ICICI BANK

SHARE TRANSFER AGENTS

LINK INTIME INDIA
PRIVATE LIMITED
C-13, PANNA LAL SILK
MILLS COMPOUND
L.B.S. MARG,
BHANDUP (WEST)
MUMBAI-400 078

AUDITORS

WALKER CHANDIOK
& ASSOCIATES
L 41, CONNAUGHT
CIRCUS
NEW DELHI 110 001
INDIA

COMPANY SECRETARY

MR. ARUN K. GUPTA
G.M. (FINANCE) &
COMPANY
SECRETARY

LUCKNOW PLANT 1

MALVIYA NAGAR
AISHBAGH
LUCKNOW 226004
UTTAR PRADESH
INDIA

LUCKNOW PLANT 2

C-5 SAROJINI NAGAR
INDUSTRIAL ESTATE
LUCKNOW 226008
UTTAR PRADESH
INDIA

MEHSANA PLANT

VILLAGE & PO:
RAJPUR - 382721
TALUKA KADI
AHD-MEHSANA
HIGHWAY #41
DISTT. MEHSANA
GUJARAT, INDIA

WINDMILL POWER DIVISION

SURAJBARI REGION
SHIKARPUR VILLAGE
KUTCH DISTT.
GUJARAT
INDIA



*Excluding prior period items

DIRECTORS' REPORT

DEAR MEMBERS,

Your Directors are pleased to present the 51st Annual Report for the year ended 31st March 2014.

FINANCIAL HIGHLIGHTS

Table 1 gives the financial highlights of the company for the financial year 2013-14 as compared to the previous financial year.

TABLE 1 FINANCIAL HIGHLIGHTS	RS. IN LAKHS	
	2013-2014	2012-2013
Revenue From Operations		
Domestic Sales	2,881.71	5,968.87
Export Sales	8,970.96	8,149.98
Other Operating revenues	374.13	393.55
Total	12,226.80	14,512.40
Less: Excise Duty	320.87	699.39
Revenue From Operations (net)	11,905.93	13,813.01
Other income	254.57	81.44
Total income	12,160.50	13,894.45
Profit before Finance Cost, Depreciation & Taxes	2,170.71	2,409.43
Less: Finance Cost	530.05	760.53
Less: Depreciation	437.30	426.47
Profit before Exceptional Items and Tax	1,203.36	1,222.43
Exceptional Items (Loss on Slump Sale)	-	311.83
Profit before Tax before prior period items	1,203.36	910.60
Profit before Tax of Continuing Operations	1,203.36	813.31
Tax Expenses of Continuing Operations		
Provision for taxation	279.44	152.82
Deferred tax	-2.25	-61.50
Mat Credit entitlement	-	-41.49
Profit after Tax of Continuing Operations	926.17	763.48
Profit before Tax of Discontinuing Operations	-	97.30
Tax Expenses of Discontinuing Operations		
Provision for taxation	-	31.28
Deferred tax	-	57.29
Profit after Tax of Discontinuing Operations	-	8.73
Profit after Tax before prior period items	926.17	772.20
Prior Period Adjustments, net of taxes	323.76	5.61
Profit after Tax after prior period items	602.41	766.59

OPERATING RESULTS

The Company witnessed a decline in Revenue from operations by 14% to Rs. 119.06 crores from Rs. 138.13 crores in the previous year. This is primarily due to the absence of revenues from the Bhiwadi Plant which was sold under a slump sale agreement in the previous year. The Profit before Tax and before prior period items has risen by 32% to Rs. 12.03 crores from Rs. 9.11 crores in the previous year. Net Domestic Sales in 2013-14 declined to Rs. 25.61 crores, approximately 51% from Rs. 52.69 crores made during 2012-13. This is largely due to a focus on international markets. Consequently Export Sales (including incentive) continued to increase by 10% to Rs. 92.96 crores as against Rs. 84.84 crores during the previous year.

The Profit after tax before prior period items has risen by Rs. 1.54 crores to Rs. 9.26 crores from Rs. 7.72 crores in the previous year.

DIVIDEND

The company has undertaken a major expansion and is setting up clean, green and lean manufacturing facilities in Lucknow, Uttar Pradesh. In view of its ongoing expansion and modernization plans, it expects a huge outlay of funds in the coming year. Hence, the Directors do not recommend any dividend this year.

UNSECURED, COMPULSORY CONVERTIBLE DEBENTURES

During the year, the Company raised Rs. 40 crores by making an allotment of 4,00,000 (Four Lacs) Zero Coupon Compulsory Convertible Debentures ("CCD") of face value of Rs. 1,000/- (Rupees One thousand) each to the Investors after taking necessary approval from shareholders at the 50th Annual General Meeting held on July 16, 2013. The Company has converted 1,39,130 CCD's into 3,64,456 fully paid equity shares (ie. 8 % of equity share capital on diluted basis). 2,60,870 CCD's are outstanding for conversion. On the Investors' request, shareholders' permission is also being sought for extension of tenure of balance CCD's from 12 months to 18 months as per SEBI (ICDR) Regulations, 2009.

NEW UNIT

The Company has already commenced construction of a new state-of-the-art manufacturing facility in Lucknow

at a project cost of approximately Rs. 83 crores, which is proposed to be met by borrowings from banks & financial Institutions, internal accruals and raising of fresh funds by issuing Compulsorily Convertible Debentures to the Investors.

This plant shall house the latest hi-tech equipment and machineries and will be set up with a high level of automation for the manufacture of high precision parts for super critical applications. This unit shall have the capability to manufacture castings up to 5,000 kgs single piece using the Replicast® and RapidCast™ technologies. The plant is being specially designed to have a minimum impact on the environment making it a "clean, lean and green" manufacturing facility.

SUBSIDIARY

During the year, the Company has 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 during the year 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 subsidiaries prepared in compliance with applicable Accounting Standards.

In terms of general approval granted by the Central Government under Section 212(8) of the Companies Act, 1956, copies of Balance Sheet, Profit and Loss Account, Report of the Board of Directors and the Report of the Auditors of the subsidiary company have not been attached with the Balance Sheet of the Company. The Company will make available these documents and related detailed information upon request by any shareholder of the Company interested in obtaining the same.

LISTING

The Company has been listed on Over The Counter Exchange of India (OTCEI) since 1995. During the year, the Company received a notice from OTCEI regarding the circular number CIR/MRD/DSA/14/2012 dated May 30, 2012 issued by the Securities and Exchange Board of India (SEBI) providing an exit option to Stock Exchanges

seeking voluntary surrender of recognition. Since, OTCEI had decided in-principle, to go for voluntary surrender of its license, the Company was required to either opt for listing on any other Recognised Stock Exchange (RSE) or move to the Dissemination Board. The Board of Directors, in their meeting held on April 23, 2014 have decided to apply to the Bombay Stock Exchange (BSE) for listing of the Company and a listing application has been submitted to BSE by PTC on May 30, 2014.

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.

The Company has further received sum of Rs. 1 crore towards financial grant from DSIR under its 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. Research activities have already begun in this area since September 2011. The Company has been conducting several trials in this project and a review of the progress was also carried out during the year by the Project Review Committee appointed by DSIR.

QUALITY AND SAFETY

Your Company accords high priority to quality, safety, training, development, health and environment. The management is committed to continue its efforts to strengthen safety measures in the workplace and bring about constant improvements in this area. PTC has always emphasized on minimizing the environmental impact of its operations and its products through adoption of various new measures. Further, the Company contributes positively to the communities around or near its operations by participating actively in community initiatives.

During the year, a new EHS department has been created under an experienced environmental engineer for overseeing compliance with various international guidelines for environmental, health & safety.

DIRECTORS

During the year under report Mr. Narayanan Shadagopan was appointed as nominee director with effect from 24 July 2013 and is proposed to be regularised as an ordinary director at ensuing 51st annual general meeting of the Company. Mr. Harsh Varma was appointed as his alternate to hold office from 11 February 2014 to 23 April 2014. In terms of the provisions of the Companies Act, 2013, Mr. P R Agarwal, Director of the Company retire by rotation and being eligible, offer himself for reappointment. The necessary resolution has been proposed for approval by the shareholders in the forthcoming 41st Annual general meeting. Further in terms of the provisions of the Companies Act, 2013, Mr. R C Katiyar, Mr. K D Gupta, Mr. Ajay Kashyap & Mr. R K Pandey, who have been serving the Company as an Independent Director for more than past five years, are proposed to be appointed as Independent Director at forthcoming 51st Annual general meeting to hold office for consecutive term of five years up to 56th Annual general meeting in 2019 and whose period of office shall not be liable to determination by retirement by rotation. To meet the requirement of new Companies Act, 2013 the Company has re-designated Mrs. Smita Agarwal from Chief Information Officer to Chief Financial Officer.

In terms of the requirement of section 203 of the Companies Act, 2013, Mr. Sachin Agarwal, Managing Director, Mrs. Smita Agrawal, Chief Financial Officer & Mr. Arun Kumar Gupta, General Manager (Finance) & Company Secretary have been appointed as Key Managerial Personnel with effect from 24 May, 2014.

INDUSTRIAL RELATIONS

Industrial relations continued to remain cordial throughout the year. The Board deeply appreciates the commitment and dedication of its employees across all levels who have contributed to the growth and sustained success of the Company. The Company is indebted to its employees for their hard work, solidarity, support and co-operation.

AUDITORS

The statutory auditors of the Company, M/s R. M. Lall & Company resigned during the year under report and the casual vacancy caused by their resignation was filled by appointment of M/s Walker Chandiook & Associates, Chartered Accountants at an Extraordinary General

meeting held on January 14, 2014 to hold office up to the date of ensuing Annual General Meeting.

The Company has received their consent and declaration in terms of the provisions of the Companies Act, 2013. The Audit Committee and the Board of Directors recommend the re-appointment of M/s Walker Chandiook & Associates, Chartered Accountants as Statutory Auditor to hold office until the conclusion of the Fifty Sixth 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, on a remuneration to be fixed by the Board of Directors of the company. The notes referred to by the auditors in their reports are self-explanatory and hence do not require any explanation.

COST AUDIT

The Central Government has mandated industry wise Cost Audit for specific companies falling under specific chapters as per HSN code. In line with the above, since PTC clears its finished goods, being excisable products

under Chapter 7325 of the HSN code, cost audit is applicable to the Company with effect from FY 2011-12 onwards.

Mr. Arun Kumar Srivastava, Cost Accountant, M/s. Arun & Co. (Firm Registration Number 100090) had been appointed as the Cost Auditors for the FY 2013-14. Necessary declarations have been received from the above Cost Auditors certifying their independence and arm's length relation with the Company and compliance of Section 148 of the Companies Act, 2013. The Audit Committee of the Board has recommended their appointment for the financial year 2014-15. Cost audit report for the year ended at 31st March, 2013 was submitted with the Ministry of Corporate Affairs on 20/11/2013 vide SRN S27890581.

CORPORATE GOVERNANCE

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



PARTICULARS OF EMPLOYEES

The information required under the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, in respect of the employees of the Company has not been given, as none of the employees qualify for such disclosure.

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

A statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo in accordance with the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed to the Directors' Report.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so

as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on 31st March, 2014 and of the profit of the Company for that period;

- (c) they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the annual accounts on a going concern basis.

ACKNOWLEDGMENTS

The Board of Directors thank the bankers of the Company and other financial institutions and government authorities for their guidance and continued support extended to the Company throughout the year. We look forward to having the same support in our endeavor to better the lives of all those who are associated with the Company.

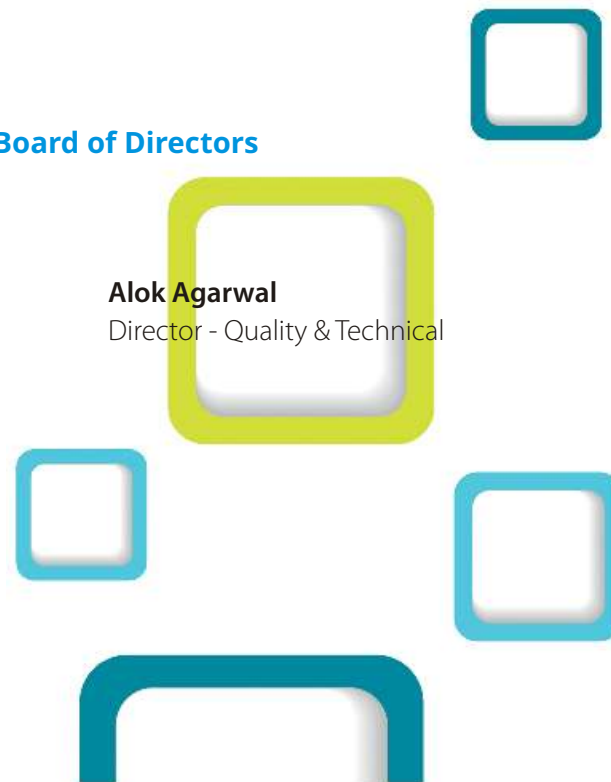
The Board of Directors also place on record their sincere appreciation for the significant contribution made by its employees, workers and outside professionals through their dedication, hard work and commitment exhibited in the overall development, growth and prosperity of the Company.

On behalf of the Board of Directors

Place: Lucknow
Date: May 30, 2014

Sachin Agarwal
Managing Director

Alok Agarwal
Director - Quality & Technical



ANNEXURE TO DIRECTORS' REPORT TO THE MEMBERS

Particulars regarding Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo for the year ended 31st March, 2014.

A. CONSERVATION OF ENERGY

- (a) Energy Conservation measures taken**
- Special purpose CNC Machine (FEMCO) has been installed for faster and accurate machining of castings thereby saving on machining hours/energy.
 - A large size Robotic System has been installed to improve coating efficiency of big shells.
 - Transparent fibre glass sheets have been fixed at various places on the roof of the shop floors to allow free sunlight to save on electrical lighting load.
 - Mercury Vapor Lamps 250W and Metal Halide 150W replaced by more energy saving LED Lights in shop floors.
 - Fluorescent Tube Lights have been replaced with more energy efficient LED tube lights in offices.
 - Energy saving and over all power quality improving P2 Power Active Filter installed at work place.
 - Oil Circuit Breaker (OCB) replaced with more efficient Vacuum Circuit Breaker (VCB)
- (b) Additional investments and proposal, if any being implemented for reduction of energy consumption**
- The Energy Logger Instrument to be procured for observation of Energy trend to save energy.
 - Installation of 0.5 MW rooftop Solar Plant to save conventional energy.
 - Use of large size glass windows for ample daylight to save on electrical lighting load.
 - Use of energy saving LED Lights in shop floors and offices for new requirements/replacement.
 - Additional P2 Power Active Filter Device to be installed with sophisticated machines.
 - Shell Firing Furnace to be installed with advanced technology to reduce gas consumption.
 - Straddle Carrier and Comb lift to be purchased for more efficient material handling and saving on fuel.
 - Sand Plant proposed to be made automatic with sensors / programmable logic control (PLC) to improve its efficiency.

- (c) **Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact of cost of production of goods.** - The above measures have helped in saving energy usage which results into reduced cost of production.

B. TECHNOLOGY ABSORPTION

FORM 'A'
Not Applicable

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

I. RESEARCH & DEVELOPMENT (R&D)

- (a) **Specific areas in which R&D carried out by the Company** - Company R&D has taken up an innovative project for development of new casting technology overcoming limitations of existing casting technology for large sized castings required for critical applications like Power, Oil & Gas and Refining Sectors.
- The Company has successfully developed 3000kg single piece casting by RapidCast™ Technology.
- (b) **Benefits derived as a result of above R&D** - Conservation of scarce resources and better environment.
- Faster production with Zero Defect Quality
- Cost Reduction and competitiveness
- At par with international technology and standards.
- (c) **Future plan of action** - Earning more foreign exchange for the country
- Development of large size castings up to 5,000 kilograms a piece by RapidCast™ Process
- Development of new range of assembled parts for power equipments.
- Development of process to manufacture Titanium & Super alloy Castings.

(d) **Expenditure on R&D**

	(Rupees in lakhs)	(Rupees in lakhs)
	2013-14	2012-13
i. Capital	4.30	11.73
ii. Revenue	70.98	84.89
iii. Total	75.28	96.62
iv. % of total turnover	0.63	0.70

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.

However, the limitation of the process is the maximum size which can be produced. In order to break this limit, the Company has undertaken a R&D Project to develop the Rapidcast™ process to make large size castings without manufacturing any tooling.

- The Company has already successfully produced up to 3,000 kgs single piece casting.
- Benefits derived as a result of this process are -
 - product improvement, cost reduction, production development, import substitution etc.
 - Certain Complex castings can be produced by this process only.
 - Flawless quality and better finish
 - Finish product will take less time to be produced.
- As there are very few foundries in the world who have all the moulding processes including Replicast® and machining facilities within a single facility, the Company will have a vast range of products for a vast range of applications, particularly for overseas buyers.
- Increased exports of better quality products at competitive price.
- Development of 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.

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

(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.

(d) Has technology been fully absorbed? - Yes, Replicast® Castings are being commercially produced by the Company.

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 - Exports Sales (FOB Value) has registered an increase of approximately 10% at Rs. 8914.26 lakhs as against Rs. 8122.28 lakhs in the previous year

- However, the continuous efforts of the Company's management have led to increased export turnover, reduction in internal costs and improvements in operating efficiencies. The Company is under process of increasing its capabilities in terms of castings and production capacity to have better business opportunities and competitive edge.
- The Company's continuous efforts to develop new overseas buyers have started giving results. During the year, various new customers have been added and commercial production shall commence during the current year as the approvals from new customers are in different stages.

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

2010-2011	Rs.40,00.30 lakhs
2011-2012	Rs.52,31.37 lakhs
2012-2013	Rs.81,22.28 lakhs

(b) Total Foreign Exchange used and earned	2013-14	2012-13
	(Rupees in lakhs)	(Rupees in lakhs)
Used	6,48.51	5,14.93
Earned	8,970.96	8,149.98

On behalf of the Board of Directors

Place: Lucknow
Date: May 30, 2014

Sachin Agarwal
Managing Director

Alok Agarwal
Director - Quality & Technical

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERVIEW

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

The Management presents herewith the Forward-Looking Statements, Industry Structure & 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.

INDUSTRY STRUCTURE AND DEVELOPMENTS

As was predicted, the global economy has begun a modest recovery in the financial year 2013-14 which is reflected across most developed and rapid-growth economies. In Europe, the situation has improved only in part, and until remaining uncertainties are addressed and peripheral economies improve, the challenges are likely to continue. In the US, the picture is more upbeat

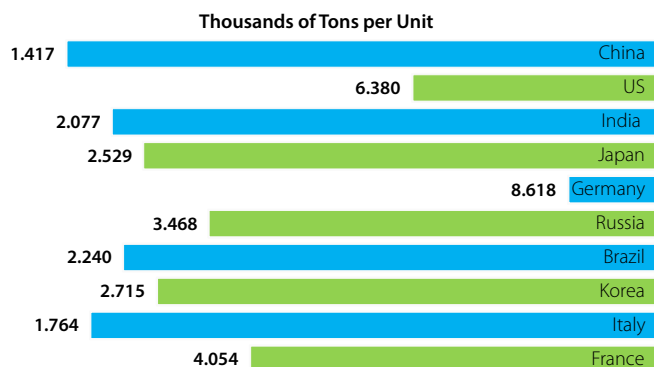
even though sentiments are mixed. While the trend towards growth is expected to accelerate in the current year, some aspects are subdued by the potential consequences of 'tapering' of some of the US Federal Reserve's Quantitative Easing (QE) policies which the government undertook in the aftermath of the global financial crisis.

In rapid-growth economies other than China, 2013-14 witnessed further significant investment in infrastructure and the development of higher-end industries to reduce dependence on raw materials and commodities exports. Emerging markets like India have been facing multiple challenges; a combination of intense exchange rate pressures, persistent inflation, fiscal imbalances and low investments have resulted in a sluggish domestic demand growth. Although certain fiscal and monetary initiatives taken by the government and RBI have tried to stabilise the market conditions, the domestic environment still remains challenging.

PTC Industries Limited has demonstrated its resilience and performance abilities by increasing its profits before tax (before prior period) by 32% to 12.03 Crores as against 9.11 Crores in financial year ended March 31, 2013 in this challenging environment.

CASTING INDUSTRY

As the global foundry industry continues to edge away from the recession of recent years, there is growing cause for optimism. There are a number of factors that are leading to improved conditions for casting companies - but there are also several lingering, fundamental issues



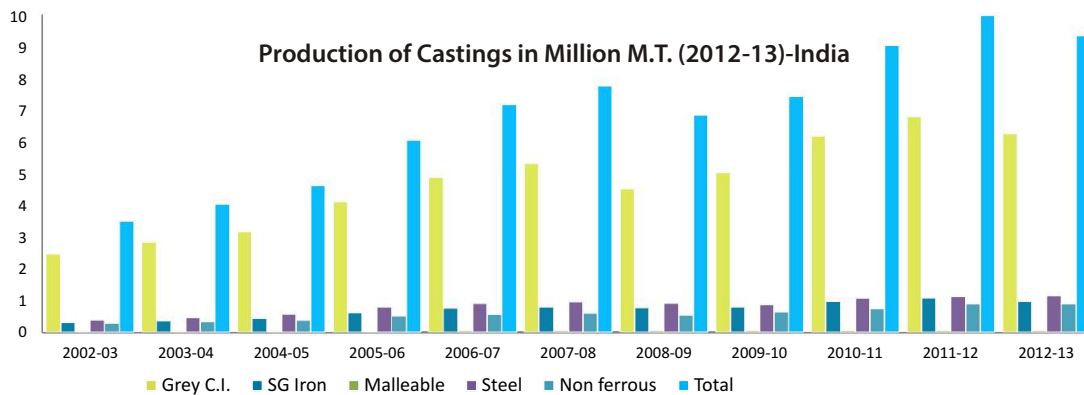
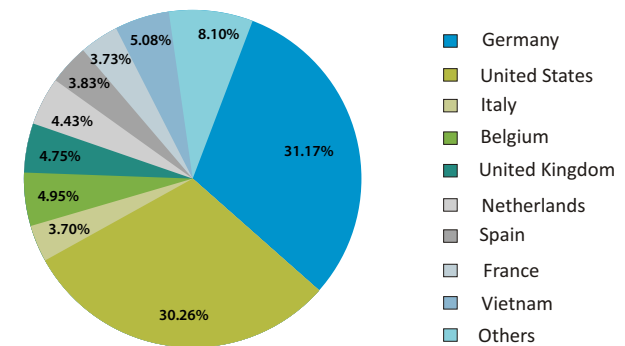
that the industry will need to address if it is to see sustained, long-term growth. Global metal casting production is expected to reach 115 million tons by 2015, and the role India plays in the global industry shall continue to grow.

Global metal casting production was led by China, the US and India. China was the top global producer, with 42.5 million metric tons, a total of 43% of global production. The US, after retaking the second position from India in 2011 strengthened its position by producing 12.8 million metric tons, a 28% increase. This was followed by India, with 9.3 million metric tons from 4,500 plants. India's share in the world casting industry has doubled in last decade on the back of strong growth in production capacity. From less than 5% in 2002, India's share has gone up to more than 10% in 2012 according to the data from World Casting Census. The country's production capacity grew by a compounded annual growth rate (CAGR) of 12% in the last decade as against a world average of around 3.6%. Total production of castings went up to 9.3 million tons in 2012 in India, against a production of 3.27 million tons in 2002.

There is tremendous growth expected in casting sector with the domestic market set to surge at least three times by 2016 and the casting industry is projected to be a \$19.2 billion industry by 2016.

The global growth rate for castings follows approximately twice the global growth rate in GDP in absolute terms. So apart from the domestic demand, India's exports are to go up to \$3 billion with a 20 per cent growth in direct exports.

Stainless Steel Casting - Major Buyer Countries by Value in USD

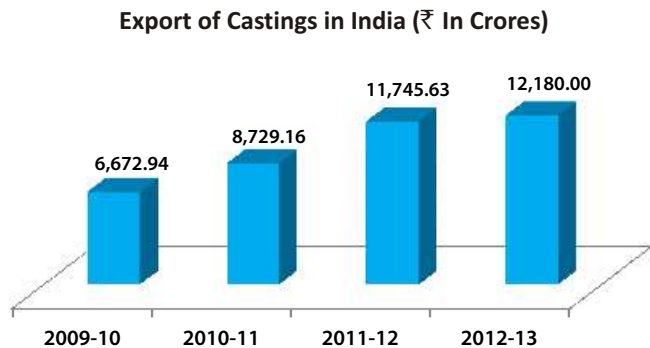


Particulars	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Grey C.I.	2.470	2.840	3.180	4.116	4.870	5.332	4.532	5.050	6.180	6.798	6.254
SG Iron	0.316	0.363	0.442	0.618	0.762	0.802	0.785	0.800	0.984	1.090	0.981
Malleable	0.039	0.039	0.040	0.000	0.062	0.065	0.061	0.060	0.069	0.066	0.060
Steel	0.388	0.465	0.581	0.805	0.914	0.964	0.916	0.880	1.070	1.140	1.158
Non ferrous	0.296	0.331	0.380	0.516	0.571	0.608	0.547	0.653	0.750	0.900	0.891
Total	3.509	4.038	4.623	6.055	7.179	7.771	6.841	7.443	9.053	9.994	9.344

Out of 4,500 foundry units in India, 80 per cent are in the SME sector. The sector employs 0.5 million people directly and an additional 1.5 million people indirectly. The industry is making a contribution of over Rs 7,000 per ton produced to the national exchequer by way of excise and other levies. The manufacturing units are located in 12 identified and recognised clusters and in 20 other clusters.

The global demand for construction machinery is also projected to expand at the rate of 6.5% per annum by 2015. Thus, steel foundries are likely to have better opportunities. The steel foundry industry has enough potential to grow at a much accelerated pace in the coming years due to continuity of the development projects around the world. The Indian Foundry Industry is

experiencing a rapid growth driven by increasing domestic demand.



HIGHLIGHTS AND KEY EVENTS

PTC Industries has occupied a niche position in the domestic and global market through production and supply of heavy and high grade of castings, specifically for critical and super-critical component requirements in domestic and overseas markets. One of the inherent strengths of PTC is its ability to adapt to new technologies quickly. This is derived from its work culture and the emphasis that the management has continuously placed in this area. PTC's commitment to technology has led to the development of high quality products which are being supplied to customers across the world.

Operating in a volatile and uncertain domestic market scenario, PTC continued to deliver in terms of financial performance and operational efficiency. Some of its achievements during the year included:

- Highest export turnover ever of Rs. 89.71 crores was achieved in 2013-14.
- A joint venture agreement was signed with Modrany Power, a.s. a leading manufacturer of piping systems for the power sector, in the Czech Republic at the Czech Embassy in presence of Czech Ambassador, His Excellency Miloslav Stašek.
- The largest industrial robot was installed and commissioned during the year at PTC Plant 1 in Lucknow.
- PTC was awarded by the UP state government with the "State Export Prize" for the highest export in the state in the engineering sector.
- Several awards have been bestowed by our international customers for our long term relationships and for excellence in delivery and

performance like the "Technology Partnership Award" from Flowserve Inc, USA.

- The company hosted, sponsored and participated in various conclaves and seminars like Invest North in Delhi, Speak UP Conclave, Convergent Minds which were attended by various State heads and other dignitaries.
- The company has signed an exclusive agreement with Valmet, Sweden for supply of refiner parts for Paper & Pulp industry which were being earlier being manufactured in Europe.

The company has now created a portfolio of technologies, products and infrastructure which allows it to adapt and service various sectors in the engineering and industrial products areas.

The manufacturing sector has been going through turbulent times in the past and the infrastructure sector, especially power, had been badly hit. The company performed well in the last few years due to the project orders it received in Oil & Gas and LNG segments. Some slowdown is anticipated in the LNG market in the coming times due to the completion of various projects. However, sectors like Oil & Gas, Power, Paper & Pulp and other engineering sectors are showing signs of growth, both in India and internationally.

The Company commenced manufacture of fabricated parts for supplies to Metso Minerals and is also in the testing stage for supply of equipment for Tatra vehicles to Bharat Earth Movers Limited (BEML).

OPPORTUNITIES AND THREATS

The Indian Economy is growing at 5%. The foundries CAGR has been 7 to 8%. This CAGR is a pointer towards the growth opportunities staring at the foundry industry in India. There is tremendous opportunity for sustainable growth and thereby a chance for contribution to the overall national growth. With many Indian foundries establishing their footprints in Europe, USA and countries like Japan and Middle East in Asia, India has a firm position as a destination for sourcing high quality castings. Exports of castings from India have been showing healthy growth trends of approximately 25 to 30% Year On Year as is evident below.

It can be said that Indian foundry industry has a bright future and the country has a potential to become leader in the steel sector in the global market. India is one of the

leading producers of ferrous and non-ferrous castings. The recent surge in the internal castings market has contributed to a steady growth of the foundry sector in India. However, in order to maintain the brisk pace of growth; the industry needs to improve their competitiveness. Hence, cost reduction and quality improvement are two key priorities for Indian foundry units today.

The axis of growth is gradually shifting from the developed economies to developing economies in Asia. Growing concern regarding the quality and quantity of castings will drive the establishment of larger casting facilities in India over the next few years. Due to growing demand from the automobile and engineering sectors coupled with India's rapidly growing economy, the foundry market is expected to grow strongly in the near future. However, India faces some hurdles or threats. Along with a lack of sufficient infrastructure, consumable costs in India are higher than in developed economies. The key challenges identified are market constraints, rising input costs and low capacity utilization. Restriction to local markets and infrastructure constraints deters the growth of this market. Fluctuating input costs and supply and low capacity utilization also act as a major bottleneck.

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

OUTLOOK

The engineering industry forms the backbone of all manufacturing activities. It forms an integral part of electrical, electronic, mechanical and industrial engineering. High precision engineered products may be manufactured from either ferrous or non-ferrous metals or from a wide range of composite materials. The precision engineering industry is also instrumental in providing specialist engineering services for the maintenance and overhaul of plant and machinery used in a multitude of production processes. Typical end-market applications for precision engineered products

can be found in the aerospace, automotive, capital equipment, defence, materials handling, oil and gas, power generation, renewable energy and transportation industries.

The precision engineering sector in both Europe and North America has historically had a monopoly on the design and development of mission critical components due to the availability of advanced skill sets and the proximity to the end-user. However more recently the precision engineering markets in countries such as China, India and Singapore have grown rapidly as the outsourcing model for component production has emerged.

The domestic investment climate in the power sector remained subdued and projects were delayed due to various prevailing factors such as lack of fuel supply, delayed statutory clearances, liquidity constraints and land acquisition issues. The expected revival of power and infrastructure projects may lead to some positive signs in these sectors. However, further actions will be required to drive the investment in these sectors. The Company has been gearing up to meet this challenging market situation by focusing on improving the cost position and strengthening its competitive edge. During the past year, the domestic market was severely affected by issues such as lower capital investments by customers across verticals which led to delays in project closures and in the finalisation of new projects. Reduced access to capital, fluctuating exchange rates and consistently high interest rates further pushed up the cost of capital across key industry verticals. The Original Equipment Manufacturers, one of the key sales channel for our industry, were also affected by the slowdown which resulted in low order backlog and pile up of finished goods inventory.

The Company has continued its efforts towards increasing its share in export markets although the revenues from domestic markets have declined due to economic uncertainties in the country. PTC has made significant recovery initiatives through cost control and increased productivity during the year. In these competitive times, adoption of new technologies is the key to becoming a leader in the manufacturing sector. The Company has continued its impetus in this area and promises to continue delivery of products of outstanding quality.

Although the medium and long-term outlook for the sectors to which the Company caters appears to be positive, the domestic as well as export outlook for the first two quarters of 2014-15 appears to be sluggish. For the long term, the Company has earmarked several expansion projects, including construction of the new "Advanced Manufacturing & Technology Centre" in Lucknow. Significant investments shall be required in manufacturing capabilities, technology enhancements, product platforms and manpower upgrades for sustaining and enhancing growth. The Company shall be investing in all these areas to seize the considerable opportunity that is evident both at the domestic and international level in the future.

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. A Risk Management Committee comprising of members of the Board is in place to frame policies and monitor risks. 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 the domestic market, the Company has been able to offset this by sustaining profitability in the export market.

- 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 undertaken the task of deployment of new technologies and the construction of the new state-of-the-art "Advanced Manufacturing & Technology Centre" to enhance the capacity and capability of 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 is also minimised.

- Financial Risks

Financial risks include, amongst others, exposure to movements in interest rates and foreign exchange rates. 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 extreme volatility in the exchange rates led to an adverse effect on the profitability of the Company. The Company has mitigated risks on its foreign currency borrowings by hedging them partially. However, at any point of time, PTC's exports are 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 raised Rupees forty crores during the year in the form of Compulsorily Convertible Debentures (CCDs) in order to partially fund its new manufacturing facilities.

- 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 CONTROLS SYSTEMS AND THEIR ADEQUACY

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

Internal control processes which consist of adopting appropriate management systems and implementing them are followed. These are aimed at giving the Audit Committee a reasonable assurance on the reliability of financial reporting and statutory & regulatory compliances, effectiveness and efficiency of your Company's operations. The Internal Control Systems are reviewed periodically and revised to keep in tune with the changing business environment.

FINANCIAL PERFORMANCE

Total Income

₹ In Crores

Particulars	FY 14	FY 13	% change
Revenue from sale of products	118.53	141.19	(16)
Other operating income	3.74	3.94	(5)
Less: Excise Duty	3.21	6.99	(54)
	119.06	138.14	
Other income	2.55	0.81	215
Total Income	121.61	138.95	(12)

The Company witnessed a decline in Revenue from operations by 14% to Rs. 119.06 crores from Rs. 138.13 crores in the previous year. This is primarily due to the absence of revenues from the Bhiwadi Plant which was sold under a slump sale agreement in the previous year. The Profit before Tax and before prior period items has risen by 32% to Rs. 12.03 crores from Rs. 9.11 crores in the previous year. Net Domestic Sales in 2013-14 declined to Rs. 25.61 crores, approximately 51% from Rs. 52.69 crores made during 2012-13. This is largely due to a focus on international markets. Consequently Export Sales (including incentive) continued to increase by 10% to Rs. 92.96 crores as against Rs. 84.84 crores during the previous year.

The Profit after tax before prior period items has risen by Rs. 1.54 crores to Rs. 9.26 crores from Rs. 7.72 crores in the previous year.

Gross Sale of products

₹ In Crores

Particulars	FY 14	FY 13	% change
Stainless steel castings	87.76	85.07	3
Alloy and non-alloy steel castings	13.71	26.36	(48)
Structures and forgings	7.05	14.40	(51)
Assembly items	4.69	13.09	(64)
Others	5.31	2.26	135
Revenue from Sale of products	118.52	141.18	(16)

Gross sales of products declined during the financial year 2013-14 by 16% as compared to the previous year. This decline was primarily due to the decline in the domestic sector and the absence of sales from the Bhiwadi Plant.

Raw Materials consumed

₹ In Crores

Particulars	FY 14	FY 13	% change
Scraps and metals			
Stainless steel scrap	20.95	16.30	29
Iron and steel scrap	3.31	11.27	(71)
Ferrous and non-ferrous alloys	4.63	6.15	(25)
Structures and fabrication	3.49	8.34	(58)
Raw castings (including assembly)	3.88	6.54	(41)
Total	36.26	48.60	(25)

Consumption of stainless steel scrap increased while consumption of all other materials declined. This is due to a shift in the product mix towards higher alloy castings and also an overall decline in sales in the domestic market (including Bhiwadi), which includes the alloy and non-alloy products. Overall, the consumption has declined by 25% due to drop in metal prices and overall efficiencies.

Employee benefits expense

₹ In Crores

Particulars	FY 14	FY 13	% change
Payments to & provisions for employees	16.17	16.49	(2)

Payments and provisions for employees saw a marginal drop of 2% due to operational efficiencies in spite of normal salary increases. Further, previous year figures include expenses of Bhiwadi Plant which are absent in the current year, hence the decrease.

Other expenses

₹ In Crores

Particulars	FY 14	FY 13	% change
Manufacturing expenses	33.36	37.28	(11)
Administrative and selling expenses	11.31	10.09	12
Total	44.67	47.37	(6)

Manufacturing expenses declined due to overall declines in stores and spares consumed (18%), work charges (15%) and freight(36%). This was offset to some extent by rise in maintenance costs for machinery and buildings. Administrative costs increased primarily due

to a onetime cost incurred for legal and professional charges paid in connection with the CCDs. Again, effect of expenses related to Bhiwadi Plant exists in the previous year.

Finance costs

₹ In Crores

Particulars	FY 14	FY 13	% change
Finance costs	5.30	7.61	(30)

Finance costs declined sharply due to conversion of borrowing into foreign currencies and availability of capital during the year.

Fixed Assets

₹ In Crores

Particulars	FY 14	FY 13	% change
Tangible & intangible assets	48.07	49.63	(3)
Capital work in progress	18.20	9.13	99
Total	66.27	58.76	13

The increase in capital work in progress is primarily related to investment in the TDDP project and the new AMTC plant.

Inventories

₹ In Crores

Particulars	FY 14	FY 13	% change
Raw materials	8.67	12.59	(3)
Stores and spares	3.50	3.51	0
Work in progress & finished goods	16.66	19.05	(13)
Total	28.83	35.15	(18)

The company has continued its drive towards increasing operational efficiency through reduction in inventory levels.

Sundry Debtors

₹ In Crores

Particulars	FY 14	FY 13	% change
Gross Debtors	31.83	41.79	(24)
Less: provisions	(0.15)	(0.15)	0
Total	31.68	41.64	(24)

Sundry debtors have also witnessed a decline due realisations being made from various debtors.

Loans and Advances

₹ In Crores

Particulars	FY 14	FY 13	% change
Loans and Advances	13.60	10.42	31

Loans and advances have increased due to interest bearing deposits given by the company because of availability of funds.

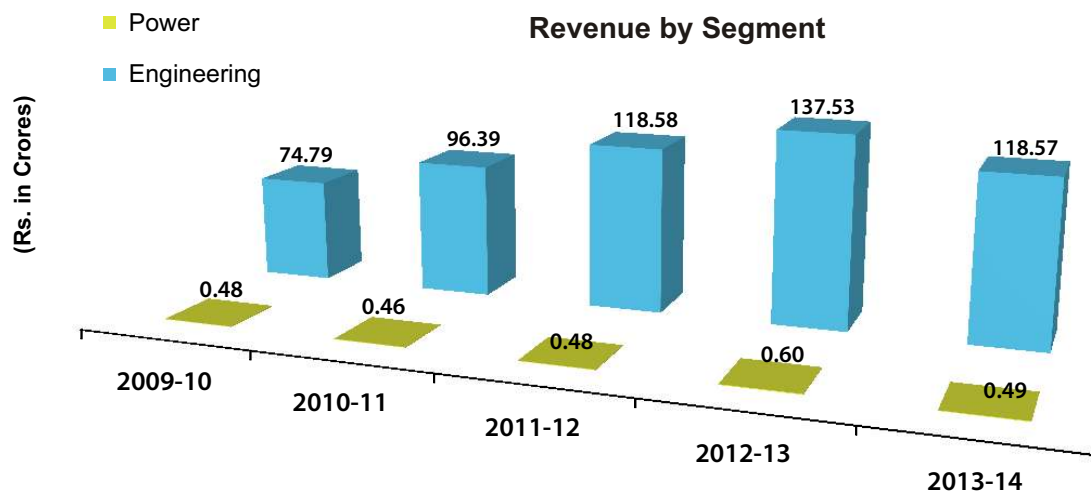
SEGMENT-WISE PERFORMANCE

The Company recognizes manufacturing of Stainless

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

Business Segment: Year ended on 31st March, 2014

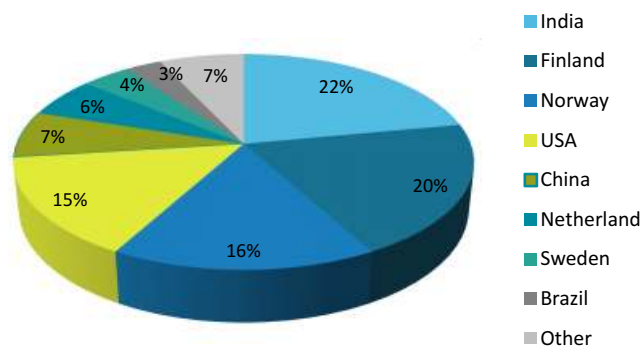
	March 31, 2014		
	Engineering Division	Power Division	Total
Segment Revenue			
Revenue	1,18,57,22,389	-	1,18,57,22,389
Income from power generation	-	48,70,962	48,70,962
Income from operations	1,18,57,22,389	48,70,962	1,19,05,93,351
Other income	2,54,56,525	-	2,54,56,525
Total Revenue	1,21,11,78,914	48,70,962	1,21,60,49,876
Segment results			
Profit before finance cost, depreciation and tax	21,32,97,804	37,72,852	21,70,70,656
Less: finance cost	5,30,05,193	-	5,30,05,193
Less: depreciation	4,18,48,765	18,81,158	4,37,29,923
Profit before exceptional item and tax	11,84,43,846	18,91,694	12,03,35,540
Exceptional item	-	-	-
Profit before tax	11,84,43,846	18,91,694	12,03,35,540
Provision for taxation			
Current tax			2,79,44,089
Deferred tax			-2,24,864
Add: MAT credit entitlement			-
Profit after tax before prior period			9,26,16,315
Prior year adjustment expenses			68,96,317
Deferred tax - earlier years			2,54,79,782
Profit for the year			6,02,40,216



GEOGRAPHICAL SALES

Particulars	March 31, 2014	
India	26,24,79,877	
Finland	23,37,63,679	
Norway	18,62,03,230	
USA	18,26,62,236	
China	8,29,95,769	
Netherlands	6,65,94,644	
Sweden	4,23,00,317	
Brazil	3,10,37,215	
Malaysia	2,79,74,114	
France	1,74,78,522	
Germany	1,20,43,358	
Denmark	1,14,50,517	
UAE	5,87,100	
Switzerland	4,80,448	
Sub Total	-	1,15,80,51,026
Export Incentive		3,25,42,325
Total		1,19,05,93,351

Sales (Geographical mix)



HUMAN RESOURCES AND INDUSTRIAL RELATIONS

PTC recognises people as the primary source of its competitiveness and continues to focus on the development of people by leveraging technology and developing a continuously learning human resource base to unleash their potential and fulfill their aspirations. 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. The Company has held the view that people are its greatest asset. It is, therefore, endeavouring to adopt the best standards for employee well-being and quality of life. This

year, there has also been a special emphasis on working towards the well-being of our own workers as well as those of our suppliers.

During the year, the Company made various HR policy improvements, particularly on rules related to employees health and safety. A health insurance policy has been introduced for employees' of Lucknow Plant-1 and their families to provide support in case of medical emergencies.

Communication exercises are treated as continuous process to keep the employees informed of the challenges being faced by the Company and also motivate them to take up higher responsibilities, in tune with the requirements of the Company. The Company continued to focus on employee training and development and had organized several technical and other soft skills training programs across different levels. It also instituted schemes which reward employees at all levels, based on the Company's overall performance, as measured by several pre-set performance parameters. These schemes have been extremely helpful in uniting the interest of the Company and its employees. Consequently, employees' earnings have significantly increased over last financial year.

The Company continues to improve skills of employed people and to create a workplace where every person can reach his or her full potential. The work environment gives employees the freedom to learn and improve their proficiency. The Company believes in talent acquisition and retention, to augment its plan of making its presence more prominent in global markets. The Company has developed a HRD Plan with the parameters to achieve excellent results. The steps have been taken to create a sense of belonging in the minds of the employees, which in turn gives maximum contribution per employee while gearing them to face business challenges and achieve the desired results. This intellectual resource is integral to the Company's ongoing operations and enables it to deliver superior performance year after year.

The efforts continued on capability building of employees at all levels in order to build organisational capability in functional and project management areas, fulfill the technical skill requirement arising out of advanced mechanisation and preparing bench strength of skilled manpower for critical positions in existing operations as well as for foreseen future requirements.

An effective HR policy has been established keeping in view the improvement in the economy, to take advantage of the market turn around and to increase the capacity utilization. The Company recruited additional personnel at key middle & senior level positions during the year. Industrial relations during the year have been cordial and are expected to continue in the future. The 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 715.

STATUTORY COMPLIANCE

The Managing Director makes a declaration at each Board Meeting regarding the compliance with provisions of various statutes after obtaining confirmation from all the units of the Company. The Company Secretary ensures compliance with the SEBI regulations and provisions of the Listing Agreement. The Executive Directors and Company Secretary as the Compliance Officer ensure compliance with the guidelines for prevention of insider trading.

REPORT ON THE CORPORATE GOVERNANCE

COMPANY

Corporate Governance essentially is the system by which companies are directed and controlled by the management in the best interest of the stakeholders and others. Fairness, accountability, disclosures and transparency form the four pillars of our Company's philosophy of Corporate Governance. Our Company strongly believes that for attaining sustainable growth in this competitive corporate world, Corporate Governance is a pre-requisite. The governance practices followed by our Company have played a vital role in its journey of continued success. Our endeavor over the years has been to strengthen the governance processes and systems attributing to constant improvisations, sustainability, and growth thus creating long term value for its stakeholders.

The procedures, policies and practices followed by our Company are based on sound governance principles. Comprehensive disclosures, structured accountability in exercise of powers, adhering to international standards and commitment in compliance with regulations and statutes in letters as well as spirit have enabled our Company to enhance Shareholders value. In fact, this has become an integral part of the way business is done. The governance practices followed by the Company are continuously reviewed and the same are benchmarked to the best governed companies.

BOARD OF DIRECTORS:

Composition:

The Board of Directors of the Company consists of ten (10) Directors out of which **two (2) are Non-Rotational Directors** and **four (4) are Rotational Directors**. Further in terms of the provisions of section 152 of the Companies Act, 2013 all four Independent Directors are proposed to be made non-rotational at ensuing Annual General Meeting. The Board is further exploring the possibilities to induct qualified and competent professionals for their induction as non executive and/or independent Directors.

Category	Name of Director	
Executive Director, Non Independent	Satish Chandra Agarwal	Chairman
	Sachin Agarwal	Managing Director
	Priya Ranjan Agarwal	Director, Marketing
	Alok Agarwal	Director, Quality & Technical
Non-Executive Director, Non-Independent	Arun Jwala Prasad	Director
Non-Executive Director, Nominee	Narayanan Shadagopan	Nominee Director
Non-Executive Director, Independent	Radha Krishna Pandey	Independent Director
	Ajay Kashyap	Independent Director
	Dr. Rakesh Chandra Katiyar	Independent Director
	Krishna Das Gupta	Independent Director

BOARD MEETINGS:

During the financial year ended 31st March, 2014 seven meetings of the Board of Directors were held and the maximum time gap between two Board meetings did not exceed the prescribed time. The details of Board Meetings are as follows:

Date(s) on which meeting(s) were held

- | | |
|------------------------|-----------------------|
| i) May 11, 2013 | ii) June 11, 2013 |
| iii) July 24, 2013 | iv) August 13, 2013 |
| v) November 9, 2013 | vi) December 19, 2013 |
| vii) February 11, 2014 | |

The following table gives details of Directors, attendance of Directors at the Board meetings and the Last Annual General Meeting

Name of Director	Attendance		Directorship in other Companies	Other committee membership/Chairmanship	
	Board Meetings	Last AGM		Committee membership	Committee chairmanship
Satish Chandra Agarwal	1	P	3	-	-
Sachin Agarwal	7	P	7	-	-
Priya Ranjan Agarwal	3	P	2	-	-
Alok Agarwal	7	P	-	-	-
Arun Jwala Prasad	-	A	1	-	-
Radha Krishna Pandey	-	A	16	6	3
Ajay Kashyap	-	A	3	-	-
Dr. Rakesh Chandra Katiyar	7	P	-	-	-
Krishna Das Gupta	6	P	2	17	15
Narayanan Shadagopan*	2	NA	3	-	-
Harsh Varma**	1	NA	-	-	-

*Tenure from July 24, 2013 onwards

** Tenure from February 11, 2014 to April 23, 2014

P -Present, A -Absent

The company convened an Extra Ordinary General meeting on January 15, 2014 in which Mr. Sachin Agarwal, Mr. P.R. Agarwal and Mr. Alok Agarwal were present.

COMMITTEES OF THE BOARD

There are five Committees of the Board, viz: Audit Committee, Remuneration Committee, Share Transfer/ Investors Grievance Committee and Project Monitoring and Environment Committee and Corporate Social Responsibility Committee. The proceedings of the meetings of the Committees are placed before the Board for information. 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 and terms of reference

The Audit committee was set up on April 19, 2007 and comprises four Members. The members of the Audit Committee are:

1	Dr. Rakesh Chandra Katiyar	Chairman, Independent Director
2	Alok Agarwal	Executive Director
3	Radha Krishna Pandey	Independent Director
4	Krishna Das Gupta	Independent Director
5	Narayanan Shadagopan/(Harsh Varma, Alternate Director)	Nominee Director

The scope, activities and terms of reference of the Audit Committee is as set out in Clause 49 of the Listing Agreement read with Section 292A of the Companies Act, 1956 (Section 177 of The Companies Act, 2013).

The terms of reference of the Audit Committee are broadly as follows:

- To review compliance with internal control systems;
- To review the findings of the Internal Auditor relating to various functions of the Company;
- To hold periodic discussions with the Statutory Auditors and Internal Auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of the Auditors/Internal Auditors;

- (d) To review the quarterly, half-yearly and annual financial results of the Company before submission to the Board;
- (e) To make recommendations to the Board on any matter relating to the financial management of the Company, including Statutory & Internal Audit Reports;
- (f) Recommending the appointment of cost auditors and statutory auditors and fixation of their remuneration.
- (g) Review of Cost Audit Report.
- (h) Reviewing the Company's financial and risk management policies.

REMUNERATION COMMITTEE

(Renamed as Nomination and Remuneration Committee w.e.f. May 24, 2014)

Composition and terms of reference:

The Remuneration Committee comprises four members. The members of the Remuneration Committee are:

1	Krishna Das Gupta	Chairman, Independent Director
2	Satish Chandra Agarwal	Executive Chairman
3	Radha Krishna Pandey	Independent Director
4	Dr. Rakesh Chandra Katiyar	Independent Director

The Remuneration Committee was constituted as sub-committee by the Board in its meeting held on April 19, 2007 to review the performance of the Whole-time Directors and to recommend to the Board, the remuneration including salary, perquisites and commission to be paid to the Company's Whole-time Directors/relatives of directors.

The broad terms of reference of the Remuneration Committee are as follows:

- (a) Review the performance of the Chairman, Managing Director and the Whole-time Directors, after considering the Company's performance.
- (b) Recommend to the Board remuneration including salary, perquisites and commission to be paid to the Company's Chairman, Managing Director and Whole-time Directors.
- (c) Finalise the perquisites package of the Chairman, Managing Director and Whole-time Directors within the overall ceiling fixed by the Board.
- (d) Recommend to the Board, retirement benefits to be paid to the Chairman, Managing Director and Whole-time Directors under the Retirement Benefit Guidelines adopted by the Board.
- (e) The Remuneration Committee also functions as the Compensation Committee as per SEBI guidelines on the Employees' Stock Option Scheme. The Company, however, has not yet introduced the Employees' Stock Option Scheme.

Remuneration of Directors for the Financial Year 2013-2014 (Rs. In Lacs)

Name	Salary	Contribution to funds	Sitting fees	Perquisite/ Commission	Total
Satish Chandra Agarwal	25.80	-	-	16.20	42.00
Sachin Agarwal	15.86	1.90	-	22.94	40.71
Priya Ranjan Agarwal	10.92	1.31	-	7.81	20.05
Alok Agarwal	10.47	1.25	-	8.07	19.80
Arun Jwala Prasad	-	-	-	-	-
Radha Krishna Pandey	-	-	.075	-	.075
Krishna Das Gupta	-	-	0.4469	-	0.4469
Ajay Kashyap	-	-	-	-	-
Dr. Rakesh Chandra Katiyar	-	-	0.46909	-	0.46909
TOTAL	63.05	4.46	0.99	55.02	123.55

SHARE TRANSFER/INVESTOR GRIEVANCE COMMITTEE

(Renamed as Stakeholders Relationship Committee w.e.f. May 24, 2014)

Composition and terms of reference:

A Share Transfer / Investor Grievance Committee has been constituted by the Board on October 14, 2000 and subsequently reconstituted on April 19, 2007 and May 14, 2012 to look into matters related to transfer of Shares/redressal of grievances of Investors related to dividends, Issue of duplicate Share Certificates and other related matters.

The Share Transfer/Investor Grievance Committee comprises four members:

1	Dr. Rakesh Chandra Katiyar	Chairman, Independent Director
2	Sachin Agarwal	Managing Director
3	Satish Chandra Agarwal	Executive Chairman
4	Arun Jwala Prasad	Non-Executive Director

Details pertaining to the number of complaints received and responded and the status thereof during the financial year ended 31st March, 2014 are given as follows:

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

Share transfers (from April 1, 2013 to March 31, 2014)

No. of shares transferred / transmitted	:	4,26,710 / 1,15,400
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 1.65% of the Paid-up Equity Share capital of the Company.

PROJECT MONITORING AND ENVIRONMENT COMMITTEE

The Project Monitoring and Environment Committee was constituted on April 19, 2007 to approve placing of large orders of equipment, plant and machinery relating to the projects and monitor the progress of the projects. It also assesses the impact of the operations of the Company on the environment and initiates steps for identification of potential issues and provision of support in setting a direction for improvements.

The project monitoring and Environment Committee of the Company comprises the following members:

1	Satish Chandra Agarwal	Executive Chairman
2	Sachin Agarwal	Managing Director
3	Alok Agarwal	Executive Director
4	Priya Ranjan Agarwal	Executive Director
5	Narayanan Shadagopan	Nominee Director
6	Ajay Kashyap	Independent Director

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee was constituted by the Board at its meeting held on September 9, 2013 as under.

1	Krishna Das Gupta	Chairman, Independent Director
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2	Sachin Agarwal	Managing Director
3	Alok Agarwal	Executive Director
4	Dr. Rakesh Chandra Katiyar	Independent Director

Meetings of Board Committees held during the year and Directors' attendance:

Name of Director	Attendance				
	Audit Committee	Remuneration Committee	Share transfer/Investor Grievance Committee	Project Monitoring Committee	Corporate Social Responsibility Committee
Dates of Meetings	11 July 13 13 August 13 9 November 13 19 December 13 11 February 14	11 May 13	11 February 14	11 February 14	11 February 14
Satish Chandra Agarwal		-	-		
Sachin Agarwal			1	1	1
Priya Ranjan Agarwal				1	
Alok Agarwal	5			1	1
Arun Jwala Prasad			-		
Radha Krishna Pandey	-	-			
Ajay Kashyap					
Dr. Rakesh Chandra Katiyar	5	1	1		1
Krishna Das Gupta	5	1			1
Narayanan Shadagopan	2				
Harsh Varma	1			1	

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
50 th	July 16, 2013	02.00 P.M.	Registered Office
49 th	September 29, 2012	03.00 P.M.	Registered Office
48 th	September 27, 2011	03.00 P.M.	Registered Office

DISCLOSURES

- Your Company has not entered into any transaction of a material nature except transactions with related parties which have been furnished under Notes to the Financial Statements as stipulated under Accounting Standard 18 (AS-18), with the Promoters, Directors or the 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.
- There has been no non-compliance during the last three years by the Company on any matter under SEBI or any Statutory Authorities related to capital market.

SECRETARIAL AUDIT

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

MEANS OF COMMUNICATION

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

MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

COMPANY'S WEBSITE

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

DIVIDEND

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

GENERAL SHAREHOLDERS' INFORMATION

Annual General Meeting	:	Date: July 23, 2014 Time: 3:00 P.M. Venue: Registered Office at Malviya Nagar, Aishbagh, Lucknow-226004
Financial calendar (Tentative)	:	April 1, 2014 to March 31, 2015 Unaudited results for the quarter ending June 30, 2014 - by second week of August 2014 Unaudited results for the quarter ending September 30, 2014- by second week of November 2014 Unaudited results for the quarter ending December 30, 2014- by second week of February 2014
Book Closure	:	July 16, 2014 to July 23, 2014 (both days inclusive)
Listing on Stock Exchange	:	Over the Counter Exchange of India (OTCEI)
Stock Exchange Code	:	B-1
Market Price Data	:	No trading of the equity shares of the Company took place during the last financial year at OTC. Therefore, details of high/ low price of shares of each month of the last financial year are not given.
Registrar and Transfer Agent	:	M/s Link Intime India Pvt.Ltd. C-13 Panna Lal Silk Mills Compound, L.B.S.Marg, Bhandup(w), Mumbai-400078 Phone 91-22-25946970 Fax 91-22-25946969 e-mail mumbai@linkintime.co.in
Share Transfer System		Share transfer work of physical segment is attended to by the Company's Registrar and Share Transfer Agent within the period prescribed under the law and the listing agreement. Share transfers are approved by a committee of Directors which meets periodically.

DEMATERIALIZATION OF SHARES

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

Description of Shares	Number of Shares	Percentage
No. of Shares in Physical Mode	9,07,540	21.65%
No. of Shares in Electronic Mode	32,83,710	78.35%
Total	41,91,250	100.00%

DISTRIBUTION OF SHAREHOLDING (AS ON MARCH 31, 2014)

No. of Shares	No of shareholders	No. of shares	%total no. of shares
From - To			
1 - 500	483	92,070	2.1967
501 - 1000	48	38,980	0.9300
1001 - 2000	11	16,800	0.4008
2001-3000	4	11,300	0.2696
3001 - 4000	1	4,000	0.0954
4001 - 5000	4	19,400	0.4629
5001 - 10000	7	58,800	1.4029
10001 and above	42	39,49,900	94.2416
Total	600	41,91,250	100.00

Shareholding Pattern	No. Of Shares	% of Capital
Promoters/Directors (their Relatives)	30,97,810	73.91
Corporate Bodies (other than promoters Co.)	3,71,360	8.86
Indian Public	6,95,180	16.59
NRI's	19,800	.47
Market makers	7,100	.17
Total	41,91,250	100.00

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

Name	Date of Birth	Date of Joining	No. Of Shares Held	Qualification	Experience
Ajay Kashyap	11/08/1949	19/04/2007	-	B Tech, MSc (Chemical Engg) USA	42 Yrs
Dr. Rakesh Chandra Katiyar	01/07/1956	19/04/2007	-	M.Com, PHD, D. Lit, FICWA	38 Yrs
Krishna Das Gupta	07/10/1942	31/07/2008	-	M. Com, LL.B., M.Phil., Master Diploma in Public Administration, IRS (Retd.)	47 Yrs
Radha Krishna Pandey	20/01/1940	17/03/2003	--	M. Com, LL.B,FCS, PGDBA	53 Yrs
Priya Ranjan Agarwal	15/08/1958	28/12/1992	3,86,000	B.E. (Mechanical)	34 Yrs
Narayanan Shadagopan	21/06/1970	24/07/2013	-	B.E. , MBA(London)	19 Yrs

DIRECTOR'S PROFILE

Mr. Satish Chandra Agarwal

Mr. Satish Chandra Agarwal is the Executive Chairman of PTC Industries Limited. He founded Precision Tools & Castings (now PTC Industries) in 1963 with a vision to make it one of the leading engineering goods producer of the country. He was appointed the Managing Director of the company in May, 1970 and continued till 2006 when Mr. Sachin Agarwal took over. Mr. Satish Agarwal is a Bachelor of Engineering (Mechanical).

Under his able leadership, PTC has become a dynamic, forward-looking company. He initiated the diversification of PTC's product portfolio by introducing various molding processes and multiple grades of steel, stainless steel and super alloys. Mr. Satish Agarwal's vision for growth and expansion for the company led him to acquire and amalgamate a tool & die manufacturing company and an alloy steel manufacturing entity with PTC.

Mr. Agarwal, using his skills and immense knowledge of the casting industry, was able to successfully develop industrial castings for import substitution in India and then went ahead and made the company's first exports to USA in 1986. Under his guidance, PTC received a number of awards like the 'Best Exporter Shield' from EEP (Northern Region), 'Certificate of Excellence' along with various quality certifications like ISO 9001-2000 by BVQI, AD-2000 Merkblatt by TUVNORD, etc. Mr. Agarwal has also been bestowed with the 'Dhatu Nayak' award by the All India Induction Furnaces Association in 1992-93. He was also recognised as 'Honorary Citizen, City of Tulsa' for his contribution to the industrial development in Tulsa, Oklahoma. He also holds Directorship in e.Soft Technologies Limited, Precision Overseas Private Limited and PTC Energas Flow Private Limited. He is the Chairman of Project Monitoring and Environment Committee and a Member in Nomination and Remuneration Committee and Stakeholders Relationship Committee of the Company.

He continues to provide his guidance and wisdom to the Company and its members.

Mr. Sachin Agarwal

Mr. Sachin Agarwal joined PTC Industries in 1998 and successfully implemented positive changes in the company. He is the Managing Director of the Company. Mr. Sachin Agarwal is an MBA in Operations from University of Tulsa, USA and has pursued M.S. in Finance from Boston College, USA where he was awarded the 'Top 5 Students of the year' award.

In his initial years with the company, Mr. Agarwal concentrated on introducing information technology and upgrading staff skills in PTC. He successfully helped to design and implement an ERP system in the Lucknow Plant in 1999. He created a world class machining facility in Ahmedabad, and then became the single most powerful force in introducing new technologies and bringing automation and robotics to the company.

Mr. Sachin Agarwal took over as Managing Director of the company in the year 2006 and under his guidance PTC began to grow at an extraordinary pace. He became instrumental in developing and successfully commercializing the Replicast® Molding Technology for the first time in India for which the Company was awarded the National Award in the Industry by

Department of Science and Industrial Research in 2006. 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.

He also holds Directorship in e.Soft Technologies Limited, Precision Overseas Private Limited, Mapple Commerce Private Limited, Nirala Merchants Private Limited, Homelike Motels & Resorts Private Limited, Modrany Power & PTC Piping Systems Private Limited and PTC Energas Flow Private Limited. He is also a Member of Project Monitoring and Environment Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee of the Company.

Mr. Sachin Agarwal is the Chairman of UP State Council of the Confederation of Indian Industry.

Mr. Priya Ranjan Agarwal

Mr. Priya Ranjan Agarwal joined PTC in 1992 and has been working with company for the last 22 years. He is a Whole-time Director designated as an Executive 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 domestic 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. He also holds Directorship in Mapple Commerce Private Limited and Modrany Power & PTC Piping Systems Private Limited. He is also a Member of Project Monitoring and Environment Committee of the Company.

Mr. Alok Agarwal

Mr. Alok Agarwal began working with PTC Industries in the year 1994, nearly 20 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 I.I.T. Kanpur.

Over the years, he has held various senior positions in the Production, Quality, Technical and Co-ordination. 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. His responsibilities also include Environment, Health and Safety compliance for the Company. He is also a Member of Audit Committee, Project Monitoring and Environment Committee and Corporate Social Responsibility Committee of the Company.

Mr. Arun Prasad

Mr. Arun Prasad joined the Company in 1997 as is a Non-Executive Director on the Board of the Company. Mr. Prasad acquired his engineering degree from I.I.T. Kanpur, an institute of worldwide repute. He has done his Masters in Operations Research from the University of Waterloo in Canada.

He is the Managing Director of e.Soft Technologies Limited, a software company started in the year 1999. Mr. Prasad has over 20 years of experience in the software industry. In this period he has provided software consultancy to some of the biggest names in India and abroad. He is also a Member of Stakeholders Relationship Committee of the Company.

Mr. Radha Krishna Pandey

Mr. Radha Krishna Pandey joined PTC in 2003 and is an Independent Director on the Board of the Company. Mr. Pandey holds M.Com, LLB, FCS and PGDBA qualifications.

He is presently engaged in Corporate Advisory Services in legal, financial and capital market areas. He has also worked as consultant with the Commonwealth Secretariat, London dealing with capital market related aspects. He has visited stock exchanges in USA in a study team sponsored by USAID for development of capital market. He held various senior positions like Company Secretary and Financial Advisor in other reputed Companies and has visited many countries such as USA, UK, Germany, France, Japan, South Korea, Thailand etc. to attend seminars, conferences and study tours. He is also an Ex-Executive Director of the Delhi stock exchange.

He also holds Directorship in Precise Laboratories Private Limited, British Health Products (India) Limited, Welcure Drugs and Pharmaceuticals Limited, Jindal Poly Films limited, Ricoh India limited, Kamdhenu Ispat limited, Morgan Ventures Limited, Sanghi Industries Limited, Jaypee Uttar Bharat Vikas Private Limited, Kanpur Fertilizers & Cement Limited, Andhra Cement Limited, Steren Impex Private Limited, Jaypee Development Corporation Limited, Jindal Poly Investment and Finance Company Limited, Hanung Toys and Textiles Limited and Shree Rajasthan Syntex Limited. He holds committee membership as Chairman in Welcure Drugs and Pharmaceuticals Limited, Hanung Toys and Textiles Limited and Kamdhenu Ispat Limited and as a Member in Kamdhenu Ispat Limited, Andhra Cement Limited and Jindal Poly Films limited. His area of expertise is Company Law Matters. He is a member of Audit committee and Nomination and Remuneration committee of the Company.

Mr. Ajay Kashyap

Mr. Ajay Kashyap joined PTC in April 2007 and is an Independent Director on the Board of the Company. Mr. Kashyap is a Bachelor in Technology (Chemistry) and has a Masters in Science (Chemistry). He has a vast experience in the engineering Industry. He is also holding Directorship in ARK Industrial Products Private Limited, ARK Fluid Systems Components Private Limited and Green Powercell Technology Pvt. Ltd. His area of expertise is Engineering and Health care sector. He is a Member of Project Monitoring and Environment Committee of the Company.

Dr. Rakesh Chandra Katiyar

Dr. Rakesh Chandra Katiyar joined PTC in April 2007 and is an Independent Director on the Board of the Company. His 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. He doesn't hold directorship in any other Company. His area of expertise is Company Law Matters. He is also a Chairman of the Audit Committee and Stakeholder Relationship Committee and a Member of Corporate Social Responsibility, Nomination and Remuneration Committee of the Company.

Mr. 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 also holds Directorship in U.P. Stock Exchange Limited and EMA India Limited. He holds committee membership as a Member and Chairman in Investor Grievance Redressal Committee, Independent Oversight Committee, Committee for monitoring Compliance, Disciplinary Action Committee, Advisory Committee, Committee for selection of MD, Standing Committee on technology, Public Interest Director Committee, Arbitration (Committee/Panel), Defaulters and membership selection Committee of UP Stock Exchange limited and as member in Investor Grievance Redressal Committee of BSE Limited, and Audit Committee of UP Stock Exchange limited. His area of expertise is Finance, Taxation and Administration and he has retired from the IRS. He is also the Chairman of the Nomination and Remuneration Committee and Corporate Social Responsibility Committee and Member of the Audit Committee of the Company.

Mr. Narayanan Shadagopan

Mr. Narayanan Shadagopan joined the Company in July 2013 as Non-Executive Director and a nominee of the Investors. Mr. Shadagopan holds an MBA from London Business School.

Mr. Narayanan Shadagopan has more than 19 years experience in investment banking and asset management. He was a Partner at Toscafund Asset Management, a London-based fund manager, and co-managed the Tosca MOD family of funds. He left Toscafund to start Pragati in 2011.

Prior to Toscafund, Mr. Shadagopan has worked briefly in the role of Head of Risk Management within the Financial Institutions Principal and Distressed Group at the Royal Bank of Scotland in London where he was brought in to manage illiquid assets after the financial crisis. Prior to joining RBS, he spent several years in the Principal Transactions group at Credit Suisse in London. He started his career at Bear Stearns, in their fixed income division in New York. He has brought a wealth of experience to PTC and is actively involved in the Board processes. He also holds Directorship in Pragati Equity Advisors Private Limited, Jash Engineering Limited and Saija Finance Private Limited. He is also a Member of Audit committee and Project Monitoring Committee of the Company.

CEO/CFO CERTIFICATION

The Managing Director (Chief Executive Officer) and General Manager (Finance) & Company Secretary of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement. The Managing Director and General Manager (Finance) & Company Secretary also give quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41 of the Listing Agreement. The annual certificate given by the Managing Director and General Manager (Finance) & Company Secretary is published in this Report.

CEO / CFO CERTIFICATE UNDER CLAUSE 49 (V)

To,
The Board of Directors
PTC Industries Limited

1. We have reviewed financial statements and the cash flow statement of PTC Industries Limited for the year ended 31st March, 2014 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, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate 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 we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
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 are no significant changes in accounting policies during the year; and
 - iii. that there are no instances of significant fraud of which we have become aware.

Sachin Agarwal
Managing Director

A. K Gupta
GM (Finance) & Company Secretary

Lucknow
May 24, 2014

CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF PTC INDUSTRIES LIMITED, LUCKNOW

1. We have examined the compliance of conditions of Corporate Governance by PTC Industries Limited, for the year ended 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said company Executed with stock exchange (OTC).
2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, subject to the following:
 - (a) In case of the Board of Directors, less than 50% of the Directors are independent Directors, Chairman of the Board being an executive Director at least half of the Board should comprise Independent Directors.
4. We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
5. We state that no Investor Grievance is pending for a period exceeding one month against the Company as per the records maintained by the Company.
6. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **C.P Shukla & Co.**
Company Secretaries

Place: Lucknow
Date: May 24, 2014

(C.P Shukla)
CP No. 5138

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 51st Annual General Meeting of the members of PTC Industries Limited will be held on Wednesday, the 23rd day of July, 2014 at 3.00 P.M. at the registered office of the Company at Malviya Nagar, Aishbagh, Lucknow – 226 004, Uttar Pradesh, to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt
 - a. the audited financial statements of the Company for the financial year ended March 31, 2014 and cash flow statement for the year ended on that date and the reports of Board of Directors and Auditors thereon.
 - b. the audited consolidated financial statement of the Company for the financial year ended March 31, 2014
2. To appoint a director in place of Mr. Priya Ranjan Agarwal (DIN – 00129176), who is a director retiring by rotation and being eligible, offers himself for re-appointment.
3. **To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary resolution:-**

“RESOLVED THAT subject to ratification by shareholders at every Annual General Meeting, M/s Walker Chandiook & Associates, Chartered Accountants (Registration No. - 001329N), be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this 51st Annual general meeting until the conclusion of 56th Annual General Meeting and at such remuneration as shall be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS

4. APPOINTMENT OF MR. NARAYANAN SHADAGOPAN AS A DIRECTOR

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary resolution:-

“RESOLVED THAT Mr. Narayanan Shadagopan (DIN –

03469992) who was appointed as an Additional Director (nominee of Investors) w.e.f. July 24, 2013, be and is hereby regularized as an Ordinary director.

5. APPOINTMENT OF DR. R. C. KATIYAR AS AN INDEPENDENT DIRECTOR

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary resolution:-

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. R C Katiyar (DIN: 00556214), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to the conclusion of the 56th Annual General Meeting of the Company in the calendar year 2019.”

6. APPOINTMENT OF MR. K D GUPTA AS AN INDEPENDENT DIRECTOR

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary resolution:-

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. K D Gupta (DIN: 00374379), who was appointed as a Director liable

to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to the conclusion of the 56th Annual General Meeting of the Company in the calendar year 2019."

7. APPOINTMENT OF MR. AJAY KASHYAP AS AN INDEPENDENT DIRECTOR

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Ajay Kashyap (DIN: 00661344), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to the conclusion of the 56th Annual General Meeting of the Company in the calendar year 2019."

8. APPOINTMENT OF MR. R. K. PANDEY AS AN INDEPENDENT DIRECTOR

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including

any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. R K Pandey (DIN: 00190017), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to the conclusion of the 56th Annual General Meeting of the Company in the calendar year 2019."

9. 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 members of the Company in its 50th annual general meeting held on July 16, 2013 and pursuant to the provisions of Section 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 any other banks, financial institution or any other lending 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 of the Company 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. 150 Crores (Rupees One hundred 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

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 members of the Company in its 50th annual general meeting held on July 16, 2013 and pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013, the consent of the Shareholders be and is hereby accorded to create charges and/or mortgages and/or hypothecation in addition to the existing charges and/or mortgages and/or hypothecation created by the Company on all the movable and 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 any other lenders (herein after collectively referred to as "the Lending Agencies") and/or trustees for the holders of debentures/bonds other instruments to secure borrowings of Company by way of loan/issue of debentures/bonds/other instruments which may be issued on pari passu basis or otherwise not exceeding Rs. 150 crores (Rupees One hundred 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 with the authority of the Board be and are 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."

11. EXTENSION OF TENURE OF CCD'S

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a special resolution:-

"RESOLVED THAT pursuant to and in accordance with the provisions of Section 62, 71 and other applicable provisions, if any, of the Companies Act, 2013/Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and all other applicable laws and regulations including the Foreign Exchange Management Act, 1999; Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI (ICDR) Regulations"), Reserve Bank of India notifications, the relevant provisions of the Memorandum & Articles of Association of the Company and the provisions of the Listing Agreement(s) with the stock exchanges on which the securities of the Company are listed or may hereafter be listed (including any amendment to or re-enactment of all or any of the aforesaid) and subject to all such approvals, permissions, sanctions and consents, if any, as may be required under applicable laws and regulations of concerned authorities, bodies and agencies and subject to such conditions and modifications as may be prescribed by any of the aforesaid authorities, bodies and agencies and which may be agreed to by the Managing Director, in partial modification to

the resolution passed by shareholders of the Company in their 50th Annual General meeting held on 16th July, 2013 regarding the issue of 4,00,000 (Four Lacs) Zero Coupon Compulsory Convertible Debentures ("CCD's") of face value of Rs. 1,000/- (Rupees One thousand) to Investors, the terms and conditions for outstanding 2,60,870 CCD's of Rs. 1000/- each, be and are hereby modified by way of extension of tenure of the said CCD's from 12 months to 18 months, with other terms and conditions remaining unchanged.

RESOLVED FURTHER THAT, the Managing Director be and is hereby authorized to accept any modifications in the proposal as may be required by the agencies involved in such issues but subject to such conditions as the Reserve Bank of India, Securities and Exchange Board of India or such other appropriate authorities may impose at the time of their approval as agreed by the Managing Director.

RESOLVED FURTHER THAT, for the purpose of giving effect to the above resolution and any offer, issue and allotment of securities, the Managing Director be and is hereby authorized to do all such acts, deeds, and things as may be necessary, desirable or incidental thereto and matter connected therewith including without limitation the entering into of arrangements for underwriting, marketing, listing, trading, appointment of Lead manager(s), advisor(s), registrar(s), paying and conversion agent(s) and to issue and sign all deeds,

documents, instruments, and writings and to pay any fees, commission, costs, charges and other outgoings in relation thereto and to settle all questions, and to give such directions that may be necessary or arise in regard to or in connection with any such offer, issue or allotment of securities and utilization of the issue proceeds, as it may, in its absolute discretion, deem fit and any such action, decision or direction of the Managing Director shall be binding on all members of the Company & Board."

12. APPROVAL OF REMUNERATION OF COST AUDITOR

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a special resolution:-

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

Place: Lucknow

Date: June 23, 2014

A. K. Gupta
General Manager (Finance) & Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING OF THE COMPANY MAY APPOINT A PROXY TO ATTEND AND ON A POLL, VOTE INSTEAD OF HIMSELF/HERSELF. A Proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company at its Registered Office not later than forty-eight hours before the commencement of the meeting. Proxies submitted on behalf of companies, societies, etc. must be supported by an appropriate resolution/authority, as applicable. A person shall not act as a Proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.
2. Only members carrying the attendance slips or holders of valid proxies registered with the company will be permitted to attend the meeting. In case of shares held in joint names or shares held under different registered folios wherein the name of the sole holder/first holder is same, only the first joint holder/sole holder or any proxy appointed by such holder, as the case may be, will be permitted to attend the meeting.
3. The register of members, and share transfer books of the Company will remain closed from 16.07.2014 to 23.07.2014 (both days inclusive).
4. Members are requested to notify promptly any change in their registered addresses or any other query directly to M/s Link Intime India Pvt. Ltd., C-13, Panna Lal Silk Mills Compound, L.B.S. Marg, Bhandup (w), Mumbai – 400 078 phone no:+91-22-25963838, Fax no: +91-22-25946969, E-mail: mumbai@linkintime.co.in, the registrar and share transfer agent.
5. **Members are requested to notify their particulars including e-mail Id for updating the records in the Performa enclosed with proxy/attendance slip.**
6. Members are requested to bring their copies of annual report to the meeting.
7. Members are requested to fill in the attendance slip for attending the meeting and those who hold the shares in dematerialized form to bring their client ID and depository participant ID number for identification for attendance at the meeting.
8. Any query relating to the accounts or any other matter in pursuance to this Notice must be sent to the Company at least seven clear days before the date of the Annual General Meeting.
9. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to fill up the form annexed as a part of the Annual Report and send the same to the office of the Registrar and Transfer Agent of the Company.
10. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, during business hours up to the date of the Meeting.
11. Shareholders may be aware that the Companies Act, 2013, permits service of the Notice of the Annual General Meeting through electronic mode. Electronic copy of the Annual Report including Notice of the 51st Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Admission Slip and Proxy Form is being sent to all the members whose e-mail IDs are registered with the Company/ Depository Participant(s) for communication purposes. However, those members who desire to have a physical copy may request for the same. For members who have not registered their e-mail address, physical copies of the Annual Report are being sent in the permitted mode. The Annual report of the Company would also be made available at www.ptcil.com..

12. e-Voting

In compliance with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its Shareholders with facility to exercise their right to vote at the 51st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

The Company has signed an agreement with CDSL for facilitating e-voting to enable the Shareholders to cast their vote electronically.

Process for e-Voting –

I. In case of members receiving e-mail:

- i. Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com
- ii. Now, click on "Shareholders" tab to cast your votes.
- iii. Now, select the "COMPANY NAME" - "PTC Industries Limited" from the drop down menu and click on "SUBMIT".
- iv. Now Enter your User ID:
User - ID
 - a. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
 - b. For CDSL: 16 digits beneficiary ID
 - c. For Shareholders holding shares in Physical Form: Folio Number registered with the Company.

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) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- v. Next enter the Image Verification as displayed and Click on Login.
- vi. 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.
- vii. If you are a first time user follow the steps given below:
- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then reach directly 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.

- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - xi. Click on the EVSN for the relevant "PTC Industries Limited" on which you choose to vote.
 - xii. 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.
 - xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - xiv. 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.
 - xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - xvii. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - a. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - b. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - c. After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - d. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - e. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- II. In case of members receiving the physical copy:
Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- III. The voting period begins on **Thursday, 17th July, 2014 at 10:01 hrs.** and ends on **Saturday, 19th July, 2014 at 18:00 hrs.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **20th June, 2014**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- IV. 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- V. Mr. Amit Gupta, (FCS – 5478, CP. NO. 4682) of Amit Gupta & Associates, Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding 3 (three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make a Scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- VI. The Results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's report shall be placed on the Company's website www.ptcil.com and on the website of CDSL within 2(two) working days of the passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("THE ACT"):

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 4

The Board of Directors at their meeting held on July 24, 2014 appointed Mr. Narayanan Shadagopan (DIN – 03469992) as an Additional Director in terms of Section 260 of the Companies Act, 1956 who holds office up to the date of this Annual General Meeting. The Company has received notice pursuant to Section 160 of the Companies Act, 2013 from members proposing the appointment of Mr. Narayanan Shadagopan as a Director.

The Board of Directors propose the appointment of Mr. Narayanan Shadagopan as the Director and recommend the resolution as set out in Item No. 4 for the approval of the shareholders at the ensuing Annual General Meeting.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary Resolution as set out in Item No. 4 of this Notice. This explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement.

Item No. 5, 6, 7 & 8

Dr. R C Katiyar, Mr. K D Gupta, Mr. Ajay Kashyap & Mr. R K Pandey are Independent Directors of the Company and have held the positions as such for more than 5 (five) years. Pursuant to Sections 149, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and clause 49 of the listing agreement, it is proposed to appoint Dr. R C Katiyar, Mr. K D Gupta, Mr. Ajay Kashyap & Mr. R K Pandey as Independent Directors to hold office for 5 (five) consecutive years for a term up to the conclusion of the 56th Annual General Meeting of the Company in the calendar year 2019 and whose period of office shall not be liable to determination by retirement of directors by rotation.

The proposed appointees are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors. The Company has received notices in writing from members

alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of proposed appointees for the office of Directors of the Company.

The Company has also received declarations from the proposed appointees that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, the proposed appointees fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement and are independent of the management.

Brief resume of the proposed appointees, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report. Copy of the draft letters for respective appointments of the proposed appointees as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered office of the Company. This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Dr. R C Katiyar, Mr. K D Gupta, Mr. Ajay Kashyap & Mr. R K Pandey are interested in the resolutions set out respectively at Item Nos. 5, 6, 7 and 8 of the Notice with regard to their respective appointments. The relatives of Dr. R C Katiyar, Mr. K D Gupta, Mr. Ajay Kashyap & Mr. R K Pandey may be deemed to be interested in the resolutions set out respectively at Item Nos. 5, 6, 7 and 8 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other 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 Ordinary Resolutions set out at Item Nos. 5, 6, 7 and 8 of the Notice for approval by the shareholders.

Item No. 9 & 10

The Shareholders in their 50th Annual General Meeting held on July 16, 2013 had authorised the Board of Directors of the Company to borrow money to the extent of Rs. 150 Crores excluding working capital credit facilities granted by the bankers in the ordinary course of business u/s 293(1)(d) of the Companies Act, 1956. In view of the enactment of new Companies Act, 2013 it is considered necessary to get the authorization of Shareholders u/s 180(1)(c) of the Companies Act, 2013 to borrow from time to time, monies for the business of the company notwithstanding that the money to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of paid up capital of the company and its Free Reserves provided that the total amount of monies borrowed at any time, shall not exceed Rs.150Crores.

Further as per terms of sanction, the borrowings made by the Company by taking term loan/ working capital/other credit facilities from banks, financial Institutions etc. are secured by first charges/ second charges in favour of the lenders, on the assets of the Company. The Shareholders in their 50th Annual General Meeting held on July 16, 2013 had authorised the Board of Directors of the Company for creation of charge on assets of the Company for securing borrowings up to the limit of Rs. 150 Crores. In view of the enactment of new Companies Act, 2013 it is considered necessary to get the authorization of Shareholders u/s 180(1) (a) of the Companies Act, 2013 for creation of charge on assets of the Company for securing borrowings up to the limit of Rs. 150 Crores.

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 Resolutions set out at Item Nos. 9 & 10 of the Notice for approval by the shareholders.

Item No. 11

In terms of the approval of the shareholders of the

Company at 50th Annual General meeting, an allotment of 4,00,000 (Four Lacs) Zero Coupon Compulsory Convertible Debentures ("CCD") of face value of Rs. 1,000/- (Rupees One thousand) each for a consideration of Rs. 40,00,00,000 (Rupees Forty crores) to the Investors on 24.07.2013. In terms of the said approval the conversion of CCD's in to fully paid-up equity shares of face value of Rs.10/- each has to be made within a period of 12 month from the date of allotment (ie. 24.07.2013). For conversion of all CCD's held 20% equity share capital of the Company on fully diluted basis has to be issued in one or more tranches.

The Board of Directors of the Company in their meeting held on 23.04.2014 had approved the conversion of 1,39,130 CCD's in to 3,64,456 fully paid equity shares (ie. 8 % of equity share capital on diluted basis) and 2,60,870 CCD's are outstanding for conversion.

Further regulation 75 of SEBI (ICDR) Regulations, 2009 states that the tenure of the convertible securities of the issuer shall not exceed eighteen months from the date of their allotment. The Investors (CCD holders) have desired for extension of tenure of CCD's from 12 months to 18 months as permitted under SEBI (ICDR) Regulations. The Board of Directors of the Company in their meeting held on 24th May, 2014 have approved the proposal for extension of tenure of CCD's from 12 months to 18 months as permitted under SEBI (ICDR) Regulations, subject to the approval of shareholders and other regulatory authorities, if any.

In terms of the SEBI (ICDR) Regulations, 2009 and applicable provisions of the Companies Act, 2013 and rules made there under, the proposed change in tenure of CCD's require the approval of shareholders by way of special resolution. Copy of the Shareholders Agreement & Securities Subscription Agreement (SHA and SSA) with Investors and relevant documents, memorandum & articles of association of the Company are available for inspection by members at the Registered office of the Company.

Other than Mr. Narayanan Shadagopan, being director nominated by Investor, 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 Resolutions set out at Item Nos. 11 of the Notice for approval by the shareholders.

Item No. 12

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Mr. A. K Srivastava, Cost Accountant as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015. The Board has approved the remuneration of Rs. 27,500/- (Rupees Twenty Seven Thousand Five Hundred only) plus Govt. levies/Tax plus out of actual pocket expenses, subject to ratification of the shareholders at ensuing annual general meeting.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has

to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 12 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 12 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 12 of the Notice for approval by the shareholders.

Independent Auditors' Report

To the Members of PTC Industries Limited

Report on the Financial Statements

- 1 We have audited the accompanying financial statements of PTC Industries Limited, ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss, Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these 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 notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the 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:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
 - ii) in the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by Section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 appears from our examination of those books;

- c. the financial statements dealt with by this report are in agreement with the books of account;
- d. in our opinion, the financial statements comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 ; and
- e. on the basis of written representations received from the directors, as on March 31, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For **Walker Chandiok & Associates**

Chartered Accountants

Firm Registration No.: 001329N

per **Siddharth Talwar**

Partner

Membership No.: 512752

Place: Delhi

Date: May 24, 2014

Annexure to the Independent Auditors' Report of even date to the members of PTC Industries Limited, on the financial statements for the year ended March 31, 2014

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, 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. No material discrepancies were noticed on such verification.
- (c) In our opinion, a substantial part of fixed assets has not been disposed off during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) (a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(b) to 4(iii) (d) of the Order are not applicable.
- (e) The Company has taken unsecured loans from two parties covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year is ₹ 5,240,375 and the year-end balance is ₹ nil.
- (f) In our opinion, the rate of interest and other terms and conditions of loans taken by the Company are not, prima facie, prejudicial to the interest of the Company.
- (g) In respect of loans taken, repayment of the principal amount and the interest is regular.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) (a) In our opinion, the particulars of all contracts or arrangements that need to be entered into the register maintained under Section 301 of the Act have been so entered.
- (b) In our opinion, the transactions made in pursuance of such contracts or arrangements and exceeding the value of ₹ five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) 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 clause (d) of sub-section (1) of Section 209 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.

Annexure to the Independent Auditors' Report of even date to the members of PTC Industries Limited, on the financial statements for the year ended March 31, 2014

- (ix) (a) The Company is regular in depositing undisputed statutory dues including investor education and protection fund, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, as applicable, with the appropriate authorities, though there has been a slight delay in a few cases in payment of provident fund and employees' state insurance. 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, wealth tax, service tax, custom duty, excise duty, cess on account of any dispute, are as follows:

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	MODVAT Credit	42,392,845	15,000,000	2005-06	CESTAT, New Delhi
Central Excise Act, 1944	MODVAT Credit	3,315,006	28,155	2007-08	Additional Commissioner Central Excise and Service Tax, Lucknow
Central Excise Act, 1944	MODVAT Credit	777,745	-	2012-13	Assistant Commissioner Central Excise, Lucknow
Central Excise Act, 1944	MODVAT Credit	437,412	-	2013-14	Assistant Commissioner Central Excise, Lucknow
Central Excise Act, 1944	Late Submission of ER-6	3,500	-	2011-14	Superintendent Central Excise, Lucknow
Central Excise Act, 1944	Cancellation of Invoice	500	-	2013-14	Superintendent Central Excise, Lucknow
Income Tax Act, 1961	Penalty order u/s 271(1)(c)	1,002,053	500,000	2009-10	Commissioner of Income Tax (Appeal), Lucknow

- (x) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.
- (xi) In our opinion, the Company has not defaulted in repayment of dues to any financial institution or a bank or to debenture-holders during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, provisions of clause 4(xiii) of the Order are not applicable.
- (xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
- (xv) The Company has not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 4(xv) of the Order are not applicable.
- (xvi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.
- (xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment by the Company.
- (xviii) During the year, the Company has not made any preferential allotment of shares to companies covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable.

Annexure to the Independent Auditors' Report of even date to the members of PTC Industries Limited, on the financial statements for the year ended March 31, 2014

- (xix) The Company has unsecured debentures outstanding during the year, on which no security or charge is required to be created.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.
- (xxi) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

For **Walker Chandiok & Associates**

Chartered Accountants

Firm Registration No.: 001329N

per **Siddharth Talwar**

Partner

Membership No.: 512752

Place: Delhi

Date: May 24, 2014

(All amounts in Indian rupees, unless stated otherwise)

Balance Sheet	Note	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	4,19,12,500	4,19,12,500
Reserves and surplus	2.2	64,87,71,300	57,85,31,084
		69,06,83,800	62,04,43,584
Non current liabilities			
Long term borrowings	2.3	45,76,94,191	10,83,87,444
Deferred tax liabilities, net	2.4	7,61,99,948	5,09,45,030
Other long term liabilities	2.5	26,250	13,500
Long term provisions	2.6	1,02,74,552	1,07,95,845
		54,41,94,941	17,01,41,819
Current liabilities			
Short term borrowings	2.7	20,42,06,142	50,42,00,676
Trade payables	2.8	8,69,60,716	13,08,50,496
Other current liabilities	2.9	11,94,23,363	11,78,31,624
Short term provisions	2.10	69,43,902	9,10,535
		41,75,34,123	75,37,93,331
Total		1,65,24,12,864	1,54,43,78,734
ASSETS			
Non current assets			
Fixed assets			
Tangible assets	2.11	47,75,74,140	49,27,39,158
Intangible assets	2.11	31,66,638	35,45,343
Capital work in progress		18,19,73,014	9,13,27,327
Non current investments	2.12	1,86,100	86,100
Long term loans and advances	2.13	6,92,77,257	6,91,70,211
Other non current assets	2.14	13,10,111	-
		73,34,87,260	65,68,68,139
Current assets			
Current investments	2.15	18,36,309	-
Inventories	2.16	28,82,87,993	35,14,76,502
Trade receivables	2.17	31,68,36,381	41,64,06,703
Cash and bank balances	2.18	14,69,10,469	3,26,55,899
Short term loans and advances	2.19	6,67,16,309	3,50,60,894
Other current assets	2.20	9,83,38,143	5,19,10,597
		91,89,25,604	88,75,10,595
Total		1,65,24,12,864	1,54,43,78,734

Significant accounting policies
Notes 1 to 2.43 form an integral part of the financial statements

1

This is the Balance Sheet referred to in our report of even date
For **Walker Chandio & Associates**
Chartered Accountants

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

per **Siddharth Talwar**
Partner

Sachin Agarwal
Managing Director

Alok Agarwal
Director (Quality & Technical)

Place : Delhi
Date : May 24, 2014

Place : Lucknow
Date : May 24, 2014

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

(All amounts in Indian rupees, unless stated otherwise)

Statement of Profit and Loss	Note	For the year ended March 31, 2014	For the year ended March 31, 2013
INCOME			
Revenue from operations, gross	2.21	1,22,26,80,509	1,45,12,40,349
Less : Excise duty		3,20,87,158	6,99,38,790
Revenue from operations, net		1,19,05,93,351	1,38,13,01,559
Other income	2.22	2,54,56,525	81,43,944
Total income		1,21,60,49,876	1,38,94,45,503
EXPENSES			
Cost of materials consumed	2.23	35,96,46,935	48,19,80,076
Changes in inventories of finished goods and work in progress	2.24	2,38,95,002	1,93,86,634
Employee benefits expense	2.25	16,16,98,830	16,49,08,555
Research and development expense	2.28	70,97,565	84,89,226
Other expenses	2.26	44,66,40,888	47,37,37,626
Total expenses		99,89,79,220	1,14,85,02,117
Profit before finance costs, depreciation, exceptional items and tax		21,70,70,656	24,09,43,386
Finance costs	2.27	5,30,05,193	7,60,52,541
Depreciation and amortisation	2.11	4,37,29,923	4,26,47,272
Profit before exceptional items and tax		12,03,35,540	12,22,43,573
Exceptional items	2.40	-	3,11,82,552
Profit before tax before prior period adjustments		12,03,35,540	9,10,61,021
Profit before tax before prior period, from continuing operations		12,03,35,540	8,13,31,115
Tax expenses of continuing operations			
- current tax		2,79,44,089	1,52,82,449
- deferred tax		(2,24,864)	(61,49,543)
- MAT credit entitlement			(41,48,643)
Profit after tax before prior period, from continuing operations		9,26,16,315	7,63,46,852
Profit before tax before prior period, from discontinuing operations		-	97,29,906
Tax expenses of discontinuing operations			
- current tax		-	31,28,236
- deferred tax		-	57,28,847
Profit after tax before prior period, from discontinuing operations		-	8,72,823
Profit after tax before prior period		9,26,16,315	7,72,19,675
Prior year adjustments, net of taxes	2.36	68,96,317	5,61,265
Deferred tax - earlier years		2,54,79,782	-
Profit for the year		6,02,40,216	7,66,58,410
Earnings per share (before prior period items) of ₹ 10/- each fully paid up	2.37		
Basic (in ₹)		22.10	18.42
Diluted (in ₹)		18.87	18.42
Earnings per share (after prior period items) of ₹ 10/- each fully paid up	2.37		
Basic (in ₹)		14.37	18.29
Diluted (in ₹)		12.27	18.29

Significant accounting policies
Notes 1 to 2.43 form an integral part of the financial statements

1

This is the Statement of Profit and Loss referred to in our report of even date
For **Walker Chandiok & Associates**
Chartered Accountants

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

per **Siddharth Talwar**
Partner

Sachin Agarwal
Managing Director

Alok Agarwal
Director (Quality & Technical)

Place : Delhi
Date : May 24, 2014

Place : Lucknow
Date : May 24, 2014

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

(All amounts in Indian rupees, unless stated otherwise)

Cash flow statement		For the year ended March 31, 2014	For the year ended March 31, 2013
A	Cash flow from operating activities		
	Net profit before tax	12,03,35,540	9,10,61,021
	Less: prior period adjustments	1,02,08,449	8,30,826
	Net profit before tax after prior period	11,01,27,091	9,02,30,195
	Adjustments for:		
	Depreciation and amortisation	5,39,69,114	4,26,47,272
	Loss on slump sale	-	3,11,82,552
	Unrealised foreign exchange fluctuation loss	1,69,03,820	30,11,897
	Loss on sale of fixed assets	5,57,667	6,56,006
	Provision for doubtful debts	-	14,80,610
	Bad debts written off	76,94,796	37,39,899
	Dividend income	(8,125)	(1,125)
	Interest and financing charges	4,32,22,039	6,86,12,600
	Provisions no longer required written back	(11,62,147)	(49,80,794)
	Interest on deposit	(2,07,63,038)	(24,46,091)
	Operating profit before working capital changes	21,05,41,217	23,41,33,021
	Adjustments for changes in working capital :		
	Decrease/(increase) in trade receivables	8,62,94,179	(15,82,75,814)
	Decrease/(increase) in inventories	6,31,88,509	13,51,03,702
	Decrease/(increase) in loans and advances and other assets (current and non current)	(7,79,60,398)	(2,11,26,650)
	(Decrease) increase in trade payables, provisions and other liabilities	36,61,923	(5,39,24,252)
	Cash generated from operations	28,57,25,430	13,59,10,007
	Income tax paid	(1,95,00,000)	(1,82,26,000)
	Net cash from operating activities(A)	26,62,25,430	11,76,84,007
B	Cash flow from investment activities		
	Purchase of fixed assets	(13,16,32,565)	(9,14,41,953)
	Sale of fixed assets	20,03,820	20,11,424
	Interest on deposit	1,70,88,976	11,70,924
	Purchase of fixed deposits (net)	(9,12,03,035)	(2,38,35,943)
	Purchase of investments	(19,36,309)	-
	Dividend received	8,125	1,125
	Net cash (used in) investment activities (B)	(20,56,70,988)	(11,20,94,423)
C	Cash from financing activities		
	Repayment of long term borrowings	(10,11,23,070)	(3,23,20,760)
	Proceeds from TDDP grant	1,00,00,000	1,00,00,000
	Proceeds from issue of CCD's	40,00,00,000	-
	Proceeds from short term borrowings (net)	(29,99,94,534)	7,72,89,195
	Interest and financing charges paid	(4,63,85,303)	(6,74,66,997)
	Net cash from financing activities (C)	(3,75,02,907)	(1,24,98,562)
	Net increase in cash and cash equivalents (A)+(B)+(C)	2,30,51,535	(69,08,978)
	Cash and cash equivalents at beginning of period	39,99,685	1,09,08,663
	Cash and cash equivalents at end of period (refer note 2.18)	2,70,51,220	39,99,685

Notes:

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statements as notified under Section 211(3C) of the Companies Act, 1956.

This is the statement of cash flow referred to in our report of even date

For **Walker Chandio & Associates**
Chartered AccountantsFor and on behalf of the Board of Directors
PTC Industries Limitedper **Siddharth Talwar**
Partner**Sachin Agarwal**
Managing Director**Alok Agarwal**
Director (Quality & Technical)**Place :** Delhi
Date : May 24, 2014**Place :** Lucknow
Date : May 24, 2014**A. K. Gupta**
G.M. (Finance) & Company Secretary

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014*(All amounts in Indian rupees, unless stated otherwise)***1.1 Basis of preparation of financial statements**

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ("Indian GAAP") and in compliance with the mandatory accounting standards ("AS") as prescribed under the Companies (Accounting Standards) Rules, 2006 (as amended) ("the Rules"), the provisions of the Companies Act, 1956 and the Companies Act, 2013 (to the extent applicable). The accounting policies have been consistently applied by the Company and are consistent with those used in previous year.

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. However, assets acquired upto 2nd April, 1993 are stated at their net replacement value, less accumulated depreciation.

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 and technical assistance are amortised over a period of 10 years.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014*(All amounts in Indian rupees, unless stated otherwise)***1.4 Depreciation****(a) Tangible and Intangible assets**

- (I) Depreciation on fixed assets is provided on straight line method (SLM) at rates which are either greater than or equal to the corresponding rates in Schedule XIV to the Act, based on management estimates of useful life as follows:

Block of asset	Method of depreciation	Life (in years)
Free hold land		N.A.
Lease hold land		Lease period
Factory building	Straight Line	28-29 years
Plant and Machinery	Straight Line	12-13 years (Plant-1) 20 years (Other Plants)
Computer	Straight Line	5-6 years
Moulds and Dies	Straight Line	8-9 years
Vehicles	Straight Line	10 years
Furniture and fixtures	Straight Line	15 years
Office equipments	Straight Line	20 years
Windmill	Straight Line	18 years
Intangible assets		
Software	Straight Line	5-6 years
Licences	Straight Line	5 years

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

- (III) Cost of Licence is amortized over a period of five years, which is the tenure of licence agreement.

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 investment is 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. Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition: -Cost of raw materials, stores and spares includes direct expenses and is determined on the basis of first in first out method. Work in progress is carried at lower of cost or net realisable value. Finished products are valued at lower of cost or net realisable value and net of excise duty.

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.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

(All amounts in Indian rupees, unless stated otherwise)

(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.

1.8 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.,

- (a) the premium or discount on all such contracts arising at the inception of each contract is amortised as income or expenditure over the life of contract.
- (b) the exchange difference is calculated as the difference between the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period, and the corresponding foreign currency amount translated at the later of the date of inception of the forward exchange contract and the last reporting date. Such exchange differences is recognised in the 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, 2014

(All amounts in Indian rupees, unless stated otherwise)

- (c) any profit or loss arising on the cancellation or renewal of such contracts is recognised as income or as expense for the year.
- (d) The Company has elected to account for exchange difference arising on reporting of long-term foreign currency items in accordance with Companies (Accounting Standards) Amendment Rules, 2009 pertaining to (AS-11) notified by Government of India on 31st March, 2009 (as amended on 29th December, 2011). Accordingly, the effect of exchange differences on 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 sufficient 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.

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

- (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 duty entitlement pass book scheme, focus claims 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.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

(All amounts in Indian rupees, unless stated otherwise)

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 bank balances

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. 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. The Company operates only in India and accordingly there are no geographical segments.

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.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

(All amounts in Indian rupees, unless stated otherwise)

2.1 Share Capital

Particulars	As at	As at
	March 31, 2014	March 31, 2013
	Amount	Amount
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		
41,91,250 (previous year 41,91,250) equity shares of ₹ 10 each	4,19,12,500	4,19,12,500
	4,19,12,500	4,19,12,500

a) There is no movement in equity share capital and preference share capital during the current year and the previous 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 shares in the company:

Name of Shareholders	Equity shares with voting rights			
	As at March 31, 2014		As at March 31, 2013	
	No. of shares held	% of holding	No. of shares held	% of holding
Equity shares with voting rights				
Mapple Commerce Private Limited	6,23,750	14.88%	6,23,750	14.88%
Satish Chandra Agarwal	5,84,480	13.95%	5,38,900	12.86%
Saroj Agarwal	5,29,700	12.64%	5,29,700	12.64%
Nirala Merchants Private Limited	4,10,200	9.79%	3,20,910	7.66%
Priya Ranjan Agarwal	3,86,000	9.21%	3,86,000	9.21%

d) Share capital includes 27,60,000 equity shares of ₹10 each allotted as fully paid bonus shares in the year 1993-94 by capitalisation of general reserve and revaluation reserve.

e) Compulsory Convertible Debentures (CCDs)

Pursuant to the resolution passed by the shareholders of the Company at the Annual General Meeting held on 16 July 2013, the Company has issued Zero Coupon Compulsory Convertible Debentures of face value of ₹ 1,000 each for a consideration of ₹ 40,00,00,000 to Pragati India Fund Limited and PI International LP through preferential issue. Further, 1,39,130 CCD's were converted in to 3,64,456 fully paid equity shares by the Board of Directors in their meeting held on April 23, 2014. 2,60,870 CCD's are outstanding for conversion and shareholders' permission is being sought for extension of tenure of balance CCD's from 12 months to 18 months as per SEBI (ICDR) Regulations, 2009.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014*(All amounts in Indian rupees, unless stated otherwise)***2.2 Reserves And Surplus**

Particulars	As at	
	March 31, 2014	March 31, 2013
Capital reserve	1,75,200	1,75,200
Technology Development and Demonstration Programme grant (note a)		
Opening balance	3,00,00,000	2,00,00,000
Add: additions during the year	1,00,00,000	1,00,00,000
	4,00,00,000	3,00,00,000
Securities premium account	2,25,50,000	2,25,50,000
General reserve		
Opening balance	46,24,16,726	40,24,16,726
Add: additions during the year	-	6,00,00,000
	46,24,16,726	46,24,16,726
Statement of profit and loss		
Opening balance	6,33,89,158	4,67,30,748
Additions during the year	6,02,40,216	7,66,58,410
Available for appropriations	12,36,29,374	12,33,89,158
Less: transfer to general reserve	-	6,00,00,000
Closing balance	12,36,29,374	6,33,89,158
Total	64,87,71,300	57,85,31,084

- a) The Company has 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 out of total cost of ₹ 18,00,00,000 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. This has been further extended by DSIR up to September 8, 2014 vide their letter dated December 23, 2013. The Company has received the third installment of ₹ 1,00,00,000 (Total of ₹ 4,00,00,000 including installments of ₹ 3,00,00,000 received during previous years) during the year and incurred the expense of ₹ 2,94,92,525 during the year towards the project.

2.3 Long Term Borrowings

Particulars	As at March 31, 2014		As at March 31, 2013	
	Non-current	Current	Non-current	Current
Secured				
Term loans from banks	5,71,31,651	2,52,55,728	10,40,28,784	4,98,01,396
Vehicle loans	5,62,540	21,77,046	22,99,594	27,20,345
	5,76,94,191	2,74,32,774	10,63,28,378	5,25,21,741
Unsecured				
Loans from others	-	8,52,181	20,59,066	1,56,28,960
	-	8,52,181	20,59,066	1,56,28,960
Unsecured				
Compulsory convertible debentures	40,00,00,000	-	-	-
	40,00,00,000	-	-	-
Total	45,76,94,191	2,82,84,955	10,83,87,444	6,81,50,701

Notes

- (a) Term loans from State Bank of India and Punjab National Bank are secured by way of:
- Equitable mortgage on pari-passu basis on the land & building of Lucknow Plant 1, Lucknow Plant 2 and Mehsana Plant and land at Surajbari (Windmill) and first pari-passu charge on all movable fixed assets of the Company.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

(All amounts in Indian rupees, unless stated otherwise)

- ii) Personal guarantee of four directors.
- iii) Additional security of residential house at Lucknow owned by a director (mortgaged with SBI).
- (b) Term of repayments (State Bank of India and Punjab National Bank)

Bank Name	As at March 31, 2014			As at March 31, 2013		
	Loan	Pending	Periodicity	Loan	Pending	Periodicity
	Amount	Installments	Repayments	Amount	Installments	Repayments
State Bank of India	3,90,76,540	8	Quarterly	4,65,93,120	12	Quarterly
	4,33,10,840	12	Quarterly	5,09,83,520	16	Quarterly
Punjab National Bank				1,50,01,396	4	Quarterly
				4,12,52,143	16	Quarterly

- (c) Vehicle loans from Tata Capital Financial Services Limited are secured by way of absolute charge on specific assets purchased under the scheme and repayable within a period of 36 months. Entire loan is repayable up to March 2016.

- (d) Loans from other include:

- i) Loan from Magma Fincorp Limited is payable in 24 installments of Rs. 364,363 per month having a year end balance of Rs. 692,404. Entire loan is repayable up to May 2014.
- ii) Loan from Religare Finvest Limited is payable in 36 installments of Rs. 263,878 per month having a year end balance of Rs. 159,777. Entire loan is repayable up to April 2014.

- (e) Compulsory Convertible Debentures (CCDs)

Pursuant to the resolution passed by the shareholders of the Company at the Annual General Meeting held on 16 July 2013, the Company has issued Zero Coupon Compulsory Convertible Debentures of face value of ₹ 1,000 each for a consideration of ₹ 40,00,00,000 to Pragati India Fund Limited and PI International LP through preferential issue. Further, 1,39,130 CCD's were converted in to 3,64,456 fully paid equity shares by the Board of Directors in their meeting held on April 23, 2014. 2,60,870 CCD's are outstanding for conversion and shareholders' permission is being sought for extension of tenure of balance CCD's from 12 months to 18 months as per SEBI (ICDR) Regulations, 2009.

- (f) **Rate of Interest**

The Company's long term borrowings from banks and others have an effective weighted average rate of 4.72% p.a. (previous year 9.89% p.a.) calculated using interest rates effective as on March 31, 2014 for the respective borrowings.

2.4 Deferred Tax Liabilities, Net

Particulars	As at March 31, 2014	As at March 31, 2013
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation charged in the books	7,90,93,787	5,32,53,002
Tax impact on allowance under section 80IA	23,77,988	-
Deferred tax assets		
Provision for employee benefits	(47,91,369)	(23,07,972)
Provision for doubtful debts	(4,80,458)	-
Deferred tax liabilities, net	7,61,99,948	5,09,45,030

2.5 Other Long Term Liabilities

Particulars	As at March 31, 2014	As at March 31, 2013
Security deposit	26,250	13,500
	26,250	13,500

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014*(All amounts in Indian rupees, unless stated otherwise)***2.6 Long Term Provisions**

Particulars	As at March 31, 2014	As at March 31, 2013
Provision for employees benefits		
- Gratuity (refer note 2.31)	59,09,193	60,90,098
- Leave encashment	43,65,359	47,05,747
	1,02,74,552	1,07,95,845

2.7 Short Term Borrowings

Particulars	As at March 31, 2014	As at March 31, 2013
Secured		
Cash credits from banks	18,22,80,702	48,30,67,685
Buyers' credit in foreign currency from banks	2,19,25,440	57,35,488
Unsecured		
Bill discounting facilities	-	1,02,95,799
Loans from related parties	-	51,01,704
	20,42,06,142	50,42,00,676

- a) Short term borrowings from State Bank of India and Punjab National Bank are secured by way of:
- First charge ranking pari-passu on the whole of the present and future current assets of the Company.
 - Second Charge on equitable mortgage on pari-passu basis on the land & building of Lucknow Plant 1, Lucknow Plant 2 and Mehsana Plant and land at Surajbari (Windmill).
 - Personal guarantee of four directors.
 - Additional security of residential house at Lucknow owned by a director (mortgaged with SBI).
- b) The Company had taken unsecured short term bill discounting facilities from IFCI Factors Limited having an year end balance of Rs. Nil (previous year Rs. 1,02,95,799)
- c) Loans from related parties includes:
- Mapple Commerce Private Limited amounting to Rs. Nil (previous year - Rs. 17,58,281)
 - Nirala Merchants Private Limited amounting to Rs. Nil (previous year - Rs. 33,43,423)

2.8 Trade Payables

Particulars	As at March 31, 2014	As at March 31, 2013
Payables to micro, small and medium enterprises	-	-
Others	8,69,60,716	13,08,50,496
	8,69,60,716	13,08,50,496

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.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014*(All amounts in Indian rupees, unless stated otherwise)***2.9 Other Current Liabilities**

Particulars	As at March 31, 2014	As at March 31, 2013
Current maturities of long term borrowings (refer note 2.3)	2,82,84,955	6,81,50,701
Interest accrued and due on borrowings	7,74,869	39,38,133
Amount payable to banks	4,52,90,777	-
Advance from customers	86,51,016	1,94,95,714
Creditors for capital goods	77,86,418	64,80,645
Book overdraft	-	25,46,169
Statutory dues payable	10,90,022	3,95,980
Employee payables	42,81,780	42,07,347
Security deposit	50,00,000	-
Other payables	1,82,63,526	1,26,16,935
	11,94,23,363	11,78,31,624

2.10 Short Term Provisions

Particulars	As at March 31, 2014	As at March 31, 2013
Provision for wealth tax	92,616	64,541
Provision for taxation (current year, net of advance tax)	35,83,629	-
Provision for employee benefits		
- Gratuity (refer note 2.31)	24,22,314	1,76,366
- Leave encashment	8,45,343	6,69,628
	69,43,902	9,10,535

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

(All amounts in Indian rupees, unless stated otherwise)

DESCRIPTION OF ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at April 1, 2013	Additions	Deductions	As at April 1, 2013	For the year	Deductions	Up to March 31, 2014	As at March 31, 2014
TANGIBLE ASSETS								
Freehold land	3,87,98,593	13,35,000	-	4,01,33,593	-	-	-	4,01,33,593
Leasehold land	2,12,49,549	-	-	2,12,49,549	2,68,514	-	64,43,412	1,48,06,137
Factory building	8,13,77,387	47,46,738	-	8,61,24,125	25,16,780	-	2,45,22,885	6,16,01,240
Plant and machinery	45,79,42,367	1,88,91,818	13,53,825	47,54,80,360	3,40,11,024	2,13,557	21,12,83,663	26,41,96,697
Computer	1,42,55,400	982,630	-	1,52,38,030	1,29,73,64	-	1,21,26,558	31,11,472
Mould and dies	8,68,57,900	99,22,129	-	9,67,80,029	94,59,332	-	5,03,88,225	4,63,91,804
Vehicles	2,12,65,120	28,19,116	14,52,139	2,26,32,097	17,01,223	8,24,716	83,47,425	1,42,84,672
Furniture and fixtures	1,08,83,287	7,01,795	7,94,346	1,07,90,736	5,25,790	550	52,54,854	55,35,882
Office equipments	80,48,704	5,69,221	-	86,17,925	2,79,903	-	39,68,776	46,49,149
Research and development assets								
Plant and machinery	2,48,45,417	43,390	-	2,48,88,807	15,97,114	-	67,81,337	1,81,07,470
Computer	1,11,804	-	-	1,11,804	17,799	-	69,748	42,056
Mould and dies	1,11,76,876	-	-	1,11,76,876	12,90,361	-	69,96,387	41,80,489
Vehicles	2,48,603	3,86,219	-	6,34,822	36,383	-	1,01,343	5,33,479
	77,70,61,007	4,03,98,056	36,00,310	81,38,58,753	5,30,01,587	10,38,823	33,62,84,613	47,75,74,140
INTANGIBLE ASSETS								
Software	86,50,100	5,88,823	-	92,38,923	8,92,313	-	62,55,815	29,83,108
Licences	39,70,296	-	-	39,70,296	-	-	39,70,296	-
Research and development assets								
Software	4,63,892	-	-	4,63,892	75,214	-	2,80,362	1,83,530
	1,30,84,288	5,88,823	-	1,36,73,111	9,67,527	-	1,05,06,473	31,66,638
	79,01,45,295	4,09,86,879	36,00,310	82,75,31,864	5,39,69,114	10,38,823	34,67,91,086	48,07,40,778

a) Additions to fixed assets include exchange loss of ₹ 1,07,34,090 (previous year exchange loss of ₹ 34,31,045) and borrowing costs of ₹ nil (Previous year ₹ 24,80,753) capitalized during the year.

b) Additions to plant and machinery and vehicles include additions to research and development assets amounting to ₹ 4,29,609 (previous year: ₹ 1,173,090).

2.11 Fixed Assets

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

(All amounts in Indian rupees, unless stated otherwise)

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	As at April 1, 2012	Additions	Deductions	Adjustment on slump sale	As at March 31, 2013	As at April 1, 2012	For the year	Deductions	Adjustment on slump sale	Up to March 31, 2013	As at March 31, 2013	As at March 31, 2012
TANGIBLE ASSETS												
Freehold land	3,58,65,466	29,33,127	-	-	3,87,98,593	-	-	-	-	-	3,87,98,593	3,58,65,466
Leasehold land	2,84,38,250	1,25,000	-	73,13,701	2,12,49,549	70,66,266	4,07,705	-	12,99,073	61,74,898	1,50,74,651	2,13,71,984
Factory building	8,69,50,198	93,99,888	-	1,49,72,699	8,13,77,387	2,37,29,628	29,82,985	-	47,06,508	2,20,06,105	5,93,71,282	6,32,20,570
Plant and machinery	47,51,52,900	2,63,38,793	34,06,926	4,01,42,400	45,79,42,367	17,47,17,093	2,23,26,490	13,41,185	1,82,16,202	17,74,86,196	28,04,56,171	30,04,35,715
Computer	1,42,79,701	9,73,567	-	9,97,868	1,42,55,400	1,06,22,787	12,01,860	-	9,95,453	1,08,29,194	34,26,206	36,56,881
Mould and dies	7,97,77,202	1,32,91,969	5,79,360	56,31,911	8,68,57,900	3,59,78,761	82,01,441	1,03,872	31,47,437	4,09,28,893	4,59,29,007	4,37,98,442
Vehicles	2,15,88,769	41,77,815	7,25,023	37,76,441	2,12,65,120	77,96,134	21,76,787	5,98,822	19,03,181	74,70,918	1,37,94,202	1,37,92,636
Furniture and fixtures	97,62,778	18,48,072	-	7,27,563	1,08,83,287	46,30,376	5,20,859	-	4,21,621	47,29,614	61,53,673	51,32,402
Office equipments	76,24,678	12,06,225	-	7,82,199	80,48,704	36,38,396	3,32,803	-	2,82,326	36,88,873	43,59,831	39,86,282
Research and development assets												
Plant and machinery	2,46,23,680	2,21,737	-	-	2,48,45,417	33,92,069	17,92,154	-	-	51,84,223	1,96,61,194	2,12,31,702
Computer	1,11,804	-	-	-	1,11,804	34,150	17,799	-	-	51,949	59,855	77,686
Mould and dies	1,02,45,716	9,31,160	-	-	1,11,76,876	45,20,979	11,85,047	-	-	57,06,026	54,70,850	57,24,737
Vehicles	2,48,603	-	-	-	2,48,603	41,343	23,617	-	-	64,960	1,83,643	2,07,260
INTANGIBLE ASSETS												
Software	67,66,223	18,95,950	-	12,075	86,50,098	47,54,666	6,11,725	-	2,890	53,63,501	32,86,597	20,11,555
Licences	39,70,296	-	-	-	39,70,296	31,76,237	7,94,059	-	-	39,70,296	-	7,94,059
Research and development assets												
Software	4,43,700	20,193	-	-	4,63,893	1,33,206	71,941	-	-	2,05,147	2,58,746	3,10,493
	1,11,80,219	19,16,143	-	12,075	1,30,84,287	80,64,109	14,77,725	-	2,890	95,38,944	35,45,343	31,16,107
	80,58,49,964	6,33,63,496	47,11,309	7,43,56,857	79,01,45,294	28,42,32,091	4,26,47,272	20,43,879	3,09,74,691	29,38,60,793	49,62,84,501	52,16,17,870

a) Additions to fixed assets include exchange loss of ₹ 34,31,045 (previous year exchange loss of ₹ 83,58,603) and borrowing costs of ₹ 24,80,753 (previous year ₹ 11,73,561) capitalized during the year.

b) Additions to plant and machinery, mould and dies and software include additions to research and development assets amounting to ₹ 11,73,090 (previous year: ₹ 32,24,104).

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

(All amounts in Indian rupees, unless stated otherwise)

2.12 Non Current Investments

Particulars	As at March 31, 2014	As at March 31, 2013
Long Term Investments (Non - Trade)		
Quoted (valued at cost unless otherwise stated)		
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
Equity Shares in Kailash Structures Limited 1,600 shares of Rs. 10 each (previous year - 1,600 shares of Rs. 10 each)	16,000	16,000
	86,100	86,100
Unquoted - Trade (valued at cost unless otherwise stated)		
Investment in subsidiaries		
Share application money to Modrany Power and PTC Piping Systems Private Limited	1,00,000	-
	1,00,000	-
	1,86,100	86,100
Market value of investments in mutual funds	3,59,199	2,95,021
Aggregate market value of investments in equity instruments	42,806	51,188

2.13 Long Term Loans And Advances

Particulars	As at March 31, 2014	As at March 31, 2013
(Unsecured considered good)		
Capital advances	89,15,847	1,78,80,450
Security deposits	58,27,963	72,21,863
Loan to employees	64,16,548	12,57,217
Accrued interest	55,91,298	6,46,808
Balances with statutory and government authorities	1,50,00,000	1,50,00,000
Advance income tax (previous years, net of provision)	8,34,163	4,72,435
Minimum alternate tax credit entitlement	2,66,91,438	2,66,91,438
	6,92,77,257	6,91,70,211

2.14 Other Non Current Assets

Particulars	As at March 31, 2014	As at March 31, 2013
Deposits with residual maturity more than 12 months	13,10,111	-
	13,10,111	-

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

(All amounts in Indian rupees, unless stated otherwise)

2.15 Current Investments

Particulars	As at March 31, 2014	As at March 31, 2013
Quoted (valued at cost or fair value, whichever is lower)		
Investments in mutual funds		
PNB Mutual Fund [777.481 units of Rs. 1,987.27 each (previous year nil)]	15,45,068	-
IDFC Mutual Fund [190.688 units of Rs. 1,527.32 each (previous year nil)]	2,91,241	-
	18,36,309	-
Market value of investments in mutual fund as at the end of the year	18,74,764	-

2.16 Inventories

Particulars	As at March 31, 2014	As at March 31, 2013
(As taken, valued and certified by the management)		
Direct raw materials	8,67,40,929	12,58,66,341
Materials, stores and spares etc.	2,98,86,833	3,04,48,234
Work in progress	16,61,54,019	19,04,45,173
Finished goods	4,35,687	39,535
Loose tools	50,70,525	46,77,219
	28,82,87,993	35,14,76,502
Goods in transit included in above inventories is as under:		
Direct raw materials	1,36,475	5,52,620
Work in progress	-	30,02,914

2.17 Trade Receivables

Particulars	As at March 31, 2014	As at March 31, 2013
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	1,85,69,676	2,77,36,307
Unsecured, considered doubtful	14,80,610	14,80,610
Less: Provision for bad debts	(14,80,610)	(14,80,610)
	1,85,69,676	2,77,36,307
Others		
Unsecured, considered good	29,82,66,705	38,86,70,396
	31,68,36,381	41,64,06,703

2.18 Cash And Bank Balances

Particulars	As at March 31, 2014	As at March 31, 2013
Cash and cash equivalents		
Cash in hand	3,66,699	14,87,860
Balance with banks in current account		
- in current accounts	1,16,84,521	25,11,825
- in deposit account with original maturity upto 3 months	1,50,00,000	-
Other bank balances		
Deposits with original maturity more than 3 months but less than 12 months	11,98,59,249	2,86,56,214
	14,69,10,469	3,26,55,899

Note: Margin money deposits are pledged with banks for issuance of bank guarantees and letter of credits.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

(All amounts in Indian rupees, unless stated otherwise)

2.19 Short Term Loans And Advances

Particulars	As at March 31, 2014	As at March 31, 2013
(Unsecured, considered good)		
Prepaid expenses	25,02,816	25,37,084
Interest accrued on deposits	3,46,612	16,17,040
Loan to employees	41,39,034	12,14,596
Balances with statutory and government authorities	2,94,86,423	2,37,72,807
Other loans and advances	2,80,07,461	59,19,367
Receivable from subsidiary *	22,33,963	-
	6,67,16,309	3,50,60,894

* includes amount recoverable from Modrany Power & PTC Piping Systems Pvt. Ltd., subsidiary company on account of expenses incurred by the PTC Industries Limited.

2.20 Other Current Assets

Particulars	As at March 31, 2014	As at March 31, 2013
(Considered good, unless otherwise stated)		
Export incentives receivable	2,96,59,182	3,38,37,969
Claims receivable	2,62,33,367	1,80,72,628
Unamortised deferred premium	12,51,904	-
Foreign currency receivable	4,11,93,690	-
	9,83,38,143	5,19,10,597

2.21 Revenue From Operations

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Sale of products (refer note (a) below)	1,18,52,67,222	1,41,18,85,549
Other operating revenues (refer note (b) below)	3,74,13,287	3,93,54,800
Gross revenue from operations	1,22,26,80,509	1,45,12,40,349
Less: excise duty	3,20,87,158	6,99,38,790
Net revenue from operations	1,19,05,93,351	1,38,13,01,559
(a) Sale of products comprises		
Castings (stainless steel)	87,76,10,439	85,07,41,808
Castings (alloy and non-alloy steel)	13,70,99,897	26,36,27,024
Structures and forgings	7,05,03,867	14,40,47,430
Assembly items	4,69,23,948	13,09,03,888
Others	5,31,29,071	2,25,65,399
	1,18,52,67,222	1,41,18,85,549
(b) Other operating revenues		
Export incentives	3,25,42,325	3,33,86,575
Income from power generation	48,70,962	59,68,225
	3,74,13,287	3,93,54,800
(c) Domestic and export sales		
Domestic sales	28,81,71,403	59,68,87,114
Export sales	89,70,95,819	81,49,98,435
	1,18,52,67,222	1,41,18,85,549

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

(All amounts in Indian rupees, unless stated otherwise)

2.22 Other Income

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Interest received		
- from banks	1,90,91,084	22,63,848
- from others	16,71,954	1,82,243
Dividend income	8,125	1,125
Income from mutual funds	33,36,621	-
Provisions made no longer required written back	11,62,147	49,80,794
Discount received	-	3,101
Other receipts	1,86,594	41,400
Insurance claims received	-	6,71,433
	2,54,56,525	81,43,944

2.23 Cost Of Materials Consumed

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Opening stock	12,58,66,341	19,01,26,659
Add: purchases	32,34,43,895	42,34,53,112
Less: closing stock	8,67,40,929	12,75,19,630
	36,25,69,307	48,60,60,141
Less: consumed for research and development (note 2.28)	29,22,372	40,80,065
Cost of materials consumed	35,96,46,935	48,19,80,076
Note (i) cost of materials consumed :		
Scraps and metals		
Stainless steel scrap	20,95,39,989	16,30,32,382
Iron and steel scrap	3,30,62,503	11,27,13,554
Ferrous and non-ferrous alloys	4,62,72,874	6,14,78,559
Structures and fabrication	3,48,69,388	8,34,32,501
Raw castings (including assembly)	3,88,24,553	6,54,03,145
	36,25,69,307	48,60,60,141
Less: raw material consumed for research and development (note 2.28)	29,22,372	40,80,065
	35,96,46,935	48,19,80,076

Note: The previous year includes inventory of discontinued operations.

2.24 Changes in Inventories of Finished Goods and Work-in-progress

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Inventories as at March 31, 2013		
Work-in-progress	19,04,45,173	22,68,14,700
Finished goods	39,535	1,13,09,295
	19,04,84,708	23,81,23,995
Inventories as at March 31, 2014		
Work-in-progress	16,61,54,019	21,76,86,315
Finished goods	4,35,687	10,51,046
	16,65,89,706	21,87,37,361
Change in inventories	2,38,95,002	1,93,86,634

Note: The previous year includes inventory of discontinued operations.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

(All amounts in Indian rupees, unless stated otherwise)

2.25 Employee Benefits Expense

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Salaries, wages and bonus	14,57,02,179	14,57,83,738
Contribution to provident and other funds	1,04,03,112	1,02,47,979
Gratuity expense	21,36,773	45,83,089
Staff welfare expenses	34,56,766	42,93,749
	16,16,98,830	16,49,08,555

2.26 Other Expenses

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Manufacturing expenses		
Stores and spares consumed	12,69,71,085	15,55,57,019
Power and fuel	8,94,03,820	9,11,94,563
Repairs and maintenance		
- plant and machinery	2,26,74,687	2,06,95,241
- building	21,18,722	17,60,933
Packing and general consumables	1,93,31,848	2,11,15,797
Processing and work charges	5,66,78,229	6,65,16,231
Freight inward	25,61,049	39,86,369
Testing and inspection charges	1,38,41,720	1,20,21,275
	33,35,81,160	37,28,47,428
Administrative and selling expenses		
Rent	28,14,265	23,40,166
Rates and taxes	36,83,268	61,55,065
Insurance expenses	25,32,006	16,20,649
Security expenses	46,71,746	47,40,011
Legal and professional expenses	1,94,41,575	84,62,842
Travelling and conveyance	79,65,487	87,56,734
Vehicle running and maintenance	41,67,638	39,77,837
Communication expenses	30,35,606	30,08,627
Printing and stationery	28,91,088	24,14,209
Conference, training and recruitment	16,32,535	14,47,277
Freight and clearing	1,55,86,136	1,70,76,149
Sales commission	90,05,209	1,49,79,096
Late delivery charges	1,37,45,570	1,09,08,352
Advertisement and promotion	29,92,142	19,97,013
Payment to auditors (refer note below)	16,42,110	3,44,285
Donation and charity	3,78,276	16,17,672
Loss on sale of assets, net	5,57,667	6,56,006
Foreign exchange fluctuations	57,94,540	30,11,897
Bad debts written off	76,94,796	37,39,899
Provision for doubtful debts, loans and advances	-	14,80,610
Miscellaneous expenses	28,28,068	21,55,802
	11,30,59,728	10,08,90,198
Statutory auditors:		
Audit fees	10,00,000	1,75,000
Tax audit fees	1,00,000	48,000
Limited review	1,00,000	48,000
Out of pocket expenses	4,42,110	73,285
	16,42,110	3,44,285

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

(All amounts in Indian rupees, unless stated otherwise)

2.27 Finance Costs

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Interest		
- working capital loans	2,67,10,381	4,13,02,930
- term loans	93,37,675	1,66,04,608
- others	21,08,169	49,22,194
Bank charges	97,83,154	74,39,941
Loss on foreign currency transactions and translation	50,65,814	57,82,868
	5,30,05,193	7,60,52,541

2.28 Research And Development Expense

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Raw materials consumed	29,22,372	40,80,065
Materials, stores and spares consumed	25,59,657	15,14,773
Conversion cost	-	17,33,500
Testing and radiography expenses	-	1,44,242
Salary and wages	14,99,321	9,62,146
Other expenses	1,16,215	54,500
	70,97,565	84,89,226

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 Rs 28,14,265 (previous year Rs. 23,40,166)

2.30 Contingent Liabilities and Commitments

(A) Contingent Liabilities

Particulars	As at March 31, 2014	As at March 31, 2013
(i) In respect of non fund-based working capital facilities from banks:		
Bank guarantees	2,57,44,887	84,20,000
Letter of credit (Inland/Foreign)	99,17,040	1,85,22,342
(ii) Contingent Liability in respect of factoring of receivables with IFCI Factors Limited.	-	1,02,95,799
(iii) Disputed demands for excise duty and service tax (refer note a below)	4,69,23,008	4,61,09,256
(iv) Disputed demands for income tax (refer note b below)	10,02,053	-

Notes:

- 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.
- Assessment for the assessment year 2010-11 has been done by assessing officer and penalty has been determined against which the Company has filed appeal before the CIT(A) against the order u/s 271(1)(c) and application u/s 154. 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.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014*(All amounts in Indian rupees, unless stated otherwise)***(B) Commitments**

Particulars	As at March 31, 2014	As at March 31, 2013
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	4,08,16,765	2,93,99,645

2.31 Employee Benefit Obligations**Defined Contribution Plans**

Amount of ₹ 1,04,03,112 (previous year - ₹ 1,02,47,979) has been recognized 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, 2014	As at March 31, 2013
Present value of the obligation at the beginning of the period	3,46,50,987	2,92,39,165
Current service cost	33,78,502	24,74,619
Interest cost	31,18,589	24,12,231
Benefits paid	(22,34,984)	(28,75,965)
Actuarial (gain)/loss on obligation	(4,06,042)	4,73,410
Present value of the obligation at the end of the period	3,85,07,052	3,17,23,460
Change in plan assets:		
Fair value of plan assets at the beginning of the period	2,62,52,514	2,73,27,603
Expected return on plan assets	25,52,897	24,24,102
Contributions	36,05,118	17,39,999
Benefits paid	(22,34,984)	(28,75,965)
Fair value of plan asset at the end of the period	3,01,75,545	2,86,15,739
Amount of the obligation recognised in the Balance Sheet		
Present value of the obligation at the end of the period	3,85,07,052	3,17,23,460
Fair value of plan assets at end of period	3,01,75,545	2,86,15,739
Net liability recognized in Balance Sheet	83,31,507	31,07,721
Amount of Gratuity expenses recognised in the statement of profit and loss		
Current service cost	33,78,502	24,74,619
Interest cost	31,18,589	24,12,231
Expected return on plan asset	(25,52,897)	(24,24,102)
Net actuarial (gain)/loss recognized in the period	(4,06,042)	4,73,410
	35,38,152	29,36,158

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, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Present value of defined benefit obligation	3,85,07,052	3,17,23,460	2,92,39,165	2,57,93,633	2,44,26,290
Fair value of plan assets	3,01,75,545	2,86,15,739	2,73,27,643	2,43,93,467	2,20,09,551
Surplus or (deficit) in the plan assets	(83,31,507)	(31,07,721)	(19,11,522)	(14,00,166)	(24,16,739)

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014*(All amounts in Indian rupees, unless stated otherwise)***The actuarial assumptions used to determine the gratuity benefit obligations are as follows :**

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Discount Rate	9.00%	8.25%
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.

Note: The previous year includes gratuity liability of discontinued operations and excludes gratuity on account of the Chairman.

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, 2014		Year ended March 31, 2013	
	Imported	Indigenous	Imported	Indigenous
Direct raw materials				
Value (₹)	55,75,024	35,40,71,911	75,73,999	47,44,06,077
Percentage	1.55%	98.45%	1.57%	98.43%
Stores and spares consumed*				
Value (₹)	1,52,41,541	13,44,04,231	1,43,95,206	16,18,57,054
Percentage	10.19%	89.81%	8.17%	91.83%

* Stores and spares consumed include repairs and maintenance of plant and machinery

2.33 C.I.F. value of imports (including research and development)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Direct raw materials	65,75,758	75,21,305
Materials, stores and spares	1,63,24,622	1,18,04,256
Capital goods	3,19,95,708	2,58,34,122
	5,48,96,088	4,51,59,683

2.34 Expenditure in foreign currency during the year (on accrual basis)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Travelling and conveyance	10,49,374	7,86,296
Testing and inspection charges	19,18,052	4,90,653
Legal and professional charges	6,87,230	4,51,181
Rent	48,30,957	44,08,633
Printing and stationery	7,18,777	90,508
Sales commission	3,27,373	1,06,682
Conference, training and recruitment	4,23,181	-
	99,54,944	63,33,953

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014*(All amounts in Indian rupees, unless stated otherwise)***2.35 Earning in foreign currency**

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
From export of castings and forgings/structures (F.O.B. basis)	89,14,26,402	81,22,27,727

2.36 Prior period expenses (net of taxes)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Depreciation	1,02,39,192	-
Gratuity	8,68,937	-
Leave encashment	(11,61,821)	-
Other expenses	2,62,141	8,30,826
	1,02,08,449	8,30,826
Tax impact	33,12,132	2,69,561
	68,96,317	5,61,265

2.37 Calculation of earning per share and diluted earning per share

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Profit before taxation before prior period items	12,03,35,540	9,10,61,021
Current year taxes	2,77,19,225	1,38,41,346
Profit after taxation before prior period items	9,26,16,315	7,72,19,675
Prior period items, net of tax saving	68,96,317	3,17,43,817
Prior period taxes	2,54,79,782	-
Profit after taxation and after prior period items	6,02,40,216	7,66,58,410
Weighted average number of ordinary share outstanding	41,91,250	41,91,250
Earning per share on profit after taxation before prior period items (face value ₹ 10/- per share)	22.10	18.42
Earning per share on profit after taxation and prior period items (face value ₹ 10/- per share)	14.37	18.29
Diluted weighted average number of ordinary share outstanding	49,08,930	41,91,250
Diluted earning per share on profit after taxation before prior period items (face value ₹ 10/- per share)	18.87	18.42
Diluted earning per share on profit after taxation and prior period items (face value ₹ 10/- per share)	12.27	18.29

2.38 Segment Reporting

Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accounts of India which requires disclosure of information on the basis of reportable segment. The Company recognizes manufacturing of stainless steel castings, alloy steel castings, non alloy steel castings and steel structures and assembly items as its primary segment.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

(All amounts in Indian rupees, unless stated otherwise)

Business Segment :

Performance of Business Segment is as follows :

	March 31, 2014			March 31, 2013		
	Engineering Division	Power Division	Total	Engineering Division	Power Division	Total
Segment Revenue						
Revenue	1,18,57,22,389	-	1,18,57,22,389	1,37,53,33,334	-	1,37,53,33,334
Income from power generation	-	48,70,962	48,70,962	-	59,68,225	59,68,225
Income from operations	1,18,57,22,389	48,70,962	1,19,05,93,351	1,37,53,33,334	59,68,225	1,38,13,01,559
Other income	2,54,56,525	-	2,54,56,525	81,43,944	-	81,43,944
Total Revenue	1,21,11,78,914	48,70,962	1,21,60,49,876	1,38,34,77,278	59,68,225	1,38,94,45,503
Segment results						
Profit before finance cost, depreciation and tax	21,32,97,804	37,72,852	21,70,70,656	23,60,10,815	49,32,571	24,09,43,386
Less: finance cost	5,30,05,193	-	5,30,05,193	7,60,52,541	-	7,60,52,541
Less: depreciation	4,18,48,765	18,81,158	4,37,29,923	4,07,66,114	18,81,158	4,26,47,272
Profit before exceptional item and tax	11,84,43,846	18,91,694	12,03,35,540	11,91,92,160	30,51,413	12,22,43,573
Exceptional item	-	-	-	3,11,82,552	-	3,11,82,552
Profit before tax	11,84,43,846	18,91,694	12,03,35,540	8,80,09,608	30,51,413	9,10,61,021
Provision for taxation						
Current tax			2,79,44,089			1,84,10,685
Deferred tax			(2,24,864)			(4,20,696)
Add: MAT credit entitlement			-			41,48,643
Profit after tax before prior period			9,26,16,315			7,72,19,675
Prior year adjustment expenses			68,96,317			5,61,265
Deferred tax - earlier years			2,54,79,782			-
Profit for the year			6,02,40,216			7,66,58,410
Segment assets and liabilities						
Segment assets	1,60,26,53,873	2,30,67,553	1,62,57,21,426	1,49,27,53,669	2,49,33,627	1,51,76,87,296
Add: unallocable assets			2,66,91,438			2,66,91,438
Net segment assets			1,65,24,12,864			1,54,43,78,734
Segment liabilities	86,53,81,069	1,52,72,180	88,06,53,249	85,16,57,671	1,90,29,947	87,06,87,618
Add: unallocable liabilities (net of advance tax)			8,10,75,815			5,32,47,532
Net segment liabilities			96,17,29,064			92,39,35,150
Capital expenditure incurred	4,09,86,879	-	4,09,86,879	6,33,63,493	-	6,33,63,493
Depreciation and amortisation	4,18,48,765	18,81,158	4,37,29,923	4,07,66,114	18,81,158	4,26,47,272
Non cash expenses included in segment expenses	76,94,796	-	76,94,796	52,20,509	-	52,20,509

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014*(All amounts in Indian rupees, unless stated otherwise)***2.39 Related Party Disclosure:**

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

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

Enterprises controlled by directors/relatives	<ol style="list-style-type: none">1. Mapple Commerce Private Limited2. Precision Overseas Private Limited3. Homelike Motels and Resorts Private Limited4. e.Soft Technologies Limited5. PTC Energas Flow Private Limited6. Nirala Merchants Private Limited
Subsidiary company	<ol style="list-style-type: none">1. Modrany Power and PTC Piping Systems Private Limited
Key Management Personnel of the Company	<ol style="list-style-type: none">1. Mr. Satish Chandra Agarwal2. Mr. Sachin Agarwal3. Mr. Priya Ranjan Agarwal4. Mr. Alok Agarwal5. Mr. Narayanan Shadagopan (w.e.f July 24, 2013)6. Mr. Arvind Agarwal (till March 31, 2013)
Relatives of Key Management Personnel	<ol style="list-style-type: none">1. Mrs. Saroj Agarwal2. Ms. Kanchan Agarwal3. Mrs. Smita Agarwal4. Mrs. Anshoo Agarwal5. Mrs. Reena Agarwal6. Mr. Manu Agarwal (till May, 2013)7. Mrs. Kiran Prasad (till September, 2012)8. Mrs. Anita Agarwal (till March 31, 2013)

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

(All amounts in Indian rupees, unless stated otherwise)

The following transactions were carried out with the related parties:

Particulars	Year ended March 31, 2014			Year ended March 31, 2013			
	Enterprises controlled by directors/ relatives	Subsidiary	Key management personnel (KMP)	Enterprises controlled by directors/ relatives	Subsidiary	Key management personnel (KMP)	Relatives of KMP's
Transactions during the year							
1. Interest charges	2,27,481	-	-	19,93,129	-	-	-
2. Service charges	7,99,394	-	-	5,39,328	-	-	-
3. Managerial remuneration	-	-	1,22,57,006	-	-	1,10,03,076	-
4. Salary and allowances	-	-	-	38,79,318	-	-	39,62,239
5. Rent paid	-	-	-	4,42,500	-	-	3,30,000
6. Repayment of loans	51,01,704	-	-	1,25,75,000	-	-	-
7. Investment	-	1,00,000	-	-	-	-	-
8. Loan written off	-	-	-	34,87,395	-	-	-
9. Legal and professional expenses	-	22,33,963	-	-	-	-	-
Outstanding balance (Amount payable)							
Enterprises controlled by directors/ relatives							
Nirala Merchants Private Limited	-	-	-	33,43,423	-	-	-
Mapple Commerce Private Limited	-	-	-	17,58,281	-	-	-
e.Soft Technologies Limited	57,640	-	-	4,85,388	-	-	-
Key management personnel							
Managerial remuneration	-	-	14,40,769	-	-	4,63,575	-
Relative of KMP's							
Salary and allowances	-	-	-	-	-	-	2,75,653
Outstanding balance (Amount receivable)							
Modrany Power & PTC Piping Systems Private Limited	-	22,33,963	-	-	-	-	-

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014*(All amounts in Indian rupees, unless stated otherwise)***2.40 Discontinuing Operations**

The shareholders of the Company have approved the sale of "Bhiwadi Unit" through Postal Ballot on 21st April, 2012. The Board of Directors of the Company, at their meeting held on 15th February, 2013 approved the sale of the Bhiwadi Unit, hereinafter referred to as the "Bhiwadi Unit" to Precon Technology Castings Limited (hereinafter referred to as "PreCon"). The Bhiwadi Unit with its respective assets and liabilities, was transferred to PreCon on a 'slump sale' basis as a going concern, for a cash consideration of Rs. 3,50,00,000 to be adjusted for any net working capital changes as on closing date, i.e.. March 31, 2013 and accordingly, the 'Bhiwadi Unit' is considered as a 'Discontinued Operation' as at March 31, 2013.

In this connection, the Company had signed the Slump Sale Agreement dated 25th March, 2013. The advance money of Rs. 1,00,00,000 against consideration towards Bhiwadi Unit was received from PreCon on 25th March, 2013. The balance consideration of Rs. 2,50,00,000 has been received on 6th June 2013. The Loss on account of the above transaction is disclosed as an exceptional item in the Statement of Profit and Loss.

Particulars	March 31, 2014			March 31, 2013		
	₹	₹	₹	₹	₹	₹
	Continuing operations	Discontinuing operations	Total	Continuing operations	Discontinuing operations	Total
Revenue from operations (net)	1,19,05,93,351	-	1,19,05,93,351	1,22,76,31,221	15,36,70,338	1,38,13,01,559
Other income	2,54,56,525	-	2,54,56,525	49,66,459	31,77,485	81,43,944
Increase/(decrease) in stocks of finished goods and work-in-progress	(2,38,95,002)	-	(2,38,95,002)	(2,98,24,617)	1,04,37,983	(1,93,86,634)
Total income	1,19,21,54,874	-	1,19,21,54,874	1,20,27,73,063	16,72,85,806	1,37,00,58,869
Total expenditure	1,07,87,15,651	-	1,07,87,15,651	1,09,08,20,661	15,75,55,900	1,24,83,76,561
Profit/(Loss) before tax and before exceptional items	11,34,39,223	-	11,34,39,223	11,19,52,402	97,29,906	12,16,82,308
Exceptional items	-	-	-	3,11,82,552	-	3,11,82,552
Profit before tax	11,34,39,223	-	11,34,39,223	8,07,69,850	97,29,906	9,04,99,756
Provision for tax	2,77,19,225	-	2,77,19,225	91,32,906	88,57,083	1,79,89,989
Deferred tax - earlier years	2,54,79,782	-	2,54,79,782	-	-	-
Add: MAT Credit entitlement	-	-	-	41,48,643	-	41,48,643
Profit after tax	6,02,40,216	-	6,02,40,216	7,57,85,587	8,72,823	7,66,58,410
Assets	1,65,24,12,864	-	1,65,24,12,864	1,54,18,32,565	-	1,54,18,32,565
Liabilities	96,17,29,064	-	96,17,29,064	92,13,88,981	-	92,13,88,981

B. Cash flow from continuing and discontinuing operations:

Particulars	March 31, 2014			March 31, 2013		
	₹	₹	₹	₹	₹	₹
	Continuing operations	Discontinuing operations	Total	Continuing operations	Discontinuing operations	Total
Net cash flow operating activities	26,62,25,430	-	26,62,25,430	10,66,32,994	38,56,229	11,04,89,223
Net cash used in investing activities	(20,56,70,988)	-	(20,56,70,988)	(9,26,32,945)	(28,95,579)	(9,55,28,524)
Net cash (used in) financing activities	(3,75,02,907)	-	(3,75,02,907)	(22,84,199)	42,02,576	19,18,377

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2014

(All amounts in Indian rupees, unless stated otherwise)

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 exchange contracts outstanding at the year end are as under:

Particulars	Currency	March 31, 2014		March 31, 2013	
		Foreign Currency	INR	Foreign Currency	INR
Buyer's credit	USD	3,31,200	2,00,34,288	-	-
Foreign currency term loans	USD	6,81,000	4,11,93,690	-	-

(b) The foreign currency exposures not hedged as at year end are as under:

Particulars	Currency	As at March 31, 2014		As at March 31, 2013	
		Foreign Currency	INR	Foreign Currency	INR
Buyer's credit	USD	-	-	1,04,510	57,35,488
Foreign currency demand loans	USD	-	-	25,42,593	13,95,40,585
Foreign currency term loans	USD	6,81,000	4,11,93,690	17,78,000	9,75,76,640
Creditors	USD	53,972	32,64,738	1,07,677	59,09,314
Creditors	EUR	14,912	12,44,894	13,000	9,18,580
Creditors	GBP	2,188	2,20,746	12,998	10,87,826
Creditors	DKK	985	11,052	-	-
Creditors	JPY	-	-	80,628	47,240
Trade receivables	USD	15,54,493	9,42,94,240	16,48,950	8,78,67,741
Trade receivables	EUR	18,72,692	15,23,00,418	25,71,224	17,75,68,728

2.42 During the year, the Company has entered into a Joint Venture Agreement with Modrany Power, a leading Czech producer and supplier of piping systems for the power industry. Modrany Power & PTC Piping Systems Private Limited has been incorporated in India as a wholly owned subsidiary of PTC Industries Limited during the year to jointly acquire knowledge and bid and execute projects for high pressure piping systems and allied equipments.

2.43 Previous year figures have been regrouped/rearranged wherever considered necessary to make them comparable with those of the current year.

For **Walker Chandiok & Associates**
Chartered Accountants

per **Siddharth Talwar**
Partner

Place : Delhi
Date : May 24, 2014

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

Sachin Agarwal
Managing Director

Place : Lucknow
Date : May 24, 2014

Alok Agarwal
Director (Quality & Technical)

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

Five Years at a Glance

Particulars	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010
Revenue From Operations, net	11,905.93	13,813.02	11,906.09	9,684.99	7,527.35
Export	8,970.96	8,149.99	5,286.44	4,598.69	2,999.36
Export Incentive	325.42	333.87	274.22	282.77	136.61
Income From Power Generation	48.71	59.68	48.10	46.06	48.38
Domestic, Net Of Taxes And Duties	2,560.84	5,269.48	6,297.33	4,757.47	4,343.00
Earnings Before Interest, Depreciation, Exceptional Items & Taxes	2,170.71	2,409.43	1,823.32	1,432.89	1,243.74
Finance Costs	530.05	760.53	767.11	579.74	524.26
Depreciation	437.30	426.47	389.85	339.88	297.88
Exceptional Items (Loss From Slump Sale)	-	311.82	-	-	-
Profit Before Tax (Before Prior Period Items)	1,203.36	910.61	666.36	513.27	421.60
Taxes, Net of Mat Credit Entitlement	277.19	138.41	(38.29)	171.77	127.47
Prior Period Items	323.76	5.61	0.71	25.96	-
Net Profit	602.41	766.59	703.94	315.54	294.13
Share Capital	419.13	419.13	419.13	419.13	419.13
Reserve & Surplus	6,487.71	5,785.31	4,918.73	4,014.79	3,699.25
Net Worth	6,906.84	6,204.44	5,337.86	4,433.92	4,118.38
Basic Earnings Per Share (Before Prior Period Items) (Rs.)	22.10	18.42	16.81	8.15	7.02
Basic Earnings Per Share (After Prior Period Items) (Rs.)	14.37	18.29	16.80	7.53	7.02
Book Value (Rs.)	164.79	148.03	127.36	105.79	98.26
Total Outside Liabilities/ Tangible Net Worth	1.39	1.49	1.87	1.81	1.49
Current Assets/Current Liabilities	1.13	1.25	1.15	1.08	1.21
Operating Profit Margin	18.23%	17.44%	15.31%	14.79%	16.52%
Net Profit Margin	5.06%	5.55%	5.91%	3.26%	3.91%
Average Realisation					
(I) U.S. Dollor = Rupees	58.93	53.59	47.59	45.57	47.25
(II) Euro = Rupees	77.68	69.55	66.40	60.51	66.57

Independent Auditors' Report

To the Board of Directors of PTC Industries Limited

1. We have audited the accompanying consolidated financial statements of PTC Industries Limited, ("the Company") and its subsidiary (hereinafter collectively referred to as the "Group"), which comprise the consolidated Balance Sheet as at 31 March 2014, the consolidated Statement of Profit and Loss, consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements 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 accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' 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 control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. 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 the financial statements of the subsidiaries, as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31 March 2014;

- ii) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date;
and
- iii) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

7. We did not audit the financial statements of certain subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets (after eliminating intra-group transactions) of ₹ 99,350 as at 31 March 2014; total revenues (after eliminating intra-group transactions) of ₹ nil and net cash flows aggregating to ₹ 99,350 for the year then ended. These financial statements have been audited by other auditor whose audit report has been furnished to us by the management, and our audit opinion on the consolidated financial statements of the Group for the year then ended to the extent they relate to the financial statements not audited by us as stated in this paragraph is based solely on the audit report of the other auditor. Our opinion is not qualified in respect of this matter.

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

per **Siddharth Talwar**
Partner
Membership No.: 512752

Place: Delhi
Date: May 24, 2014

(All amounts in Indian rupees, unless stated otherwise)

Consolidated Balance Sheet	Note	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	4,19,12,500	4,19,12,500
Reserves and surplus	2.2	64,65,01,859	57,85,31,084
		68,84,14,359	62,04,43,584
Non current liabilities			
Long term borrowings	2.3	45,76,94,191	10,83,87,444
Deferred tax liabilities, net	2.4	7,61,99,948	5,09,45,030
Other long term liabilities	2.5	26,250	13,500
Long term provisions	2.6	1,02,74,552	1,07,95,845
		54,41,94,941	17,01,41,819
Current liabilities			
Short term borrowings	2.7	20,42,06,142	50,42,00,676
Trade payables	2.8	8,69,60,716	13,08,50,496
Other current liabilities	2.9	11,94,58,191	11,78,31,624
Short term provisions	2.10	69,43,902	9,10,535
		41,75,68,951	75,37,93,331
Total		1,65,01,78,251	1,54,43,78,734
ASSETS			
Non current assets			
Fixed assets			
Tangible assets	2.11	47,75,74,140	49,27,39,158
Intangible assets	2.11	31,66,638	35,45,343
Capital work in progress		18,19,73,014	9,13,27,327
Non current investments	2.12	86,100	86,100
Long term loans and advances	2.13	6,92,77,257	6,91,70,211
Other non current assets	2.14	13,10,111	-
		73,33,87,260	65,68,68,139
Current assets			
Current investments	2.15	18,36,309	-
Inventories	2.16	28,82,87,993	35,14,76,502
Trade receivables	2.17	31,68,36,381	41,64,06,703
Cash and bank balances	2.18	14,70,09,819	3,26,55,899
Short term loans and advances	2.19	6,44,82,346	3,50,60,894
Other current assets	2.20	9,83,38,143	5,19,10,597
		91,67,90,991	88,75,10,595
Total		1,65,01,78,251	1,54,43,78,734

Significant accounting policies
Notes 1 to 2.37 form an integral part of the consolidated financial statements

1

This is the Consolidated Balance Sheet referred to in our report of even date
For **Walker Chandiok & Associates**
Chartered Accountants

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

per **Siddharth Talwar**
Partner

Sachin Agarwal
Managing Director

Alok Agarwal
Director (Quality & Technical)

Place : Delhi
Date : May 24, 2014

Place : Lucknow
Date : May 24, 2014

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

(All amounts in Indian rupees, unless stated otherwise)

Consolidated Statement of Profit and Loss	Note	For the year ended March 31, 2014	For the year ended March 31, 2013
INCOME			
Revenue from operations, gross	2.21	1,22,26,80,509	1,45,12,40,349
Less : Excise duty		3,20,87,158	6,99,38,790
Revenue from operations, net		1,19,05,93,351	1,38,13,01,559
Other income	2.22	2,54,56,525	81,43,944
Total income		1,21,60,49,876	1,38,94,45,503
EXPENSES			
Cost of materials consumed	2.23	35,96,46,935	48,19,80,076
Changes in inventories of finished goods and work in progress	2.24	2,38,95,002	1,93,86,634
Employee benefits expense	2.25	16,35,31,265	16,49,08,555
Research and development expense	2.28	70,97,565	84,89,226
Other expenses	2.26	44,70,77,244	47,37,37,626
Total expenses		1,00,12,48,011	1,14,85,02,117
Profit before finance costs, depreciation, exceptional items and tax		21,48,01,865	24,09,43,386
Finance costs	2.27	5,30,05,843	7,60,52,541
Depreciation and amortisation	2.11	4,37,29,923	4,26,47,272
Profit before exceptional items and tax		11,80,66,099	12,22,43,573
Exceptional items	2.35	-	3,11,82,552
Profit before tax before prior period adjustments		11,80,66,099	9,10,61,021
Profit before tax before prior period, from continuing operations		11,80,66,099	8,13,31,115
Tax expenses of continuing operations			
- current tax		2,79,44,089	1,52,82,449
- deferred tax		(2,24,864)	(61,49,543)
- MAT credit entitlement			(41,48,643)
Profit after tax before prior period, from continuing operations		9,03,46,874	7,63,46,852
Profit before tax before prior period, from discontinuing operations		-	97,29,906
Tax expenses of discontinuing operations			
- current tax		-	31,28,236
- deferred tax		-	57,28,847
Profit after tax before prior period, from discontinuing operations		-	8,72,823
Profit after tax before prior period		9,03,46,874	7,72,19,675
Prior year adjustments, net of taxes	2.32	68,96,317	5,61,265
Deferred tax - earlier years		2,54,79,782	-
Profit for the year		5,79,70,775	7,66,58,410
Earnings per share (before prior period items) of ₹ 10/- each fully paid up	2.33		
Basic (in ₹)		21.56	18.42
Diluted (in ₹)		18.40	18.42
Earnings per share (after prior period items) of ₹ 10/- each fully paid up	2.33		
Basic (in ₹)		13.83	18.29
Diluted (in ₹)		11.81	18.29

Significant accounting policies
Notes 1 to 2.37 form an integral part of the consolidated financial statements

1

This is the Consolidated Statement of Profit and Loss referred to in our report of even date
For **Walker Chandiok & Associates**
Chartered Accountants

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

per **Siddharth Talwar**
Partner

Sachin Agarwal
Managing Director

Alok Agarwal
Director (Quality & Technical)

Place : Delhi
Date : May 24, 2014

Place : Lucknow
Date : May 24, 2014

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

(All amounts in Indian rupees, unless stated otherwise)

Consolidated Cash flow statement for the year ended		For the year ended March 31, 2014	For the year ended March 31, 2013
A	Cash flow from operating activities		
	Net profit before tax	11,80,66,099	9,10,61,021
	Less: prior period adjustments	1,02,08,449	8,30,826
	Net profit before tax after prior period	10,78,57,650	9,02,30,195
	Adjustments for:		
	Depreciation and amortisation	5,39,69,114	4,26,47,272
	Loss on slump sale	-	3,11,82,552
	Unrealised foreign exchange fluctuation loss	1,69,03,820	30,11,897
	Loss on sale of fixed assets	5,57,667	6,56,006
	Provision for doubtful debts	-	14,80,610
	Bad debts written off	76,94,796	37,39,899
	Dividend income	(8,125)	(1,125)
	Interest and financing charges	4,32,22,039	6,86,12,600
	Provisions no longer required written back	(11,62,147)	(49,80,794)
	Interest on deposit	(2,07,63,038)	(24,46,091)
	Operating profit before working capital changes	20,82,71,776	23,41,33,021
	Adjustments for changes in working capital :		
	Decrease/(increase) in trade receivables	8,62,94,179	(15,82,75,814)
	Decrease/(increase) in inventories	6,31,88,509	13,51,03,702
	Decrease/(increase) in loans and advances and other assets (current and non current)	(7,57,26,435)	(2,11,26,650)
	(Decrease)/increase in trade payables, provisions and other liabilities	36,96,751	(5,39,24,252)
	Cash generated from operations	28,57,24,780	13,59,10,007
	Income tax paid	(1,95,00,000)	(1,82,26,000)
	Net cash from operating activities(A)	26,62,24,780	11,76,84,007
B	Cash flow from investment activities		
	Purchase of fixed assets	(13,16,32,565)	(9,14,41,953)
	Sale of fixed assets	20,03,820	20,11,424
	Interest on deposit	1,70,88,976	11,70,924
	Purchase of fixed deposits (net)	(9,12,03,035)	(2,38,35,943)
	Purchase of investments	(18,36,309)	-
	Dividend received	8,125	1,125
	Net cash (used in) investment activities (B)	(20,55,70,988)	(11,20,94,423)
C	Cash from financing activities		
	Repayment of long term borrowings	(10,11,23,070)	(3,23,20,760)
	Proceeds from TDDP grant	1,00,00,000	1,00,00,000
	Proceeds from issue of CCD's	40,00,00,000	-
	Proceeds from short term borrowings (net)	(29,99,94,534)	7,72,89,195
	Interest and financing charges paid	(4,63,85,303)	(6,74,66,997)
	Net cash from financing activities (C)	(3,75,02,907)	(1,24,98,562)
	Net increase in cash and cash equivalents (A)+(B)+(C)	2,31,50,885	(69,08,978)
	Cash and cash equivalents at beginning of period	39,99,685	1,09,08,663
	Cash and cash equivalents at end of period (refer note 2.18)	2,71,50,570	39,99,685

Notes:

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statements as notified under Section 211(3C) of the Companies Act, 1956.

This is the consolidated statement of cash flow referred to in our report of even date

For **Walker Chandio & Associates**
Chartered Accountants

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

per **Siddharth Talwar**
Partner

Sachin Agarwal
Managing Director

Alok Agarwal
Director (Quality & Technical)

Place : Delhi
Date : May 24, 2014

Place : Lucknow
Date : May 24, 2014

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

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2014

(All amounts in Indian rupees, unless stated otherwise)

1.1 Principles of consolidation

The consolidated financial statements relate to PTC Industries Limited ('the Company') and its subsidiary company. The consolidated financial statements have been prepared on the following basis.

The financial statements of the 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"

1.2 Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ("Indian GAAP") and in compliance with the mandatory accounting standards ("AS") as prescribed under the Companies (Accounting Standards) Rules, 2006 (as amended) ("the Rules"), the provisions of the Companies Act, 1956 and the Companies Act, 2013 (to the extent applicable). The accounting policies have been consistently applied by the Company and are consistent with those used in previous year.

1.3 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.

1.4 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. However, assets acquired upto 2nd April, 1993 are stated at their net replacement value, less accumulated depreciation.

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 and technical assistance are amortised over a period of 10 years.

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2014

(All amounts in Indian rupees, unless stated otherwise)

1.5 Depreciation

(a) Tangible and Intangible assets

- (I) Depreciation on fixed assets is provided on straight line method (SLM) at rates which are either greater than or equal to the corresponding rates in Schedule XIV to the Act, based on management estimates of useful life as follows:

Block of asset	Method of depreciation	Life (in years)
Free hold land		N.A.
Lease hold land		Lease period
Factory building	Straight Line	28-29 years
Plant and Machinery	Straight Line	12-13 years (Plant-1) 20 years (Other Plants)
Computer	Straight Line	5-6 years
Moulds and Dies	Straight Line	8-9 years
Vehicles	Straight Line	10 years
Furniture and fixtures	Straight Line	15 years
Office equipments	Straight Line	20 years
Windmill	Straight Line	18 years
Intangible assets		
Software	Straight Line	5-6 years
Licences	Straight Line	5 years

- (II) Leasehold land is depreciated over the period of lease.
(III) Cost of Licence is amortized over a period of five years, which is the tenure of licence agreement.

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 investment is 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. Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition: -Cost of raw materials, stores and spares includes direct expenses and is determined on the basis of first in first out method. Work in progress is carried at lower of cost or net realisable value. Finished products are valued at lower of cost or net realisable value and net of excise duty.

1.8 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.

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2014

(All amounts in Indian rupees, unless stated otherwise)

(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 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.

1.11 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 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.,

- (a) the premium or discount on all such contracts arising at the inception of each contract is amortised as income or expenditure over the life of contract.
- (b) the exchange difference is calculated as the difference between the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period, and the corresponding foreign currency amount translated at the later of the date of inception of the forward exchange contract and the last reporting date. Such exchange differences is recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change.

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2014

(All amounts in Indian rupees, unless stated otherwise)

- (c) any profit or loss arising on the cancellation or renewal of such contracts is recognised as income or as expense for the year.
- (d) The Company has elected to account for exchange difference arising on reporting of long-term foreign currency items in accordance with Companies (Accounting Standards) Amendment Rules, 2009 pertaining to (AS-11) notified by Government of India on 31st March, 2009 (as amended on 29th December, 2011). Accordingly, the effect of exchange differences on 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.

1.12 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 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 sufficient 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.

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

- (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.

1.14 Export benefits/incentives

Revenue in respect of duty entitlement pass book scheme, focus claims 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.

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2014

(All amounts in Indian rupees, unless stated otherwise)

1.16 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.

1.17 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.

1.18 Cash and bank balances

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 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. The Company operates only in India and accordingly there are no geographical segments.

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.

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2014

(All amounts in Indian rupees, unless stated otherwise)

2.1 Share Capital

Particulars	As at	As at
	March 31, 2014	March 31, 2013
	Amount	Amount
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		
41,91,250 (previous year 41,91,250) equity shares of ₹ 10 each	4,19,12,500	4,19,12,500
	4,19,12,500	4,19,12,500

a) There is no movement in equity share capital and preference share capital during the current year and the previous 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 shares in the company:

Name of Shareholders	Equity shares with voting rights			
	As at March 31, 2014		As at March 31, 2013	
	No. of shares held	% of holding	No. of shares held	% of holding
Equity shares with voting rights				
Mapple Commerce Private Limited	6,23,750	14.88%	6,23,750	14.88%
Satish Chandra Agarwal	5,84,480	13.95%	5,38,900	12.86%
Saroj Agarwal	5,29,700	12.64%	5,29,700	12.64%
Nirala Merchants Private Limited	4,10,200	9.79%	3,20,910	7.66%
Priya Ranjan Agarwal	3,86,000	9.21%	3,86,000	9.21%

d) Share capital includes 27,60,000 equity shares of ₹10 each allotted as fully paid bonus shares in the year 1993-94 by capitalisation of general reserve and revaluation reserve.

e) Compulsory Convertible Debentures (CCDs)

Pursuant to the resolution passed by the shareholders of the Company at the Annual General Meeting held on 16 July 2013, the Company has issued Zero Coupon Compulsory Convertible Debentures of face value of ₹ 1,000 each for a consideration of ₹ 40,00,00,000 to Pragati India Fund Limited and PI International LP through preferential issue. Further, 1,39,130 CCD's were converted in to 3,64,456 fully paid equity shares by the Board of Directors in their meeting held on April 23, 2014. 2,60,870 CCD's are outstanding for conversion and shareholders' permission is being sought for extension of tenure of balance CCD's from 12 months to 18 months as per SEBI (ICDR) Regulations, 2009.

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2014

(All amounts in Indian rupees, unless stated otherwise)

2.2 Reserves And Surplus

Particulars	As at March 31, 2014	As at March 31, 2013
Capital reserve	1,75,200	1,75,200
Technology Development and Demonstration Programme grant (note a)		
Opening balance	3,00,00,000	2,00,00,000
Add: additions during the year	1,00,00,000	1,00,00,000
	4,00,00,000	3,00,00,000
Securities premium account	2,25,50,000	2,25,50,000
General reserve		
Opening balance	46,24,16,726	40,24,16,726
Add: additions during the year	-	6,00,00,000
	46,24,16,726	46,24,16,726
Statement of profit and loss		
Opening balance	6,33,89,158	4,67,30,748
Additions during the year	5,79,70,775	7,66,58,410
Available for appropriations	12,13,59,933	12,33,89,158
Less: transfer to general reserve	-	6,00,00,000
Closing balance	12,13,59,933	6,33,89,158
Total	64,65,01,859	57,85,31,084

- a) The Company has 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 out of total cost of ₹ 18,00,00,000 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. This has been further extended by DSIR up to September 8, 2014 vide their letter dated December 23, 2013. The Company has received the third installment of ₹ 1,00,00,000 (Total of ₹ 4,00,00,000 including installments of ₹ 3,00,00,000 received during previous years) during the year and incurred the expense of ₹ 2,94,92,525 during the year towards the project.

2.3 Long Term Borrowings

Particulars	As at March 31, 2014		As at March 31, 2013	
	Non-current	Current	Non-current	Current
Secured				
Term loans from banks	5,71,31,651	2,52,55,728	10,40,28,784	4,98,01,396
Vehicle loans	5,62,540	21,77,046	22,99,594	27,20,345
	5,76,94,191	2,74,32,774	10,63,28,378	5,25,21,741
Unsecured				
Loans from others	-	8,52,181	20,59,066	1,56,28,960
	-	8,52,181	20,59,066	1,56,28,960
Unsecured				
Compulsory convertible debentures	40,00,00,000	-	-	-
	40,00,00,000	-	-	-
Total	45,76,94,191	2,82,84,955	10,83,87,444	6,81,50,701

Notes

- (a) Term loans from State Bank of India and Punjab National Bank are secured by way of:
- Equitable mortgage on pari-passu basis on the land & building of Lucknow Plant 1, Lucknow Plant 2 and Mehsana Plant and land at Surajbari (Windmill) and first pari-passu charge on all movable fixed assets of the Company.

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2014

(All amounts in Indian rupees, unless stated otherwise)

- ii) Personal guarantee of four directors.
- iii) Additional security of residential house at Lucknow owned by a director (mortgaged with SBI).
- (b) Term of repayments (State Bank of India and Punjab National Bank)

Bank Name	As at March 31, 2014			As at March 31, 2013		
	Loan Amount	Pending Installments	Periodicity Repayments	Loan Amount	Pending Installments	Periodicity Repayments
State Bank of India	3,90,76,540	8	Quarterly	4,65,93,120	12	Quarterly
	4,33,10,840	12	Quarterly	5,09,83,520	16	Quarterly
Punjab National Bank				1,50,01,396	4	Quarterly
				4,12,52,143	16	Quarterly

(c) Vehicle loans from Tata Capital Financial Services Limited are secured by way of absolute charge on specific assets purchased under the scheme and repayable within a period of 36 months. Entire loan is repayable up to March 2016.

(d) Loans from other include:

- i) Loan from Magma Fincorp Limited is payable in 24 installments of Rs. 364,363 per month having a year end balance of Rs. 692,404. Entire loan is repayable up to May 2014.
- ii) Loan from Religare Finvest Limited is payable in 36 installments of Rs. 263,878 per month having a year end balance of Rs. 159,777. Entire loan is repayable up to April 2014.

(e) Compulsory Convertible Debentures (CCDs)

Pursuant to the resolution passed by the shareholders of the Company at the Annual General Meeting held on 16 July 2013, the Company has issued Zero Coupon Compulsory Convertible Debentures of face value of ₹ 1,000 each for a consideration of ₹ 40,00,00,000 to Pragati India Fund Limited and PI International LP through preferential issue. Further, 1,39,130 CCD's were converted in to 3,64,456 fully paid equity shares by the Board of Directors in their meeting held on April 23, 2014. 2,60,870 CCD's are outstanding for conversion and shareholders' permission is being sought for extension of tenure of balance CCD's from 12 months to 18 months as per SEBI (ICDR) Regulations, 2009.

(f) Rate of Interest

The Company's long term borrowings from banks and others have an effective weighted average rate of 4.72% p.a. (previous year 9.89% p.a.) calculated using interest rates effective as on March 31, 2014 for the respective borrowings.

2.4 Deferred Tax Liabilities, Net

Particulars	As at March 31, 2014	As at March 31, 2013
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation charged in the books	7,90,93,787	5,32,53,002
Tax impact on allowance under section 80IA	23,77,988	-
Deferred tax assets		
Provision for employee benefits	(47,91,369)	(23,07,972)
Provision for doubtful debts	(4,80,458)	-
Deferred tax liabilities, net	7,61,99,948	5,09,45,030

2.5 Other Long Term Liabilities

Particulars	As at March 31, 2014	As at March 31, 2013
Security deposit	26,250	13,500
	26,250	13,500

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2014

(All amounts in Indian rupees, unless stated otherwise)

2.6 Long Term Provisions

Particulars	As at March 31, 2014	As at March 31, 2013
Provision for employees benefits		
- Gratuity (refer note 2.31)	59,09,193	60,90,098
- Leave encashment	43,65,359	47,05,747
	1,02,74,552	1,07,95,845

2.7 Short Term Borrowings

Particulars	As at March 31, 2014	As at March 31, 2013
Secured		
Cash credits from banks	18,22,80,702	48,30,67,685
Buyers' credit in foreign currency from banks	2,19,25,440	57,35,488
Unsecured		
Bill discounting facilities	-	1,02,95,799
Loans from related parties	-	51,01,704
	20,42,06,142	50,42,00,676

- a) Short term borrowings from State Bank of India and Punjab National Bank are secured by way of:
- First charge ranking pari-passu on the whole of the present and future current assets of the Company.
 - Second Charge on equitable mortgage on pari-passu basis on the land & building of Lucknow Plant 1, Lucknow Plant 2 and Mehsana Plant and land at Surajbari (Windmill).
 - Personal guarantee of four directors.
 - Additional security of residential house at Lucknow owned by a director (mortgaged with SBI).
- b) The Company had taken unsecured short term bill discounting facilities from IFCI Factors Limited having an year end balance of Rs. Nil (previous year Rs. 1,02,95,799)
- c) Loans from related parties includes:
- Mapple Commerce Private Limited amounting to Rs. Nil (previous year - Rs. 17,58,281)
 - Nirala Merchants Private Limited amounting to Rs. Nil (previous year - Rs. 33,43,423)

2.8 Trade Payables

Particulars	As at March 31, 2014	As at March 31, 2013
Payables to micro, small and medium enterprises	-	-
Others	8,69,60,716	13,08,50,496
	8,69,60,716	13,08,50,496

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.

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2014

(All amounts in Indian rupees, unless stated otherwise)

2.9 Other Current Liabilities

Particulars	As at March 31, 2014	As at March 31, 2013
Current maturities of long term borrowings (refer note 2.3)	2,82,84,955	6,81,50,701
Interest accrued and due on borrowings	7,74,869	39,38,133
Amount payable to banks	4,52,90,777	-
Advance from customers	86,51,016	1,94,95,714
Creditors for capital goods	77,86,418	64,80,645
Book overdraft	-	25,46,169
Statutory dues payable	10,90,022	3,95,980
Employee payables	42,81,780	42,07,347
Security deposit	50,00,000	-
Other payables	1,82,98,354	1,26,16,935
	11,94,58,191	11,78,31,624

2.10 Short Term Provisions

Particulars	As at March 31, 2014	As at March 31, 2013
Provision for wealth tax	92,616	64,541
Provision for taxation (current year, net of advance tax)	35,83,629	-
Provision for employee benefits		
- Gratuity (refer note 2.31)	24,22,314	1,76,366
- Leave encashment	8,45,343	6,69,628
	69,43,902	9,10,535

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2014

(All amounts in Indian rupees, unless stated otherwise)

2.11 Fixed Assets

DESCRIPTION OF ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at April 1, 2013	Additions	Deductions	As at April 1, 2013	For the year	Deductions	Up to March 31, 2014	As at March 31, 2014	As at March 31, 2013
TANGIBLE ASSETS									
Freehold land	3,87,98,593	13,35,000	-	-	-	-	-	4,01,33,593	3,87,98,593
Leasehold land	2,12,49,549	-	-	61,74,898	2,68,514	-	64,43,412	1,48,06,137	1,50,74,651
Factory building	8,13,77,387	47,46,738	-	2,20,06,105	25,16,780	-	2,45,22,885	6,16,01,240	5,93,71,282
Plant and machinery	45,79,42,367	1,88,91,818	13,53,825	17,74,86,196	3,40,11,024	2,13,557	21,12,83,663	26,41,96,697	28,04,56,171
Computer	1,42,55,400	9,82,630	-	1,08,29,194	12,97,364	-	1,21,26,558	31,11,472	34,26,206
Mould and dies	8,68,57,900	99,22,129	-	4,09,28,893	94,59,332	-	5,03,88,225	4,63,91,804	4,59,29,007
Vehicles	2,12,65,120	28,19,116	14,52,139	74,70,918	17,01,223	8,24,716	83,47,425	1,42,84,672	1,37,94,202
Furniture and fixtures	1,08,83,287	7,01,795	7,94,346	47,29,614	5,25,790	550	52,54,854	55,35,882	61,53,673
Office equipments	80,48,704	5,69,221	-	36,88,873	2,79,903	-	39,68,776	46,49,149	43,59,831
Research and development assets									
Plant and machinery	2,48,45,417	43,390	-	51,84,223	15,97,114	-	67,81,337	1,81,07,470	1,96,61,194
Computer	1,11,804	-	-	51,949	17,799	-	69,748	42,056	59,855
Mould and dies	1,11,76,876	-	-	57,06,026	12,90,361	-	69,96,387	41,80,489	54,70,850
Vehicles	2,48,603	3,86,219	-	64,960	36,383	-	1,01,343	5,33,479	1,83,643
	77,70,61,007	4,03,98,056	36,00,310	28,43,21,849	5,30,01,587	10,38,823	33,62,84,613	47,75,74,140	49,27,39,158
INTANGIBLE ASSETS									
Software	86,50,100	5,88,823	-	53,63,502	8,92,313	-	62,55,815	29,83,108	32,86,597
Licences	39,70,296	-	-	39,70,296	-	-	39,70,296	-	-
Research and development assets									
Software	4,63,892	-	-	2,05,148	75,214	-	2,80,362	1,83,530	2,58,746
	1,30,84,288	5,88,823	-	1,36,73,111	9,67,527	-	1,05,06,473	31,66,638	35,45,343
	79,01,45,295	4,09,86,879	36,00,310	29,38,60,795	5,39,69,114	10,38,823	34,67,91,086	48,07,40,778	49,62,84,501

a) Additions to fixed assets include exchange loss of ₹ 1,07,34,090 (previous year exchange loss of ₹ 34,31,045) and borrowing costs of ₹ nil (Previous year ₹ 24,80,753) capitalized during the year.

b) Additions to plant and machinery and vehicles include additions to research and development assets amounting to ₹ 4,29,609 (previous year: ₹ 11,73,090).

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2014

(All amounts in Indian rupees, unless stated otherwise)

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	As at April 1, 2012	Additions	Deductions	Adjustment on slump sale	As at March 31, 2013	As at April 1, 2012	For the year	Deductions	Adjustment on slump sale	Up to March 31, 2013	As at March 31, 2013	As at March 31, 2012
TANGIBLE ASSETS												
Freehold land	3,58,65,466	29,33,127	-	-	3,87,98,593	-	-	-	-	-	3,87,98,593	3,58,65,466
Leasehold land	2,84,38,250	1,25,000	-	73,13,701	2,12,49,549	4,07,705	-	12,99,073	-	61,74,898	1,50,74,651	2,13,71,984
Factory building	8,69,50,198	93,99,888	-	1,49,72,699	8,13,77,387	29,82,985	-	47,06,508	-	2,20,06,105	5,93,71,282	6,32,20,570
Plant and machinery	47,51,52,900	2,63,38,793	34,06,926	4,01,42,400	45,79,42,367	17,47,17,093	2,23,26,490	13,41,185	1,82,16,202	17,74,86,196	28,04,56,171	30,04,35,715
Computer	1,42,79,701	9,73,567	-	9,97,868	1,42,55,400	1,06,22,787	12,01,860	-	9,95,453	1,08,29,194	34,26,206	36,56,881
Mould and dies	7,97,77,202	1,32,91,969	5,79,360	56,31,911	8,68,57,900	3,59,78,761	82,01,441	1,03,872	31,47,437	4,09,28,893	4,59,29,007	4,37,98,442
Vehicles	2,15,88,769	41,77,815	7,25,023	37,76,441	2,12,65,120	77,96,134	21,76,787	5,98,822	19,03,181	74,70,918	1,37,94,202	1,37,92,636
Furniture and fixtures	97,62,778	18,48,072	-	7,27,563	1,08,83,287	46,30,376	5,20,859	-	4,21,621	47,29,614	61,53,673	51,32,402
Office equipments	76,24,678	12,06,225	-	7,82,199	80,48,704	36,38,396	3,32,803	-	2,82,326	36,88,873	43,59,831	39,86,282
Research and development assets												
Plant and machinery	2,46,23,680	2,21,737	-	-	2,48,45,417	33,92,069	17,92,154	-	-	51,84,223	1,96,61,194	2,12,31,702
Computer	1,11,804	-	-	-	1,11,804	34,150	17,799	-	-	51,949	59,855	77,686
Mould and dies	1,02,45,716	9,31,160	-	-	1,11,76,876	45,20,979	11,85,047	-	-	57,06,026	54,70,850	57,24,737
Vehicles	2,48,603	-	-	-	2,48,603	41,343	23,617	-	-	64,960	1,83,643	2,07,260
	79,46,69,745	6,14,47,353	47,11,309	7,43,44,782	77,70,61,007	27,61,67,982	4,11,69,547	20,43,879	3,09,71,801	28,43,21,849	49,27,39,158	51,85,01,763
INTANGIBLE ASSETS												
Software	67,66,223	18,95,950	-	12,075	86,50,098	47,54,666	6,11,725	-	2,890	53,63,501	32,86,597	20,11,555
Licences	39,70,296	-	-	-	39,70,296	31,76,237	7,94,059	-	-	39,70,296	-	7,94,059
Research and development assets												
Software	4,43,700	20,193	-	-	4,63,893	1,33,206	71,941	-	-	2,05,147	2,58,746	3,10,493
	1,11,80,219	19,16,143	-	12,075	1,30,84,287	80,64,109	14,77,725	-	2,890	95,38,944	35,45,343	31,16,107
	80,58,49,964	6,33,63,496	47,11,309	7,43,56,857	79,01,45,294	28,42,32,091	4,26,47,272	20,43,879	3,09,74,691	29,38,60,793	49,62,84,501	52,16,17,870

a) Additions to fixed assets include exchange loss of ₹ 34,31,045 (previous year exchange loss of ₹ 83,58,603) and borrowing costs of ₹ 24,80,753 (previous year ₹ 11,73,561) capitalized during the year.

b) Additions to plant and machinery, mould and dies and software include additions to research and development assets amounting to ₹ 11,73,090 (previous year: ₹ 32,24,104).

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2014

(All amounts in Indian rupees, unless stated otherwise)

2.12 Non Current Investments

Particulars	As at March 31, 2014	As at March 31, 2013
Long Term Investments (Non - Trade)		
Quoted (valued at cost unless otherwise stated)		
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
Equity Shares in Kailash Structures Limited 1,600 shares of Rs. 10 each (previous year - 1,600 shares of Rs. 10 each)	16,000	16,000
	86,100	86,100
Market value of investments in mutual funds	3,59,199	2,95,021
Aggregate market value of investments in equity instruments	42,806	51,188

2.13 Long Term Loans And Advances

Particulars	As at March 31, 2014	As at March 31, 2013
(Unsecured considered good)		
Capital advances	89,15,847	1,78,80,450
Security deposits	58,27,963	72,21,863
Loan to employees	64,16,548	12,57,217
Accrued interest	55,91,298	6,46,808
Balances with statutory and government authorities	1,50,00,000	1,50,00,000
Advance income tax (previous years, net of provision)	8,34,163	4,72,435
Minimum alternate tax credit entitlement	2,66,91,438	2,66,91,438
	6,92,77,257	6,91,70,211

2.14 Other Non Current Assets

Particulars	As at March 31, 2014	As at March 31, 2013
Deposits with residual maturity more than 12 months	13,10,111	-
	13,10,111	-

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2014

(All amounts in Indian rupees, unless stated otherwise)

2.15 Current Investments

Particulars	As at March 31, 2014	As at March 31, 2013
Quoted (valued at cost or fair value, whichever is lower)		
Investments in mutual funds		
PNB Mutual Fund [777.481 units of Rs. 1,987.27 each (previous year nil)]	15,45,068	-
IDFC Mutual Fund [190.688 units of Rs. 1,527.32 each (previous year nil)]	2,91,241	-
	18,36,309	-
Market value of investments in mutual fund as at the end of the year	18,74,764	-

2.16 Inventories

Particulars	As at March 31, 2014	As at March 31, 2013
(As taken, valued and certified by the management)		
Direct raw materials	8,67,40,929	12,58,66,341
Materials, stores and spares etc.	2,98,86,833	3,04,48,234
Work in progress	16,61,54,019	19,04,45,173
Finished goods	4,35,687	39,535
Loose tools	50,70,525	46,77,219
	28,82,87,993	35,14,76,502
Goods in transit included in above inventories is as under:		
Direct raw materials	1,36,475	5,52,620
Work in progress	-	30,02,914

2.17 Trade Receivables

Particulars	As at March 31, 2014	As at March 31, 2013
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	1,85,69,676	2,77,36,307
Unsecured, considered doubtful	14,80,610	14,80,610
Less: Provision for bad debts	(14,80,610)	(14,80,610)
	1,85,69,676	2,77,36,307
Others		
Unsecured, considered good	29,82,66,705	38,86,70,396
	31,68,36,381	41,64,06,703

2.18 Cash And Bank Balances

Particulars	As at March 31, 2014	As at March 31, 2013
Cash and cash equivalents		
Cash in hand	3,66,699	14,87,860
Balance with banks in current account		
- in current accounts	1,17,83,871	25,11,825
- in deposit account with original maturity upto 3 months	1,50,00,000	-
Other bank balances		
Deposits with original maturity more than 3 months but less than 12 months	11,98,59,249	2,86,56,214
	14,70,09,819	3,26,55,899

Note: Margin money deposits are pledged with banks for issuance of bank guarantees and letter of credits.

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2014

(All amounts in Indian rupees, unless stated otherwise)

2.19 Short Term Loans And Advances

Particulars	As at March 31, 2014	As at March 31, 2013
(Unsecured, considered good)		
Prepaid expenses	25,02,816	25,37,084
Interest accrued on deposits	3,46,612	16,17,040
Loan to employees	41,39,034	12,14,596
Balances with statutory and government authorities	2,94,86,423	2,37,72,807
Other loans and advances	2,80,07,461	59,19,367
	6,44,82,346	3,50,60,894

2.20 Other Current Assets

Particulars	As at March 31, 2014	As at March 31, 2013
(Considered good, unless otherwise stated)		
Export incentives receivable	2,96,59,182	3,38,37,969
Claims receivable	2,62,33,367	1,80,72,628
Unamortised deferred premium	12,51,904	-
Foreign currency receivable	4,11,93,690	-
	9,83,38,143	5,19,10,597

2.21 Revenue From Operations

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Sale of products (refer note (a) below)	1,18,52,67,222	1,41,18,85,549
Other operating revenues (refer note (b) below)	3,74,13,287	3,93,54,800
Gross revenue from operations	1,22,26,80,509	1,45,12,40,349
Less: excise duty	3,20,87,158	6,99,38,790
Net revenue from operations	1,19,05,93,351	1,38,13,01,559
(a) Sale of products comprises		
Castings (stainless steel)	87,76,10,439	85,07,41,808
Castings (alloy and non-alloy steel)	13,70,99,897	26,36,27,024
Structures and forgings	7,05,03,867	14,40,47,430
Assembly items	4,69,23,948	13,09,03,888
Others	5,31,29,071	2,25,65,399
	1,18,52,67,222	1,41,18,85,549
(b) Other operating revenues		
Export incentives	3,25,42,325	3,33,86,575
Income from power generation	48,70,962	59,68,225
	3,74,13,287	3,93,54,800
(c) Domestic and export sales		
Domestic sales	28,81,71,403	59,68,87,114
Export sales	89,70,95,819	81,49,98,435
	1,18,52,67,222	1,41,18,85,549

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2014

(All amounts in Indian rupees, unless stated otherwise)

2.22 OTHER INCOME

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Interest received		
- from banks	1,90,91,084	22,63,848
- from others	16,71,954	1,82,243
Dividend income	8,125	1,125
Income from mutual funds	33,36,621	-
Provisions made no longer required written back	11,62,147	49,80,794
Discount received	-	3,101
Other receipts	1,86,594	41,400
Insurance claims received	-	6,71,433
	2,54,56,525	81,43,944

2.23 Cost Of Materials Consumed

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Opening stock	12,58,66,341	19,01,26,659
Add: purchases	32,34,43,895	42,34,53,112
Less: closing stock	8,67,40,929	12,75,19,630
	36,25,69,307	48,60,60,141
Less: consumed for research and development (note 2.28)	29,22,372	40,80,065
Cost of materials consumed	35,96,46,935	48,19,80,076
Note (i) cost of materials consumed :		
Scraps and metals		
Stainless steel scrap	20,95,39,989	16,30,32,382
Iron and steel scrap	3,30,62,503	11,27,13,554
Ferrous and non-ferrous alloys	4,62,72,874	6,14,78,559
Structures and fabrication	3,48,69,388	8,34,32,501
Raw castings (including assembly)	3,88,24,553	6,54,03,145
	36,25,69,307	48,60,60,141
Less: raw material consumed for research and development (note 2.28)	29,22,372	40,80,065
	35,96,46,935	48,19,80,076

Note: The previous year includes inventory of discontinued operations.

2.24 Changes in Inventories of Finished Goods and Work-in-progress

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Inventories as at March 31, 2013		
Work-in-progress	19,04,45,173	22,68,14,700
Finished goods	39,535	1,13,09,295
	19,04,84,708	23,81,23,995
Inventories as at March 31, 2014		
Work-in-progress	16,61,54,019	21,76,86,315
Finished goods	4,35,687	10,51,046
	16,65,89,706	21,87,37,361
Change in inventories	2,38,95,002	1,93,86,634

Note: The previous year includes inventory of discontinued operations.

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2014

(All amounts in Indian rupees, unless stated otherwise)

2.25 Employee Benefits Expense

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Salaries, wages and bonus	14,75,34,614	14,57,83,738
Contribution to provident and other funds	1,04,03,112	1,02,47,979
Gratuity expense	21,36,773	45,83,089
Staff welfare expenses	34,56,766	42,93,749
	16,35,31,265	16,49,08,555

2.26 Other Expenses

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Manufacturing expenses		
Stores and spares consumed	12,69,71,085	15,55,57,019
Power and fuel	8,94,03,820	9,11,94,563
Repairs and maintenance		
- plant and machinery	2,26,74,687	2,06,95,241
- building	21,18,722	17,60,933
Packing and general consumables	1,93,31,848	2,11,15,797
Processing and work charges	5,66,78,229	6,65,16,231
Freight inward	25,61,049	39,86,369
Testing and inspection charges	1,38,41,720	1,20,21,275
	33,35,81,160	37,28,47,428
Administrative and selling expenses		
Rent	28,14,265	23,40,166
Rates and taxes	38,19,268	61,55,065
Insurance expenses	25,32,006	16,20,649
Security expenses	46,71,746	47,40,011
Legal and professional expenses	1,94,76,403	84,62,842
Travelling and conveyance	81,98,904	87,56,734
Vehicle running and maintenance	41,67,638	39,77,837
Communication expenses	30,57,374	30,08,627
Printing and stationery	28,91,088	24,14,209
Conference, training and recruitment	16,32,535	14,47,277
Freight and clearing	1,55,86,136	1,70,76,149
Sales commission	90,05,209	1,49,79,096
Late delivery charges	1,37,45,570	1,09,08,352
Advertisement and promotion	29,96,867	19,97,013
Payment to auditors (refer note below)	16,47,728	3,44,285
Donation and charity	3,78,276	16,17,672
Loss on sale of assets, net	5,57,667	6,56,006
Foreign exchange fluctuations	57,94,540	30,11,897
Bad debts written off	76,94,796	37,39,899
Provision for doubtful debts, loans and advances	-	14,80,610
Miscellaneous expenses	28,28,068	21,55,802
	11,34,96,084	10,08,90,198
Statutory auditors:		
Audit fees	10,00,000	1,75,000
Tax audit fees	1,00,000	48,000
Limited review	1,00,000	48,000
Out of pocket expenses	4,42,110	73,285
	16,42,110	3,44,285

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2014

(All amounts in Indian rupees, unless stated otherwise)

2.27 Finance Costs

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Interest		
- working capital loans	2,67,10,381	4,13,02,930
- term loans	93,37,675	1,66,04,608
- others	21,08,169	49,22,194
Bank charges	97,83,804	74,39,941
Loss on foreign currency transactions and translation	50,65,814	57,82,868
	5,30,05,843	7,60,52,541

2.28 Research And Development Expense

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Raw materials consumed	29,22,372	40,80,065
Materials, stores and spares consumed	25,59,657	15,14,773
Conversion cost	-	17,33,500
Testing and radiography expenses	-	1,44,242
Salary and wages	14,99,321	9,62,146
Other expenses	1,16,215	54,500
	70,97,565	84,89,226

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 Rs 28,14,265 (previous year Rs. 23,40,166)

2.30 Contingent Liabilities and Commitments

(A) Contingent Liabilities

Particulars	As at March 31, 2014	As at March 31, 2013
(i) In respect of non fund-based working capital facilities from banks:		
Bank guarantees	2,57,44,887	84,20,000
Letter of credit (Inland/Foreign)	99,17,040	1,85,22,342
(ii) Contingent Liability in respect of factoring of receivables with IFCI Factors Limited.	-	1,02,95,799
(iii) Disputed demands for excise duty and service tax (refer note a below)	4,69,23,008	4,61,09,256
(iv) Disputed demands for income tax (refer note b below)	10,02,053	-

Notes:

- 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.
- Assessment for the assessment year 2010-11 has been done by assessing officer and penalty has been determined against which the Company has filed appeal before the CIT(A) against the order u/s 271(1)(c) and application u/s 154. 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.

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2014

(All amounts in Indian rupees, unless stated otherwise)

(B) Commitments

Particulars	As at March 31, 2014	As at March 31, 2013
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	4,08,16,765	2,93,99,645

2.31 Employee Benefit Obligations

Defined Contribution Plans

Amount of ₹ 1,04,03,112 (previous year - ₹ 1,02,47,979) has been recognized 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, 2014	As at March 31, 2013
Present value of the obligation at the beginning of the period	3,46,50,987	2,92,39,165
Current service cost	33,78,502	24,74,619
Interest cost	31,18,589	24,12,231
Benefits paid	(22,34,984)	(28,75,965)
Actuarial (gain)/loss on obligation	(4,06,042)	4,73,410
Present value of the obligation at the end of the period	3,85,07,052	3,17,23,460
Change in plan assets:		
Fair value of plan assets at the beginning of the period	2,62,52,514	2,73,27,603
Expected return on plan assets	25,52,897	24,24,102
Contributions	36,05,118	17,39,999
Benefits paid	(22,34,984)	(28,75,965)
Fair value of plan asset at the end of the period	3,01,75,545	2,86,15,739
Amount of the obligation recognised in the Balance Sheet		
Present value of the obligation at the end of the period	3,85,07,052	3,17,23,460
Fair value of plan assets at end of period	3,01,75,545	2,86,15,739
Net liability recognized in Balance Sheet	83,31,507	31,07,721
Amount of Gratuity expenses recognised in the statement of profit and loss		
Current service cost	33,78,502	24,74,619
Interest cost	31,18,589	24,12,231
Expected return on plan asset	(25,52,897)	(24,24,102)
Net actuarial (gain)/loss recognized in the period	(4,06,042)	4,73,410
	35,38,152	29,36,158

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, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Present value of defined benefit obligation	3,85,07,052	3,17,23,460	2,92,39,165	2,57,93,633	2,44,26,290
Fair value of plan assets	3,01,75,545	2,86,15,739	2,73,27,643	2,43,93,467	2,20,09,551
Surplus or (deficit) in the plan assets	(83,31,507)	(31,07,721)	(19,11,522)	(14,00,166)	(24,16,739)

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2014

(All amounts in Indian rupees, unless stated otherwise)

The actuarial assumptions used to determine the gratuity benefit obligations are as follows :

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Discount Rate	9.00%	8.25%
Salary escalation rate	6.50%	6.50%

Note: The previous year includes gratuity liability of discontinued operations and excludes gratuity on account of the Chairman.

2.32 Prior period expenses (net of taxes)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Depreciation	1,02,39,192	-
Gratuity	8,68,937	-
Leave encashment	(11,61,821)	-
Other expenses	2,62,141	8,30,826
	1,02,08,449	8,30,826
Tax impact	33,12,132	2,69,561
	68,96,317	5,61,265

2.33 Calculation of earning per share and diluted earning per share

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Profit before taxation before prior period items	11,80,66,099	9,10,61,021
Current year taxes	2,77,19,225	1,38,41,346
Profit after taxation before prior period items	9,03,46,874	7,72,19,675
Prior period items, net of tax saving	68,96,317	3,17,43,817
Prior period taxes	2,54,79,782	-
Profit after taxation and after prior period items	5,79,70,775	7,66,58,410
Weighted average number of ordinary share outstanding	41,91,250	41,91,250
Earning per share on profit after taxation before prior period items (face value ₹ 10/- per share)	21.56	18.42
Earning per share on profit after taxation and prior period items (face value ₹ 10/- per share)	13.83	18.29
Diluted weighted average number of ordinary share outstanding	49,08,930	41,91,250
Diluted earning per share on profit after taxation before prior period items (face value ₹ 10/- per share)	18.40	18.42
Diluted earning per share on profit after taxation and prior period items (face value ₹ 10/- per share)	11.81	18.29

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2014*(All amounts in Indian rupees, unless stated otherwise)***2.34 Related Party Disclosure:**

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

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

Enterprises controlled by directors/relatives

1. Mapple Commerce Private Limited
2. Precision Overseas Private Limited
3. Homelike Motels and Resorts Private Limited
4. e.Soft Technologies Limited
5. PTC Energas Flow Private Limited
6. Nirala Merchants Private Limited

Key Management Personnel of the Company

1. Mr. Satish Chandra Agarwal
2. Mr. Sachin Agarwal
3. Mr. Priya Ranjan Agarwal
4. Mr. Alok Agarwal
5. Mr. Narayanan Shadagopan (w.e.f July 24, 2013)
6. Mr. Arvind Agarwal (till March 31, 2013)

Relatives of Key Management Personnel

1. Mrs. Saroj Agarwal
2. Ms. Kanchan Agarwal
3. Mrs. Smita Agarwal
4. Mrs. Anshoo Agarwal
5. Mrs. Reena Agarwal
6. Mr. Manu Agarwal (till May, 2013)
7. Mrs. Kiran Prasad (till September, 2012)
8. Mrs. Anita Agarwal (till March 31, 2013)

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2014

(All amounts in Indian rupees, unless stated otherwise)

The following transactions were carried out with the related parties:

Particulars	Year ended March 31, 2014			Year ended March 31, 2013		
	Enterprises controlled by directors/relatives	Key management personnel (KMP)	Relatives of KMP's	Enterprises controlled by directors/relatives	Key management personnel (KMP)	Relatives of KMP's
Transactions during the year						
1. Interest charges	2,27,481	-	-	19,93,129	-	-
2. Service charges	7,99,394	-	-	5,39,328	-	-
3. Managerial remuneration	-	1,22,57,006	-	-	1,10,03,076	-
4. Salary and allowances	-	-	38,79,318	-	-	39,62,239
5. Rent paid	-	-	4,42,500	-	-	3,30,000
6. Repayment of loans	51,01,704	-	-	1,25,75,000	-	-
7. Investment	-	-	-	-	-	-
8. Loan written off	-	-	-	34,87,395	-	-
Outstanding balance (Amount payable)	As at March 31, 2014			As at March 31, 2013		
Enterprises controlled by directors/relatives						
Nirala Merchants Private Limited	-	-	-	33,43,423	-	-
Mapple Commerce Private Limited	-	-	-	17,58,281	-	-
e.Soft Technologies Limited	57,640	-	-	4,85,388	-	-
Key management personnel						
Managerial remuneration	-	14,40,769	-	-	4,63,575	-
Relative of KMP's						
Salary and allowances	-	-	2,07,573	-	-	2,75,653

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2014

(All amounts in Indian rupees, unless stated otherwise)

2.35 Discontinuing Operations

The shareholders of the Company have approved the sale of "Bhiwadi Unit" through Postal Ballot on 21st April, 2012. The Board of Directors of the Company, at their meeting held on 15th February, 2013 approved the sale of the Bhiwadi Unit, hereinafter referred to as the "Bhiwadi Unit" to Precon Technology Castings Limited (hereinafter referred to as "PreCon"). The Bhiwadi Unit with its respective assets and liabilities, was transferred to PreCon on a 'slump sale' basis as a going concern, for a cash consideration of Rs. 3,50,00,000 to be adjusted for any net working capital changes as on closing date, i.e., March 31, 2013 and accordingly, the 'Bhiwadi Unit' is considered as a 'Discontinued Operation' as at March 31, 2013.

In this connection, the Company had signed the Slump Sale Agreement dated 25th March, 2013. The advance money of Rs. 1,00,00,000 against consideration towards Bhiwadi Unit was received from PreCon on 25th March, 2013. The balance consideration of Rs. 2,50,00,000 has been received on 6th June 2013. The Loss on account of the above transaction is disclosed as an exceptional item in the Statement of Profit and Loss.

Particulars	March 31, 2014			March 31, 2013		
	₹	₹	₹	₹	₹	₹
	Continuing operations	Discontinuing operations	Total	Continuing operations	Discontinuing operations	Total
Revenue from operations (net)	1,19,05,93,351	-	1,19,05,93,351	1,22,76,31,221	15,36,70,338	1,38,13,01,559
Other income	2,54,56,525	-	2,54,56,525	49,66,459	31,77,485	81,43,944
Increase/(decrease) in stocks of finished goods and work-in-progress	(2,38,95,002)	-	(2,38,95,002)	(2,98,24,617)	1,04,37,983	(1,93,86,634)
Total income	1,19,21,54,874	-	1,19,21,54,874	1,20,27,73,063	16,72,85,806	1,37,00,58,869
Total expenditure	1,08,09,85,092	-	1,08,09,85,092	1,09,08,20,661	15,75,55,900	1,24,83,76,561
Profit/(Loss) before tax and before exceptional items	11,11,69,782	-	11,11,69,782	11,19,52,402	97,29,906	12,16,82,308
Exceptional items	-	-	-	3,11,82,552	-	3,11,82,552
Profit before tax	11,11,69,782	-	11,11,69,782	8,07,69,850	97,29,906	9,04,99,756
Provision for tax	2,77,19,225	-	2,77,19,225	91,32,906	88,57,083	1,79,89,989
Deferred tax - earlier years	2,54,79,782	-	2,54,79,782	-	-	-
Add: MAT Credit entitlement	-	-	-	41,48,643	-	41,48,643
Profit after tax	5,79,70,775	-	5,79,70,775	7,57,85,587	8,72,823	7,66,58,410
Assets	1,65,01,78,251	-	1,65,01,78,251	1,54,18,32,565	-	1,54,18,32,565
Liabilities	96,17,63,892	-	96,17,63,892	92,13,88,981	-	92,13,88,981

B. Cash flow from continuing and discontinuing operations:

Particulars	March 31, 2014			March 31, 2013		
	₹	₹	₹	₹	₹	₹
	Continuing operations	Discontinuing operations	Total	Continuing operations	Discontinuing operations	Total
Net cash flow operating activities	26,62,24,780	-	26,62,24,780	10,66,32,994	38,56,229	11,04,89,223
Net cash used in investing activities	(20,55,70,988)	-	(20,55,70,988)	(9,26,32,945)	(28,95,579)	(9,55,28,524)
Net cash (used in) financing activities	(3,75,02,907)	-	(3,75,02,907)	(22,84,199)	42,02,576	19,18,377

Summary of significant accounting policies and other explanatory information to the consolidated financials for the year ended March 31, 2014

(All amounts in Indian rupees, unless stated otherwise)

2.36 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 exchange contracts outstanding at the year end are as under:

Particulars	Currency	March 31, 2014		March 31, 2013	
		Foreign Currency	INR	Foreign Currency	INR
Buyer's credit	USD	3,31,200	2,00,34,288	-	-
Foreign currency term loans	USD	6,81,000	4,11,93,690	-	-

(b) The foreign currency exposures not hedged as at year end are as under:

Particulars	Currency	As at March 31, 2014		As at March 31, 2013	
		Foreign Currency	INR	Foreign Currency	INR
Buyer's credit	USD	-	-	1,04,510	57,35,488
Foreign currency demand loans	USD	-	-	25,42,593	13,95,40,585
Foreign currency term loans	USD	6,81,000	4,11,93,690	17,78,000	9,75,76,640
Creditors	USD	53,972	32,64,738	1,07,677	59,09,314
Creditors	EUR	14,912	12,44,894	13,000	9,18,580
Creditors	GBP	2,188	2,20,746	12,998	10,87,826
Creditors	DKK	985	11,052	-	-
Creditors	JPY	-	-	80,628	47,240
Trade receivables	USD	15,54,493	9,42,94,240	16,48,950	8,78,67,741
Trade receivables	EUR	18,72,692	15,23,00,418	25,71,224	17,75,68,728

2.37 Previous year figures have been regrouped/rearranged wherever considered necessary to make them comparable with those of the current year.

For **Walker Chandiok & Associates**
Chartered Accountants

per **Siddharth Talwar**
Partner

Place : Delhi
Date : May 24, 2014

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

Sachin Agarwal
Managing Director

Place : Lucknow
Date : May 24, 2014

Alok Agarwal
Director (Quality & Technical)

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

Financial information of subsidiary company

Name of the subsidiary company	Modrany Power and PTC Piping Systems Private Limited
Reporting currency	INR
Share Capital	-
Share Application Money	100,000
Reserves & Surplus	(2,269,441)
Total Assets	99,350
Total Liabilities	99,350
Investments	-
Total Income/(Loss)	(2,269,441)
Profit/(Loss) Before Taxation	(2,269,441)
Provision for Taxation	-
Profit/(Loss) After Taxation	(2,269,441)
Country	India

Notes: The Ministry of Corporate Affairs, Government of India has granted exemption u/s 212(8) of the companies Act, 1956 from attaching the Balance Sheet, Profit & Loss Account and other documents of the subsidiary companies with the Annual Report of the company. In view of this Accounts of subsidiary has been consolidated. Any member desirous of the same may write to the Company Secretary.

STATEMENT IN PURSUANCE OF SECTION 212 OF THE COMPANIES ACTS, 1956 RELATING TO SUBSIDIARY COMPANIES

1.	Name of the Subsidiary.	Modrany Power and PTC Piping Systems Private Limited
2.	The Financial year of Subsidiary Company ended on	31 st March, 2014
3.	Extent of interest of PTC Industries Limited in the capital of subsidiary at the end of financial year of subsidiary company	100%
4.	Net aggregate amount of profit / (loss) of the above financial year of subsidiary so far as they concern the members of PTC Industries Limited	(22,69,441)
	(a) Dealt with in the Company's Accounts for the year ended 31 st March, 2014	(22,69,441)
	(b) Not dealt with in the Company's Accounts for the year ended 31 st March, 2014	Nil
5.	Net Aggregate amount of profit / (loss) of the subsidiary for the previous financial year of subsidiary so far as they concern the members of PTC Industries Limited.	Nil
	(a) Dealt with in Company's Accounts for the year ended 31 st March, 2013	Nil
	(b) Not dealt with in the Company's Accounts for the year ended 31 st March, 2013	Nil

On behalf of the Board of Directors

Place: Lucknow
Date: May 24, 2014

Alok Agarwal
Director - Quality & Technical

Sachin Agarwal
Managing Director

PTC INDUSTRIES LIMITED

(Registered Office: Malviya Nagar, Aishbagh, Lucknow - 226 004, Uttar Pradesh)

ATTENDENCE SLIP

51st ANNUAL GENERAL MEETING

Please complete this attendance slip and hand it over at the entrance of meeting hall

DP Id*	Name & Address of Registered Shareholders
Client Id*	
Regd. Folio. No.	
No. of Shares Held	

* Applicable for shareholding in electronic form.

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company.

I hereby record my presence at the 51st Annual General Meeting of the Company held on Wednesday, July 23, 2014 at 03.00 at the registered office of the Company at Malviya Nagar, Aishbagh, Lucknow, Uttar Pradesh – 226 004, India .

I hereby give my consent to receive the Annual Reports and Accounts and other documents permissible to

be sent through electronic mode, on my e-mail ID-
instead of physical form.

Signature of Shareholder/Proxy

NOTE: 1. Members/Proxy holders are requested to bring this Attendance Slip duly filled in and signed with them when they come to the meeting. No Attendance Slip will be issued at the venue of the meeting.

Form No. MGT-11

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 - 226 004, Uttar Pradesh

51ST ANNUAL GENERAL MEETING

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,

Name	
Address	
Email Id	
Signatures	

or failing him,

Name	
Address	
Email Id	
Signatures	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 51st Annual general meeting to be held on Wednesday, the 23rd day of July, 2014 at 3.00 P.M. at the registered office of the Company at Malviya Nagar, Aishbagh, Lucknow – 226 004, Uttar Pradesh and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote (See Note no. 2)		
		For	Against	Abstain
Ordinary Business				
1.	Adoption of Balance sheet, profit & loss account, cash flow statement, report of board of directors, auditors for financial year ended at 31 st March, 2014			
2.	Appointment of Mr. Priya Ranjan Agarwal as director, who retires by rotation and being eligible offers himself for reappointment			
3.	Appointment of M/s Walker Chandiook & Associates, as Statutory Auditors of the Company			
Special Business				
4.	Appointment of Mr. Narayanan Shadagopan as an ordinary Director			
5.	Appointment of Mr. R C Katiyar as an Independent Director			
6.	Appointment of Mr. K D Gupta as an Independent Director			
7.	Appointment of Mr. Ajay Kashyap as an Independent Director			
8.	Appointment of Mr. R K Pandey as an Independent Director			
9.	Delegation of power to the Board for making borrowings up to limit of Rs. 150 Crores			
10.	Delegation of power to the Board for creation of charge for securing borrowings up to limit of Rs. 150 Crores			
11.	Consent of shareholders for increase in tenure of CCD's from 12 to 18 months			
12.	Ratification of remuneration of Cost Auditor for year 2014-15			

Signed this day of 2014.

Signature of Shareholder

Signature of Proxy holder (s)

**Affix a
revenue
Stamp**

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference. If you leave the for, against, abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

Form No. SH-13

NOMINATION FORM

[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 holder(s) of securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons 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)	Occupation	
d)	Nationality	
e)	Address	
f)	E-mail id	
g)	Relationship with the security holder	

(3) IN CASE NOMINEE IS A MINOR

a)	Date of birth	
b)	Date of attaining majority	
c)	Name of guardian	
d)	Address of guardian	

Witness: (Signature with name & address)	Signature: Name: Address:
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PTC INDUSTRIES LIMITED

(Registered Office: Malviya Nagar, Aishbagh, Lucknow - 226 004, Uttar Pradesh)

Company Identity No. - L27109UP1963PLC002931

Phone: 91 522 2265300, 2265301, Fax: 91 522 2265302

E-Mail: companysecretary@ptcil.com, Website: www.ptcil.com

Date: June 23, 2014

Sub.: Service of Documents through Electronic Mode

The Ministry of Corporate Affairs, Government of India, has notified Section 101 of the Companies Act, 2013 and the other rules governing the said Act. As per 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 Notices 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, Notices of Meetings, Annual Reports, Directors' Report, Auditors' 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 changes in your e-mail address, you are requested to update the same with your Depository Participant (DP). For shares held in physical form, you can register your e-mail address with the Company's Registrar M/s. Link Intime India Private Limited 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
Yours sincerely

For PTC Industries Limited

Sd/-

A K Gupta

General Manager (Finance) & Company Secretary

Date:

M/s. Link Intime India Private Limited
Unit: PTC Industries Limited
C-13, Pannalal Silk Mills Compound
LB.S. Marg, Bhandup (West)
Mumbai -400 078.

Dear Sir,

As per your letter dated June 23, 2014, 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 {s/} appropriately)

DPID/CLIENT ID: _____

YES NO

- 2) Kindly use my/our Email id: _____ for serving the documents for

Physical Folio No. .

YES NO

Thanking You

Yours sincerely,

Name of First/sole holder _____ Signatures _____

Next to excellence,
is the appreciation
of it...

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





A journey of a thousand miles, begins with a single step...

PTC INDUSTRIES LIMITED

Malviya Nagar, Aishbagh, Lucknow 226 001, Uttar Pradesh, India
www.ptcil.com