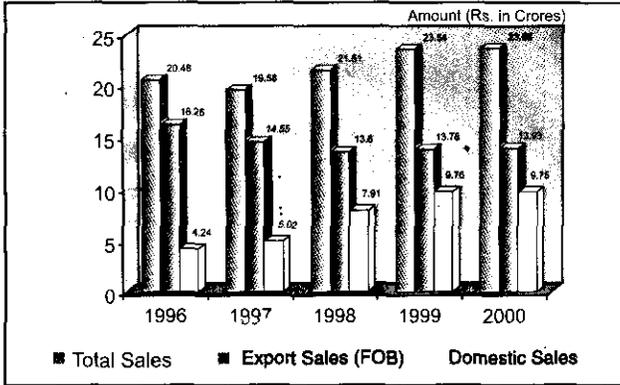


3766
Annual Report
1999-2000



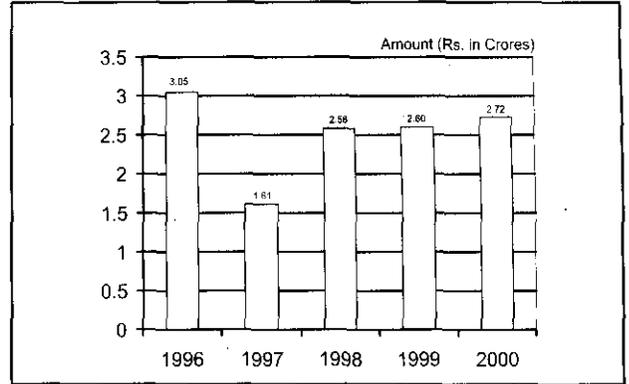
PTC INDUSTRIES LIMITED

TOTAL SALES (NET)



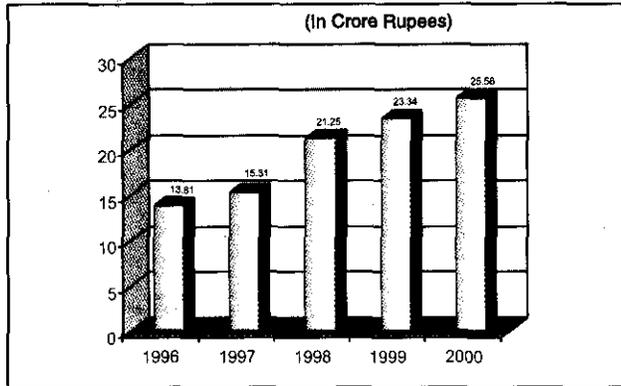
(Year Ending 31st March)

NET PROFIT (AFTER TAX)



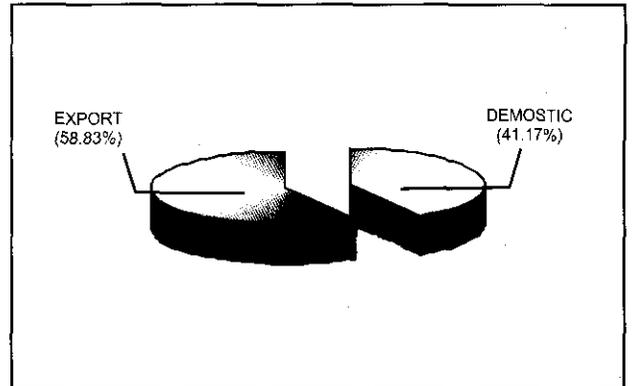
(Year Ending 31st March)

NET WORTH (PAID UP CAPITAL & RESERVES)

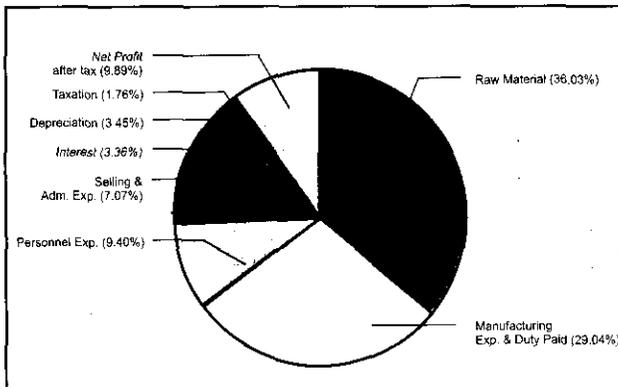


(Year Ending 31st March)

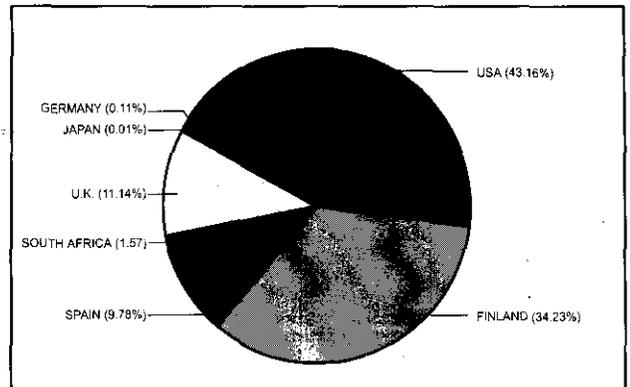
FISCAL SALES 2000



WHERE DOES THE MONEY GO?



COUNTRY-WISE EXPORT (FOB VALUE)





PTC INDUSTRIES LIMITED

Annual Report 1999-2000

BOARD OF DIRECTORS

Mr. S. C. Agarwal
Mr. A. K. Agarwal
Mr. P. R. Agarwal
Mr. Ajay K. Agarwal
Mr. Alok Agarwal
Mr. Sachin Agarwal
Mr. Arun Prasad

Chairman & Managing Director
Director (Commercial)
Director (Marketing)
Director (Finance)
Director (Co-ordination)
Director (Corporate-Planning)
Director

AUDITORS

M/s R. M. Lall & Co.
LUCKNOW 226 001

BANKERS

STATE BANK OF INDIA

SHARE TRANSFER AGENTS

M/s INTIME SPECTRUM REGISTRY PVT. LTD.
260-A Shanti Industrial Estate
Sarojini Naidu Road, MULUND (WEST)
MUMBAI 400 080

REGISTERED OFFICE

Malviya Nagar, Aishbagh
LUCKNOW 226 004 (U.P.)

WORKS:

LUCKNOW PLANT 1

Malviya Nagar, Aishbagh
LUCKNOW 226 004 (U.P.)

LUCKNOW PLANT 2

C-5 Sarojini Nagar Industrial Estate
LUCKNOW 226 008 (U.P.)

BHIWADI PLANT

B-480, Industrial Area, BHIWADI
Distt ALWAR 301 019 (RAJASTHAN)

MEHSANA PLANT (under implementation)

VIII. & PO : Rajpur -382721
Taluka Kadl,
Ahmd-Mehsana, Highway # 41
Distt. Mehsana (North Gujrat)

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**NOTICE OF THE ANNUAL GENERAL MEETING**

NOTICE is hereby given that the Thirty-Seventh Annual General Meeting of the shareholders of PTC Industries Limited will be held on Saturday, the 30th September 2000 at 11.00 A.M. at its Registered office situated at Malviya Nagar, Aishbagh, Lucknow 226004 (UP) for the transaction of the following business.

As Ordinary business

1. To receive, consider and adopt the Audited Annual Accounts for the year ended 31st March 2000, together with the Cash-flow statement for the year ended 31-3-2000 and the Report of Board of Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Mr. Ajay K. Agarwal who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Mr. Alok Agarwal who retires by rotation and is eligible for reappointment.
5. To appoint a Director in place of Mr. Sachin Agarwal who retires by rotation and is eligible for reappointment.
6. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration. M/s R. M. Lall & Co., the retiring Auditors, are eligible for reappointment.

As special business

7. To consider and if deemed fit to pass with or without modification/s the following Resolution as an Ordinary Resolution:

"RESOLVED THAT the Authorised Capital of the Company be and is hereby increased from Rs. 9 Crores divided into 89,75,000 Equity Shares of Rs. 10 each and 25000 Cumulative Preference Shares of Rs. 10 each to 11 Crores by the creation of 20,00,000 Cumulative 11% Redeemable Preference shares of Rs. 10 each."

"RESOLVED FURTHER that the said shares shall confer on their holders the (a) right to a cumulative preferential dividend of 11% per annum in relation to the capital paid up on them. (b) the right to attend general meetings of the Company and vote on resolutions directly affecting their interest or where the dividends in respect thereof are in arrears for not less than two years on the date of the meeting, on all resolutions at every meeting of the Company and (c) the preferential right to return of the amount paid up on the shares and arrears of cumulative dividends in the event of winding up but with no further rights."

"RESOLVED FURTHER that in Part V of the Memorandum, for the words "The Authorised Capital of the Company is Rs. 9,00,00,000 (Nine Crores only) divided into 89,75,000 (Eighty Nine Lacs Seventy Five Thousand) Equity Shares of Rs. 10 each and 25000 (Twenty-Five Thousand) cumulative Preference shares of Rs. 10 each" the following words be substituted "the Authorised Capital of the Company is Rs. 11,00,00,000 (Eleven Crores) divided into 89,75,000 (Eighty Nine Lacs Seventy Five Thousand) Equity Shares of Rs. 10 each and 20,25,000 (Twenty Lacs Twenty Five Thousand) 11% Cumulative Redeemable Preference Shares of Rs. 10 each."

Amendment in the Articles of Association

8. To Consider and if deemed fit to pass with or without modification/s the following resolution as a Special Resolution:

"RESOLVED THAT in Article 4 of the Articles of Association of the Company, for the words "The Authorised Capital of the Company is Rs. 9,00,00,000 (Nine Crores only) divided into 89,75,000 (Eighty Nine Lacs Seventy Five Thousand) Equity Shares of Rs. 10 each and 25000 (Twenty-Five Thousand) Cumulative Preference Shares of Rs. 10 each" the following words be substituted "the Authorised Capital of the Company is Rs. 11,00,00,000 (Eleven Crores) divided into 89,75,000 (Eighty Nine Lacs Seventy Five Thousand) Equity Shares of Rs. 10 each and 20,25,000 (Twenty Lacs Twenty-Five Thousand) 11% Cumulative Redeemable Preference Shares of Rs. 10 each."

**PTC INDUSTRIES LIMITED****Borrowing Powers**

9. To Consider and if thought fit to pass with or without modification/(s), the following resolution as an Ordinary Resolution :

"**RESOLVED THAT** in supersession of the resolution passed by the members of the Company at the A.G.M. held on 28.12.1998 and pursuant to the provisions of Section 293(l) (d) of the Companies Act, 1956 and the Articles of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the Board) for borrowings, from time to time, such sum or sums of money as the Board may deem fit for the purpose of business of the Company, (apart from temporary loans obtained from the Bankers of the Company in the ordinary course of business) and which may exceed the aggregate of the Paid-up Capital of the Company and its Free Reserves that is to say, Reserves not set apart for any specific purpose, provided that the total amount upto which moneys may be so borrowed by the Board at any time shall not exceed Rs. 60 Crores (Rupees Sixty Crores) or the aggregate of Paid-up Capital of the Company and its free reserves whichever is higher."

Creation of Mortgage/Charge

10. To Consider and if thought fit to pass with or without modification/(s), the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** subject to the provisions of section 293(l) (a) of the Companies Act, 1956 and other applicable provisions of the Act, if any, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the Board) to create charges, mortgages and hypothecations in addition to the existing charges / mortgages and hypothecation created by the Company on all immovable and movable properties of the Company both present and future whether by first charge/mortgage or subsequent charges/mortgages, as the Board may direct together with power to takeover the management/undertaking of the Company in certain events to or in favour of all or any of the financial institutions, bankers to the Company or other bankers, any other bodies corporate and any other lenders (hereinafter collectively referred to as "the lending agencies") and/or Trustees for the holders of debentures/bonds other instruments to secure borrowings of the Company by way of loans/issue of debentures/bonds/other instruments which may be issued on a parri-passu basis or otherwise not exceeding Rs. 60 Crores which have been proposed to be obtained from or privately placed with the lending agencies together with interest thereon at the agreed rates, further interest, liquidated damages, premium on prepayment or on redemption, costs, charges, expenses and all other monies payable by the Company to the Trustees under the Trust Deeds and / or lending Agencies under their respective agreements/loan agreements/Debenture Trust Deeds entered into or to be entered into by the Company in respect of the said borrowings."

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

Issue of Securities

11. To consider and if deemed fit to pass with or without modification/s the following Resolution as a Special Resolution:

"**RESOLVED THAT** in accordance with the provisions of Section 94, 80 and 81 and other applicable provisions if any of the Companies Act, 1956 and subject to provisions of the Memorandum and Articles of Association of the Company, Listing Agreement executed with the Stock Exchange, approvals, if required, of the Central Government, Securities and Exchange Board of India, Reserve Bank of India, Financial Institution and all such other authorities as may be applicable under various laws, rules and regulations for the time being in force or amended from time to time and further subject to such terms and conditions and modifications as may be prescribed while granting approvals, which the Board of Directors is authorised to accept, consent of the Company be and is hereby accorded to the Board of Directors to create, issue, offer and allot at its sole discretion, shares whether equity or preference, bonds, debentures, whether fully or partly convertible or non-convertible, with or without detachable warrants or any other type of permissible securities or instruments upto an amount not exceeding Rs. 15,00,00,000 (Rupees Fifteen Crores only) on such terms and conditions as the Board may deem fit either to members, employees, NRI's, Financial Institutions, Foreign Institutional Investors, Body/Bodies Corporate, Overseas Body/Bodies corporate any other person(s) or entities whether shareholders of the Company or not, either by public issue, rights issue, private placement, preferential allotment, conversion of loans or by any combination of the above methods, whether subscribed in Indian or foreign currency on such terms and conditions whether at one time or time to time as may be deemed appropriate by the Board of Directors of the Company."

"**FURTHER RESOLVED THAT** for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to do all such acts, deeds and things as may be required to be done in this connection."

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

By Order of the Board
for PTC Industries Limited
Sd/-

Date : 28th August 2000

(S.C. Agarwal)
Chairman & Managing Director

**PTC INDUSTRIES LIMITED****NOTES**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies in order to be valid must be lodged with the Company atleast 48 hours before the commencement of the meeting and must be duly stamped.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 23rd September, 2000 to 30th September, 2000 (both days inclusive)
3. Pursuant to Section 205A of the Companies Act, 1956, all unclaimed/unpaid dividends upto the Final Dividend for the F.Y. 1995-96 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not yet encashed the dividend warrants for the said period have been given separate notices to that effect and are requested to claim their amounts from the Registrar of Companies, U.P. State at their office at Westcott Building, Mahatma Gandhi Road, Kanpur- 208001. Shareholders are hereby informed that after the amendment of the Companies Act, 1956 with effect from 31.10.1998, the Company will be obliged to transfer any money lying in the Unpaid Dividend Account, which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the Unpaid Dividend Account, to the credit of Investor Education and Protection Fund, to be established by the Central Government in accordance with Section 205C of the Act, no claim shall lie against the Company or the Fund in respect of individual amounts of dividends remaining unclaimed and unpaid for a period of seven years from the dates they first became due for payment and no payment shall be made in respect of any such claims.
4. Facility for making nominations is now available for shareholders, debentureholders etc. in respect of the shares/debentures held by them. The form of nomination is reproduced else where in this Annual Report.
5. Members are requested to provide their Bank Account Numbers, Name and Address of Bank Branch to the Registrars and Share Transfer-Agents of the Company.
6. Members/proxies should bring the attendance slips duly filled in for the purpose of attending the meeting and also bring the copies of the Annual Report.

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

By Order of the Board
for PTC Industries Limited

Sd/-

Date : 28th August, 2000

(S.C. Agarwal)
Chairman & Managing Director

**PTC INDUSTRIES LIMITED****EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT 1956****Items: 7 & 8**

The Authorised Share-Capital of the Company is at present Rs. 9 Crores. It is proposed to increase the Authorised Share Capital of the Company from Rs. 9 Crores to Rs. 11 Crores divided into 89,75,000 Equity Shares of Rs. 10 each and 20,25,000, 11% Cumulative Preference Shares of Rs. 10 each. The alteration proposed in clause V of the Memorandum is intended to reflect the proposed changes in the Authorised Share Capital of the Company. The resolution at item No. 8 proposes to alter the Articles of the Company to incorporate the proposed changes in the Authorised Share Capital.

The Board commends the acceptance of the resolutions in Item No.'s 7 & 8 .

Items: 9 & 10

At the A.G.M held on 28th December 1998, the members had authorised the Board to borrow upto a limit of Rs. 50 Crores. Keeping in view the Company's expansion plans, it is desirable to increase the Company's borrowing powers from the existing limit of Rs. 50 Crores to Rs. 60 Crores. Since section 293 stipulates the compulsory approval of the Shareholders in General Meeting in relation to such borrowings and creation of charge/(s)/Mortgage/(s), the Board of Directors put forth the Resolution/(s) for Shareholders approval. None of the Director/(s) is/are interested in the said resolution/(s).

Item: 11

The Company intends to issue Debentures, Equity and Redeemable Preference shares on private placement basis for meeting its working capital and other business requirements. Since Section 81 stipulates the compulsory approval of the Shareholders in General Meeting in relation to such issues by means of a special resolutions the same has been moved. Directors put forth the Resolution/(s) for Shareholders approval. None of the Director/(s) is/are interested in the said resolution/(s).

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

By order of the Board of Directors
for PTC Industries Limited

Sd/-

(S. C. Agarwal)

Date: 28th August, 2000

**DIRECTORS' REPORT**

To,

The Members,

Your Directors have great pleasure in presenting the Thirty-Seventh Annual Report together with the Audited Accounts for the year ended 31st March 2000.

Financial Results

(Lac Rs.)

	1999-2000	1997-99
Export Sales (FOB)	1393.36	1378.50
Domestic Sales (net of Taxes)	974.72	970.15
Export Incentives and Other Income	199.10	198.60
Total Income	2567.18	2547.25
Profit before Depreciation and Tax	416.37	386.80
Depreciation	95.03	86.00
Provision for Taxation	48.50	41.35
Profit after Tax	272.84	259.45
Add/(Less): Provision for Taxation for Earlier Years adjusted	1.22	(3.54)
Add : Transfer from Revaluation Reserve	14.39	14.99
Add : Surplus brought forward	<u>70.53</u>	<u>96.15</u>
Available for Appropriations	<u>358.98</u>	<u>367.05</u>
Appropriations :		
Dividend recommended	41.91	41.91
Corporate Dividend Tax	9.22	4.61
Transfer to General Reserve	250.00	250.00
Surplus carried forward to next year	<u>57.85</u>	<u>70.53</u>
	<u>358.98</u>	<u>367.05</u>

Operating Results

The Company's operations at its Lucknow Plant - 1 were remained disturbed for first half of the year under report due to modifications in its No-bake molding Process. However the Company has been able to make-up the shortfall during the second half of the year. Due to this, the export and domestic sales were marginally higher during the year under report as compared with the previous years' results. The Profit after tax registered 5% increase over the previous year even after providing higher depreciation and taxation during the year.

Dividend

The Directors have recommended a dividend of 10% on the Equity Capital of the Company. The quantum of the proposed dividend will absorb Rs. 51.13 Lacs as against Rs. 46.52 Lacs paid out in the previous year.

This amount includes an amount of Rs. 9.22 Lacs (previous year Rs. 4.61 lacs) which will be paid as corporate dividend tax on the distributed profits, in accordance with the provisions of the Income Tax Act, 1961. The dividend tax rate has been raised from 11% to 22% by the last Union Budget this year.

Expansion/Modernisation

The Directors are glad to inform that the implementation of the Company's new project at Mehsana (Near Ahmedabad, Gujrat) has been started during the year under report. This being a ambitious and big project, the Company has divided it in various phases and parts for smooth implementation and gradual build-up of the capacity. The entire project has been drawn with ultimate capacity of approx 3900 M.T. per annum of industrial castings. The part-1 of phase 1, which is under implementation at present at a cost of Rs. 4 Crores, will add capacity of 900 M.T. per annum and is expected to be ready for trial production during December, 2000. The Part- 2 of phase 1 will add further capacity of 900 M.T. per annum at a cost of Rs. 5 Crores and will be taken up for implementation simultaneously with the trial run of the Part- 1. The capacity will be raised to a total of 3900 M.T. per annum in phase 2 and implementation is scheduled for June 2001 i.e. immediately after stabilisation of phase - 1.

The ERP has been launched successfully during the year by the Company to cover its entire production processes. As a result, it will now become easier to effectively monitor and streamline the overall production operations being carried out at the Company's Lucknow Plant- 1 and to eliminate production hold-ups.

**PTC INDUSTRIES LIMITED**

The scheduled modernisation of the Bhiwadi Plant of the Company during the previous year could not be undertaken in view of priority to new projects on which large sums of the capital expenditure have been planned. However, the modernisation/balancing of equipment has been planned in the existing three plants of the Company with a capital expenditure of Rs. 3 Crores during the current year.

Directorate

Mr. Ajay K. Agarwal, Director (Finance), Mr. Alok Agarwal, Director (Coordination) and Mr. Sachin Agarwal, Director (Corporate Planning) retire by rotation and being eligible offer themselves for reappointment.

Industrial Relations

Industrial Relations throughout the Company remained cordial during the period under review.

Y2K Compliance

As mentioned in the last year's report, your Company addressed the year 2000 (Y2K) problem and achieved a smooth transition without any difficulty.

Auditors and their Report

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

Particulars of Employees

Information required under Section 217 (2A) of the Companies Act 1956, read with the Companies (Particulars of Employees) Rules 1975 form part of this report.

Conservation Energy, Technology, Absorption Foreign Exchange Earnings and Outgo

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

Information in terms of Clause 43 of the Listing Agreement:

(A) The projections, in the Offer for Sale Document dated 27.03.1995 for public offer of Equity Shares of the Company by co-investors and promoters have been provided for upto the Financial Year 1997-98 only . However, the performance of the Company during the year under review is given hereunder.

Sales (including export incentive)	Rs. 2564.99 lacs
Other Income	Rs. 2.19 lacs
Total Income	Rs. 2567.18 lacs
Profit after Tax	Rs. 272.84 lacs
Earnings per Share	Rs. 6.52
Book Value per Share	
a) Excluding Revaluation Reserve	Rs. 60.12
b) Including Revaluation Reserve	Rs. 61.00

(b) Distribution of Share Holding as per the latest A.G.M. held on 29.09.1999 :

Category	Percentage of shares held
Promoters and Directors	74
Bodies Corporate (Promoters)	11
Bodies Corporate (Others)	9
Non Resident Indian	1
General Public	5
Total	100

Information as per Section 217 (2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules 1975 and forming part of the Directors Report for the year ended 31st march 2000.

**PTC INDUSTRIES LIMITED****Particulars****(a) Employed throughout the year**

1. Name / Designation	:	Mr S.C Agarwal/ Chairman & Managing Director
2. Remuneration	:	Rs. 10.52 lacs
3. Nature of employment	:	Contractual
4. Others Terms & Conditions	:	As per the Ordinary Resolution passed in the A.G.M. held on 28.12.1998
5. Nature of duties of the employee	:	Technical
6. Qualification & Experience	:	B. Sc. Engg. (Mech) M.I.E, 42 years
7. Date of commencement of employment	:	11-05-1970
8. Age	:	67 years
9. Percentage of Equity Shares held	:	12.86% (in individual capacity)

(b) Employed for part of the financial year : Not applicable

Acknowledgements

The Board of Directors thank the Bankers of the Company - State Bank of India, Financial Institutions and Government Authorities for their guidance and continued support provided to the Company throughout the year.

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

for and on behalf of the
Board of Directors

Sd/-

(S.C. Agarwal)
Chairman & Managing Director

Place : Lucknow
Date : 28th August, 2000

**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, 2000.

A. CONSERVATION OF ENERGY**(A) Energy Conservation measures taken**

The Company's policy of updating various equipments, processes and methods has been continued during the year. The conventional methods of material handling were replaced by automatic movement methods. This resulted in faster access of material to production areas. The energy efficiency level has been significantly improved by implementation of no-bake system. Other energy conservation measures taken during the year include modification of existing furnace, installation of energy efficient welding machine, energy efficient capacitors etc.

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

The Company has planned a capital expenditure of Rs. 4 Crores during the F.Y. 1998-99 for its existing three plants which is being implemented and expected to be completed during the current financial year. It includes various energy saving equipments viz. tumblast shot-blasting machine, infra-red heating systems for before and after painting the molds, latest wax-injection machines etc. A new diesel generator set of 750 KVA is also planned which will save a lot of energy since existing generators are quite old and consume much energy and output is low. Further the modifications in no-bake system has been completed during the year at the Company's Lucknow Plant - 1. It has resulted in increased productivity, reduction in idle time/facilities and optimum utilisation of available resources. ERP system has also been implemented during the year. This has streamlined the entire production process and resulted in elimination of unnecessary hold-ups.

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

The measures taken above have resulted/will result in savings in the consumption of fuel and power.

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.**

- re-engineering and re-layout of no-bake molding process.
- re-engineering and re-modelling of existing roll-over system.
- simulation of production process for investment casting process.
- development of process for bigger castings by steel molding process.
- better utilisation of reclaimed sand in no-bake molding process.

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

- Development of new methods of production and improvement in existing processes. Increase in productivity, elimination of wastefulness activities, optimum utilisation of resources, improvement in quality of products and development of new range of products.

**PTC INDUSTRIES LIMITED**

(c) Future plan of action

Prospects for further improvement in quality, cost control by application of cost reduction techniques, development of new methods to bring more efficiency and to reduce cost. For this the Company has plan to introduce a latest molding technique called 'Replicast Process' which has recently been developed in U.K.

(d) Expenditure on R&D

	(Lac Rs.)	
	1999-2000	1998-1999
i) Capital	-	-
ii) Revenue	32.95	30.93
iii) Total	32.95	30.93
iv) % of Total Turnover	1.39%	1.32%

II. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

(a) Efforts in brief made in Technology Absorption, Adaptation and innovation.

In our effort to become a world-class foundry, the Company has reviewed and redesigned its entire production process; with the implementation of ERP System and no-bake system, almost all segments of designing, developing and manufacturing have been modified. The company has adopted new technologies in view of changing scenario in overseas market and to cope with change in demand from overseas buyers. That is why. The Company has been able to satisfy its buyers in overseas and domestic market. Efforts are on, by the R&D Division of the Company to introduce new methods, improve existing processes further, develop new products by the absorption, adaptation and innovation of technology.

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

A processwise improvement in each segment of production process, development of new designs, products by use of CAD/CAM; Adoption of new technologies has also resulted in improving productivity and bringing cost contract. By improving quality of its products Company is able to satisfy its buyers and to develop new market opportunities.

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

Not Applicable

(a) Technology imported

(b) Year of Import

(c) Has technology been fully absorbed?

**III. FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

During the year Company's export turnover could not achieve desired levels mainly because the Company's operations at its Lucknow Plant - 1 were remained disturbed for first half of the year due to modification in no-bake molding process. Company's export turnover has been around 60% of its total turnover. The Company is further planning to increase it to 75% in coming two years. To explore further market in overseas countries, the Company's executives has visited in several countries during the year and has received a positive response. The Company is also planning to setup offices for warehousing its products in USA and UK in order to have a effective monitoring of its foreign operations and providing its products off the shell to its existing vis a vis new buyers. The last 3 years FOB value of exports of the Company are as under :

1997-1998	Rs. 1360.62 lacs
1998-1999	Rs. 1378.50 lacs
1999-2000	Rs. 1393.36 lacs

(Lac Rs.)

2. Total Foreign Exchange used and earned.

Used

1999-2000 1998-99**210.53** 266.16

Earned

1452.91 1412.05



PTC INDUSTRIES LIMITED

REPORT OF THE AUDITORS**TO THE MEMBERS OF PTC INDUSTRIES LIMITED
LUCKNOW (U.P.)**

We have audited the attached Balance Sheet of PTC INDUSTRIES LIMITED as at 31st March, 2000 and the Profit and Loss Account of the Company for the year then ended, annexed thereto.

1. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Sections 227 (4A) of the Companies Act, 1956, we give in the Annexure hereto a statement on the matters specified in paragraph 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that :-
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
 - (c) The Balance Sheet and Profit & Loss Account referred to in this Report are in agreement with the books of account.
 - (d) The Balance Sheet and Profit & Loss Account referred to in this Report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 to the extent applicable ; and
 - (e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the significant accounting policies (Schedule U) and Notes on Accounts (Schedule V) thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - (i) in the case of the Balance Sheet, of the state of the affairs of the Company as at 31st March, 2000; and
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date.

for P.M. Lall & Co
Chartered Accountants.

Lucknow
August 28, 2000

(PUNEET KAPOOR)
Partner

ANNEXURE TO THE AUDITORS REPORT

(Referred to in paragraph 1 of our Report of even date)

On the basis of such tests as we considered appropriate to apply and according to the information and explanations given to us in the course of our audit, we state that :

- (i) The Company has maintained proper records showing full particulars, including quantitative details and situation, of its fixed assets. The Company has a programme of physically verifying its fixed assets in a phased manner designed to cover all the items over a period of three years. During the year, fixed assets were physically verified in accordance with the programme and no material discrepancies were noticed by the Management on such verification as compared to book records. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and the nature of its business.
- (ii) None of the fixed assets have been revalued during the year.
- (iii) The Management has physically verified the stocks of finished goods, stores, spare parts and raw materials at reasonable intervals during the year.
- (iv) In our opinion, the procedures of physical verification of above mentioned stocks followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (v) No material discrepancies having regard to the size of the Company and nature of its stocks, were noticed by the Management on physical verification of above-mentioned stocks as compared to book records.

**PTC INDUSTRIES LIMITED**

- (vi) Examination of stocks has not been carried out by us. On the basis of the records produced before us, in our opinion, valuation of stocks is fair and proper in accordance with normally accepted accounting principles and is on the same basis as in the preceding year, except as stated in note 9 of Notes on Accounts (Schedule V).
- (vii) In respect of interest-free unsecured loans taken from parties listed in the register maintained under section 301 of the Companies Act, 1956, the terms and conditions of such loans are, prima facie, not prejudicial to the interests of the Company. We are informed that there are no companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956.
- (viii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (ix) The parties to whom interest-free unsecured loans or advances in the nature of loans have been given by the Company are generally repaying the principal amounts as per stipulations.
- (x) In our opinion, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of stores, raw materials including components, plant and machinery, equipment and other assets and for the sale of goods.
- (xi) No transactions of purchase of goods and materials and for sale of goods, materials and services were made with parties entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs 50,000 or more in respect of each party.
- (xii) The Company has a regular procedure for determination of unserviceable or damaged stores, raw materials and finished goods and adequate provision for the loss, if any, so determined is made in the accounts.
- (xiii) The Company has not accepted deposits from the public.
- (xiv) The operations of the Company do not generate any scrap or by-product.
- (xv) Internal Audit is conducted by the staff of the Company. In our opinion, the internal audit system is commensurate with the size and the nature of its business. However, in view of the growing size of the Company, the internal audit system should be further strengthened.
- (xvi) To the best of our knowledge and belief, maintenance of cost records has not been prescribed by the Central Government under section 209(1) (d) of the Companies Act, 1956 (1 of 1956) in respect of any of the activities of the Company.
- (xvii) On the basis of the records examined by us, the Company was generally regular in depositing Provident Fund and Employees State Insurance dues with appropriate authorities.
- (xviii) No undisputed amounts payable in respect of income-tax, wealth tax, sales tax, custom duty and excise duty were outstanding as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (xix) During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices, we have not come across any personal expenses charged to the Profit and Loss Account, other than those payable under contractual obligations or in accordance with generally accepted business practices.
- (xx) The Company is not a Sick Industrial Company within the meaning of clause (o) of sub section (l) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
- (xxi) In respect of the service activities of the Company, there is a reasonable system for recording receipts, issues and consumption of materials and stores commensurate with the size of the Company and the nature of its business. Though allocation of materials and man hours is not made to relative jobs, there is, in our opinion, an adequate system for control of the materials consumed and man hours utilized and for determination of costs of individual jobs. In our opinion, there is a reasonable system of authorization at proper levels and an adequate internal control system on issue of stores commensurate with its size and nature of its business.

for R.M. Lall & Co.,
Chartered Accountants

Lucknow
August 28, 2000

(Puneet Kapoor)
Partner



PTC INDUSTRIES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2000

	SCHEDULE	AS AT 31-03-2000	(Lac Rs.) AS AT 31-03-1999
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS		2556.57	2333.96
Share Capital	A	419.13	419.13
Reserves & Surplus	B	<u>2137.44</u>	<u>1914.83</u>
LOAN FUNDS		605.30	545.72
Secured Loans	C	589.37	530.29
Unsecured Loans	D	<u>15.93</u>	<u>15.43</u>
TOTAL		<u>3161.87</u>	<u>2879.68</u>
APPLICATION OF FUNDS			
FIXED ASSETS	E	1401.09	1392.43
Gross Block		1882.51	1785.00
Less: Depreciation		<u>541.37</u>	<u>454.00</u>
Net Block		1341.14	1331.00
Add: Capital Work-in-Progress & Advances		<u>59.95</u>	<u>61.43</u>
INVESTMENTS	F	10.29	10.29
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	G	946.64	761.66
Sundry Debtors	H	1115.48	863.83
Cash & Bank Balances	I	17.06	17.94
Loans & Advances	J	<u>170.83</u>	<u>150.87</u>
		2250.01	1794.30
LESS: CURRENT LIABILITIES & PROVISIONS			
Liabilities	K	383.75	214.31
Provisions	L	<u>124.76</u>	<u>116.64</u>
		508.51	330.95
NET CURRENT ASSETS		1741.50	1463.35
MISCELLANEOUS EXPENDITURE	M	<u>8.99</u>	<u>13.61</u>
TOTAL		<u>3161.87</u>	<u>2879.68</u>
SIGNIFICANT ACCOUNTING POLICIES	U		
NOTES ON ACCOUNTS	V		

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

As per our separate report
of even date

for R. M. LALL & CO.
Chartered Accountants

Sd/-

(PUNEET KAPOOR)
Partner

Lucknow
August 28, 2000

On behalf of the
Board of Directors

Sd/-

(S.C. AGARWAL)
Chairman & Managing Director

Sd/-

(AJAY K. AGARWAL)
Director-Finance

**PTC INDUSTRIES LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2000**

INCOME	SCHEDULE	(Lac Rs.)	
		CURRENT YEAR	PREVIOUS YEAR
Sales		2368.08	2354.39
Domestic		974.72	975.89
Export		<u>1393.36</u>	<u>1378.50</u>
Export Incentives		196.91	191.18
Other Income	N	2.19	1.68
Increase in Inventory	O	<u>189.91</u>	-
		2757.09	2547.25
EXPENDITURE			
Decrease in Inventory	O	-	114.93
Raw Materials	P	993.39	773.90
Excise Duty		133.62	129.68
Manufacturing	Q	667.08	628.97
Personnel	R	259.11	231.45
Administrative & Selling	S	194.90	189.97
Interest & Financial Charges	T	92.62	91.55
Depreciation	E	<u>95.03</u>	<u>86.00</u>
		2435.75	2246.45
PROFIT BEFORE TAX		321.34	300.80
Provision for Tax for Current Year		<u>48.50</u>	<u>41.35</u>
PROFIT AFTER TAX		272.84	259.45
Less/(Excess) Provision for Tax for Earlier Years Adjusted		<u>1.22</u>	<u>(3.54)</u>
BALANCE AVAILABLE FOR THE YEAR		274.06	255.91
Transfer from Revaluation Reserve		14.39	14.99
Balance of Profit & Loss Account as per last Balance Sheet		<u>70.53</u>	<u>96.15</u>
AVAILABLE FOR APPROPRIATIONS		358.98	367.05
APPROPRIATIONS			
Proposed Dividend		41.91	41.91
Corporate Dividend Tax		9.22	4.61
General Reserve		250.00	250.00
Balance carried to Balance Sheet		<u>57.85</u>	<u>70.53</u>
		358.98	367.05
SIGNIFICANT ACCOUNTING POLICIES	U		
NOTES ON ACCOUNTS	V		

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

As per our separate report
of even date

for R. M. LALL & CO.
Chartered Accountants

Sd/-

(PUNEET KAPOOR)
Partner

Lucknow
August 28, 2000

On behalf of the
Board of Directors

Sd/-

(S.C. AGARWAL)
Chairman & Managing Director

Sd/-

(AJAY K. AGARWAL)
Director-Finance



PTC INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2000

	(Lac Rs.)			
	AS AT 31-03-2000		AS AT 31-03-1999	
SCHEDULE : A				
SHARE CAPITAL				
AUTHORISED				
89,75,000 Equity Shares of Rs 10 each	897.50		897.50	
25,000 Cumulative Preference Share of Rs. 10 each	<u>2.50</u>	<u>900.00</u>	<u>2.50</u>	<u>900.00</u>
		<u>900.00</u>		<u>900.00</u>
ISSUED, SUBSCRIBED & PAID-UP				
41,91,250 Equity Shares of Rs. 10 each, fully paid-up	<u>419.13</u>		<u>419.13</u>	
	<u>419.13</u>		<u>419.13</u>	
SCHEDULE : B				
RESERVES AND SURPLUS				
CAPITAL RESERVE				
		1.75		1.75
GENERAL RESERVE				
At the beginning of the year	1565.66		1267.60	
Add: Transfer from Profit and Loss Account	250.00		250.00	
Add: Transfer from Export Productivity Fund Reserve	<u>-</u>	1815.66	<u>48.06</u>	1565.66
SHARE PREMIUM				
		225.50		225.50
REVALUATION RESERVE				
At the beginning of the year	51.39		66.38	
Less: Transferred to Profit and Loss A/c on Account of Depreciation	<u>14.39</u>		14.99	
	37.00			
Less: Adjustment on disposal of Fixed Assets	<u>0.32</u>	36.68	<u>-</u>	51.39
EXPORT PRODUCTIVITY FUND RESERVE				
At the beginning of the year	-		48.06	
Less : Transferred to General Reserve	<u>-</u>	-	<u>48.06</u>	-
SURPLUS IN PROFIT AND LOSS ACCOUNT				
		<u>57.85</u>		<u>70.53</u>
		<u>2137.44</u>		<u>1914.83</u>
SCHEDULE : C				
SECURED LOANS				
From State Bank of India				
Term Loan	9.75		17.10	
Working Capital Loans	<u>566.77</u>	576.52	<u>496.13</u>	513.23
From Rajasthan Financial Corporation				
Term Loan		10.55		13.56
From Tata Finance Ltd.				
Hire Purchase Loan		<u>2.30</u>		<u>3.50</u>
		<u>589.37</u>		<u>530.29</u>



PTC INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2000

	(Lac Rs.)
SCHEDULE : D	AS AT 31-03-2000
	AS AT 31-03-1999
UNSECURED LOANS	
From Directors	<u>15.93</u>
	<u>15.93</u>
	<u>15.43</u>
	<u>15.43</u>

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2000 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR THEN ENDED

SCHEDULE : E

FIXED ASSETS (Lac Rs.)

PARTICULARS	GROSS BLOCK			AS AT 31.03.2000	DEPRECIATION				UPTO 31.03.2000	NET BLOCK	
	AS AT 01.04.99	ADDI- TION DURING THE YEAR	DEDU- CTION		UPTO 31.03.99	ON COST	ONRE- VALUA- TION	DEDU- CTIONS		AS AT 31.03.2000	AS AT 31.03.99
FREEHOLD LAND	77.87	19.40	-	97.27	-	-	-	-	97.27	77.87	
LEASEHOLD LAND	270.62	-	-	270.62	18.83	1.35	2.60	-	22.78	247.84	251.79
FACTORY BUILDING	252.41	4.02	-	256.43	36.32	6.66	1.55	-	44.53	211.90	216.09
RESIDENTIAL BUILDING	-	8.96	-	8.96	-	0.03	-	-	0.03	8.93	-
PLANT & MACHINERY	959.85	39.06	14.60	984.31	297.39	50.15	9.54	4.02	353.06	631.25	662.46
COMPUTER	37.58	30.09	-	67.67	13.84	8.59	(0.06)	-	22.37	45.30	23.74
MOULD & DIES	76.04	8.43	-	84.47	52.26	6.02	0.29	-	58.57	25.90	23.78
VEHICLES	68.56	0.33	8.12	60.77	19.91	5.16	0.17	3.64	21.60	39.17	48.65
FURNITURE & FIXTURES	24.41	4.38	-	28.79	10.21	1.80	0.12	-	12.13	16.66	14.19
OFFICE EQUIPMENT	11.21	5.56	-	16.77	3.83	0.60	0.18	-	4.61	12.16	7.37
MISC. FIXED ASSETS	6.45	-	-	6.45	1.41	0.28	-	-	1.69	4.76	5.06
CURRENT YEAR	1785.00	120.23	22.72	1882.51	454.00	80.64	14.39	7.56	541.37	1341.14	1331.00
PREVIOUS YEAR	1628.99	159.74	3.73	1785.00	368.68	71.01	14.99	0.68	454.00	1331.00	1260.31



PTC INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2000

	(Lac Rs.)			
	AS AT 31-03-2000		AS AT 31-03-1999	
SCHEDULE : F				
INVESTMENTS (NON TRADE: LONG TERM)				
QUOTED				
5000 Units in Mastergain 1992 of Unit Trust of India (face value Rs 10 each fully paid-up)	0.50		0.50	
150 Equity Shares in State Bank of India (face value Rs 10 each fully paid-up, issued at a premium of Rs. 90 per share)	0.15		0.15	
1600 Equity Shares in Kailash Structures Ltd. (face value Rs:10 each fully paid-up)	0.16		0.16	
10000 Equity Shares in Valecha Engineering Ltd. (face value Rs.10 each fully paid-up)	6.03		6.03	
500 Equity Shares in Lloyds Finance Ltd. (face value Rs.1000 each fully paid-up issued at a premium of Rs.60 per share)	0.35	7.19	0.35	7.19
UNQUOTED				
250 Unsecured Bonds in State Bank of India (face value Rs 1000 each, fully paid-up)	2.50		2.50	
500 Non Convertible Redeemable Debentures of Lloyds Finance Ltd. of Rs.120 each fully paid-up)	0.60	<u>3.10</u>	0.60	<u>3.10</u>
		<u>10.29</u>		<u>10.29</u>
SCHEDULE : G				
INVENTORIES (As taken, valued & certified by the Management)				
Stock in Transit	7.93		7.59	
Direct Raw Materials	226.02		235.75	
Indirect Raw Materials, Stores & Spares etc.	74.44		68.84	
Work-in-Progress	608.75		405.51	
Finished Goods	22.83		36.16	
Loose Tools	4.75		6.01	
Miscellaneous Items	1.92	<u>946.64</u>	1.80	<u>761.66</u>
		<u>946.64</u>		<u>761.66</u>
SCHEDULE : H				
SUNDRY DEBTORS (Unsecured, considered good)				
Outstanding for a period exceeding six months	100.24		75.55	
Others	1015.24	<u>1115.48</u>	788.28	<u>863.83</u>
		<u>1115.48</u>		<u>863.83</u>
SCHEDULE : I				
CASH AND BANK BALANCES				
Cash-in-hand	7.64		3.23	
Balances with Scheduled Banks				
in Current Account	3.37		1.56	
in Fixed Deposits	6.05	<u>17.06</u>	13.15	<u>17.94</u>
		<u>17.06</u>		<u>17.94</u>

**PTC INDUSTRIES LIMITED****SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2000**

	(Lac Rs.)	
	AS AT 31-03-2000	AS AT 31-03-1999
SCHEDULE : J		
LOANS AND ADVANCES (Unsecured, considered good)		
Advance Payment of Income Tax	50.10	35.54
Advances recoverable in cash or in kind or for value to be received	75.95	57.28
Accrued Interest	0.57	1.38
Balances with Income Tax/Excise/Sales Tax Department	31.11	44.79
Earnest Money and Security Deposits	13.10	11.88
	<u>170.83</u>	<u>150.87</u>
	<u>170.83</u>	<u>150.87</u>
SCHEDULE : K		
CURRENT LIABILITIES		
Creditors		
for Materials	279.56	123.10
for Expenses and Services	83.84	62.23
for Capital Goods	5.72	10.79
Credit Balance in Customers' Account	7.21	8.43
Credit Balance in Current Account with Scheduled Bank	0.29	1.13
Interest accrued but not due	0.58	0.69
Others	6.55	7.94
	<u>383.75</u>	<u>214.31</u>
	<u>383.75</u>	<u>214.31</u>
SCHEDULE : L		
PROVISIONS		
For Income Tax	48.50	41.35
For Proposed Dividend	41.91	41.91
For Corporate Dividend Tax	9.22	4.61
For P.F., E.S.I., Leave Encashment, Bonus	25.13	28.77
	<u>124.76</u>	<u>116.64</u>
SCHEDULE : M		
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
Opening Balance		
Technical Consultancy Fee	2.84	5.45
Public Offer Expenses	7.52	8.78
Share Capital Issue Expenses	0.65	0.74
Pre-Operative Expenses	0.01	0.01
Amalgamation Expenses	2.59	14.98
	<u>13.61</u>	<u>14.98</u>
Add : Addition during the year		
Amalgamation Expenses	-	3.24
	<u>13.61</u>	<u>18.22</u>
Less : Written off during the year		
Technical Consultancy Fee	2.61	2.61
Public Offer Expenses	1.25	1.25
Share Capital Expenses	0.10	0.09
Pre-Operative Expenses	0.01	0.01
Amalgamation Expenses	0.65	0.65
	<u>4.62</u>	<u>4.61</u>
	<u>8.99</u>	<u>13.61</u>

**PTC INDUSTRIES LIMITED****SCHEDULE FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2000**

	(Lac Rs.)		
	CURRENT YEAR		PREVIOUS YEAR
SCHEDULE : N			
OTHER INCOME			
Interest on Deposits/Investments	0.71		0.45
Income from Dividend	0.31		0.25
Foreign Exchange Fluctuation	0.82		0.94
Profit on Sale of Assets	0.32		0.01
Miscellaneous	<u>0.03</u>		<u>0.03</u>
	2.19		1.68
	2.19		1.68
SCHEDULE : O			
INCREASE / (DECREASE) IN INVENTORY			
CLOSING INVENTORY		631.58	441.67
Work-in-Process	608.75		405.51
Finished Goods	<u>22.83</u>		<u>36.16</u>
LESS: OPENING INVENTORY		441.67	556.60
Work-in-Process	405.51		531.17
Finished Goods	<u>36.16</u>		<u>25.43</u>
		189.91	(114.93)
SCHEDULE : P			
RAW MATERIAL EXPENDITURE			
Opening Stock	243.34		242.95
Add: Purchases during the year	<u>984.00</u>		<u>774.29</u>
	1227.34		1017.24
Less: Closing Stock	<u>233.95</u>	993.39	<u>243.34</u>
		993.39	773.90
			773.90
SCHEDULE : Q			
MANUFACTURING EXPENSES			
Foundry Consumables and Expenses	285.43		265.69
Power and Fuel	224.68		211.24
Repairs and Maintenance			
Mechanical	24.43		31.25
Electrical	8.59		6.09
Factory Building	4.13		4.46
Packing and General Consumables	33.92		23.17
Processing and Work Charges	80.23		68.89
Expenses on Inter-Plant Transfers	3.06		15.57
Amortisation of Technical Consultancy Fee	<u>2.61</u>	667.08	<u>2.61</u>
		667.08	628.97
			628.97
SCHEDULE : R			
PERSONNEL EXPENSES			
Salaries, Wages and Bonus	219.15		193.77
Provident and other Funds	33.05		30.57
Welfare	<u>6.91</u>	259.11	<u>7.11</u>
		259.11	231.45
			231.45

**PTC INDUSTRIES LIMITED****SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2000**(Lac Rs.)
CURRENT YEAR PREVIOUS YEAR**SCHEDULE : S****ADMINISTRATIVE AND SELLING EXPENSES**

Rent and Taxes	4.56		4.72	
Insurance	7.81		6.70	
Legal and Professional	5.82		7.10	
Travelling and Conveyance	33.12		20.61	
Vehicle Running and Maintenance	10.49		9.44	
Communication	27.23		29.81	
Printing and Stationery	6.01		5.96	
Conference, Training and Recruitment	1.77		0.91	
Freight and Clearing	41.02		41.19	
Sales Commission	30.38		41.61	
Advertisement and Promotion	4.80		6.25	
Payment to Auditors	0.68		0.93	
Wealth Tax	0.42		0.27	
Miscellaneous	12.19		11.57	
Loss on Sale of Assets	6.40		0.76	
Bad Debts Written-off	0.19		0.14	
Public Offer Expenses Written-off	1.25		1.25	
Share Capital Expenses Written-off	0.10		0.09	
Pre-operative Expenses Written-off	0.01		0.01	
Amalgamation Expenses Written-off	0.65		0.65	
		<u>194.90</u>		<u>189.97</u>
		<u>194.90</u>		<u>189.97</u>

SCHEDULE : T**INTEREST AND FINANCIAL CHARGES**

Interest

On Working Capital Loans	71.85		74.00	
On Term Loans	4.25		4.89	
On Others	0.47	76.57	1.26	80.15

Less : Interest Received

from Bankers	2.12		0.53	
from Others	0.82	2.94	8.81	9.34

Bank Charges

		<u>73.63</u>		<u>70.81</u>
		<u>18.99</u>		<u>20.74</u>
		<u>92.62</u>		<u>91.55</u>

**PTC INDUSTRIES LIMITED****SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2000 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR THEN ENDED.****SCHEDULE : U****SIGNIFICANT ACCOUNTING POLICIES****1. Basis of preparation of Financial Statements**

The financial statements are prepared in accordance with generally accepted accounting principles and the provisions of the Companies Act, 1956 together with applicable mandatory Accounting Standards and relevant presentation requirements.

2. Basis of Accounting

All items of income and expenditure having a material bearing on the financial statements are recognized on Accrual basis.

3. Fixed Assets

Fixed Assets are stated at their cost of acquisition or construction inclusive of inward freight, duties and taxes, technical fee for their drawing/design and development and other incidental expenses related to their acquisition/construction, net of MODVAT and accumulated depreciation. However, assets acquired up to 2nd April, 1993 are stated at their net replacement value, less accumulated depreciation. The said net replacement value has been determined by professional valuers.

4. Depreciation

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

5. Investments

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

6. Inventories

Finished goods and Work-in-Process are valued at lower of cost and net realisable value. Cost includes cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Finished goods are valued at exclusive of excise duty. Raw Material, Indirect Material, Stores and Spares etc. are valued at lower of cost on FIFO basis or net realisable value net of MODVAT benefits availed or to be availed.

7. Retirement Benefits for Employees

- (a) Contributions are made to Provident Fund and Pension Fund on actual liability basis.
- (b) Contributions in respect of Gratuity are made to the Life Insurance Corporation of India under the Group Gratuity-cum-Insurance Policy.
- (c) Contributions in respect of Superannuation Scheme for eligible employees are made to the Life Insurance Corporation of India.
- (d) Accumulated Earned Leave is provided for at the end of the year.

8. Research & Development

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

9. Foreign Exchange Conversions

Non-monetary items, other than inventory and monetary items are stated at the exchange rate of forward covers, if any, or the amounts actually realised/paid up to the date on which the financial statements are approved by the Board and in other cases at the exchange rates ruling as at the Balance Sheet date.

**PTC INDUSTRIES LIMITED****10. Miscellaneous Expenditure**

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

- (a) Pre-operative expenses and expenses on increase in share capital are amortised over a period of ten years.
- (b) Hire Purchase interest and other expenses thereon are amortised over the period of the underlying agreement.
- (c) Technical Consultancy fee for process and product development are amortised over a period of six years from the year in which commercial production thereof commences.
- (d) The Company's share of expenditure incurred on the offer for sale to public of its equity shares by the co-investors and promoters of the company is amortised over a period of ten years.
- (e) Amalgamation Expenses are amortised over a period of five years starting from the year in which legal formalities related to amalgamation are completed.

11. Sales

- (a) Sales are recognised as and when goods are cleared from factory premises.
- (b) Domestic sales are stated net of returns and all taxes but includes excise duty. Export sales are stated at F.O.B. value.

12. Contingent Liabilities

Contingent Liabilities are stated by way of notes.

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2000 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR THEN ENDED.**SCHEDULE : V****NOTES ON ACCOUNTS**

1. The name of the Company has been changed from 'Precision Tools and Castings Limited' to '**PTC Industries Limited**' with effect from 22.01.1999 as per the fresh Certificate of Incorporation, issued by the Registrar of Companies (U.P.) Kanpur. The Company is referred to by its new name throughout these financial statements.
2. Pursuant to the Scheme of Amalgamation (the Scheme) of erstwhile Ashman Tool Engineers Pvt Ltd (ATEPL), engaged in the business of manufacturing tools, jigs, fixtures, moulds and dies and job work of machining of castings at Lucknow (U.P.) and erstwhile Sunika Alloys Pvt Ltd (SAPL), engaged in the business of manufacturing alloy steel castings at Bhiwadi (Rajasthan) with the Company, as approved by the Hon'ble High Courts of Judicature at Allahabad on 22.9.98 and Jaipur on 12.11.98 respectively, the assets and liabilities of the erstwhile ATEPL and SAPL were transferred to and vested in the Company with effect from 1st April, 1997 (the Transfer date).
3. Pursuant to the Scheme referred to in 2 above, and after considering the extinguishment of shares held in the erstwhile ATEPL and SAPL, 281,250 equity shares and 360,000 equity shares of Rs 10/- each respectively disclosed in the previous year under Share Capital Suspense in Schedule A, have been issued during the year to the shareholders of erstwhile ATEPL and SAPL. Further ATEPL and SAPL, has now been referred to as Lucknow Plant-2 and Bhiwadi-Plant, respectively and the plant at Malviya Nagar, Aishbagh, Lucknow as Lucknow Plant-1.
4. Aggregate market value of quoted investments as at the end of the year was Rs 5.85 lacs (previous year Rs 2.78 lacs). In the opinion of the management, the diminution in the value of investments is temporary and no provision is required for the same.
5. Fixed deposit with Bank (Schedule 'I') is "under Bankers lien" as margin money for non-fund based facilities.
6. Advance payment of tax as at the end of the year represents advance payment of Tax and Tax deducted at source for and during the year under review. Advance payment of Income Tax less provision for tax for earlier years, if any, has been included in Balance with Income Tax/ Excise/Sales Tax department (Schedule 'J').
7. Tax deducted at source on receipt of:

	(Lac Rs.)	
	1999-2000	1998-99
Job-work	0.02	0.41
Interest	0.08	0.13
	<u>0.10</u>	<u>0.54</u>

8. Revenue expenditure pertaining to the Company's Research & Development Division aggregated to Rs. 32.95 lacs (previous year Rs 30.93 lacs).

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9. In accordance with the Accounting Standard - 2 on Inventory Valuation issued by the Institute of Chartered Accountants of India, which has been made mandatory with effect from 01.04.99, the method of valuation of Raw Material, Indirect Material, Stores and Spares etc. has been changed. These items hitherto valued at cost has now been valued at lower of cost or net realisable value. The net impact of the said change on the profit for the year is not material.
10. As per method of accounting consistently followed by the Company, excise duty payable on finished goods, other than those meant for exports, is accounted for on clearance of such goods from the factory. The amount of excise duty on such finished goods not cleared from the factory as at 31st March 2000, estimated on the basis of sales price of goods/excise rates prevailing on the said date, at Rs 1.83 lacs (previous year Rs 1.96 Lacs) has not been provided for in the accounts and hence not included in the valuation of such goods. Non-provision of this liability has no effect on the profit for the year.
11. Dues to small scale industries undertaking units, included in Sundry Creditors, amounting to Rs. 5.63 lacs are on the basis of such parties having been identified from available information. There is no party having dues in excess of Rs. 1 lac and exceeding 30 days as on 31.03.2000.
12. During the year the Company has been permitted by the Central Excise Department to clear export shipments without payment of excise duty amounting to Rs.167.45 lacs (previous year Rs. 139.27 lacs) against bond in favour of the department. A few export shipments have been cleared against payment of excise duty amounting to Rs. 54.92 lacs (previous year Rs. 59.08 lacs) refund claims for which have been lodged with the appropriate authorities. Out of which Rs. 25.91 lacs (Previous year Rs. 11.03 lacs) were received during the year.
13. Amount due from officers of the Company as at the end of the year was Rs 1.66 lacs (previous year Rs 1.43 lacs). Maximum amount due at any time during the year was Rs 3.73 lacs (previous year Rs 3.62 lacs).
14. Figures have been rounded-off to the nearest thousands of rupees and previous year's figures have been recasted and regrouped, wherever necessary, to conform to this year's presentation.
15. Debit and Credit balances in personal accounts are subject to confirmation and reconciliation.
16. Payment to Statutory Auditors:

	(Lac Rs.)	
	1999-2000	1998-99
Audit Fees	0.63	0.63
Certification	0.01	0.12
Management Services	-	0.03
Outlays	<u>0.04</u>	<u>0.15</u>
	<u>0.68</u>	<u>0.93</u>

17. Share Capital includes 27,60,000 Equity shares of Rs.10 each allotted as fully paid bonus shares by capitalisation of General Reserve and Revaluation Reserve.

18. (a) Directors' Remuneration

	(Lac Rs.)	
	1999-2000	1998-99
Salary	18.34	13.70
Contribution to Provident Fund and other Schemes	2.00	1.71
Commission	3.00	2.10
Perquisites	<u>3.67</u>	<u>5.37</u>
	<u>27.01</u>	<u>22.88</u>

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

	(Lac Rs.)	
Profit before tax as per Profit and Loss Account.		321.34
Add: Directors' Remuneration (including commission charged in accounts)	27.01	
Depreciation charged in accounts	95.03	
Loss on sale of assets	6.40	
Profit on sale of assets u/s 349(3)	<u>0.42</u>	<u>128.86</u>
		450.20
Less: Depreciation u/s 350	114.41	
Profit on sale of assets	<u>0.32</u>	<u>114.73</u>
NET PROFIT		<u>335.47</u>
Commission paid to Managing Director during the year (being 1% of net profit, restricted to 50% of the Annual Salary)		3.00

**PTC INDUSTRIES LIMITED****19. Term Loans & Working Capital Loans****(a) LUCKNOW PLANT-1**

Working Capital Loans from State Bank of India is secured by way of :

- equitable mortgage of factory's land and buildings situated at plot no. 7A and 8A, Malviya Nagar, Aishbagh, Lucknow
- first charge on other fixed assets and current assets
- personal guarantee of three directors

(b) BHIWADI PLANT

Term Loan from Rajasthan Financial Corporation is secured by way of :

- equitable mortgage of factory's land and buildings situated at B-480-A, Industrial Area, Bhiwadi, Alwar (Rajasthan)
- first charge on other present and future fixed assets, ranking pari-passu with charge created in favour of State Bank of India with respect to Working Capital Term Loan (WCTL)
- personal guarantee of three directors

Term Loan from the State Bank of India is secured by way of:

- first charge on fixed assets financed
- personal guarantee of three directors

Working Capital Loan from State Bank of India is secured by way of :

- first charge on current assets
- second charge on the factory's land and buildings
- first charge on other fixed assets, ranking pari-passu with charges created in favour of Rajasthan Financial Corporation with respect to Term Loan
- personal guarantee of three directors

Hire Purchase Loan from Tata Finance Ltd. is secured by way of :

- Mortgage of vehicle.
- Personal guarantee of one director.

20. Contingent Liabilities

- (a) A supplier at the Bhiwadi Plant has lodged a case against the Company amounting to Rs.1.65 lacs (previous year Rs.1.65 lacs). Against this, the Company has prepared a Counter claim of Rs. 1.50 lacs (previous year Rs. 1.50 lacs) for supply of sub-standard material by the said supplier.
- (b) A demand of Rs. 29.10 lacs (Previous year Rs. 29.10 lacs) has been raised by the Rajasthan State Electricity Board (RSEB) against minimum charges for the period during which the Bhiwadi Plant was lying closed. A case has been lodged through Settlement Committee of RSEB which is under consideration and the Company has deposited Rs. 25.00 lacs (Previous year Rs. 15.63 lacs) against the said claim.
- (c) In respect of fund-based and non fund-based working capital facilities from State Bank of India:

	(Lac Rs.)	
	1999-2000	1998-99
Inland bills discounted through Bank	5.16	5.00
Export bills purchased by the Bank	265.84	146.41
Counter guarantees furnished by the Company against various guarantees given by the Bank	8.52	17.33
Letter of Credit (Inland/ Foreign) opened by the Bank	147.25	46.54
Cheques Purchased by the Bank	40.90	18.90

- (d) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances (as certified by a Director) was Rs. 13.79 lacs at the end of year (previous year Rs. 20.47 lacs).
- (e) During the year, Company has received recovery notice from Engineering Export Promotion Council (EEPC) under the instructions of Ministry of Commerce for recovery of Rs. 36.57 lacs, due to rejection of IPRS (International Price Reimbursement Scheme) claims of the Company for exports made during F.Y. 1993-94. Company has replied suitably against said decision and the case is still under consideration with appropriate authorities.

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21. The Income Tax assessment of the Lucknow Plant - 1 has been completed for and upto the assessment year 1997-98. The assessment orders of the assessment year 1984 - 85, 1988 - 89, 1991 - 92 & 1997-98 have been contested by the Company, against which an addition to income amounting to Rs. 4.35 lacs was made by the Income tax Department and the Company has paid demand of Rs. 0.42 lacs during the year. A refund of Rs. 2.02 lacs is due to the Company for the year, assessment of which is still pending. In the opinion of the management, no further provision is required to be made.

The Income Tax assessment of erstwhile Ashman Tool Engineers Pvt. Ltd. and Sunika Alloys Pvt. Ltd. (being amalgamated with our Company wef. 01.04.1997) has been completed for and upto the period before amalgamation i.e. upto A.Y. 1997-98. In respect of ATEPL a demand of Rs. 20.27 lacs was raised for the A.Y. 1997-98, against which Company has filed Appeal with competent authorities. In the opinion of the management, no further provision is required to be made.

22. (a) The Sales Tax assessments of the Lucknow Plant -1. have been completed upto the year 1997-98 . The assessment orders for the year from 1987-88 to 1997-98 have been contested by the Company and the appeals are presently pending with the Appellate authorities. A total demand of Rs. 55.87 lacs is pending against U.P. Trade Tax while Rs. 8.85 lacs is pending against Central Sales Tax. A sum of Rs. 2.89 lacs have been deposited against these demands and the balance demand has been stay by the competent authorities. In the opinion of the management no provision is required to be made.
- (b) Sales Tax Assessment of Bhiwadi Plant have been completed upto the year 1997-98.
- (c) The Sales Tax assessments of the Lucknow Plant-2 have been completed upto the year 1997-98 except the years 1984-85 to 1989-90 against which a demand of Rs 1.53 lacs has been raised by the department. Appeals at different levels are pending and against these demands, a sum of Rs. 0.68 lacs stand provided in the books during earlier years. In the opinion of the management further provision of Rs.0.85 lacs is not required to be made.

23. The Wealth Tax assessment of the Company has been completed upto the assessment year 1998-99.

24. (a) In the case of Lucknow Plant 1, Show-cause notices against Modvat credit of Rs. 59.83 lacs (previous year Rs. 59.68 lacs) were issued by the Central Excise department pertaining to the year under review and earlier years. The said amount includes Rs. 31.86 lacs (previous year Rs. 31.86 lacs) pertaining to Modvat credit on various inputs used for preparing sand moulds which has been disputed by the department. The appeals have been decided in favour of the Company and similar cases are expected to be decided accordingly. The balance of Rs. 27.97 lacs (previous year Rs. 27.82 lacs) has not been provided for. In the opinion of the management no provision is required to be made in view of submission of proper replies by the Company to the appropriate authorities.
- (b) Show Cause Notices/Demands of Rs. 5.01 Lacs (previous year Rs. 4.68 lacs) has been raised by the Central Excise Department against MODVAT credits claimed by the Bhiwadi Plant on inputs and capital goods up to 31st March, 2000. The Company has given its replies to all Show Cause Notices to the Department and the same are under consideration.
- (c) Show Cause Notices/Demands of Rs. 0.41 Lacs has been raised by the Central Excise Department against MODVAT credits claimed by the Lucknow Plant -2 on inputs and capital goods up to 31st March, 2000. The Company has given its replies to all Show Cause Notices to the Department and the same are under consideration.

25. The Company's recognition as an EXPORT HOUSE has been renewed wef. 01.04.1999 for next 03 years.

26. Application for Special Import Licence (SIL) for Rs. 78.13 lacs for the F.Y. 1998-99 and Rs. 36.27 lacs for the 1st half of F.Y. 1999-2000 submitted during the year and the same were pending and are to be approved. The Company is further eligible for SIL amounting to Rs. 44.98 lacs for the IInd half of F.Y. 1999-2000.

27. (a) Inter-Plant transactions relating to sales, purchases, job-work, sundry debtors and sundry creditors have been squared-off. However the quantitative details as given hereunder with respect to production of castings includes 366.195 M.T. (previous year 838.332 M.T.) transferred inter-plant for further processing.
- (b) Bhiwadi Plant has exported castings 217.091 M.T. during the current year on behalf of Lucknow Plant - 1 (Previous year 18.375 M.T.)

28. Capital work in Progress includes capital expenditure incurred and advances paid for :

	<-----1999-2000----->				<-----1998-99----->			
	Land & Building	Plant & Machinery	Others	Total	Land & Building	Plant & Machinery	Others	Total
Ahmedabad Project	0.86	1.42	6.75	9.03	8.97	-	-	8.97
Noida Project	43.78	-	-	43.78	33.25	-	-	33.25
Lucknow Plant -1	-	4.51	2.13	6.64	1.06	9.60	8.46	19.12
Bhiwadi Plant	-	0.50	-	0.50	-	0.09	-	0.09
Total	44.64	6.43	8.88	59.95	43.28	9.69	8.46	61.43

29. Out of Freehold Land worth Rs. 97.27 lacs shown in Schedule 'E', Land worth Rs.12.89 lacs is yet to be registered in Company's name.



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

	1999-2000	(Lac Rs.) 1998-99
Foundry Consumables & expenses	279.24	260.49
Power & Fuel	38.31	32.99
Repair & Maintenance		
Mechanical	24.43	31.25
Electrical	8.59	6.09
Packing and General Consumables	<u>33.60</u>	<u>23.17</u>
	<u>384.17</u>	<u>353.99</u>

31. Particulars in respect of goods manufactured.

	1999 - 2000	1998 - 99
INSTALLED CAPACITY		
Lucknow Plant-1	<u>3600.000</u>	<u>3600.000</u>
Bhiwadi Plant		
M.S. Ingots Castings	4313.400	4313.400
Stainless Steel Castings	<u>365.040</u>	<u>365.040</u>
Total	<u>4678.440</u>	<u>4678.440</u>
PRODUCTION		
Lucknow Plant-1		
Castings	1043.042	1522.388
Structures	497.887	366.597
Forgings	--	7.411
Assembly & Others	<u>357.017</u>	<u>389.111</u>
Total	<u>1897.946</u>	<u>2285.507</u>
Bhiwadi Plant		
Castings	<u>693.225</u>	<u>863.684</u>

The Company's activities do not require any industrial licence. The installed capacity has been calculated on three shift basis, being of a technical nature, has been relied upon by the Auditors.

The activities of the Lucknow Plant -2 are basically of tool-room and manufacturing job in which different jigs and fixtures are developed for different usages and for different customers as per their specific requirement and job work on different machines and equipment are done on the goods supplied by customers. Hence, due to practical difficulties and large number of items, it is not possible to give quantitative information pursuant to para 3, 4C and 4D of Part-II of Schedule VI of the Companies Act, 1956.

32. Particulars of Sales and Stock of Finished Goods.

	<-----1999-2000----->				<-----1998-1999----->			
	Opening Stock	Sales	Captive consumption	Closing Stock	Opening Stock	Sales	Captive consumption-	Closing Stock
CASTINGS								
Quantity (in MT)	33.686	1080.207	84.140	22.319	27.978	1443.504	117.352	33.686
Value (Lac Rs.)	24.47	1517.29	-	18.13	19.65	1614.01	-	24.47
STRUCTURES								
Quantity (in MT)	-	496.487	-	1.400	-	366.597	-	-
Value (Lac Rs.)	-	356.58	-	0.96	-	268.92	-	-
FORGINGS								
Quantity (in MT)	15.751	-	15.751	-	8.340	-	-	15.751
Value (Lac Rs.)	11.69	-	-	-	5.78	-	-	11.69
ASSEMBLY/OTHERS								
Quantity (in MT)	-	356.826	-	0.192	-	389.111	-	-
Value (Lac Rs.)	-	476.28	-	3.74	-	408.72	-	-
Tools/Jigs/Fixtures/ Moulds and Dies (Lac Rs.)	-	6.60	-	-	-	6.44	-	-
JOB WORK (Lac Rs.)	-	2.88	-	-	-	5.74	-	-
PATTERN & TOOLINGS (Lac Rs.)	-	3.43	-	-	-	47.38	-	-
PACKING (Lac Rs.)	-	5.02	-	-	-	3.18	-	-



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33. Consumption of Direct Raw Materials, Indirect Materials, Stores and Spares and other Consumables.

Description	1999-2000		1998-99	
	Quantity (in MT)	Value (Lac Rs.)	Quantity (in MT)	Value (Lac Rs.)
DIRECT RAW MATERIALS				
Scraps and Metals				
Stainless Steel Scrap	492.372	227.88	374.306	196.89
Iron & Steel Scrap	1387.724	231.71	1569.838	139.30
Ferrous & Non-ferrous Alloys	169.456	294.55	181.258	278.84
Structures/Fabrication	516.128	214.72	375.589	151.46
Raw Castings	30.484	17.59	11.995	4.76
Raw Materials for Tools/Jigs/Fixtures	-	6.94	-	2.65
INDIRECT RAW MATERIALS, STORES, SPARES AND OTHER CONSUMABLES	-	384.17	-	353.99

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

DESCRIPTION	1999-2000		1998-99	
	IMPORTED	INDIGENOUS	IMPORTED	INDIGENOUS
Direct Raw Materials				
Value (lac Rs.)	195.11	798.28	295.25	478.65
Percentage	19.64	80.36	38.15	61.85
Indirect Raw Materials, Stores, Spares & Other Consumables				
Value (lac Rs.)	47.02	337.15	30.42	323.57
Percentage	12.24	87.76	8.59	91.41

35. C.I.F. Value of direct Imports.

	(Lac Rs.)			
	1999-2000		1998-99	
	DIRECT IMPORTS	IMPORTS ON HIGHSEAS BASIS	DIRECT IMPORTS	IMPORTS ON HIGH SEAS BASIS
Capital Goods	2.82	-	-	-
Direct Raw Materials	105.83	-	187.59	65.44
Indirect Materials	27.60	-	28.69	-
	<u>136.25</u>	<u>-</u>	<u>216.28</u>	<u>65.44</u>

36. The status of unclaimed dividend lying in the Unclaimed Dividend account with the Company's bankers State Bank of India, Charbagh Branch, Lucknow as on 31.03.2000 is as under.

Dividend for the year	Date of payment	Unclaimed dividend
FY 1996-97	07.11.1997	Rs. 19,260
FY 1997-98	05.02.1999	Rs. 17,600
FY 1998-99	06.11.1999	Rs. 18,900

During the year, the Company has transferred Rs. 15,846.00, being Unclaimed/Unpaid Dividend for the year 1995-96, to General Revenue Account of the Central Government as per the requirements of Sec. 205 A of the Companies Act, 1956 and Provisions of Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules 1978.

**PTC INDUSTRIES LIMITED****37. Payment of dividend to NRI Shareholders**

	1999-2000	1998-99
No. of NRI Shareholders	37	38
No. of Shares held by them	26200	33600
Amount of Dividend (lac Rs.)	0.26	0.34
Dividend for the year	1998-99	1997-98

38. Expenditure in foreign currency during the year.

	1999-2000	(Lac Rs.)	1998-99
Travelling	11.00		4.85
Interest	3.00		4.83
Dividend	0.26		0.34
Rectification charges	-		4.68
Others	0.47		1.63

39. Earnings in foreign currency.

	1999-2000	(Lac Rs.)	1998-99
Export of goods on F.O.B. basis		1393.36	1378.50
Castings & Forgings/Structures	1392.89		1331.37
Patterns & Toolings	<u>0.47</u>		<u>47.13</u>
Freight and other charges on Exports		<u>59.55</u>	<u>33.55</u>
		<u>1452.91</u>	<u>1412.05</u>



PTC INDUSTRIES LIMITED

(Lac Rs.)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2000

		Year ended 31st March, 2000	Year ended 31st March, 1999
A. Cash Flow arising from Operating Activities:			
	Net profit before Tax and Extraordinary Items	321.34	300.80
Add back:	a) Depreciation Charge	95.03	86.00
	b) Interest Charge	73.63	70.81
	c) Loss on Sales of Assets	6.40	0.76
	d) Non-Cash Items	<u>4.62</u>	<u>4.61</u>
		179.68	162.18
		<u>501.02</u>	<u>462.98</u>
Deduct:	a) Dividend & Interest Income	1.02	0.70
	b) Surplus on Sales of Assets	<u>0.32</u>	<u>0.01</u>
		499.68	462.27
Deduct:	a) Increase in Trade and Other Receivables	259.07	173.47
	b) Increase in Inventories	184.98	-
	c) Decrease in Trade Payable	-	-
		<u>(444.05)</u>	<u>27.27</u>
		55.63	(200.74)
Add:	a) Increase in Trade Payables	174.26	-
	b) Decrease in Inventories	-	-
		<u>174.26</u>	<u>123.74</u>
		123.74	123.74
	Cash Generated from Operations	229.89	385.27
Deduct:	a) Interest Paid	73.63	70.81
	b) Direct Taxes Paid	<u>55.10</u>	<u>35.54</u>
		(128.73)	(106.35)
	Cash Inflow before Extraordinary Items	101.16	278.92
Add/(Deduct)	Extra ordinary Items	-	-
	Net Cash Inflow in course of Operating Activities	<u>101.16</u>	<u>278.92</u>
B. Cash Flow Arising from Investing activities:			
Outflow	a) Acquisition of Fixed Assets	123.82	176.78
	d) Acquisition for Investments	-	-
		<u>(123.82)</u>	<u>(176.78)</u>
Deduct:Inflow	a) Sale of Fixed Assets	8.65	2.29
	b) Sale of Investment	-	1.00
	c) Interest Received	0.71	0.50
	d) Dividends Received	<u>0.31</u>	<u>0.25</u>
	Net Cash used in Investment Activities	<u>(114.15)</u>	<u>(172.74)</u>
C. Cash Flow from Financing Activities:			
Inflow	a) Proceeds from Borrowings (Net)	58.63	-
	b) Increase in Reserves	-	-
	c) Increase in Shares Capital	-	-
		<u>58.63</u>	<u>-</u>
Deduct:Outflow	a) Decrease in Borrowings	-	60.91
	b) Dividend paid	<u>46.52</u>	<u>46.10</u>
	Net Cash used in course of Financing Activities	<u>(12.11)</u>	<u>(107.01)</u>
	Net increase in Cash/Cash Equivalents (A+B+C)	(0.88)	(0.83)
	Add-Balance at the beginning of the year	17.94	18.77
	Cash/Cash Equivalents at the close the year	17.06	17.94

On behalf of the Board of Directors

Lucknow,
28 August, 2000(S. C. AGARWAL)
Chairman & Managing Director(AJAY K. AGARWAL)
Director Finance**Auditors' Certificate**

We have examined the attached Cash Flow Statement of PTC Industries Limited for the year ended 31st March, 2000. The above Statement has been prepared by the Company in accordance with the requirements of the Company's Listing Agreement with the Over The Counter Exchange of India. The Statement is based on and is derived from the Profit and Loss Account for the year ended 31st March, 2000 and the Balance Sheet of the Company as at 31st March, 2000, covered by our Report of even date to the members of the Company.

for R. M. Lall & Co.
Chartered AccountantsLucknow
28 August, 2000(PUNEET KAPOOR)
Partner



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.

2 9 3 1

State Code

2 0

Balance Sheet Date

3 1 0 3 2 0 0 0

Date Month Year

II. Capital raised during the year (Amount in Rs. Thousand)

Public Issue

N I L

Right Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

III. Position of Mobilisation and Development of Funds (Amount in Rs. Thousand)

Total Liabilities

1 1 1 3 8 1

Total Assets

3 6 6 1 3 9

Sources of Funds

Paid-up Capital

4 1 9 1 3

Reserves & Surplus

2 1 3 7 4 4

Secured Loans

5 8 9 3 7

Unsecured Loans

1 5 9 3

Application of Funds

Next Fixed Assets

1 4 0 1 0 9

Investments

1 0 2 9

Net Current Assets

1 7 4 1 5 0

Misc. Expenditure

8 9 9

Accumulated Losses

N I L

IV. Performance of the Company (Amount in Rs. Thousand)

Turnover

2 7 5 7 0 9

Total Expenditure

2 4 3 5 7 5

+ -

Profit/Loss before tax

3 2 1 3 4

+ -

Profit/Loss after tax

2 7 2 8 4

☐

☐

(Please tick Appropriate box + for Profit, - for Loss.)

Earning per Share (in Rs.)

6 5 2

Dividend Rate %

1 0

V. Generic Names of Three Principal Products/Services of the Company. (as per monetary terms)

Item Code No.

7 3 0 8 9 0 0 3

(ITC Code)

S T R U C T U R E S O F I R O N

Product

Description

A N D S T E E L

Item Code No.

7 3 2 5 9 9 0 9

(ITC Code)

C A S T A R T I C L S S O F

Product

Description

I R O N A N D S T E E L

Item Code No.

7 3 2 6 1 9 0 0

(ITC Code)

F O R G E D A N D S T E E L

Product

Description

I R O N A N D S T E E L

FINANCIAL HIGHLIGHTS

(FIVE YEARS AT A GLANCE)

(Rs. in Lacs)

	1999-2000	1998-99	1997-98	1996-97	1995-96
NET SALES	2234.46	2218.97	2151.69	1958.17	2048.44
EXPORTS (FOB VALUE)	1393.36	1378.50	1360.62	1455.86	1624.10
DOMESTIC (NET OF TAXES/DUTIES)	841.10	840.47	791.07	502.31	424.34
EARNINGS BEFORE INTEREST PAID/ DEPRECIATION & TAXES	492.94	466.95	466.74	372.42	433.59
INTEREST PAID	76.57	80.15	100.64	79.00	57.73
DEPRECIATION	95.03	86.00	78.60	107.87	41.03
TAXES	48.50	41.35	29.57	24.00	29.50
NET PROFIT	272.84	259.45	257.93	161.55	305.33
DIVIDEND(%)	10%	10%	10%	15%	22%
SHARE CAPITAL	419.13	419.13	419.13	355.00	355.00
RESERVE & SURPLUS	2137.44	1914.83	1705.44	1176.71	1026.52
NET WORTH	2556.57	2333.96	2124.57	1531.71	1381.52
EARNINGS PER SHARE (Rs.)	6.57	6.19	6.15	4.55	8.60
BOOK VALUE (Rs.)	61.00	55.69	50.69	43.15	38.92
TOTAL OUTSIDE LIABILITIES/TANGIBLE NET WORTH	0.42	0.38	0.45	0.47	0.40
CURRENT ASSETS/CURRENT LIABILITIES	2.09	2.17	1.94	1.88	2.21
OPERATING PROFIT MARGIN	22.06%	21%	21.7%	19%	21.2%
NET PROFIT MARGIN	12.21%	11.69%	12%	8.25%	14.9%
RETURN ON NET WORTH	10.67%	11.12%	12.14%	10.5%	22.1%
AVERAGE REALISATION					
(I) 1 U S DOLLOR=Rs.	43.51	42.46	37.56	35.65	34.16
(II) 1 DETUSHE MARK=Rs.	22.64	24.39	20.79	23.04	23.85
(II) 1 POUND STERLING=Rs.	69.69	69.14	60.58	57.90	54.18



PTC INDUSTRIES LIMITED

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