



**PITTI**  
ENGINEERING SOLUTIONS  
— Since 1983 —

**Business Excellence.  
Engineered.**


**PITTI Laminations Limited** Annual Report FY 2012-13

# Content



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### Caution regarding forward-looking statements

In this annual report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise



***"We are what we repeatedly do. Excellence, then, is not an act, but a habit"***

*- Aristotle*

Pitti Laminations was incorporated with the aim of becoming one of the most respected laminations manufacturers of the country. Over the years, Pitti has been constantly improving its main product line - electrical laminations, by way of expanding its engineering capabilities.

As the famous adage goes, "excellence is not an act but a habit", this is what drives us at Pitti to engineer business excellence. Our continual drive to achieve excellence has enabled us to deliver value to our customers, diversify our product portfolio and enhance our operational efficiencies. In doing so, we have come a long way from being just a regular lamination manufacturer to become a specialised lamination manufacturer, catering to segments which are crucial for the development of economy.

  
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## Delivering value to customers

In the ever changing dynamic business environment where there are multiple vendors for most industrial products, it is necessary for an organisation to deliver value to its clients in order to keep competition at bay and retain the clients.



**At Pitti, we are driven by the motto 'once a customer, always a customer'. In order to achieve this, we ensure that our products are of highest quality; we employ efficient processes and assure timely delivery of products with highest service standards. This has helped us secure long-term association with most of our clients who have been with us for past 15 years.**

Over the years, we have moved up the value chain from being a manufacturer of relatively simple products to a manufacturer of higher level assemblies. This has helped us to build long-term associations with our clients. One of our clients, GE, has accredited us with the certificate of Best Supplier of the Year 2012. This has been made possible owing to our quality and compliance system, which is aligned to GE's quality and SRG processes. Further, our production systems are tuned to respond to GE's manufacturing schedule which allows us to respond to their demands on-time.

In our endeavour to expand our client base in the domestic market, we have added two big clients during the year – Emerson and Chittaranjan Locomotive Works (CLW). Our association with CLW has opened up new avenues for us to enter the railway sector, where we were not present.

Over the years, we have emerged as a specialised engineering company catering to the core sector requirements of the economy. This is validated by the fact that the largest chunk of our output is being required for specialised needs. This has helped us to strengthen our relationships with our customers and remain close to their continually changing requirements. As a result, we have emerged as the most preferred vendor/partner for most of our clients across the sectors.




**>  
15 years**  
Our association  
with most of our  
clients



## Diversified product portfolio

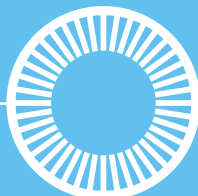
As business grows, it becomes essential to innovate and diversify its product offerings in order to grow in sync with the competition and capture the maximum market share possible.

Our state-of-the-art tool room consists of more than  
**3,400 tools**



**At Pitti, we have diversified from one business to four businesses; consisting laminations, tooling, machining and castings. One of the few companies in the world to possess all these under one roof. We offer a diverse portfolio of products which is unmatched in quality, size and diversity.**

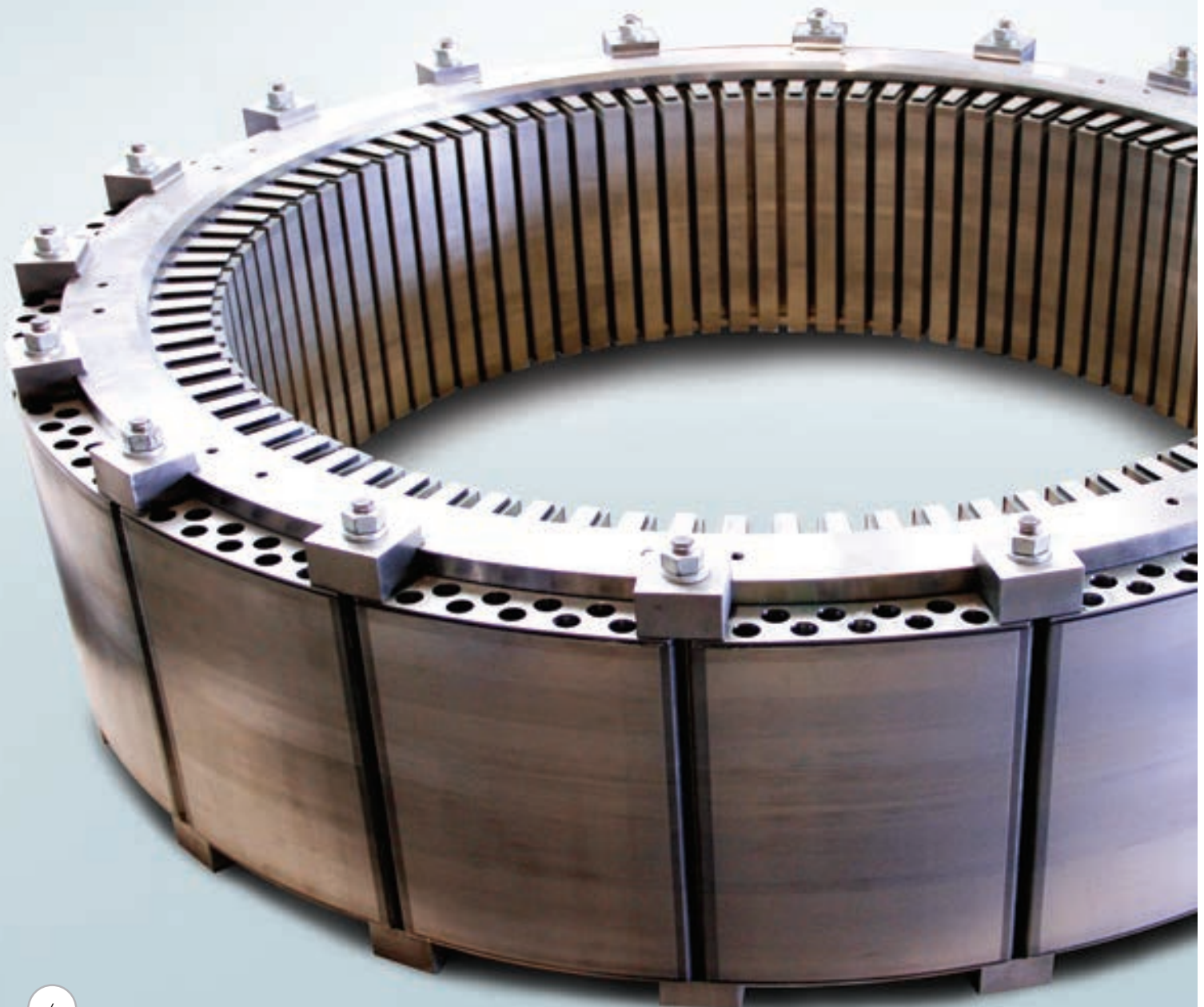
During the year under review, we forayed into manufacturing of castings through our group Company – Pitti Castings Private Limited. With this, we have successfully integrated our value chain from tooling to laminations to machining and castings; enabling us to become a one-stop solution provider for our customers. With an increasing number of customers demanding laminations to be stacked, machined, housed and delivered; this integration facilitated us to become a single-point interface for the customer in delivering the final product and enhance the volume and value proposition for the Company.



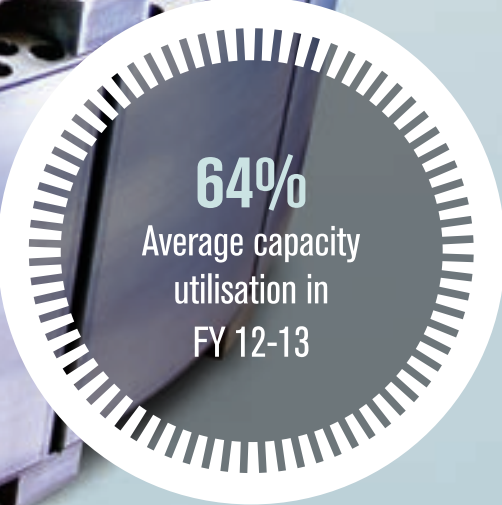



## Enhancing operational efficiencies

In a growing business, operational success is achieved by an ability to manage productivity with an optimal utilisation of time, assets, materials and energy.







**64%**  
Average capacity  
utilisation in  
FY 12-13

**At Pitti, we took all round cost efficiency measures to improve our productivity. We continuously strive to improve the efficiency of our assets, which helps us in improving our profitability.**

During the year under review, we formed a special team to review the operations and improve operational efficiency of the Company. The team analysed all components of cost of products manufactured by the Company and suggested ways to improve efficiencies by rationalising manpower cost, reducing finance cost, enhancing productivity and optimising capacity utilisation.

# This is **PITTI**

ENGINEERING SOLUTIONS  
— Since 1983 —

## About us

Pitti Laminations Limited (PLL) is the leading and largest Indian manufacturer of quality and special purpose laminations. It manufactures loose laminations, assembled laminations (stator and rotor core), machined laminations, assemblies, die-cast rotors, machined castings and stator core dropped machined castings, among others.

## Products

Pitti manufactures electrical laminations ranging from 50 mm (2 inches) diameter to 1,250 mm (49 inches) diameter. Pitti's laminations find their application in various crucial sectors such as industrial motors, DC machines, railway traction motors, pumps, medical diagnostic equipment, aeronautic wing control motors, thermal, wind & gas turbine among others. In addition to this, Pitti also manufactures press tools, progressive tools, jigs and fixtures as per customer's requirements.

## Product portfolio

### Electrical Steel Laminations

#### Pitti's offerings

- Laminations from 50 mm to 1,250 mm outer diameter
- Spacer/vent and glued laminations for Hydro/Thermal Generators

#### Application

- Power Generation • Transportation • Mining • Industrial Motors • Locomotives
- Aerospace • Automobile Sector • Oil & Gas Sectors

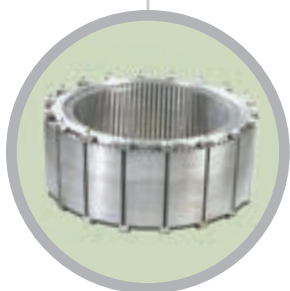
### Die Cast Rotors & Assemblies

#### Pitti's offerings

- Skew Angle rotors, up to 540 mm OD & 1000 mm height including end rings and fins
- Riveting or bolting the rotor stacks under hydraulic pressure

#### Application

- Power Generation • Transportation • Mining • Industrial Motors • Locomotives
- Aerospace • Automobile Sector • Oil & Gas Sectors



### Stator Core Assemblies

**Pitti's offerings**

- Assemblies up to a diameter of 2,000 mm with circular and segmental laminations and cleating / welding / riveting of assemblies

**Application**

- Power Generation • Transportation • Mining • Industrial Motors
- Locomotives • Aerospace • Automobile Sector • Oil & Gas Sectors



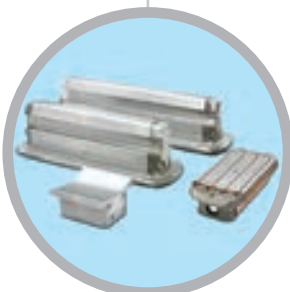
### Rotor Core Assemblies

**Pitti's offerings**

- Supplies ready to use assembled rotor cores with stacking under hydraulic pressure

**Application**

- Power Generation • Transportation • Mining • Industrial Motors • Locomotives
- Aerospace • Automobile Sector • Oil & Gas Sectors



### Pole Assemblies

**Pitti's offerings**

- Assembled pole bricks with stacking under hydraulic pressure and welding / core bolting with end castings

**Application**

- Power Generation • Transportation • Mining • Industrial Motors • Locomotives
- Aerospace • Automobile Sector • Oil & Gas Sectors



### Casting & Machined Components

**Pitti's offerings**

- Machine shop that can handle range of precision machined components for different applications

**Application**

- Power Generation • Transportation • Mining • Industrial Motors • Locomotives
- Aerospace • Automobile Sector • Oil & Gas Sectors • Earth moving and mining

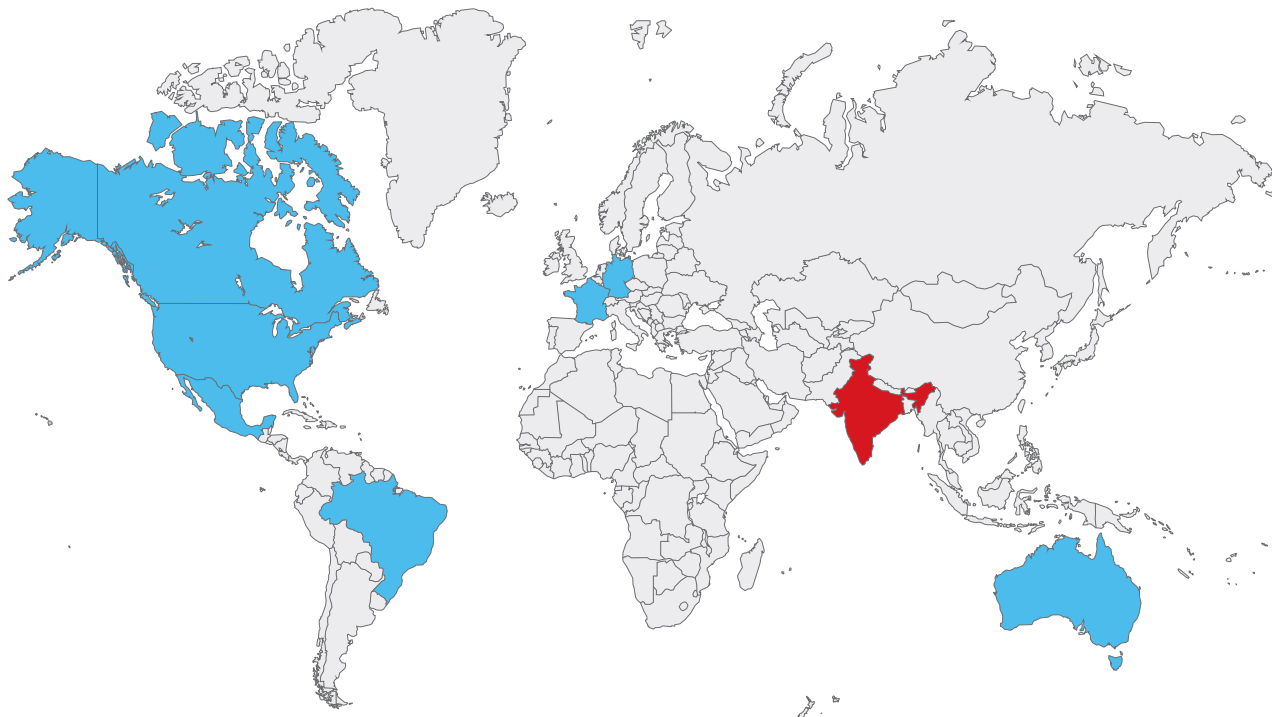


## Manufacturing facilities

Pitti has two manufacturing facilities, which are located on 18 acres of own land at Nandigaon village, Hyderabad, Andhra Pradesh. The total installed capacities of both the plants are 32,000 tonnes per annum (TPA). Of this, Plant I has an installed capacity of 11,000 TPA and Plant II has an installed capacity of 21,000 TPA dedicated to the export market.

Pitti has a totally integrated manufacturing facility to match with the customer requirement for complete solution at one place with state-of-the-art tool room (for manufacture of dies, jigs, fixtures & press tools), a modern press shop with high speed presses, coil feeds & CNC notching and Machine shop (for assembly and finished machining of lamination housings as a ready to use product).

## Presence



● Domestic market

● Export market





## Certifications

- Accredited with ISO 9002 certification by Bureau Veritas Quality International (BVQI)
- Quality Management Systems conform to ISO 9002:1994 and certified by BVQI
- Received certification from the authority of Transportation and Power Generation Accreditation Program for conformance and recognition of accreditation for specific services in Welding
- Received Certificate of Excellence by GE India for being the Best Supplier of the Year 2012
- Received approval from Government of India, Ministry of Railways, for manufacture and supply of Stator and Rotor Stampings of 3 Phase TM and Armature Punching of HTM for Chittaranjan Locomotive Works

## Industry leader

- Only company in India offering end-to-end product and service in the electrical lamination segment
- Market leader in the special purpose motors segment in India
- Pioneer in manufacturing traction motor sub-assemblies in India
- One of the few globally vertically integrated companies with laminations, tool & machining and castings under one roof
- First company in the lamination industry to receive ISO 9002 certification by Bureau Veritas Quality International (BVQI)

**32,000 TPA**

**Total installed capacity**



## Track record

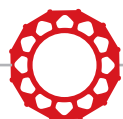
(₹ in crores)

<b>Statement of Profit and Loss</b>	<b>2012-13</b>	<b>2011-12</b>	<b>2010-11</b>
Net operating revenue	311.19	408.03	255.19
EBITDA	39.06	58.70	31.38
Interest	14.83	18.61	11.75
Net Profit	9.85	22.42	8.49
Earnings per share	7.30	19.12	8.99

<b>Balance sheet</b>			
Fixed assets	85.05	81.26	68.05
Investments	0.001	0.001	0.001
Share capital	13.50	13.50	9.45
Reserves and surplus	95.45	87.17	57.65

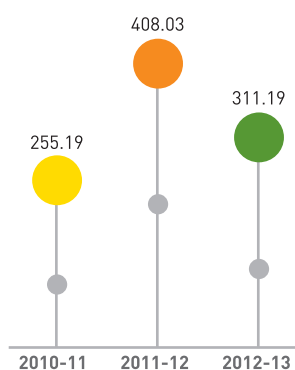
<b>Cash flow statement</b>			
Net cash from/(used) in operating activities	43.52	30.48	16.88
Net cash from/(used) in investing activities	(12.26)	(19.85)	(2.11)
Net cash from/(used) in financing activities	(36.32)	(7.74)	(12.64)
Closing balance of cash and cash equivalents	6.31	11.37	8.48

<b>Key ratios</b>			
EBITDA margin (%)	12.55	14.39	12.30
Net profit margin (%)	3.16	5.49	3.32
Return on Capital Employed (%)	12.12	16.41	12.57
Return on Equity (%)	72.96	166.13	89.84
Debt Equity (times)	0.13	0.17	0.30

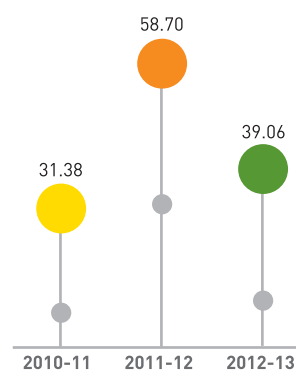


## Financial highlights

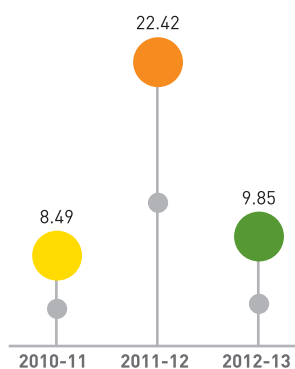
### Net operating revenue (₹ crore)



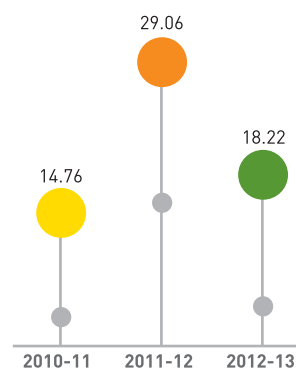
### EBITDA (₹ crore)



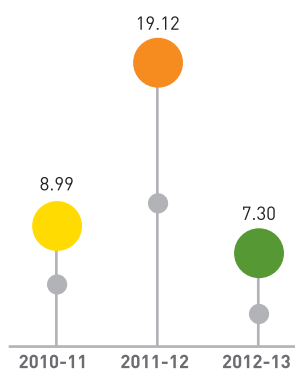
### Net profit (₹ crore)



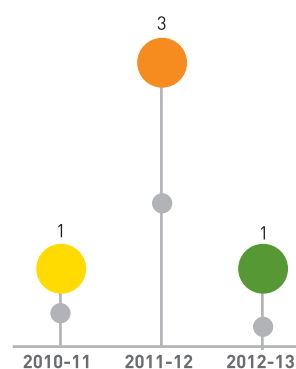
### Cash profit (₹ crore)



### Earnings per share (₹)



### Dividend (₹)



# Message from the Chairman

## Dear Shareholders,

We continue to live in challenging times. From the developed to the emerging to the future economies, deceleration amidst global uncertainties remained common in the year gone by. Global GDP growth rate slipped to 3.2% in 2012 from 4% recorded in the previous year. The robust recovery in US and the turnaround in Japan could not offset the impact on contraction in Europe and overall slowdown in emerging economies including India and China.

A slew of internal and external factors led Indian economy to its decade-low GDP growth of just 5% in the fiscal year 2012-13. From high inflation to adverse cost and availability of capital to weakened customer sentiments and demands, the country confronted multi-pronged challenges at a time when its currency continued to depreciate and its reform process came to a grinding halt.

Such uncertain times tend to shift the focus from growth to consolidation. Businesses engaged in creation of mass assets and infrastructure turn cautious on their future investments. At Pitti Laminations, we form the backbone of such valued businesses. Our customers bear tremendous business significance together with rock solid fundamentals that augurs well for our long-term growth. Momentarily though, we faced a tough year in FY 13. Our global order book witnessed delays in off-takes as well as slowdown in fresh orders. As a result, our exports sales recorded a contraction of 38.33%.

In the domestic market, the growth of primary sectors such as power, mining, infrastructure and manufacturing bore the brunt of slowed policy reforms, adverse investment environment, delayed environment clearances besides issues in fuel linkages and land acquisitions. Our Company fought these mammoth adversities with resolve and intensified its sales efforts. As a result, we managed to record a marginal growth of 2.67% in our domestic revenues.

Tough times incubate improvements faster. Your Company invested significant attention and focus towards cost reduction, efficiency optimisation and process improvements during the year. In view of the market conditions that prevailed during the year and are likely to make our spectrum more competitive going forward, we embraced for leaner manufacturing operations and prudent fiscal management. We also utilised the year gone by in diversifying our business mix with strengthened

portfolio in machining and casting, expanding our customer base with cross selling opportunities for our new range of products and services and successfully venturing into new geographies globally.

It was truly encouraging to have received the best supplier award from GE Transportation for 2012. This testifies our quality capability and service standards, both of which match global benchmarks. Despite the uncertainties of business environment, we stay committed to bring value to all stakeholders including our valued shareholders. The Board of Directors has proposed a dividend of 10%, Re. 1 per equity share of the face value of ₹ 10 each for members' approval in our ensuing annual general meeting.

Looking ahead, the global economy has started showing the signs of stabilisation with consistent recovery in the US. With expanded lines of businesses, our products find application in critical sectors such as capital goods, power and transportation; which are vital for the growth of any developing nation. We offer a wide range of products and enjoy the status of being a preferred vendor to many clients, both domestic as well as global. We are confident that as the global and domestic economy improves, we will soon return to accelerated growth.

I would like to take this opportunity to thank our people, our prime assets, who have continuously shown their dedication and commitment towards the Company. I thank all our customers, supplier, partners, business associates and shareholders for their continued faith and support in the Company.

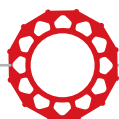
With best wishes,

Sincerely,

**Sharad B Pitti**  
*Chairman & Managing Director*



# Q&A with the Vice Chairman and Managing Director



## How would you describe the performance of the Company during the year under review?

Fiscal year 2012-13 was one of the most difficult years in recent times for the Company. In the backdrop of global slowdown, core industries that we cater to such as capital goods, power equipments, locomotives and industrial segments were all hit badly. We witnessed slow off-take against previously placed orders coupled with slowdown in fresh orders especially from our overseas customers. Consequently, our revenues declined by 22.09% y-o-y to ₹ 330.25 crore. Export sales declined by 38.33% to ₹157.93 crore. Amidst equally tough business environment in India, we managed to grow our domestic revenues, though marginally by 2.67%, to ₹172.32 crore. At ₹38.33 crore, our operating profit declined by 33.46%. The net profit of the Company declined from ₹22.42 crore in FY 2012 to ₹9.85 crore in FY 2013.

## What are the strategic initiatives that the Company has undertaken during the year?

Tough times often allow us to introspect and focus on self-improvement. Amidst slowing orders, we initiated an organisation-wide strengthening program that encompassed our business model, operational efficiency, cost structures, engineering capabilities and talent building. While some of these programs were taken to their logical conclusion during the year, others remain under step-wise progress even now. The result of these measures will start being visible from FY 2014 onwards. Some of these were:

- Foraying into railways sector with getting empanelled as an approved supplier to Chittaranjan Locomotive Works (CLW). Commercial supplies to commence in FY 14

- Launching value-added stators and rotors in India that shall drive volume growth FY 14 onwards
- Making noticeable entry into Australia and Brazil
- Venturing into castings business, through our group Company Pitti Castings Private Limited
- Successfully developing several new products. Commercial supplies to begin from October 2013
- Readying ourselves to supply several value-added products that deploy our own castings (from our Group Company, Pitti Castings) and machining
- Receiving approval from Wind World India (formerly known as Enercon India Limited) for machining services

## What were the efficiency improvement measures taken by the Company?

With the slowdown in the domestic and global market and subdued growth in topline, we focused on improving our operational efficiency. As a first step towards increasing operational efficiency, we formed a special team who delved deeply into all causes of outflows and took various initiatives to rationalise them. This core team evaluated and implemented cost efficiency measures such as lean manufacturing processes, enhanced working capital management, inventory management, improved machine utilisation, trimmed manpower and rationalised other costs.



In addition, we achieved a BBB+ rating for our long-term bank facilities and A2 rating for our short-term bank facilities by CARE, which is a testimony of our efforts to optimise our finance costs.

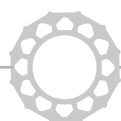
Further, we engaged Ernst & Young (E&Y) to completely revive the standard operating procedures (SOP). E&Y has completed the evaluation process and submitted all the SOPs suggesting improvements. Once implemented, they will result in overall optimisation thereby enabling cost savings.

#### **What will be the growth driver for the Company in FY 14?**

Manufacturing laminations will remain to be our strategic focus for the coming year. We will capitalise on our innate expertise of developing value-added products in electrical laminations. Leveraging our forward and backward integration through castings and machining, we will endeavor to emerge as a leading integrated player of global repute. Sourcing a slew of products and services from a

single source such as Pitti Laminations holds tremendous value for customers. We strive to leverage our long standing relations with customers to optimise this value proposition. In order to maximise from this opportunity, we are diversifying and expanding our machining and casting units.

At present, machining is being outsourced for the castings supplied by PCPL. We intend to develop machining capabilities in-house in order to reduce the cycle time and transport charges. This will help us in providing competitive prices to our customers and have full control over the supply chain. On the operational side, we will focus on minimising costs, enhancing productivity and integrate extensively. We believe that the proper mix of product integration, capacity expansion, value-addition and timely project execution will enable us to achieve sustainable growth in topline and bottom-line in the coming year, thus delivering shareholder value.



# Corporate information

## Board of Directors

### Shri Sharad B Pitti

Chairman & Managing Director

### Shri Akshay S Pitti

Vice-Chairman & Managing Director

### Shri Y B Sahgal

Executive Director

### Shri Sanjay Srivastava

Executive Director

### Shri G Narayana Rao

Director

### Shri Arun Garodia

Director

### Shri Kanti Kumar R Podar

Director

### Shri N R Ganti

Director

### Shri G Vijaya Kumar

Director

### Shri M Gopalakrishna

IAS (Retd), Director

### Shri TSSN Murthy

Director

### Shri GVSN Kumar

Chief Financial Officer

### Shri Satyabrata Padhi

Company Secretary

## Bankers

### State Bank of India

Industrial Finance Branch  
Rajbhavan Road, Somajiguda,  
Hyderabad – 500 082

### Indian Overseas Bank

Adarshnagar Branch  
5-9-305A, Paigah Plaza  
Basheerbagh,  
Hyderabad – 500 029

### Kotak Mahindra Bank

Jewel Pavani Towers  
Rajbhavan Road, Somajiguda  
Hyderabad – 500 082

### Allahabad Bank

Industrial Finance Branch  
6-3-850/3, I Floor  
Ameerpet Main Road  
Hyderabad – 500 016

### Oriental Bank of Commerce

156/1, SMR Sartaj Plaza  
Sikh Road, Bowenpally  
Secunderabad – 500 009

## Statutory Auditors

### Laxminiwas Neeth & Co

Chartered Accountants  
402, IV Floor  
Moghal's court, Basheerbagh  
Hyderabad – 500 001

## Cost Auditors

### Sagar & Associates

Cost Accountants  
206, II Floor  
Raghava Ratna Towers  
Chirag Ali Lane, Abids  
Hyderabad – 500 001

## Registered Office

6-3-648/401, IV Floor  
Padmaja Landmark  
Somajiguda  
Hyderabad – 500 082

## Factory

Plant I & II  
Nandigaon Village,  
Kottur Mandal  
Mahaboobnagar District  
Andhra Pradesh – 590233

## Share Transfer Agents

XL Softech Systems Limited  
Plot No.3, Sagar Society  
Road No.2, Banjara Hills  
Hyderabad – 500 034



## Board of Directors

### Shri Sharad B Pitti

Shri Sharad B Pitti (55) is the promoter of Pitti Laminations Limited (PLL). He has over 28 years of experience in the laminations industry. He is presently the Chairman and Managing Director of Pitti Laminations Limited (PLL). Shri Sharad B Pitti had played a pivotal role in the formative years of PLL and nurtured the organisation and contributed to its growth and development. He is the Chairman of Pitti Electrical Equipment Private Limited, Pitti Components Limited, Pitti Castings Private Limited and Pitti Holdings Private Limited.

### Shri Akshay S Pitti

Shri Akshay S Pitti (27) is the son of Shri Sharad B Pitti. He was inducted as Director (Exports and Business Development) of Pitti Laminations Limited on 14th October 2004. Under his direction and supervision, various reputed companies were added to the prestigious list of clients. He was primarily responsible for the surge in domestic and export sales. He became Vice-Chairman and Joint Managing Director effective 22nd March 2010 and subsequently became Vice-Chairman and Managing Director. He is on the Board of Pitti Electrical Equipment Private Limited, Pitti Components Limited, Pitti Castings Private Limited, Pitti Holdings Private Limited and Akshva Ispat Private Limited.

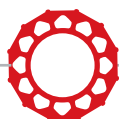
### Shri Y B Sahgal

Shri Y B Sahgal (58) is an engineer by profession. He joined the Company in 1997 and held various positions before becoming an Executive Director on 28th June 2007. He is incharge of the Company's Tooling & Machining division. He is also a Director of Pitti Electrical Equipment Private Limited.

### Shri Sanjay Srivastava

Shri Sanjay Srivastava (38) joined the Company as an Executive Director. An engineering graduate, he worked at GE global sourcing, a sourcing division in Bangalore for GE Technology Infrastructure USA. He also worked in General Motors India and Honda Sael Cars India Limited. He is recently appointed as Managing Director of Pitti Castings Private Limited.





## Shri G Narayana Rao

Shri G Narayana Rao (85) is a PG diploma holder in industrial marketing. He has been on the Board of Pitti Laminations Limited from 7th March 1984 as an Independent Director. He possesses vast and rich experience in the construction business. He is also the Chairman of the Investor Grievances Committee.

## Shri Arun Garodia

Shri Arun Garodia (59), an engineering graduate, joined the Board of Pitti Laminations Limited on 28th June 1984 as a Non-Executive Director. He is a member of the Audit Committee and holds directorships in Keshav Knitwears Limited, Anshuman Industries Limited, Gold Silver Arts Private Limited, Narayan Textiles Private Limited and Silver Arts Manufacturing Co Private Limited.

## Shri Kanti Kumar R Podar

Shri Kanti Kumar R Podar (78) joined the Board as an Independent Director effective 15th July 1993. He is a well known industrialist and was the Sheriff of Bombay in 1974. He was a past president of the Indian Merchant Chambers in 1982 and the Federation of Indian Chambers of Commerce and Industry (FICCI) in 1993 and SAARC Chambers of Commerce and Industries in 1997. He has rich industrial knowledge and experience. He is a Director of Moscow Region Podar International Private Limited, Podar InfoTech and Entertainment Limited, Bajaj Auto Limited and Ceat Limited.

## Shri N R Ganti

Shri N R Ganti (64) has been the independent Director since 16th October 2002. He is also the Chairman of the Remuneration Committee of the Company. He is on the Board of the Pitti Castings Private Limited. A post graduate in the Business administration, Shri N R Ganti started his career in the field of Banking with State Bank of India. Having quit State Bank of India, he had taken up management consultancy services since then. As a corporate investment advisor to a number of companies, he gave productive advice to the companies in organising funds through private placements and preferential issues.

He had established a software company which was later divested to a large industrial group. Presently he is also the Chairman and Managing Director of Spectra Core Technologies Private Limited, a startup software company specialising in open source based telecommunication solutions.



### Shri G Vijaya Kumar

Shri G Vijaya Kumar (57) was inducted as an Independent Director on 28th August 2006. He is one of the senior advocates of the Andhra Pradesh High Court. He worked as standing counsel for municipalities in the High Court of Andhra Pradesh and Andhra Pradesh Administrative Tribunal. He was also the additional Central Government standing counsel at the Andhra Pradesh High Court.

### Shri M Gopalakrishna, IAS (Retd.)

Shri M Gopalakrishna IAS (Retd) (74) joined the Board as an Independent Director effective 28th June 2007. He held prestigious positions in the states of Assam and Andhra Pradesh and the Government of India.

A graduate in science and law, he presented several papers at International conferences on energy, minerals, corporate governance and rural development. He has in-depth experience in the corporate world and served as founder Managing Director of Godavari Fertilisers and Chemicals Limited. He is also a Director in NSL Textiles Limited, Goldstone Infratech Limited, JOCIL Limited, Kernex Micro Systems (I) Limited, Vijayashri Organics Limited, BGR Energy Systems Limited, Sentini Bio-Products Private Limited, Avra Laboratories Private Limited, NSL Renewable Power Private Limited, Arani Power Systems Private Limited, Suven Life Sciences Limited and Nuzuvedu Seeds Private Limited.

### Shri TSSN Murthy

Shri TSSN Murthy (68) is a practicing Chartered Accountant and a senior partner in M/s Sankaran and Krishnan Chartered Accountants. He is in-charge of its Hyderabad office. He has considerable experience in accounts and taxation. He joined Pitti Laminations as an Independent Director on 28th June 2007. He is also the Chairman of the Company's Audit Committee.

## Notice

**Notice is hereby given that the 29th Annual General Meeting of the Members of Pitti Laminations Limited will be held on Monday, the 16th September 2013 at 4.00 P.M at West Minister Hall, The Central Court Hotel, 6-1-71, Lakdikapool, Hyderabad – 500 004 to transact the following business.**

### ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at 31st March 2013, Statement of Profit and Loss account for the financial year ended as on 31st March 2013 and the reports of Directors and Auditors thereon.
2. To declare dividend on equity shares for the financial year ended on 31st March 2013.
3. To appoint a Director in place of Shri G Vijaya kumar who retires by rotation and who being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Arun Garodia who retires by rotation and who being eligible offers himself for re-appointment.
5. To appoint a Director in place of Shri TSSN Murthy who retires by rotation and who being eligible offers himself for re-appointment.
6. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modifications, the following Resolution as an Ordinary Resolution:

“RESOLVED that M/s Laxminiwas Neeth & Co., Chartered Accountants, Hyderabad, having firm registration number 002460S be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors of the Company.”

### SPECIAL BUSINESS

7. To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution.

“RESOLVED THAT pursuant to the provisions of section 198,

269, 309, 310, 311 and other applicable provisions if any, of the Companies Act 1956 read with schedule XIII thereto, as per the recommendation of Remuneration Committee and approval of Board of Directors of the Company at their meeting held on 03rd May 2013, consent of the Company be and is hereby accorded to the re-appointment of Shri Sanjay Srivastava, Executive Director who shall not be liable to retire by rotation for a period of three years with effect from 01st July 2013 on the terms and conditions as detailed herein below.

- a. Salary ₹3.75 lacs per month
- b. Contribution to Provident fund and gratuity are as per rules of the Company in force.
- c. Provision of car for use in company's business and telephone at residence / and usage of cell phones.
- d. In the event of loss or inadequacy of profits in any financial year, the Executive Director shall be paid remuneration by way of salary, allowances and perquisites as specified under section II of part II of schedule XIII of the Companies Act, 1956 or within such ceilings as may be prescribed under schedule XIII from time to time or the Companies Act, 1956 as may be amended from time to time.

RESOLVED THAT consent is given to the Remuneration Committee and Board of Directors of the Company to split the remuneration into individual components, if required, in such manner as deemed fit subject to the condition that the overall remuneration shall not exceed ₹3.75 lacs per month.

FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorised to obtain necessary approvals from Statutory Authorities if required at any stage / (during the tenure) of the appointment of Shri Sanjay Srivastava, Executive Director of the Company.

FURTHER RESOLVED THAT Shri Y B Sahgal, Executive Director and Shri Satyabrata Padhi, Company Secretary of the Company be and are hereby authorised severally to file necessary returns with the Registrar of Companies and appropriate Statutory Authorities to give effect to the above said Resolution.

By order of the Board of Directors  
For **Pitti Laminations Limited**

Place: Hyderabad  
Date: 03rd May 2013

**Satyabrata Padhi**  
Company Secretary

**Registered Office:**  
6-3-648/401, 4th Floor  
Padmaja Landmark  
Somajiguda, Hyderabad-500 082

**NOTES:**

1. A member entitled to attend and vote at the Annual General Meeting (the "meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the Registered office of the Company not less than forty-eight hours before the commencement of the meeting.
2. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.
3. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. In terms of Article 51 of the Articles of Association of the Company, read with Section 256 of the Companies Act, 1956, Shri G Vijaya kumar, Shri Arun Garodia & Shri TSSN Murthy, Directors, retire by rotation at the ensuing meeting and being eligible, offer themselves for re-appointment. The Board of Directors of the Company commend their respective re-appointments. Information about such Directors as stipulated under Clause 49(IV)(G) (i) of the Listing Agreement is contained in the Statement annexed hereto.
6. Explanatory statement pursuant to the provisions of section 173(2) of the Companies Act, 1956 relating to the special business to be transacted at the meeting is annexed hereto and forms part of the notice.
7. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working day between 11.00 a.m. and 1.00 p.m. up to the date of the meeting.
8. Members seeking any information with regard to accounts and any other information relating to this Annual Report are requested to write to the Company atleast 10 days in advance of the meeting to enable the management to keep the information ready.
9. (a) The Company has notified closure of Register of Members and Share Transfer Books from 10th September 2013 to 16th September 2013 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the meeting.  
(b) The dividend on Equity Shares, if declared at the meeting, will be credited / dispatched to those members whose names shall appear on the Company's Register of Members on 09th September 2013, in respect of the shares held in dematerialised form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited (NSDL) and Central Depository Services (I) Limited (CDSL) as beneficial owners as on that date.
10. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the shareholders holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository participant of the shareholders.



11. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form, are requested to notify immediately change of address, if any, to the Company's Registrar & Share Transfer Agent, M/s. XL Softech Systems Limited, Sagar Society, Road No.2, Banjara Hills, Hyderabad, Andhra Pradesh-500034.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / XL Softech Systems Limited.
13. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to XL Softech Systems Limited, for consolidation into a single folio.
14. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically.
15. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed final dividend for the financial year 2004-05 and Interim dividend for financial year 2005-06 to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to

the provisions of IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 06th August 2012 (date of last Annual General Meeting) on the Ministry of Corporate Affairs website.

Financial year	Date of declaration of dividend	Last date for claiming the dividend
2006-07	24.08.2007	23.08.2014
2007-08	01.09.2008	30.08.2015
2008-09	23.09.2009	22.09.2016
2010-11	11.08.2011	10.08.2018
2011-12	06.08.2012	05.08.2019

16. In case the Dividend has remained unclaimed for any of the financial years 2006-2007 to 2011-2012 the Shareholders may approach the Company with their dividend warrants for revalidation / with the letter of undertaking for issue of revalidated / duplicate dividend warrants respectively.
17. The shares of the Company are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) and the Company has paid the listing fees for FY 2013-2014 to both the stock exchanges.
18. The notice in respect of sl.no.7 relating to re-appointment of Shri Sanjay Srivastava may be treated as disclosure to members in terms of section 302 of the Companies Act, 1956.

By order of the Board  
For **Pitti Laminations Limited**

Place: Hyderabad  
Date: 03rd May 2013

**Satyabrata Padhi**  
Company Secretary

## Explanatory statement under section 173(2) of the Companies Act, 1956

### Item No.7

The tenure of Shri Sanjay Srivastava, Executive Director has expired on 30th June 2013. The Board of Directors at their meeting held on 03rd May 2013 has re-appointed Shri Sanjay Srivastava as Executive Director of the Company for a period of three years with effect from 01st July 2013, subject to the approval of members as per the provisions of section 198, 269, 309, 310, 311 and schedule XIII of the Companies Act, 1956.

In the above context, the Remuneration committee has recommended to the Board of Directors about the remuneration package of Shri Sanjay Srivastava as stated in the Resolution and explanatory statement. The brief profile and industrial experience about the Director is mentioned in the following paragraph. This explanatory statement may be treated as compliance with the provisions of Section 302 of the Companies Act, 1956.

### A statement containing information as required under clause (iv) of part II section II (B) of Schedule XIII is as follows.

#### I. General Information

- 1) Nature of industry  
Manufacture of electrical stamping & laminations
- 2) Financial indicators:

	₹ in crores		
	2012-13	2013-14	2014-15
		Projected	
Turnover	330.25	423.21	500.00
PBT	15.86	29.69	46.70
PAT	9.85	19.89	31.54

- 3) Export performance

	2012-13	2013-14	2014-15
Turnover	157.93	211.53	270.00

#### II. Information about the appointee

1. Background details  
Shri Sanjay Srivastava is inducted on the Board with effect from 30th June 2010. He is an engineer and has earlier worked in companies like General Motors India, Honda Cars India and Claas India Limited. The last

employment held by Shri Sanjay Srivastava was with GE Transportation as Sourcing Programme Manager.

2. Past remuneration ₹3.75 lacs per month (effective from 01st May 2012)
3. Job profile and suitability of the appointee

Shri Sanjay Srivastava had earlier worked in reputed multinational companies. He has vast and varied experience in Quality Assurance, systems and practices and other critical areas concerning the operations of manufacturing companies.

4. Remuneration proposed  
₹3.75 lacs per month
5. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.

The remuneration proposed is generally comparable with the industries of similar size.

6. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.

Shri Sanjay Srivastava is not related to any other Director of the Company. He has no pecuniary relationship directly or indirectly with the Company.

#### III. Other Information

- 1) Reasons for loss or inadequate profits  
Global recession has impacted exports for the year.
- 2) Steps taken or proposed to be taken for improvement  
Hedging operations are being done in a judicious manner.

Efforts are being made to further improve the domestic sales to partially off-set the steep reduction in export sales in the current year.

- 3) Expected increase in productivity and profits in measurable terms.

Improvement in volumes is expected to enhance the profitability. All efforts are being made to retain the existing volume of export sales and bring about further surge in domestic sales.

No other Director is interested in the Resolution except Shri Sanjay Srivastava.

The Board commends the Resolution for the approval of members.

#### IV. Disclosures

Remuneration package

- i) Salary ₹3.75 lacs per month

All other terms and conditions as approved by the members at its meeting held on 20th September 2010 shall remain unaltered.

By order of the Board  
For **Pitti Laminations Limited**

Place: Hyderabad  
Date: 03rd May 2013

**Satyabrata Padhi**  
Company Secretary

#### Information on Directors seeking re-appointment at this Annual General Meeting

Sl. No.	Particulars	Shri Sanjay Srivastava	Shri Arun Garodia	Shri G Vijaya kumar	Shri TSSN Murthy
1	Date of Birth	28.11.1974	01.11.1953	23.10.1955	09.06.1945
2	Date of Appointment	30.06.2010	28.06.1984	28.08.2006	28.06.2007
3	Expertise in the Specific functional area	Systems and practices & other critical areas concerning operations of manufacturing Companies	Business	Law	Accountancy, Audit and Finance
4	Occupation	Service	Business	Legal Profession	Profession
5	Directorships held in other companies / firms	Pitti Castings Private Limited	Keshav Knitwears Limited Anshuman Industries Limited Gold Silver Arts Private Limited Narayan Textiles Private Limited Silver Arts Manufacturing Company Private Limited	NIL	NIL
6	Shareholding in Pitti Laminations Limited	NIL	NIL	NIL	NIL

## Directors' Report

Your Directors are pleased to present their 29th Annual Report on the business and operations of your Company together with the Audited Financial Statements for the year ended March 31<sup>st</sup>, 2013.

### CORPORATE OVERVIEW

Pitti Laminations Limited (PLL) is one of the large manufacturers of special purpose laminations for all types of rotating electrical machinery. The Company's products have application in industrial motors, alternators, hydel and thermal power generators, wind power generators, DC machines, railway traction motors,

pumps, medical diagnostic equipment and aeronautic wing control motors. PLL has a fully integrated manufacturing facility to cater to specific customer requirements and providing end-to-end solutions at one location. The Company has a state of the art tool room for the manufacture of dies, jigs, fixtures and press tools. It also has a modern press shop with high speed presses, coil feeds, CNC notching and machine shop for assembly and finished machining of lamination housings as a ready to use product. During the year under review, the Company has undertaken expansion projects, by which the capacity increased to 32,000 TPA.

### FINANCIAL RESULTS

The financial results for the financial year 2012-2013 in comparison with that of the previous year are presented below:

	(₹ in crores)	
	2012-2013	2011-2012
Gross Sales	330.25	423.91
Other Income	4.35	4.43
Taxes & Duties	22.96	20.06
Net Sales & Other Income	311.65	408.28
Total Expenditure	269.50	345.31
Profit / (Loss) before depreciation and finance charges	42.15	62.97
Depreciation	8.37	6.64
Finance charges	17.91	22.87
Profit / (Loss) before tax	15.86	33.46
Provision for taxation		
- Income tax	4.83	10.11
- Deferred	1.19	0.93
Net Profit / (Loss)	9.85	22.42
Profit / (Loss) brought forward from the previous year	41.37	25.95
Dividend (including tax on dividend)	1.57	4.70
Transferred to General Reserve	---	2.30
Profit / (Loss) carried to Balance Sheet	49.65	41.37

### REVIEW OF OPERATIONS

In the context of a difficult environment, your Company recorded sales of ₹330.25 crores a decline of 22.09% compared to last year. Of the total sales, domestic sales contributed to ₹172.32 crores and export sales was ₹157.93 crores. Growth profiles have varied significantly between domestic and export market's. While domestic sales remained relatively flat with a

2.67% growth, in a sharp contrast, the export sales declined by 38.33%. Exports sales were impacted by lower delivery volume due to postponements in the order book. Stator frames sales declined by 81 units to 951 in FY2013.

EBITDA was ₹39.06 crores in FY2013, a decrease of 33.46%. This decline is attributed to lower revenues marginally offset

by cost efficiency achieved by the Company. EBITDA margin was 12.55%. Interest expense for the year was ₹14.83 crores a decline of 20.31% compared to last year. The decline in interest cost is due to successful negotiation with banks to provide better rates of interest. PAT for the period decreased from ₹22.42 crores in FY2012 to ₹9.85 crores in FY2013.

### LIQUIDITY

As of March 31st, 2013, the Company had a consolidated total debt of ₹144.76 crores, cash and cash equivalents of ₹6.31 crores, net debt of ₹138.45 crores and net worth of ₹108.94 crores. Total debt consists of ₹14.22 crores of long term debt and ₹130.54 crores of short term debt. The gross fixed asset value is ₹131.75 crores and the current asset value is ₹231.61 crores.

### CREDIT RATINGS

Your Company has been awarded a BBB+ rating for its long term bank facilities and A2 rating for its short term bank facilities by credit rating agency, Credit Analysis and Research Limited (CARE).

### DIVIDEND

Despite the tough business environment, your Directors are pleased to recommend dividend of ₹1.00 per equity share, 10% on face value of ₹10 each for the year ended March 31, 2013. This demonstrates management's ongoing commitment to provide returns to shareholders. The total dividend payout for FY2013 will be ₹1.57 crores including dividend distribution tax of ₹0.22 crores.

The dividend, subject to approval of shareholders at the Annual General Meeting to be held on 16th September 2013, will be paid to the shareholders whose names appear in the Register of Members as on the date of book closure i.e. from 10th September 2013 to 16th September 2013 (inclusive of both dates).

### SUBSIDIARY COMPANY

As you are already aware, your Company had received the approval of members through Postal Ballot pursuant to section 192A of the Companies Act, 1956 read with the Companies (passing of the Resolution by Postal Ballot) Rules 2011 to create a subsidiary by way of investment in Pitti Castings Private Limited (PCPL) to an extent of 51% of its capital on June 28, 2012 and acquired the status of holding company. Thereafter your Company through its subsidiary was carrying

on the business of the castings and forgings.

PCPL is a power-intensive enterprise and the prevailing power shortage scenario in Andhra Pradesh has significantly impacted its performance. Keeping in view the interest of shareholders, PLL ceased to be the holding Company w.e.f. March 25, 2013 through further allotment of shares and share warrants by PCPL, the stake of PLL is reduced to 48% from 51%. In order to strengthen its business relationship with PCPL, PLL has subscribed for 510,000 share warrants and shall regain the status of holding company by opting for conversion of warrants into equity shares when the operations of PCPL stabilises.

### POSTAL BALLOT

Members are aware that the Company had sought approval of members through postal ballot pursuant to section 192A of the Companies Act 1956 read with the Companies (passing of the Resolution by Postal Ballot) Rules 2011 and Regulation 26 of SEBI (Substantial Acquisition of Shares & Takeover) Regulations, 2011 in respect of the matters detailed herein below.

1. To alter the Articles of Association of Pitti Castings Private Limited (PCPL), subsidiary of Pitti Laminations Limited to enable PCPL to issue share warrants and other instruments on such terms and conditions as deemed fit by the Board.
2. To increase issued capital of PCPL by issue of equity shares and share warrants.

The necessary resolutions were passed by the members with the requisite majority through postal ballot and were taken on record by the Board of Directors at their meeting held on March 21, 2013.

### MAJOR CORPORATE DEVELOPMENTS

**Recent Client Wins:** During the year, your Company became an approved supplier to Chittaranjan Locomotive Works (CLW). This is a major development and enables PLL to enter the railway sector in India. The Company has supplied prototype and expects a favorable feedback. PLL's aim is to start supplying commercial quantities to CLW by the end of FY2014. Other high profile customer wins during the year included Emerson and BHEL (Jagdishpur and Haridwar) in the lamination segment.



**Expansion Project for Machining Division:** Focused on its vision to provide “One stop solutions”, PLL has plans for expansion of machining division.

At the moment, Machining process is being out-sourced by PLL for the Castings supplied by PCPL. This operation is intended to be brought in-house to reduce cycle time and transport charges. This will help your Company in providing better pricing to customers and secure full control over the supply chain.

**Status of Open Offer:** In furtherance to the preferential allotment dated September 7, 2011, the acquirers forming part of the promoter group, namely Pitti Electrical Equipment Private Limited and Smt. Madhuri S Pitti have made a public announcement to acquire 2,698,340 equity shares from the public shareholders of Pitti Laminations Limited (PLL) and a draft letter of offer was submitted to Securities and Exchange Board of India (SEBI) on September 19, 2011.

SEBI vide its letter dated December 17, 2012 addressed to the acquirers, has asked them to increase the offer price. The acquirers have filed an appeal with the Securities Appellate Tribunal (SAT) against the SEBI directions and the judgment is awaited from SAT.

**Cost Optimisation Initiatives:** During the year, Mr. Akshay S Pitti established a dedicated team to evaluate and implement cost efficiency measures including lean manufacturing processes. All these efforts are resulting in cost optimisation and savings which will be evident from FY2014. In addition, your Company also engaged Ernst & Young LLP (E&Y) to improve operating procedures. E&Y has completed the evaluation process and submitted all the standard operating procedures (SOPs) suggesting where efficiencies can be made enhanced. PLL is now focused on implementing the suggestions which will result in significant cost reduction in coming years.

#### SHARE CAPITAL

During the year, there was no change in the issued, subscribed and paid-up equity share capital of the Company which stood at ₹134,917,000 divided into 13,491,700 equity shares of ₹10/- each as at March 31, 2013.

#### AWARDS & RECOGNITIONS

Your Company has received the prestigious “**Best Supplier of**

**the Year for 2012”** from General Electric across all verticals (the verticals includes GE Power, GE Capital, GE Commercial, GE Transportation) in Asian pacific Region except China.

#### CORPORATE SOCIAL RESPONSIBILITY

Sustainability has always been integral to your Company’s way of doing business. During the year under review, the Company has contributed a sum of ₹0.40 crores for various activities by way of donations as against ₹0.50 crores in the preceding year.

#### HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Your Company has an excellent track record of cordial and harmonious industrial relations and over the years not a single man-day was lost on account of labor unrest. PLL undertakes steps for upgrading the knowledge base of the employees by continuous training. The management has been taking several steps to promote job enrichment, engagement and accountability for performance, career progression, reward, recognition and welfare. The Board places on record its appreciation of the performance of employees at all levels in the concluded year.

#### INVESTOR RELATIONS

Your Company always endeavors to keep the time of response to shareholders’ requests / grievances at the minimum.

#### TRANSFER OF AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of section 205A (5) of the Companies Act 1956 relevant amount which remained unpaid or unclaimed for a period of 7 years has been transferred by the Company to the Investors Education and Protection Fund (IEPF).

#### ENVIRONMENT AND SAFETY

The Company is conscious of the importance of environmentally clean and safe operations. The Company’s policy requires the conduct of all operations in such a manner so as to ensure safety of all concerned, compliance of statutory and industrial requirements for environment protection and conservation of natural resources to the extent possible.

#### INSURANCE

The properties of the Company including its cash, building, plant and machinery and stocks wherever necessary and to the extent required have been adequately insured.

## FIXED DEPOSITS

Your Company has not accepted any fixed deposits and as such, no amount of principal or interest was outstanding as of the balance sheet date.

## DEMATERIALIZATION OF SHARES

The Company's shares are compulsorily traded in dematerialised form and are available for trading with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The shareholders can hold our shares with any of the depository participants registered with these depositories. As on March 31, 2013, about 96.9% shares of the Company were held in dematerialised form.

The equity shares of the Company are frequently traded at the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE).

## PARTICULARS OF EMPLOYEES

The provisions of section 217 (2A) of the Companies Act, 1956 with the Companies (Particulars of Employees) Amendment Rules, 2011 do not apply as no employee is drawing a remuneration of Rupees five lacs per month or Rupees Sixty lacs per financial year.

## ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to section 217(1) (e) of the Act read with Rule 2 of the Companies (Disclosure of particulars in the Report of the Board of Directors Rules, 1988) is annexed hereto and forms part of the Report.

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

In accordance with the listing agreement requirements, the Management Discussion & Analysis Report is presented in a separate section forming part of the Annual Report.

## CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standard of corporate governance. The Directors adhere to the requirements set out by the Securities & Exchange Board of India (SEBI) Corporate Governance practices and have implemented all

the stipulations prescribed. A detailed report on Corporate Governance pursuant to the requirements of clause 49(VI) of the listing agreement forms part of the annual report. A certificate from the auditors of the Company, M/s. Laxminiwas Neeth & Co, Chartered Accountants, Hyderabad confirming compliance of conditions of corporate governance as stipulated under the aforesaid clause 49 is annexed to the report.

## DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to section 217 (2AA) of the Companies (Amendment) Act 2000, the directors to the best of their knowledge and belief confirm that:

1. In the preparation of the annual accounts for the financial year ended March 31st, 2013, the applicable accounting standards have been followed and there are no material departures;
2. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit & loss account of the Company for that period;
3. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. They have prepared the annual accounts on a going concern basis.

## DIRECTORS

Shri Sanjay Srivastava who was appointed as Executive Director for a period of three years effective from June 30, 2010 has been re-appointed for a period of three years effective from July 1, 2013 and the Company is seeking approval of members at the Annual General Meeting for the said re-appointment.

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Shri G Vijaya Kumar, Shri Arun Garodia, and Shri TSSN Murthy retire by rotation and being eligible offer themselves for re-appointment.

### STATUTORY AUDITORS

M/s Laxminiwas Neeth & Co, Chartered Accountants, who are Statutory Auditors of the Company hold office up to the forthcoming Annual General Meeting and are recommended for re-appointment to audit the accounts of the Company for the Financial Year 2013-14. As required under the provisions of the Section 224 (1B) of the Companies Act, 1956, the Company has obtained written confirmation from M/s Laxminiwas Neeth & Co that their appointment if made would be in conformity with the limits specified in the said Section. Further they also hold a valid certificate issued by the Peer Review Board of the ICAI as required under revised clause 41 of the listing agreement.

### COST AUDITORS

Pursuant to section 233 B (1) of the Companies Act 1956, Board of the Directors of the Company in accordance with the provisions of the sub-section (1B) of section 224 and with the previous approval of Central Government, has appointed M/s Sagar and Associates, Cost Accountants as cost auditors in respect of the products of the Company covered under chapter 85 of the Central Excise Tariff Act, 1985 for the Financial year 2012-13.

Subject to the approval of the Central Government, the Board of Directors of the Company has appointed M/s Sagar and Associates, Cost Accountants as cost auditors to audit the cost accounts of the Company for the Financial Year 2013-14.

### AUDITORS REPORT

The Board has duly examined the Statutory Auditors Report to the accounts, which is self explanatory and clarifications wherever necessary have been included in the notes to accounts section in the annual report.

### ACKNOWLEDGEMENTS

Your Directors wish to place on record their sincere appreciation for the co-operation and support extended by its bankers, regulatory authorities and other government agencies. Your Directors record their gratitude for the encouraging response and patronage received from the domestic and overseas clients during the year under review. The Board appreciates the committed support extended by vendors. Finally your Directors express their gratitude for the support given by all the stakeholders for the overall growth and development of the Company.

By order of the Board  
For **Pitti Laminations Limited**

Place: Hyderabad  
Date: 03rd May 2013

**Sharad B Pitti**  
Chairman & Managing Director

## Annexure to Directors' Report

Particulars required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988

### A. Conservation of Energy

#### i. Energy conservation measures adopted:-

The benefits of energy conservation measures are stabilised.

#### ii. Additional investments and proposal for reduction of consumption of energy:-

NIL

#### iii. Impact of the above measures:-

Reduced power consumption

#### iv. Total energy consumption and energy consumption per unit of production in Form 'A':-

As per Form 'A' (to the extent applicable)

### B. Technology Absorption

As per Form 'B' (to the extent applicable)

### C. Foreign exchange earnings and outgo

Activities relating to exports, initiatives taken to increase exports, development of new export markets for product and services and export plans:-

During the year under review, the Company has exported 6637 MT as against 11828 MT in the previous year.

Exports during the current year are projected at 8000 MT.

The export turnover is ₹159.11 crores compared to ₹256.08 crores in the previous year.

#### Total foreign exchange earned

Foreign currency (FC)	FC value	₹ crores
USD	28934727	155.96
GBP	6024	0.05
EURO	276933	1.91

#### Total foreign exchange spent / outgo

Foreign currency (FC)	FC value	₹ crores
USD	10844817	59.74
EURO	121960	0.87
SGD	21504	0.09
GBP	43782	0.39
THB	4040	0.00
JPY	65483847	4.56

### FORM - A

#### Power & Fuel consumption

##### A. Electricity

Purchased	FY 2012-13	FY 2011-12
Units	3088068	3703792
Total Amount (₹)	19804008	16819542
Rate / Unit (₹)	6.41	4.54
Own generator (through diesel generator)	FY 2012-13	FY 2011-12
Units	730487	582206
Units per Ltr	3.20	2.92
Cost / Unit (₹)	15.16	15.28

##### B. Consumption per unit of production

Electricity (units)	162	151
Diesel (units)	38	24

## FORM – B

Form for disclosure of particulars with respect to Technology absorption, research and development.

### Research and development (R & D)

1. Specific areas in which R & D carried out by the Company
2. Benefits derived as a result of the above R & D
3. Future plan of action
4. Expenditure on R & D:
  - a. Capital
  - b. Recurring
  - c. Total
  - d. Total R & D expenditure as a percentage of total turnover

There is a separate department exclusively focusing its attention to the quality of the product. Thorough inspection will be done before products are cleared for sale.

### Technology absorption, adaptation and innovation

1. Efforts, in brief, made towards technology absorption and innovation.
2. Benefits derived as a result of the above efforts in case of imported technology
  - a. Technology imported
  - b. Year of import
  - c. Has technology been fully absorbed?
  - d. If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action

Machinery acquisition aimed at increased productivity has always been a part of the capital expenditure programmes of the Company.

## Corporate Governance

### 1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance refers to a combination of laws, regulations, procedures, implicit rules and good corporate practices, which ensure that a company meets its legal and ethical obligations with the objective to optimise shareholder value and fulfill its responsibilities to the community, customers, employees, Government and other societal segments. Pitti Laminations Limited (PLL) philosophy on corporate governance envisages the attainment of the highest levels of transparency, accountability and equity, in all aspects of its operations, and in all its interactions with its Shareholders, Employees, and the Government. PLL believes that all its operations and actions must serve the underlying goal of enhancing overall Shareholder value, over a sustained period of time.

Your Company has complied with all the Corporate Governance requirements.

### 2. BOARD OF DIRECTORS

The Board of Directors which is a body formed to serve and protect the overall interest of all the stakeholders, provides and evaluates the strategic direction of the

Company, formulates and reviews management policies and ensures their effectiveness.

#### a. Composition

The Company's Board of Directors presently comprises of eleven members of which four are Whole-Time-Directors while the rest are Independent / Non-Executive Directors. The composition of the Board is in conformity with the Listing requirements. The day-to-day management of the Company is conducted by Chairman & Managing Director and Vice-Chairman & Managing Director with the assistance of Executive Directors.

The Chairman and Managing Director Shri Sharad B Pitti and Vice-Chairman and Managing Director Shri Akshay S Pitti are promoter Directors and they are related to each other. Shri Sharad B Pitti is also related to Shri Arun Garodia, Director.

#### b. Number of Board Meetings

During the year under review, seven meetings of the Board were held. These meetings were held on 30th April 2012, 04th June 2012, 13th August 2012, 14th November 2012, 16th January 2013, 13th February 2013 and 21st March 2013

Details of Directors' attendance and other particulars for the year under review are given below:

Name of the Director	Category	No. of Board meetings attended	Attendance at last AGM held (Yes/No)	No of other directorships held		Membership in committees of other companies
				Public	Private	
Shri Sharad B Pitti	PG	6	Yes	1	3	1
Shri Akshay S Pitti	PG	6	Yes	1	4	1
Shri Y B Sahgal	ED	6	Yes	-	1	-
Shri Sanjay Srivastava	ED	7	Yes	-	1	-
Shri G Narayana Rao	I/NED	7	Yes	-	-	-
Shri Arun Garodia	NED	2	Yes	2	3	-
Shri Kanti Kumar R Podar	I/NED	-	No	3	1	-
Shri N R Ganti	I/NED	5	Yes	-	2	2
Shri G Vijaya Kumar	I/NED	7	No	-	-	-
Shri M Gopalakrishna, IAS (Retd)	I/NED	7	Yes	7	5	5
Shri TSSN Murthy	I/NED	7	Yes	-	-	-

PG – Promoter Group, ED – Executive Director designated as Whole-time Director and I – Independent and NED – Non-Executive Director



### c. Information to the Board

A detailed agenda folder is sent to each director in advance of the Board meetings. As a policy, all major decisions involving investments and capital expenditure, in addition to matters which statutorily require the approval of the Board are placed before the Board for its consideration and directions. Inter alia, the following information, as may be applicable and are required, is provided to the Board as a part of the agenda papers.

- Quarterly and Half Yearly results of the Company
- Minutes of the Audit and other committees of the Board
- Any significant development in human resources or industrial relations
- Details of risk exposure and steps taken by management to limit or restrain the risk
- Compliance status with any regulatory, statutory or listing agreement related requirements or in relation to any shareholder services

### 3. AUDIT COMMITTEE

The Audit Committee was constituted by the Board of Directors at the meeting held on 16th October, 2002.

#### Terms of Reference:

- 1) Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- 2) Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- 3) Reviewing with management and statutory auditors the quarterly / annual financial statements before submission to the Board, and focusing primarily on;
  - a) Any changes in accounting policies and practices;
  - b) Major accounting entries based on exercise of prudential judgment by Management;
  - c) Qualifications in draft audit report;
  - d) Significant adjustments arising out of audit;
  - e) The going concern assumption;
  - f) Compliance with accounting standards;
  - g) Compliance with listing agreements with the stock exchanges and conformity with their requirements concerning financial statements;
  - h) Any related party transactions i.e. transactions of the Company of material nature with promoters or the management or their subsidiaries or relatives etc, that may have potential conflict with the interests of company at large;
- 4) Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- 5) Reviewing the adequacy of internal audit function, reporting structure coverage and frequency of internal audit.
- 6) Discussion with internal auditors on any significant findings and follow up thereon.
- 7) Reviewing the findings of any investigation by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- 8) Discussion with external auditors before the audit commences as to the nature and scope of audit as well as to have post-audit discussion to ascertain any area of concern.
- 9) Reviewing the Company's financial and risk management.
- 10) To look into the reasons for substantial defaults, if any, in

payment to the shareholders, creditors, Banks, financial institutions and debenture holders.

#### Composition

Shri TSSN Murthy	- Chairman (Independent / Non- Executive Director)
Shri G Narayana Rao	- Member (Independent / Non-Executive Director)
Shri Arun Garodia	- Member (Non-Executive Director)
Shri N R Ganti	- Member (Independent / Non-Executive Director)

#### Secretary of the Audit Committee

Shri Satyabrata Padhi - Company Secretary

#### Meetings and attendance during the year

Members	Meetings held	Meetings attended
Shri TSSN Murthy	4	4
Shri G Narayana Rao	4	4
Shri Arun Garodia	4	2
Shri N R Ganti	4	2

The Audit Committee while reviewing the Annual Financial statements also reviewed the applicability of various Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI) during the year. Compliance of AS as applicable to the Company has been ensured in the financial statements for the year ended 31st March 2013.

## 4. REMUNERATION COMMITTEE

The Remuneration Committee was constituted by the Board of Directors at the meeting held on 16th October, 2002.

#### Terms of Reference

To formulate the remuneration policy and approve the remuneration or revision in the remuneration payable to

Executive Directors / Whole-Time Directors.

#### Composition

Shri N R Ganti	- Chairman (Independent / Non-Executive Director)
Shri G Narayana Rao	- Member (Independent / Non-Executive Director)
Shri M Gopalakrishna IAS (Retd)	- Member (Independent / Non-Executive Director)

#### Secretary to the Remuneration Committee

Shri Satyabrata Padhi - Company Secretary

#### Meetings and attendance during the year

Members	Meetings held	Meetings attended
Shri N R Ganti	1	1
Shri G Narayana Rao	1	1
Shri M Gopalakrishna IAS (Retd)	1	1

#### Remuneration policy

To recommend / review the remuneration package, periodically, of the Executive Directors. The remuneration payable to them is in accordance with the existing industry practice and also with the provisions of the Companies Act, 1956.

#### Remuneration to Directors

The Company pays remuneration to the Whole-time Directors as per the contractual obligations. The Non-Executive Directors do not draw any remuneration and are paid only the sitting fees for each meetings of the Board, Audit Committee, Remuneration Committee and Investors Grievance Committee attended by them.

**The Details of remuneration / sitting fee paid to Directors for the year ended 31st March, 2013**

₹ in lacs

Sl. No.	Name of the Director	Salary, Perquisites & Other benefits	Sitting Fees	Total
1.	Shri Sharad B Pitti	45.60	-	45.60
2.	Shri Akshay S Pitti	45.35	-	45.35
3.	Shri Y B Sahgal	44.00	-	44.00
4.	Shri Sanjay Srivastava	44.00	-	44.00
5.	Shri G Narayana Rao	-	0.70	0.70
6.	Shri Arun Garodia	-	0.20	0.20
7.	Shri Kanti Kumar R Podar	-	-	-
8.	Shri N R Ganti	-	0.47	0.47
9.	Shri G Vijaya Kumar	-	0.49	0.49
10.	Shri M Gopalakrishna, IAS (Retd)	-	0.52	0.52
11.	Shri TSSN Murthy	-	0.73	0.73

**Details of number of shares held by the Independent / Non-Executive Directors as on 31.03.2013**

₹ in lacs

Sl. No.	Name of the Director	Category	No. of shares held
1	Shri Arun Garodia	Non-Executive Director	NIL
2	Shri G Narayana Rao	Independent Non-Executive Director	300
3	Shri Kanti Kumar R Podar	Independent Non-Executive Director	NIL
4	Shri N R Ganti	Independent Non-Executive Director	800
5	Shri G Vijaya Kumar	Independent Non-Executive Director	10
6	Shri M Gopalakrishna, IAS (Retd)	Independent Non-Executive Director	NIL
7	Shri TSSN Murthy	Independent Non-Executive Director	NIL

**5. INVESTORS' GRIEVANCE COMMITTEE**

**Terms of Reference**

The Investors' Grievance Committee facilitates prompt and effective redressal of shareholders' complaints and reporting of the same to the Board periodically.

**Composition**

Shri G Narayana Rao - Chairman (Independent / Non-Executive Director)

Shri N R Ganti - Member (Independent / Non-Executive Director)

Shri TSSN Murthy - Member (Independent / Non-Executive Director)

**Compliance Officer**

Shri Satyabrata Padhi - Company Secretary

**Meetings and attendance during the year**

Members	Meetings held	Meetings attended
Shri G Narayana Rao	1	1
Shri N R Ganti	1	1
Shri TSSN Murthy	1	1

The total no of complaints received and replied to the shareholders during the year ended 31st March 2013 are

Received during the year – 12

Resolved during the year – 12

The no of pending share transfers and pending requests for dematerialisation as on 31st March 2013 were Nil. No investor grievances remained unattended pending for more than thirty days as on 31st March 2013.

Investor grievances are being redressed on an on-going basis and reporting is done while releasing the quarterly financial results to the stock exchanges.

## 6. GENERAL BODY MEETINGS

### Details of last three AGMs held:

Year	Date	Venue	Time
2009-2010	20.09.2010	West Minister Hall, The Central Court Hotel 6-1-71, Lakdikapool, Hyderabad – 500 004	4.00 P.M
2010-2011	11.08.2011	West Minister Hall, The Central Court Hotel 6-1-71, Lakdikapool, Hyderabad – 500 004	4.00 P.M
2011-2012	06.08.2012	West Minister Hall, The Central Court Hotel 6-1-71, Lakdikapool, Hyderabad – 500 004	4.00 P.M

### Details of Special Resolutions passed in the three previous Annual General Meetings

#### 2009-2010

- Re-appointment of Shri Akshay S Pitti as Director (Exports & Business Development), revised Remuneration and re-designation of Shri Akshay S Pitti as Vice-Chairman & Joint Managing Director.
- Re-appointment of Shri Y B Sahgal as Executive Director.
- Appointment of Shri Sanjay Srivastava as Executive Director.

#### 2010-2011

- Revised remuneration of Shri Y B Sahgal, Executive Director with effect from 01st April, 2011.
- Revised remuneration of Shri Sanjay Srivastava, Executive Director with effect from 01st April, 2011.
- Revised remuneration of Shri Akshay S Pitti, Vice Chairman & Joint Managing Director with effect from 01st April, 2010. Re-designation and Re-appointment of Shri Akshay S Pitti as Vice Chairman & Managing Director with effect from 07th July, 2011 and revised remuneration with effect from 01st April, 2011.

- Appointment of Smt Radhika Akshay Pitti as Sr. Manager – Marketing at a remuneration of ₹1,00,000/- per month under Section 314(1) of the Companies Act, 1956.

- Re-issue of forfeited equity shares under clause 23 of the listing agreement in accordance with SEBI (ICDR) Regulations for Preferential Issue of Equity Shares.
- Issue of 40,50,000 equity shares of ₹10/- each at a price not less than the price calculated.

#### 2011-2012

- Re-appointment and revision in remuneration of Shri Sharad B Pitti, Chairman & Managing Director with effect from 01st May 2012.
- Revised remuneration of Shri Akshay S Pitti, Vice-Chairman & Managing Director with effect from 01st May 2012.
- Re-appointment and revision in remuneration of Shri Y B Sahgal, Executive Director with effect from 01st May 2012.
- Revised remuneration of Shri Sanjay Srivastava, Executive Director with effect from 01st May 2012.

### Details of Special Resolutions passed through Postal ballot in 2012-13

- a. To alter the Articles of Association of Pitti Castings Private Limited (PCPL), subsidiary of Pitti Laminations Limited to enable PCPL to issue share warrants and other instruments on such terms and conditions as deemed fit by the Board.

Details of Valid Ballots	No. of Ballots	No. of Shares	Percentage (%) of Shareholding voted
Assent	182	11620487	99.88%
Dissent	30	9162	0.08%
Not Voted	4	4950	0.04%
<b>Total</b>	<b>216</b>	<b>11634599</b>	<b>100.00%</b>

The Resolution has been passed by majority.

- b. "To increase the issued capital of PCPL by issue of equity shares and share warrants".

Details of Valid Ballots	No. of Ballots	No. of Shares	Percentage (%) of Shareholding voted
Assent	182	11620093	99.87%
Dissent	24	9556	0.08%
Not Voted	10	4950	0.05%
<b>Total</b>	<b>216</b>	<b>11634599</b>	<b>100.00%</b>

The Resolution has been passed by majority.

Mrs. Rashida Adenwala, Practicing Company Secretary was appointed as the scrutiniser for the Postal Ballot.

## 7. DISCLOSURES

### Related party transactions

Disclosure on materially significant related party transactions is made in Note 2.38 under Notes forming part of the accounts in accordance with provisions of Accounting Standard 18.

### Details of non-compliance

To the best of the Company's knowledge, there has been no incidence of non-compliance with requirement of stock exchanges, SEBI or other statutory authority on matters relating to capital markets during last three years. During the last three years, no penalty or stricture has been imposed on the Company by the Stock Exchanges, SEBI or any statutory authority on any matter relating to capital market.

No whistle blower policy is in place. However transparency is maintained subject to reasonable restrictions.

### Code of Conduct

The Board of Directors has laid down the code of conduct for Directors and senior management personnel including all functional heads, which they are bound to observe in the course of conduct of the business of the Company. This code of conduct has been posted on the website of

the Company. Each Director of the Company and senior management personnel including all functional heads to whom the code has been made applicable, have affirmed their compliance with the code.

**The Company is in compliance with all the mandatory requirements of Clause 49 of the Listing Agreement. The status on adoption of non-mandatory requirements is set out in this report.**

### Non-Mandatory Requirements

#### The Board

The Chairman of the Company is executive and hence the provision with regard to maintenance of Chairman's office as contained in the non-mandatory requirement is not relevant.

#### Remuneration Committee

The Company has set up Remuneration Committee comprising of three independent directors, which determines remuneration payable to the executive directors of the Company.

#### Shareholders Rights

The Quarterly financial results are published in the news papers as mentioned above and also posted on the Company's website. The significant events, if any, too are posted on the Company's website and in view of

this, summary of such events is not separately sent to the shareholders.

#### Training and Evaluation

The training of Board members and evaluation of performance of non-executive directors as envisaged under Clause 49 of the Listing Agreement will be undertaken as and when such need arises.

#### Whistle Blower Policy

The Company at present has not established a formal whistle blower policy mechanism. However, no personnel of the Company have been denied any access to the Audit Committee.

#### Audit Qualifications

During the year under review, there is no audit qualification in Company's financial statements. The Company continues to adopt best practices to ensure regime of unqualified financial statements.

#### Reconciliation of share capital audit

A Company Secretary in whole time practice carried out a share capital audit to reconcile the total admitted equity share capital with NSDL / CDSL and the total issued and listed equity share capital. The Audit Report confirms that the total issued / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL / CDSL.

## 8. MEANS OF COMMUNICATION

In accordance with Clause 54 of the Listing Agreement, the Company has maintained a functioning website at [www.pittielectriclam.com](http://www.pittielectriclam.com) containing the basic information about the Company viz. the details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the Company secretary and compliance officer. The contents of the website are updated from time to time.

The quarterly and annual financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board. The results are usually published in Business Line (English), and Andhra Prabha (Telugu) news papers.

The results are hosted on the website of the Company at '[www.pittielectriclam.com](http://www.pittielectriclam.com)'.

Further, the Company disseminates to the stock exchanges namely BSE and NSE wherein the equity shares of the Company are listed, all mandatory information and price sensitive / such other information which in its opinion are material and / or have a bearing on its performance / operations and issue press releases wherever necessary for the information of the public at large. For the benefit of the shareholders a separate email id has been created for shareholder correspondence viz [shares@pittilam.com](mailto:shares@pittilam.com).

## 9. GENERAL SHAREHOLDER INFORMATION

1	<b>Annual General Meeting</b>	16th September 2013
2	<b>Financial year</b>	1st April 2012 to 31st March 2013
3	<b>Date of Book closure</b>	10th September 2013 to 16th September 2013
4	<b>Tentative financial calendar</b>	01st April 2013 to 31st March 2014
	Next financial year	
	Audited Annual Results (2012-13)	03rd May 2013
	Publication of Audited Results (2012-13)	04th May 2013
	First quarter results & Limited review	07th August 2013
	Second quarter results & Limited review	End October 2013
	Third quarter results & Limited review	End January 2014
	Audited Annual results (2013-14)	Mid May 2014
5	<b>Listing on Stock Exchanges</b>	Bombay Stock Exchange Limited, Mumbai National Stock Exchange of India Limited, Mumbai



6	<b>Stock code</b>	513519 - Bombay Stock Exchange PITILAM – National Stock Exchange of India Limited
7	<b>Market price data</b>	Detailed in Annexure – A below
8	<b>Registrar and transfer agents</b>	XL Softech Systems Limited, Hyderabad
9	<b>Share transfer system</b>	Processed by RTA and approved by authorised officials of the Company
10	<b>Distribution of shareholding pattern</b>	Detailed in Annexure – B below
	<b>Dematerialisation of shares</b>	13078061 shares are dematerialised 413639 shares are in physical form as of 31.03.2013
11	<b>Plant location (Plant I &amp; II)</b>	Nandigaon Village, Kottur Mandal Mahaboobnagar District, Andhra Pradesh – 590233
12	<b>Address of the Registrars and Share transfer agents for correspondence</b>	XL Softech Systems Limited, Plot No.3, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034
13	<b>Exclusive e-mail ID for Investor Grievances</b>	Pursuant to Clause (f) of the Listing Agreement, the following dedicated e-mail ID has been designated for communicating investors' grievances shares@pittilam.com

**Annexure - A****High and low price of the scrip during each month in last financial year**

Sl. No	Month	High (₹)	Low (₹)	No. of shares traded
01.	April 2012	94.00	79.35	639748
02.	May 2012	92.00	75.75	316330
03.	June 2012	85.90	74.20	128629
04.	July 2012	89.50	72.50	89353
05.	August 2012	74.20	51.65	467587
06.	September 2012	62.00	53.10	125920
07.	October 2012	65.90	57.50	127077
08.	November 2012	61.20	54.00	78198
09.	December 2012	59.00	53.40	157857
10.	January 2013	57.50	46.90	76075
11.	February 2013	49.50	36.50	68034
12.	March 2013	39.50	32.00	107963

Source : BSE website

**Annexure - B****Distribution of shareholding as of 31st March 2013**

Shareholdings of nominal value of ₹	Shareholders		Share Amount	
	Nos.	%	₹	%
Upto - 5,000	9022	90.16	12125720	8.99
5,001 - 10,000	469	4.69	3911760	2.90
10,001 - 20,000	207	2.07	3122020	2.31
20,001 - 30,000	93	0.93	2387190	1.77
30,001 - 40,000	51	0.51	1841030	1.36
40,001 - 50,000	23	0.23	1087300	0.81
50,001 - 1,00,000	73	0.73	5244520	3.89
1,00,001 & above	68	0.68	105197460	77.97
<b>TOTAL</b>	<b>10006</b>	<b>100.00</b>	<b>134917000</b>	<b>100.00</b>

Category	No. of shares held	% of shareholding
Promoters	8094690	60.00
Banks & FIIs	58003	0.43
<b>Others</b>		
Bodies Corporate	1010847	7.49
Indian Public	4203654	31.16
NRIs / OCBs	110672	0.82
Others (Clearing Members)	13834	0.10
<b>TOTAL</b>	<b>13491700</b>	<b>100.00</b>

## 10. INVESTOR SAFEGUARDS AND OTHER INFORMATION

### i. Dematerialisation of shares

Shareholders are requested to convert their physical holdings to demat / electronic form through any of the registered Depository Participants (DPs) to avoid the hassles involved in dealing in physical shares such as possibility of loss, mutilation, etc and also to ensure safe and speedy transaction in respect of the share held.

### ii. National Electronic Clearing Services (NECS) / Electronic Clearing Services (ECS) mandate

NECS / ECS facility ensures timely remittance of dividend without possible loss / delay in postal transit. Shareholders / members holding shares in electronic form may register their NECS / ECS details with the respective DPs and Shareholders / members holding shares in physical form may register their NECS / ECS details with Registrar and Share Transfer Agents to receive dividends, if declared, via the NECS / ECS mode.

### iii. Timely encashment of dividend

In respect of the shareholders who have either not opted for NECS / ECS mandate or do not have such a facility with their banker, are requested to encash dividends promptly to avoid the inconvenience of writing to Company's Share Transfer Agents thereafter for revalidation of dividend warrants. Failing their encashment for a period of seven years, they stand to lose the right to claim such dividends owing to transfer of unclaimed dividends beyond seven years to Investor Education and Protection Fund.

### iv. Transfer of unclaimed dividend to Investor Education and Protection Fund (IEPF)

Under the Companies Act, 1956 dividends which remain unclaimed for a period of seven years are required to be transferred to Investor Education

Protection Fund (IEPF) administered by the Central Government. Members are therefore requested to get in touch with Company's Registrar and Share Transfer Agents (M/s.XL Softech Systems Limited) at their communication address for encashing the unclaimed dividend standing to the credit of their account.

Members are further requested to note that after completion of 7 years, no claim shall lie against the said fund or the Company for the amounts of dividend so transferred, nor shall any payment be made in respect of such claim.

### v. Update address / bank details

To receive all communications / corporate actions promptly, shareholders holding shares in dematerialised form are requested to please update their address / bank details with the respective DPs and in case of physical shares, the update details have to be intimated to the Registrar and Share Transfer Agents.

### vi. Consolidation of Multiple Holdings (in respect of physical holdings)

Members are requested to consolidate their shareholdings under multiple folios to eliminate receipt of multiple communications and this would ensure that future correspondence / corporate benefits could be sent to consolidated folio.

### vii. Register email address

As you all may be aware, Ministry of Corporate Affairs has taken a 'Green initiative in Corporate Governance' by issuing Circulars 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011, whereby companies are permitted to send notice / documents including Annual Report comprising Balance Sheet, Profit and Loss Account, Directors Report, Auditors Report etc in electronic mode (hereinafter 'documents'), provided the Company has obtained email address of its members for sending these documents through email by giving an advance opportunity to every shareholder to register their email addresses and changes therein from time to time with the Company.

Accordingly, shareholders holding shares in physical form are requested to register their email addresses and changes therein from time to time, by directly sending the relevant email addresses along with the

details such as name, address, folio no, no of shares held to the Registrar and Share Transfer Agents, M/s. XL Softech Systems Limited.

In respect of shares held in electronic form, the email address along with DP ID / Client ID and other shareholder details as mentioned above should be registered by the shareholders with their respective Depository Participants. Upon registration of the email address, the Company proposes to send notices and documents, in electronic form to such shareholders.

#### **11. SEBI COMPLAINTS REDRESSAL SYSTEM (SCORES)**

SEBI has initiated SCORES for processing the Investor Complaints in a centralised web based redress system and online redressal of all the shareholders complaints. The Company is in Compliance with the SCORES and redressal of the shareholders' complaints well within the stipulated time.

#### **12. AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

The Company has obtained a certificate from its statutory auditors regarding compliance of the conditions of corporate governance as stipulated in clause 49 of the Listing agreement, which together with this report on corporate governance is annexed to the Directors' Report and shall be sent to all the shareholders of the Company and the stock exchanges along with the Annual Report of the Company.

#### **DECLARATION:**

I hereby declare that all the members of the Board and Senior Management personnel of the Company have affirmed due observance of the said code of conduct in so far as it is applicable to them and there is no non-compliance thereof during the year ended 31<sup>st</sup> March 2013.

**SATYABRATA PADHI**  
COMPANY SECRETARY

## Certificate by Chief Financial Officer

I GVSN Kumar, Chief Financial Officer of Pitti Laminations Limited certify that:

- a. I have reviewed the financial statements and the cash flow statements for the year and that to the best of my 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.
- b. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of company's code of conduct.
- c. I accept responsibility for establishing and maintaining internal controls and I have evaluated the effectiveness of the internal control systems of the Company and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- d. I have indicated to the auditors and the Audit Committee
  - i) significant changes in internal controls during the year if any;
  - ii) that there are no significant changes in accounting policies during the year;
  - iii) that there have been no instances of significant fraud of which I have become aware, involving the management or an employee having a significant role in the Company's internal control system.

Place: Hyderabad  
Date : 03rd May 2013

**GVSN KUMAR**  
CHIEF FINANCIAL OFFICER

## Auditor's Certificate on Corporate Governance

The Members,

### **PITTI LAMINATIONS LIMITED**

We have examined the compliance of conditions of Corporate Governance by M/s. Pitti Laminations Limited, for the year ended March 31, 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

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.

In our opinion and to the best of our information and according to the explanations given and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company, there were no investor grievances remaining unattended/pending for more than 30 days.

We further 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 **LAXMINIWAS NEETH & CO**  
Chartered Accountants  
Firm Registration number: 002460S

**Dayaniwas Sharma**  
Partner  
Membership No. 216244

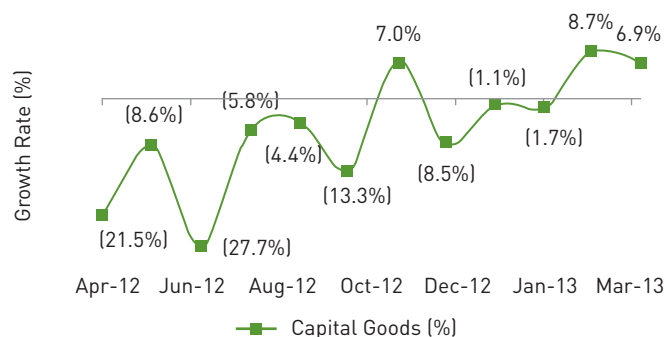
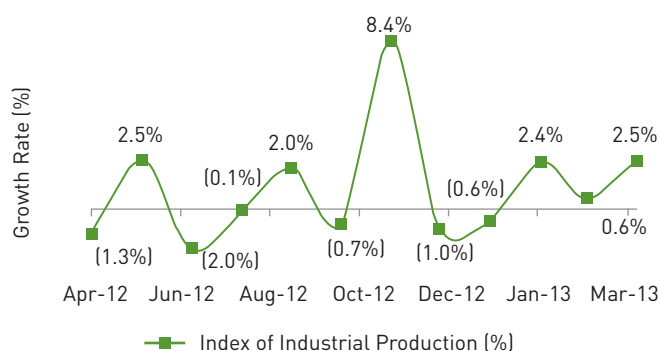
Place: Hyderabad  
Date: 03rd May, 2013

## Management Discussion and Analysis Report

### MACROECONOMIC ENVIRONMENT

The global economy continued to remain under pressure during FY2013. This was primarily due to weaker consumer sentiment, increasing pressure on corporate earnings and rising unemployment. However, the US showed some signs of recovery from the prevailing slowdown and registered a marginal improvement with GDP growth of 2.1% in 2012 as against 1.7% in 2011. This was driven by improvement in the consumer sentiment as a result of increasing housing activity and industrial orders. In context of a continuing recessionary trend and due to slowdown of both the private and public consumption, Europe's GDP declined by 0.3%.

In FY2013, Indian economy is estimated to have grown by 5% reflecting a lower than expected growth in both the industrial and service sectors. Continued high levels of inflation, increase in interest rates, delays in policy reforms and investments are the key factors that resulted in this downward trend. During the year, the Index of Industrial Production (IIP) expanded by only 1.0% compared to 2.9% in FY2012. In terms of sectoral break-up, electricity and manufacturing grew by 4.0% and 1.2%, respectively and mining declined by 2.5%. Mining activity declined in 2011-12 and 2012-13 partly due to contraction in the natural gas and iron-ore sectors. In the use based category, the capital goods output declined by 6.3% in FY2013 compared to a decline of 4.0% in FY2012, this was primarily due to inconsistent order execution.



### INDUSTRY OVERVIEW

Pitti Laminations Limited (PLL) is one of the largest manufacturers of special purpose laminations for all types of rotating electrical machinery. The Company's product has application in industrial motors, hydel and thermal power generators, wind power generators and railway traction motors.

India is the fifth largest producer and consumer of power in the world after US, China, Japan and Russia. In FY2012, the production of power in India was 876.4 terra watt hour (TWh), indicating a growth of 8.1% over the same period last year. Over FY2006-12, power production has grown at a CAGR of 6%. As of March 2012, India had an installed capacity of around 199.9 gigawatt (GW).

The Indian engineering/capital goods sector is characterised by its comparative advantage in areas such as manufacturing costs due to lower design, research and labour costs and economies of scale. During April 2012-February 2013, exports from this sector were \$5,100 crore. The engineering/capital goods industry has been delicensed and 100% foreign direct investment (FDI) is allowed in the sector. Foreign technology agreements are also permitted under the automatic route. During the period April 2000 - March 2013, mechanical & engineering industries and industrial machinery received cumulative FDI inflow of ~\$230 crore each.

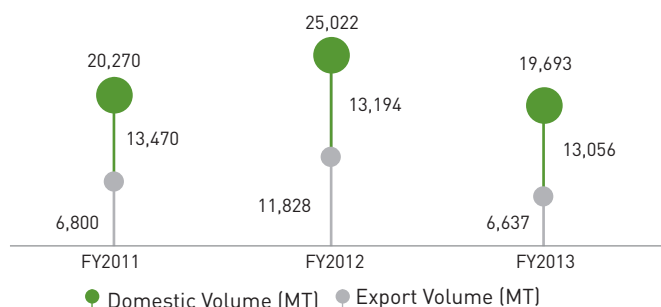
### OPERATIONAL AND FINANCIAL OVERVIEW

Despite the challenging macro-economic environment, your Company registered a volume of 19,693 MT in FY 2013

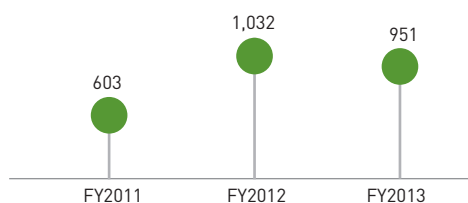


compared to 25,022 in FY 2012. The demand from the domestic and export market varied significantly during the year. The domestic volumes remained relatively flat whereas export volumes declined significantly by 43.89%. Stator frames sales declined by 81 units to 951 in FY2013. However, towards the end of the year, i.e. in Q4 FY2013, the Company's performance showed an stabilising trend with improvement in quarter over quarter sales.

#### Sales Volume (MT)

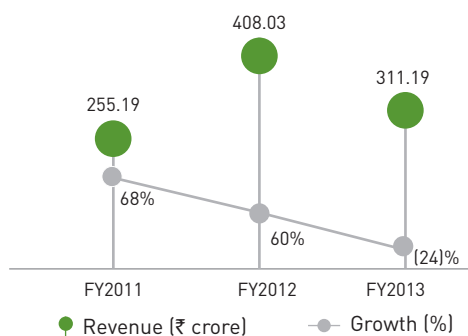


#### Export Stator Frames (Nos.)



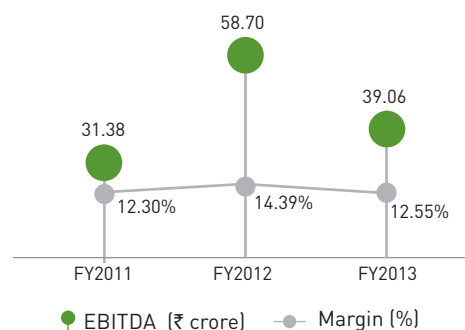
PLL recorded Revenue of ₹311.19 crore, a decline of 23.73% compared to last year. This decline was primarily on account of lower export sales due to subdued demand scenario and a temporary postponement in the order book. Of the total Revenue in FY 2013, domestic revenue contributed to ₹153.26 crore and revenue from exports were ₹157.93 crore.

#### Revenue

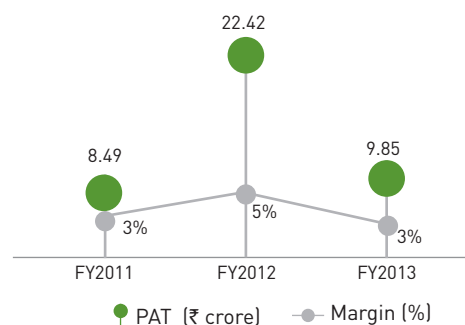


EBITDA for the year was ₹39.06 crore in FY2013, a decrease of 33.46%. This decline is attributed to lower revenues marginally offset by cost efficiency achieved by the Company. PAT for the period decreased from ₹22.42 crore in FY2012 to ₹9.85 crore in FY2013.

#### EBITDA



#### PAT



During the year, there was no infusion of share capital. The Company reduced its term loans from ₹12.71 crore in FY2012 to ₹11.38 crore in FY2013. The working capital borrowings increased marginally from ₹123.91 crore to ₹130.53 crore.

The gross block of assets have increased to ₹131.75 crore in the year compared to ₹116.82 crore in the previous fiscal. The depreciation for the year has marginally increased to ₹8.37 crore from ₹6.64 crore in FY 2012.

#### EXPANSION PLANS

Focused on its vision to provide "One stop solutions", PLL has plans for expansion of machining division. To adhere to the customer's requirement of machined castings, new machines are being installed in the machine shop:

Currently, Machining process is being outsourced by PLL for the Castings supplied by Pitti Castings Private Limited (PCPL). This operation is intended to be brought in-house to

reduce cycle time and transportation costs. This will help your Company in providing better pricing to customers and to have a full control over the supply chain.

#### OPPORTUNITIES AND STRENGTHS:

- **Move up the value chain:** The uncertain global macro-economic scenario and its impact on export operations of the Company are temporary in nature. The Company believes that the wide range of products that it offers to the critical sectors of the economy will enable it to move up the value chain in the coming years.
- **Selective expansion / diversification:** Focused on its vision to provide “One stop solutions”, the Company has plans for expansion of machining division.

During the year, the Company extended its portfolio into castings business through a subsidiary and thus initiated the process of forward and backward integration. It is expected that this will ensure self-reliance for raw materials and make the supply chain more time and cost efficient.

- **Client concentration:** The Company remains focused on diversifying its customer base and adding new clients primarily in the domestic front. During the year, PLL added three new clients in the Laminations segment namely Emerson, BHEL and Chittaranjan Locomotive Works (CLW). In particular, the addition of CLW enables the Company to enter the railways sector in India.
- **Quality of services:** The Company's customers include a wide range of prestigious enterprises known for their business excellence. The long standing relationship with its customers is a clear indicator of the quality of services provided and the trust & confidence that they have in the Company. This also provides PLL with an opportunity to scale up their business from these clients.
- **Technology:** Management has always remained focused to gear up to the business requirements and challenges thorough technological innovations. With the implementation of ERP, better information flow is facilitating the management to analyze the operational and financial performance online and accelerate the decision making process.
- **Operational excellence:** A sophisticated tool room for manufacture of tools and dies is managed by a technically competent team. The Company has a committed workforce with adequate skills and experience
- **Serves critical sectors of economy:** The Company's products have applications in sectors such as capital goods,

power and transportation (especially railways) sectors. These sectors are generally considered critical sectors for the growth of any developing nation. PLL being a preferred vendor to many clients in these critical sectors has a natural advantage to grow with the economy.

#### RISKS AND CONCERNS

Risk Management forms an integral part of PLL's business processes and constitutes an important element of decision making. The Company may be susceptible to following risks:

**Industry Cycle:** The Company primarily serves sectors such as capital goods. Any adverse cyclical swings arising from factors such as excess capacity, regional demand and supply imbalances and volatility in market demand and prices may impact the performance of the Company.

**Raw Material Cost:** It is an established practice in this industry to pass on the increase in prices of raw materials to the customers and therefore increase in cost of raw material prices may not have any impact on the profitability of the Company. However, the customers may not always absorb the full increase in raw material cost and that too with retrospective effect in all situations. The Company as a prudent measure will always be in constant touch with all its customers and alert them of the possible escalation in the raw material prices and obtain the matching increase in product prices soon after the increase in prices by the suppliers. Price determination on a quarterly basis is also affected with the principal raw material suppliers.

**Competition:** Like any other business enterprise, your Company operates in a challenging and competitive environment. However established track record and long standing relations with customers, dedicated work force with professional expertise coupled with state of the art technology enables the Company to offer diversified business model. All these factors have helped PLL to emerge as India's only end-to-end products and service provider in the electrical laminations industry.

**Attrition:** The Company understands the importance of skilled professionals and strives to retain its employees, as it forms a key driver for the growth of any Company. PLL has a carefully drafted retention policy which promotes job enrichment, engagement, accountability for performance, career progression, reward recognition and welfare which insulates the Company against attrition and its impact

**Foreign Exchange:** The Company is exposed to changes in foreign exchange rates across its various business segments. Such exposures are mostly off-set by suitable pass-through clauses built in contracts with overseas clients. As part of the frame work of the Risk Management Policy, the Company undertakes hedging operations in respect of export receivables

and import obligations in a judicious manner. Close monitoring is done to mitigate the risk factors arising out of the foreign exchange fluctuations

### OUTLOOK

In FY2014, the IIP is expected to register a modest growth in the range of 3-5%. This growth would be led by revival in industrial activity supported by a low base, delayed impact of monetary easing, recent pick-up in exports and anticipated improvement in investment. The outlook for mining & quarrying for FY2014 is primarily dependent on improvement in production levels of gas in the Krishna-Godavari Basin and restarting of iron ore mining in various States after the resolution of ongoing issues. The growth of electricity in FY2014 is largely dependent on availability of domestic and imported coal and natural gas. Electricity production is also dependant on the magnitude of rainfall in the catchment areas of reservoirs of hydro power plants. The Indian government is focused on improving the infrastructure and power forms the core for development. There are plans to add approximately 82 GW additional power generation capacities by 2015 to meet the rising demand.

The Indian engineering cum capital goods industry is expected to reach \$12,500 crore by FY2014. During FY2007-12, exports from the sector increased at a CAGR of 19.2%. Transport equipment is expected to drive the future growth for the sector. According to an industry report by Nasscom and Booz & Co., the Indian offshore Engineering & R&D Services i.e (ER&D) services market is expected to reach \$11,800 crore by 2020 from the current level of \$1,020 crore. Considering above PLL is expecting for a positive growth in mid & long term.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

PLL believes that a strong internal controls frame work is one of the important pillars of corporate governance. The Company has in place adequate systems of internal controls commensurate with its size and the nature of its operations. The systems have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information complying with applicable statutes, safeguarding of assets, executing transactions with proper authorisations and ensuring compliance of corporate policies.

As stated elsewhere in this report, there is proper and timely assessment of risk factors affecting the business of the Company and measures are taken to insulate them against the risks associated with the business.

The internal audit is being conducted by a reputed firm having considerable experience in the audit of manufacturing companies. The audit is carried on a monthly basis and audit reports are submitted to the management. The Audit Committee reviews the internal audit reports and takes note of the remedial measures taken by the concerned departmental heads in the

light of audit observations. The Company has appointed D. V. Aditya & Co., Chartered Accountants as their internal auditors.

The statutory auditors of the Company also scrutinise the internal audit reports as part of their statutory audit functions. The statutory auditors also conduct the limited review as part of the listing obligations and the reports are placed before the Audit Committee and also forwarded to the regulatory authorities. The observations of the Audit Committee with regard to the efficacy of audit report and the effective remedial measures that have been taken by the Company are placed before the Board for its consideration.

### COMMUNITY DEVELOPMENT

At Pitti Laminations Limited (PLL) Social Responsibility encompasses much more than social outreach programs and is an integral part of the way company conducts its business. Keeping in view the cardinal principle, the Company along with management and employees has contributed ₹65 lacs to support the relief and rescue operations in Uttarakhand which has witnessed an unprecedented natural calamity caused by torrential rains. The management will directly participate in relief works by sending the senior representatives to the affected areas for sustainable developments.

### HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATIONS

Mutual trust, harmony and unity of purpose are the pillars on which the corporate edifice is built. True to its philosophy, the Company is committed to maintain harmonious relationship with its employees, as they are the active partners contributing to the growth and development of the organisation. The Company conducts regular meetings, which provides a platform to discuss issues that arise from time to time. As on March 31, 2013, the Company had a team of 963 employees (excluding on contract basis).

### CAUTIONARY STATEMENT

Statements in the "Management Discussion and Analysis Report" which seek to describe the Company's objectives, projections, estimates, expectations or predictions may be considered to be "forward looking statements" within the meaning of the applicable securities laws, or regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include demand-supply conditions, availability of raw material, pricing of the products, changes in Government regulations, tax regimes, economic developments within India and countries with which the Company conducts business besides other unforeseen factors, such as litigations and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events.



# Financial Statements

## Independent Auditor's Report

To

The Members

### **PITTI LAMINATIONS LIMITED**

We have audited the accompanying financial statements of Pitti Laminations Limited which comprise the Balance Sheet as at March 31, 2013, Statement of Profit and Loss and 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**

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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. 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.

### **Auditor's Responsibility**

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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) 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**

1. 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 Companies Act, 1956 we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Companies Act, 1956 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 balance sheet, statement of profit and loss, and cash flow statement dealt with by this report are in agreement with the books of account.

- d. In our opinion, the balance sheet, statement of profit and loss, and cash flow statement comply with the accounting standards referred to in subsection (3c) of section 211 of the Companies Act, 1956;
- e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the board of directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the companies act, 1956.

For **LAXMINIWAS NEETH & CO**

Chartered Accountants

Firm Registration No: 002460S

**Dayaniwas Sharma**

Place: Hyderabad

Partner

Date: May 3, 2013

Membership No. 216244

#### ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT :

##### PITTI LAMINATIONS LIMITED

[Referred to in paragraph 1 under the heading of 'Report on Other Legal and Regulatory Requirements' of our report on even date]

- (i). a. The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- b. All the assets have not been physically verified by the Management during the year but there is a regular programme of verification, 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. No major part of fixed assets was disposed off during the year hence do not affect the going concern assumption.
- (ii). a. The inventory has been physically verified by the management during the year except material lying with the third parties (which have substantially been confirmed). In our opinion, the frequency of verification is reasonable.
- b. In our opinion and according to the information and

explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

- c. According to the information and explanation given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book / records were not material.
- (iii). a. According to the information and explanations given to us, the Company has granted unsecured loan to one party, a sum of ₹1233 Lakhs covered in the register maintained under Section 301 of the Companies Act, 1956.
- b. According to the information and explanations given to us, during the year the Company has taken unsecured loans from one party, a sum of ₹500 Lakhs and repaid ₹510 Lakhs to two parties and the no amount outstanding as on 31.03.2013 to any party covered under the register maintained under Section 301.
- c. In our opinion, the rate of interest and other terms and conditions on which loans were taken from Companies, Firms, or other parties covered under the register maintained under Section 301 of the Companies Act, 1956, are not prima facie, prejudicial to the interest of the Company.
- d. According to the information and explanation given to us, the Company is regular in repayment of the principle and interest.
- (iv). In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v). a. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred in section 301 of Companies Act, 1956 have been entered in the register required to be maintained under that section.



b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

(vi). In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.

(vii). The Company has an internal audit system commensurate with its size and nature of its business.

(viii). We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

(ix). a. According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues applicable to it.

b. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Wealth tax, Service tax, Sales tax, Customs duty, Excise duty, Investor Education and Protection Fund, Cess and other material statutory dues were in arrears, as at 31.03.2013 for a period of more than six months from the date of became payable.

c. According to the information and explanations given to us, there are no dues of Sales tax, Income Tax, Service tax, Municipal tax, Customs duty, Excise duty

and Wealth tax which have not been deposited with the appropriate authorities on account of any dispute except as under:

Nature of Dues	Amount (₹ In lakhs)	Dispute pending at
Service Tax	134.19	CESTAT/H'ble AP High Court
Income Tax (Net off refunds)	173.50	CIT (Appeals)/ H'ble AP High Court

(x). In our opinion, the Company has no accumulated losses as at 31.03.2013 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

(xi). According to the information and explanation given to us, the Company has not defaulted in repayment of dues to financial institutions, bank and debenture holders as at balance sheet date.

(xii). In our opinion and according to the information and explanations given to us, the Company has not granted 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 Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

(xiii). In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

(xiv). In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

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

(xvi). According to the information and explanations given to us, the term loans availed by the Company were, prima facie, applied by the Company during the year for the purposes for which they were obtained.

(xvii). According to the information and explanations given to us and on the overall examination of the balance sheet of

the Company, we report that no funds raised on short-term basis have been used for long term investments.

(xviii). According to the information and explanation given to us, the Company not made preferential allotment to parties covered in the register maintained under Section 301 of the Companies Act, 1956.

(xix). According to the information and explanation given to us, during the year the Company has not issued any debentures. Therefore, the provisions of clause 4(xix) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

(xx). According to the information and explanation given to us, the Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

(xxi). Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us by the management, no fraud on or by the Company has been noticed or reported during the year.

For **LAXMINIWAS NEETH & CO**

Chartered Accountants

Firm Registration No: 002460S

**Dayaniwas Sharma**

Partner

Membership No. 216244

Place: Hyderabad

Date: May 3, 2013

## Balance Sheet as at 31st March, 2013

(₹ in lacs)

Particulars	Note No	As at 31.03.2013	As at 31.03.2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share Capital	2.1	1349.59	1349.59
Reserves and Surplus	2.2	9544.70	8716.80
		<b>10894.29</b>	<b>10066.39</b>
<b>Non-current liabilities</b>			
Long-term borrowings	2.3	1421.56	1666.31
Deferred tax liabilities (net)	2.4	674.33	555.52
Long-term provisions	2.5	64.39	-
		<b>2160.28</b>	<b>2221.83</b>
<b>Current liabilities</b>			
Short-term borrowings	2.6	13053.52	12391.83
Trade payables	2.7	4386.18	7526.27
Other current liabilities	2.8	1060.42	1898.84
Short-term provisions	2.9	687.15	1654.84
		<b>19187.27</b>	<b>23471.78</b>
<b>Total</b>		<b>32241.84</b>	<b>35760.00</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	2.10		
Tangible assets		8342.24	7648.97
Intangible Assets		81.67	88.74
Capital work-in-progress		80.77	388.41
Non-current investment	2.11	408.00	
Long term loans and advances	2.12	66.22	53.45
Other non-current assets	2.13	101.59	101.59
		<b>9080.49</b>	<b>8281.16</b>
<b>Current assets</b>			
Current investments	2.14	0.10	0.10
Inventories	2.15	10108.25	10429.37
Trade receivables	2.16	8882.23	11318.35
Cash and bank balances	2.17	630.92	1137.31
Short-term loans and advances	2.18	3514.64	4557.67
Other current assets	2.19	25.21	36.04
		<b>23161.35</b>	<b>27478.84</b>
<b>Total</b>		<b>32241.84</b>	<b>35760.00</b>
Significant accounting policies and notes on accounts	1 & 2		

The notes referred to above form an integral part of the accounts

As per report of even date  
for **Laxminiwas Neeth & Co**  
Firm Registration No. 002460S  
Chartered Accountants

for and on behalf of the Board

**Dayaniwas Sharma**  
Partner  
M.No. 216244

**Sharad B Pitti**  
Chairman & Managing Director

**G.Narayana Rao**  
Director

Place : Hyderabad  
Date :03.05.2013

**Satyabrata Padhi**  
Company Secretary

**G.V.S.N. Kumar**  
Chief Financial officer

## Statement of Profit and Loss for the year ended 31st March, 2013

(₹ in lacs)

Particulars	Note No	2012-13	2011-12
<b>Revenue</b>			
Revenue from operations (Gross)		33024.99	42391.18
Less: Taxes & duties		(2295.63)	(2006.63)
<b>Revenue from operations (Net)</b>		<b>30729.36</b>	<b>40384.55</b>
Other Operating revenue		389.88	418.14
<b>Total Revenue from Operations</b>	2.20	<b>31119.24</b>	<b>40802.69</b>
Other income	2.21	45.50	25.14
<b>Total Revenue</b>		<b>31164.74</b>	<b>40827.83</b>
<b>Expenses:</b>			
Cost of materials consumed	2.22	20787.43	25476.10
Changes in inventories of work-in-process, finished goods and scrap	2.23	(833.44)	1412.93
Employee benefits expenses	2.24	2783.77	2674.89
Finance costs	2.25	1791.39	2286.52
Depreciation and amortisation expense	2.10	837.47	663.75
Other expenses	2.26	4212.08	4967.38
<b>Total Expenses</b>		<b>29578.70</b>	<b>37481.57</b>
Profit before tax		1586.04	3346.26
<b>Tax expenses:</b>			
(a) Current tax		482.53	1010.99
(b) Deferred tax		118.81	93.22
<b>Total Tax expenses</b>	2.27	<b>601.34</b>	<b>1104.21</b>
<b>Profit for the period</b>		<b>984.70</b>	<b>2242.05</b>
Earnings per equity share: (Rs.Ps)	2.28		
(a) Basic		7.30	19.12
(b) Diluted		7.30	19.12

The notes referred to above form an integral part of the accounts

As per report of even date  
for **Laxminiwas Neeth & Co**  
Firm Registration No. 002460S  
Chartered Accountants

for and on behalf of the Board

**Dayaniwas Sharma**  
Partner  
M.No. 216244

**Sharad B Pitti**  
Chairman & Managing Director

**G.Narayana Rao**  
Director

Place : Hyderabad  
Date :03.05.2013

**Satyabrata Padhi**  
Company Secretary

**G.V.S.N. Kumar**  
Chief Financial officer

## Cash Flow Statement for the year ended 31st March, 2013

(₹ in lacs)

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before tax	1586.04		3346.27	
Adjusted For				
Depreciation	837.47		663.75	
Bad debts written off	7.71		26.87	
Loss on sale of fixed assests	10.34			
Finance Costs	1791.39	4232.95	2286.52	6323.41
Operating Profit before Working Capital changes		4232.95		6323.41
Working Capital Changes Adjusted For				
Trade & Other Receivables	3179.57		(6991.99)	
Inventories	321.12		(1923.54)	
Trade Payables	(3140.09)		591.42	
Working Capital Borrowings	661.69		5777.38	
		1022.29		(2546.73)
Cash generated from operations		5255.24		3776.68
Taxes Paid		(903.45)		(727.84)
Cash Flow before extraordinary items		<b>4351.79</b>		<b>3048.84</b>
<b>Net Cash Flow From Operating Activities - (A)</b>		4351.79		3048.84
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets		(1246.20)		
Proceeds from sale of fixed assets		19.81		(1985.19)
<b>Net Cash used in Investing Activities - (B)</b>		<b>(1226.39)</b>		<b>(1985.19)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Finance charges	(1791.39)		(2286.52)	
Dividend Paid	(470.41)		(109.74)	
Increase in investment	(408.00)			
Increase in securities premium			1180.58	
Issue of share capital			405.00	
Term Loans	(891.99)		654.87	
Other Loans	(70.00)	(3631.79)	(618.12)	(773.93)
Net Cash Used in Finance Activities		(3631.79)		(773.93)
Net Increase(Decrease) in Cash & Cash Equivalents ( A+B+C)		(506.39)		289.72
Opening Balance in Cash and Cash Equivalents(Cash and Bank balances)		1137.31		847.59
Closing Balance in Cash and Cash Equivalents(Cash and Bank balances)		630.92		1137.31

The schedules referred to above form an integral part of the accounts

As per report of even date  
for **Laxminiwas Neeth & Co**  
Firm Registration No. 002460S  
Chartered Accountants

for and on behalf of the Board

**Dayaniwas Sharma**  
Partner  
M.No. 216244

**Sharad B Pitti**  
Chairman & Managing Director

**G.Narayana Rao**  
Director

Place : Hyderabad  
Date :03.05.2013

**Satyabrata Padhi**  
Company Secretary

**G.V.S.N. Kumar**  
Chief Financial officer

## 1. SIGNIFICANT ACCOUNTING POLICIES

### 1.1 BASIS OF ACCOUNTING

The financial statements of Pitti Laminations Limited (PLL or Company) have been prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the basis of a going concern with revenues recognised and expenses accounted on their accrual.

### 1.2 FIXED ASSETS

Fixed Assets are stated at cost. Expenditure which is of capital nature is capitalised. Such expenditure

comprises of purchase price, import duties, levies and any directly attributable cost of bringing the assets to their working condition for intended use. Depreciation is provided (except in the case of leasehold property which is being amortised over the period of lease) on the Straight Line Method (SLM) and at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

### 1.3 INVESTMENTS

Long term investments are stated at cost, and provision is made when there is a decline, other than temporary in the carrying value of such investments.

### 1.4 INVENTORIES:

Inventories are valued as under:

SL No.	Particulars	Basis of Valuation
1	Raw Material	Weighted average cost or net realisable value whichever is lower
2	Work In Process	Weighted average cost or net realisable value whichever is lower
3	Finished Goods	Weighted average cost or net realisable value whichever is lower
4	Stores & Spares	Weighted average cost or net realisable value whichever is lower
5	Scrap	At Realisable value
6	Press Tools & Dies	Tools & Dies manufactured in the Company's in-house Tool Room are valued at cost on a consistent basis. Consumption of Tools is calculated on the actual wear and tear of these Tools & Dies. Obsolete tools and tools which have become more than three years old are written off net of salvage value.

### 1.5 RETIREMENT BENEFITS

#### 1.5.1 Defined Contribution Plan:

Contribution as per Employee's Provident Funds and Miscellaneous Provisions Act, 1962 towards Provident Fund and Family Pension Fund are provided for and payments in respect thereof are made to the relevant authorities on actual basis.

#### 1.5.2 Defined Benefit Plan:

Gratuity: In accordance with applicable Indian Laws, the Company provides gratuity, a defined benefit retirement plan (the Gratuity Plan) covering all employees. The gratuity plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and

the years of employment with the Company. Liability with regard to Gratuity Plan is accrued based on actuarial valuation at the Balance Sheet date.

#### 1.5.3 Defined Benefit Plan:

**Leave Encashment:** In accordance with applicable Indian Laws, the Company provides Encashment of Leave, a defined benefit plan (Leave Encashment Plan) covering all employees. Liability with regard to Leave Encashment Plan is accrued based on actuarial valuation at the Balance Sheet date.

### 1.6 BORROWING COSTS

Borrowing costs attributable to the acquisition / construction of qualifying fixed assets are capitalised for the eligible period. Other borrowing costs are expensed in the period they occur.

## 1.7 FOREIGN CURRENCY TRANSACTIONS

Revenue transactions in foreign currency are recorded at the exchange rates prevailing on the dates when the relevant transactions took place. The Company recognises gains / losses on foreign exchange rate fluctuations relating to current assets and current liabilities at the year end.

Difference between the forward exchange contract rate and the exchange rate as at the date of transaction is recognised as income or expense over the life of the said contract.

## 1.8 LEASES

Assets acquired by way of finance lease are capitalised at the lower of the fair value and the present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between

finance charge and reduction of the lease liability based on the implicit rate of return. Finance charges are recognised as finance costs in the Statement of Profit and Loss. Lease rentals paid in respect of operating leases are recognised as an expense in the statement of Profit and Loss.

## 1.9 TAXATION

### 1.9.1 Income Tax

The provision for taxation is based on assessable profits of the Company as determined under the Income Tax Act, 1961.

### 1.9.2 Deferred Tax

The Company is providing and recognising deferred tax on timing differences between taxable income and accounting income subject to consideration of prudence.

## Notes to financial statements for the year ended 31st March, 2013

## 2. NOTES ON ACCOUNTS:

### Note 2.1 Share Capital

₹ in lacs

	As at 31.03.2013	As at 31.03.2012
<b>Authorised Capital</b>		
1,50,00,000 (Previous year 1,50,00,000) Equity Shares of ₹10/- each	150000000.00	150000000.00
Issued, Subscribed and Paid up 13491700 ( Previous year 13491700) Equity shares of ₹10/- each	1349.17	1349.17
Shares forfeited (8300 Shares of ₹5/- each)	0.42	0.42
<b>Total</b>	<b>1349.59</b>	<b>1349.59</b>

### Reconciliation of shares

₹ in lacs

Particulars	2012-13		2011-12	
	No of shares	Value (₹)	No of shares	Value (₹)
Issued, subscribed and paid-up capital				
At the beginning of the period	13491700	1349.17	9441700	944.17
Issued during the period - (Shares on Preferential basis)	-	-	4050000	405.00
<b>At the closing of the period</b>	<b>13491700</b>	<b>1349.17</b>	<b>13491700</b>	<b>1349.17</b>



Equity shareholder holding more than 5% of equity shares along with the number of equity shares held is as given below:

₹ in lacs

Name of the shareholder	As at 31st March 2013		As at 31st March 2012	
	%	No. of shares	%	No. of shares
Shri Sharad B Pitti	15.85	2137780	15.85	2137780
Shri Akshay S Pitti	11.70	1579100	11.70	1579100
Smt Madhuri S Pitti	5.79	781100	5.79	781100
Pitti Electrical Equipment Private Limited	25.87	3490000	25.87	3490000

## Note 2.2 Reserves and Surplus

₹ in lacs

	As at 31.03.2013	As at 31.03.2012
<b>Securities Premium Reserve</b>		
At the beginning of the period	3799.79	2619.21
Add: During the period - (Shares on Preferential basis)	-	1180.58
<b>At the closing of the period</b>	<b>3799.79</b>	<b>3799.79</b>
<b>General Reserve</b>		
Opening balance of General Reserve	780.00	550.00
Add: Transferred from P&L Account during the year	-	230.00
<b>Total</b>	<b>780.00</b>	<b>780.00</b>
<b>Surplus in the Statement of Profit and Loss</b>		
Opening balance	4137.01	2595.36
Add :Profit for the period	984.70	2242.06
Less : Proposed dividend (inclusive of tax)	(156.80)	(470.41)
Less: Transferred to general reserve during the year	-	(230.00)
<b>Net Surplus in the Statement of Profit and Loss</b>	<b>4964.91</b>	<b>4137.01</b>
<b>Total</b>	<b>9544.70</b>	<b>8716.80</b>

### Note 2.3 Long-term borrowings

₹ in lacs

	As at 31.03.2013	As at 31.03.2012
<b>A. Secured Loans</b>		
Term Loans from Banks (Refer Note a)	532.70	798.82
Term Loans from others (Refer Note b)	549.07	416.64
Other loans from Bank (Refer Note c)	56.30	56.30
<b>Sub total</b>	<b>1138.07</b>	<b>1271.76</b>
Vehicle Loans		
i) Vehicle Loan from Banks (Refer Note d)	1.17	15.20
ii) Vehicle Loan from Others	-	27.03
<b>Sub total</b>	<b>1.17</b>	<b>42.23</b>
<b>Total- A</b>	<b>1139.24</b>	<b>1313.99</b>
<b>B. Un secured loans</b>		
Unsecured Loans from Directors (Refer Note e)		10.00
Sales Tax Deferral (Refer Note f)	282.32	282.32
Inter Corporate Deposit (Refer Note g)		60.00
<b>Total- B</b>	<b>282.32</b>	<b>352.32</b>
<b>Total - (A+B)</b>	<b>1421.56</b>	<b>1666.31</b>

#### Notes:

- Term loans from scheduled bank, Oriental Bank of commerce is secured by equitable mortgage of movable and immovable properties and first charge on the present and future fixed assets of the Company situated at Plant I and Plant II Nadigaon, Mahaboobnagar district. A.P Further these are secured by a second charge on the present and future current assets of the Company. (Refer Note 2.8 (a) for terms of repayment)
- The above term loan from others is secured by exclusive charge on the machinery purchased to the extent funded and personal guarantee provided by the Chairman and Managing Director & Vice Chairman and Managing Director. (Refer Note 2.8 (a) for terms of repayment)
- Secured against lien on FDR from Agroha Co-operative Urban Bank. (Renewal in September 2013)
- Secured against hypothecation of vehicles. (Refer Note 2.8 (b) for terms of repayment)
- Unsecured Loans from Shri G.Vijaya Kumar (Director) ₹10.00 lacs is repaid in October 2012
- Represents 14 years interest free sales tax deferment loan received from Government of Andhra Pradesh. Repayment commences from January 2018 based on the deferment availed in the respective years.
- Inter Corporate Deposit received from M/s. Sri Venkateswara Coir Products Private Limited. ₹60.00 lacs repaid in December 2012

### Note: 2.4 Deferred tax liabilities (Net)

₹ in lacs

	As at 31.03.2013	As at 31.03.2012
Opening balance	555.52	462.30
Provision for the year	118.81	93.22
<b>Closing balance</b>	<b>674.33</b>	<b>555.52</b>

**Note: 2.5 Long-term provisions**

₹ in lacs

	As at 31.03.2013	As at 31.03.2012
Provision for Gratuity	64.39	-
<b>Total</b>	<b>64.39</b>	<b>-</b>

**Note: 2.6 Short-term borrowings**

₹ in lacs

	As at 31.03.2013	As at 31.03.2012
Working capital borrowings from Banks (Secured)	13053.52	12391.83
<b>Total</b>	<b>13053.52</b>	<b>12391.83</b>

**Note:**

Working capital facilities from State Bank of India, Indian Overseas Bank, Allahabad Bank and Kotak Mahindra Bank are secured on a pari passu first charge basis against hypothecation of stocks, Tools & Dies, Spares & consumables, book debts and all other current assets both present and future. Further these are secured by second charge on fixed assets of the Company both present and future, apart from the personal guarantees of the Chairman & Managing Director and Vice Chairman & Managing Director.

**Note: 2.7 Trade payables**

₹ in lacs

	As at 31.03.2013	As at 31.03.2012
Trade payables	4386.18	7526.27
<b>Total</b>	<b>4386.18</b>	<b>7526.27</b>

**Note:**

Out of the said amount ₹67.12 lacs (Previous year ₹186.69 lacs ) pertain to Micro, Small and Medium Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006. The information has been given in respect of such vendors to the extent they could be identified as Micro and Small enterprises on the basis of information available with the Company on records.

**Note: 2.8 Other current liabilities**

₹ in lacs

	As at 31.03.2013	As at 31.03.2012
Other Liabilities	505.92	614.22
Unclaimed Dividend	29.19	22.61
Interest accrued but not due on loans	8.55	28.01
Term loan instalments due less than 12 months (Refer note a)	479.80	1185.69
Vehicle loan instalments due less than 12 months (Refer note b)	36.96	48.31
<b>Total</b>	<b>1060.42</b>	<b>1898.84</b>

**Notes:**

a) Terms of repayment are given below:

- i) Loan taken from Oriental Bank of Commerce is repayable in quarterly instalments of ₹68.75 lacs each till January 2016.

- ii) Loan taken from TATA Capital Financial Service Limited, is repayable in quarterly instalments of ₹17.13 lacs each inclusive of interest till May 2013
- iii) Loan taken from TATA Capital Financial Service Limited, is repayable in monthly instalments of ₹7.08 lacs each inclusive of interest till May 2017
- iv) Loan taken from L & T Finance Limited, is repayable in monthly instalments of ₹12.35 lacs each inclusive of interest till June 2016

b). Terms of repayment are given below:

- i) Loan taken from ICICI Bank is repayable in monthly instalments of ₹0.30 lacs each inclusive of interest till June 2013
- ii) Loan taken from ICICI Bank is repayable in monthly instalments of ₹0.69 lacs each inclusive of interest till February 2014
- iii) Loan taken from Axis Bank is repayable in monthly instalments of ₹0.17 lacs each inclusive of interest till November 2014
- iv) Loan taken from Tata Capital is repayable in monthly instalments of ₹2.81 lacs each inclusive of interest till January 2014

**Note: 2.9 Short-term provisions**

₹ in lacs

	As at 31.03.2013	As at 31.03.2012
Provision for taxation	437.93	1010.99
Provision for Gratuity	7.52	88.27
Provision for Bonus	36.30	25.91
Provision for Leave encashment	48.60	59.26
Proposed Dividend (Incl. Tax)	156.80	470.41
<b>Total</b>	<b>687.15</b>	<b>1654.84</b>

**Note: 2.10 Fixed Assets**

₹ in lacs

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2012	ADDITIONS	ADJUST- MENTS	As at 31.03.2013	As at 01.04.2012	FOR THE YEAR	ADJUST- MENTS	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
<b>Tangible Assets:</b>										
Land	233.27	0.00	0.00	233.27	0.00	0.00	0.00	0.00	233.27	233.27
Factory Building	1291.00	301.89	0.00	1592.89	255.86	49.77	0.00	305.63	1287.26	1035.14
Lease hold Property	821.05	0.00	0.00	821.05	269.87	43.19	0.00	313.06	507.98	551.18
Plant & Equipment	8003.99	1150.31	0.00	9154.30	2780.26	594.64	0.00	3374.90	5779.40	5223.73
Office Equipment	96.78	10.19	2.64	104.33	49.98	4.94	0.72	54.20	50.12	46.80
Furniture & Fixtures	164.54	0.40	0.00	164.94	61.17	10.13	0.00	71.30	93.64	103.36
Other -Computers	324.76	54.84	1.42	378.18	225.50	49.11	0.50	274.11	104.08	99.26
Vehicles	526.93	3.90	55.88	474.95	170.70	46.33	28.57	188.46	286.49	356.23
<b>Sub Total</b>	<b>11462.32</b>	<b>1521.53</b>	<b>59.94</b>	<b>12923.91</b>	<b>3813.34</b>	<b>798.11</b>	<b>29.79</b>	<b>4581.66</b>	<b>8342.24</b>	<b>7648.97</b>
<b>Intangible Assets</b>										
Computer Software	219.27	32.30		251.57	130.53	39.36		169.90	81.67	88.74
<b>Sub Total</b>	<b>219.27</b>	<b>32.30</b>	<b>0.00</b>	<b>251.57</b>	<b>130.53</b>	<b>39.36</b>	<b>0.00</b>	<b>169.90</b>	<b>81.67</b>	<b>88.74</b>
<b>Total</b>	<b>11681.59</b>	<b>1553.83</b>	<b>59.95</b>	<b>13175.48</b>	<b>3943.88</b>	<b>837.47</b>	<b>29.79</b>	<b>4751.56</b>	<b>8423.91</b>	<b>7737.71</b>
Previous Year	10049.33	1632.26	0.00	11681.59	3280.14	663.75	0.00	3943.89	7737.70	6769.20
Capital Work In Progress									80.77	388.41

**Note: 2.11 Non-current investment**

₹ in lacs

	As at 31.03.2013	As at 31.03.2012
<b>Trade investment</b>		
<b>Investment in associate</b>		
Investment with Pitti Castings Private Limited (Unquoted) (No. of shares 3570000 at face value ₹10/-per share) (No. of share warrants 510000 at face value ₹10/-per share warrants)	408.00	
<b>Total</b>	<b>408.00</b>	<b>-</b>

**Note 2.12 Long term loans and advances**

₹ in lacs

	As at 31.03.2013	As at 31.03.2012
<b>Unsecured, considered good</b>		
Rent deposit	20.46	20.46
Deposits with suppliers	3.04	2.34
Deposits with Govt., bodies	42.72	30.65
<b>Total</b>	<b>66.22</b>	<b>53.45</b>

**Note 2.13 Other non-current assets**

₹ in lacs

	As at 31.03.2013	As at 31.03.2012
FDR with Agroha Co-op. Urban bank Limited	101.59	101.59
<b>Total</b>	<b>101.59</b>	<b>101.59</b>

**Note 2.14 Current investments**

₹ in lacs

	As at 31.03.2013	As at 31.03.2012
1000 Equity Shares of Development Credit Bank Limited, at ₹10/- each (Quoted) (Market Value ₹42650/-, previous year ₹45050/-)	0.10	0.10
<b>Total</b>	<b>0.10</b>	<b>0.10</b>

**Notes : 2.15 Inventories**

₹ in lacs

	As at 31.03.2013	As at 31.03.2012
(At lower of cost or Net realisable value)		
Raw material	4418.48	5556.84
Work in process	1373.47	1464.86
Finished goods	2454.31	1160.07
Stores and spares	249.84	613.44
Press tools & dies	1529.36	1181.96
Scrap	82.79	452.20
<b>Total</b>	<b>10108.25</b>	<b>10429.37</b>

## Notes: 2.16 Trade receivables

₹ in lacs

	As at 31.03.2013	As at 31.03.2012
<b>(Unsecured, considered good)</b>		
Outstanding for a period exceeding six months	489.88	64.49
Others	8392.35	11253.86
<b>Total</b>	<b>8882.23</b>	<b>11318.35</b>

## Note 2.17 Cash and bank balances

₹ in lacs

	As at 31.03.2013	As at 31.03.2012
<b>Cash and cash equivalents</b>		
<b>Balances with banks</b>		
Current Accounts	57.54	59.36
Unclaimed dividend account (Refer note a)	29.49	22.61
Cash on Hand	4.29	4.42
<b>Other bank balances</b>		
Term Deposit Accounts (Refer note b)	539.60	1050.92
<b>Total</b>	<b>630.92</b>	<b>1137.31</b>

### Note:

- a) An amount of ₹82746/- for the year 2004-05 (final dividend) and amount of ₹20775/- (interim dividend) for the year 2005-06 were transferred to Investor Education and Protection Fund (IEPF)
- b) Term Deposits are held as Margins for LC/BG

## Note 2.18 Short-term loans and advances

₹ in lacs

	As at 31.03.2013	As at 31.03.2012
<b>(Unsecured and considered good)</b>		
Advances to material suppliers/contractors	53.22	2219.17
Advances to related parties	1233.00	550.00
Balance with customs, central excise etc.,	1872.50	1253.01
Advance Income Tax and other taxes	227.21	376.98
Prepaid expenses	120.63	146.19
Loans and advances to employees	8.08	12.32
<b>Total</b>	<b>3514.64</b>	<b>4557.67</b>

## Note: 2.19 Other current assets

₹ in lacs

	As at 31.03.2013	As at 31.03.2012
Interest Accrued on Deposits	25.21	36.04
<b>Total</b>	<b>25.21</b>	<b>36.04</b>

**Note: 2.20 Revenues from operations**

₹ in lacs

	2012-13	2011-12
<b>A. Sales &amp; Services</b>		
Sale of Stampings	28428.69	36907.69
Sale of Scrap	3902.65	4478.14
Sale of Tools	187.41	351.23
Job work Income	506.24	654.12
<b>Gross Sales &amp; Services</b>	<b>33024.99</b>	<b>42391.18</b>
Less: Taxes & Duties	(2295.63)	(2006.63)
<b>Net Sales &amp; Services</b>	<b>30729.36</b>	<b>40384.55</b>
<b>B. Other Operating revenue</b>		
Interest on Deposits	83.73	98.32
Export incentives and others	306.15	319.82
<b>Total</b>	<b>389.88</b>	<b>418.14</b>
<b>Total Revenue from Operations A+B</b>	<b>31119.24</b>	<b>40802.69</b>

**Note 2.21 Other income**

₹ in lacs

	2012-13	2011-12
Profit on Sale of Asset	2.34	-
Other Misc. Receipts	43.16	25.14
<b>Total</b>	<b>45.50</b>	<b>25.14</b>

**Note 2.22 Cost of materials consumed**

₹ in lacs

	2012-13	2011-12
Opening stock	5556.84	2767.09
Add: Purchases	19649.07	28265.85
Less: Closing stock	4418.48	5556.84
<b>Consumption</b>	<b>20787.43</b>	<b>25476.10</b>

**Note 2.23 Changes in inventories of work-in-process finished goods and Scrap**

₹ in lacs

	2012-13	2011-12
<b>A. Opening stocks:</b>		
Work-in-process	1464.86	2541.97
Finished goods	1160.07	1655.56
Scrap	452.20	292.53
<b>Total - A</b>	<b>3077.13</b>	<b>4490.06</b>
<b>B. Closing stocks:</b>		
Work-in-process	1373.47	1464.86
Finished goods	2454.31	1160.07
Scrap	82.79	452.20
<b>Total - B</b>	<b>3910.57</b>	<b>3077.13</b>
<b>C. Increase/(Decrease) in stocks (B-A)</b>	<b>833.44</b>	<b>(1412.93)</b>



**Note 2.24 Employee benefit expense**

₹ in lacs

	2012-13	2011-12
Employees remuneration and benefits	2267.45	2259.54
Contribution to PF/ESI	148.65	135.54
Gratuity expenses	71.92	20.51
Remuneration to Managerial personnel	178.95	150.19
Staff welfare expenses	116.80	109.11
<b>Total</b>	<b>2783.77</b>	<b>2674.89</b>

**Note 2.25 Finance Costs**

₹ in lacs

	2012-13	2011-12
Interest on Term Loans	270.14	199.64
Interest on Working Capital	1212.63	1662.18
Bank Charges	179.83	241.19
Forex Loss/(Gain) (net)	128.79	183.51
<b>Total</b>	<b>1791.39</b>	<b>2286.52</b>

**Note 2.26 Other expenses**

₹ in lacs

	2012-13	2011-12
Consumption of Stores, Spares, Tools & Dies	621.77	765.74
Power & fuel	273.28	167.88
Job Work Charges	146.31	120.90
Repairs & Maintenance :		
Plant	79.00	101.01
Building	6.03	3.84
Vehicles	35.27	4.95
Other Assets	73.05	11.87
Discounts to Customers	576.84	937.44
Other selling & Distribution expenses	307.61	331.79
Packing Cost	685.12	1236.32
Carriage outwards	265.30	283.37
Travelling & Conveyance	321.96	326.18
Insurance	60.92	38.99
Rent	126.26	110.89
Rates & Taxes (Excluding Taxes on Income)	111.09	87.82
Board Meeting Expenses	3.32	3.81
Remuneration to auditors :		
Audit Fee	6.00	6.00
Tax Audit Fee	1.00	1.00
Certification Fee / Taxation matter	1.14	1.09
Communication Expenses	43.60	38.58
Professional consultancy	205.35	173.80
Miscellaneous Expenses	261.86	214.11
<b>Total</b>	<b>4212.08</b>	<b>4967.38</b>

**Note 2.27 Tax expenses**

₹ in lacs

	2012-13	2011-12
<b>Current tax expenses</b>		
Current tax	482.53	1010.99
Deferred (credit)/expenses	118.81	93.22
<b>Total</b>	<b>601.34</b>	<b>1104.21</b>

**2.28 Earnings per share (EPS)**

The computation of EPS is set out below:

₹ in lacs

Particulars	2012-13	2011-12
<b>Earnings</b>		
Net profit for the period (₹ In lakhs)	984.71	2242.06
<b>Shares</b>		
Number of shares at the beginning of the period	13491700	9441700
Add: Shares issued during the period	-	4050000
Total number of equity shares outstanding at the end of the period	13491700	13491700
Weighted average number of equity shares outstanding during the period	13491700	11727453
<b>Earnings per share of par value ₹10/- Basic &amp; Diluted (Rs)</b>	<b>7.30</b>	<b>19.12</b>

**2.29 Contingent Liabilities not provided for**

₹ in lacs

Particulars	As at 31.03.2013	As at 31.03.2012
A) Claims against the Company not acknowledged as debts:		
i) Income Tax Liability in respect of the appeals preferred by the Company with CIT (Appeals) and appeals preferred by the Department in the High Court of Judicature of A.P. Hyderabad, pending disposal. (Net of refund receivable)	173.50*	121.62*
ii) Service Tax liability for which appeal is pending	134.19*	117.72*
B) Commitments / Contingent Liabilities:		
i) Liability against factoring of bills	-	487.31
ii) Estimated amount of contracts remaining to be executed on Capital accounts	21.17	537.56
iii) Bank guarantees	308.50	40.90

\* No provision is considered necessary since the Company expects favourable decision.

**2.30 Employee Benefit Plans**

i). A summary of the Gratuity &amp; Leave Encashment plans are as follows

Assumptions:

Particulars	Gratuity Plan		Leave Encashment Plan	
	2012-13	2011-12	2012-13	2011-12
Discount Rate	8.20%	8.60%	8.20%	8.60%
Rate of increase in Compensation levels	2% p.a.	3% p.a.	2% p.a.	3% p.a.
Rate of Return on Plan Assets	9%	9%	0%	0%
Expected Average remaining working lives of employees (years)	22 Yrs	23 Yrs	22 yrs	23 yrs

**Table Showing Changes in Present Value of Obligations**

₹ in lacs

Particulars	2012-13	2011-12	2012-13	2011-12
Present Value of Obligation as at the beginning of the year	2,12,31,083	1,96,50,344	58,88,880	44,84,604
Interest Cost	18,25,873	16,36,874	5,06,444	3,73,568
Current Service Cost	26,33,230	27,34,113	(10,28,574)	14,04,176
Benefits paid	(95,19,502)	(10,96,842)	(74,96,655)	(1,10,37,174)
Actuarial (gain)/ loss on obligations	39,23,821	(16,93,406)	69,90,211	1,06,63,706
Present Value of Obligation as at the end of the year	2,00,94,505	2,12,31,083	48,60,306	58,88,880

**The amount to be recognised in Balance Sheet and Statement of Profit And Loss**

₹ in lacs

	2012-13	2011-12	2012-13	2011-12
Present Value of Obligation as at the end of the year	2,00,94,505	2,12,31,083	48,60,306	58,88,880
Fair Value of Plan Assets as at the end of the year	1,29,02,308	1,24,04,452	-	-
Funded Status	(71,92,197)	(88,26,631)	(48,60,306)	(58,88,880)
Net Asset / (Liability) Recognised in Balance Sheet	(71,92,197)	(88,26,631)	(48,60,306)	(58,88,880)

**Expenses Recognised in the statement of Profit and Loss**

₹ in lacs

	2012-13	2011-12	2012-13	2011-12
Current Service Cost	26,33,230	27,34,113	(10,28,574)	14,04,176
Past Service Cost	-	-	-	-
Interest Cost	18,25,873	16,36,874	5,06,444	3,73,568
Expected Return on Plan Assets	(10,85,221)	(6,26,344)	-	-
Net actuarial (gain)/ loss recognised in the year	38,18,315	(16,93,406)	69,90,211	1,06,63,706
Expenses Recognised in the Statement of Profit & Loss	71,92,197	20,51,237	64,68,081	1,24,41,450

**Note 2.31 Details of consumption of Raw Materials**

₹ in lacs

	Value
Imported ( Silicon Steel )	7106.24 (8358.04)
Indigenous (Silicon Steel )	<b>10682.43</b> (16638.85)
Others	<b>2998.76</b> (479.21)
<b>Total</b>	<b>20787.43</b> (25476.10)

Note: Figures in brackets represent previous year's figures.

**Note 2.32 Details of Manufactured goods**

₹ in lacs

Description	Sales Values	Closing Inventory	Opening Inventory
Stampings	28428.69 (36907.69)	2451.25 (1160.06)	1160.06 (1655.56)
Others	4596.30 (5483.49)	-	-
<b>Total</b>	<b>33024.99</b> (42391.18)	<b>2451.25</b> (1160.06)	<b>1160.06</b> (1655.56)

Note: Figures in brackets represent previous year's figures.

**Note 2.33 Details of Work in process**

₹ in lacs

Description	WIP
Stampings	1373.47 (1464.86)
<b>Total</b>	<b>1373.47</b> (1464.86)

Note: Figures in brackets represent previous year's figures.

**Note 2.34 CIF value of Imports**

₹ in lacs

Particulars	2012-13	2011-12
Raw Materials	5,908.78	9,391.44
Stores and Spares	38.03	145.71
Capital goods	711.23	734.69
<b>Total</b>	<b>6,658.04</b>	<b>10,271.84</b>

**Note 2.35 Earnings in Foreign Currency**

₹ in lacs

Particulars	2012-13	2011-12
FOB value of Exports	15,803.47	25,608.46

**Note 2.36 Expenditure in Foreign Currency**

₹ in lacs

Particulars	2012-13	2011-12
Travelling and others	216.69	247.20

**Note 2.37 Segment Reporting:**

a) Primary Segment Reporting –

The Company has identified “Manufacture of Electrical Stampings & Die Cast Rotors” as the only primary reportable segment.

b) Secondary Segment (by Geographical Segment)

₹ in lakhs

Sl. No	Particulars	Year Ended	
		2012-13	2011-12
	<b>Segment Revenue:</b>		
	a) India	17,232.34	17,226.02
	b) Outside India	15,792.65	25,608.46
	<b>TOTAL</b>	<b>33,024.99</b>	<b>42,834.48</b>

Total carrying amount of segment assets by geographical location of assets, for each geographical segment whose assets are 10% or more of the total assets of all geographical segments and the additions to the same are as under.

Sl. No.	Segment Assets	Carrying amount of assets as at		Additions to Fixed Assets during the year			
				2012-13		2011-12	
		31.03.2013	31.03.2012	Put to use	CWIP	Put to use	CWIP
a)	India	26367.76	27076.78	1553.83	80.77	1632.26	388.41
b)	Outside India	5874.08	8683.22	-	-	-	-
	<b>TOTAL</b>	<b>32241.84</b>	<b>35760.00</b>	<b>1553.83</b>	<b>80.77</b>	<b>1632.26</b>	<b>388.41</b>

**Note 2.38 Related party disclosures:**

Related parties where control exists or where significant influence exists and with whom transactions have taken place during the year:

**A. List of Related parties:**

**I) Directors / Relatives**

Shri Sharad B Pitti  
Shri Akshay S Pitti  
Smt Shanti B Pitti  
Smt Madhuri S Pitti  
Smt Radhika A Pitti  
Shri Y B Sahgal  
Shri Sanjay Srivastava  
Shri G Vijaya Kumar

**II) Directors' interest**

- 1) Pitti Components Limited
- 2) Vaksh Steels Private Limited
- 3) Pitti Castings Private Limited
- 4) Pitti Electrical Equipment Private Limited
- 5) Pitti Holdings Private Limited
- 6) Badrivishal Pannalal Pitti Trust

**B. Transactions/balances outstanding with related parties**

Rs in lakhs

SL No	Transactions/ Outstanding Balances	Directors/ Relatives	Director's interest in firm / company	Total
1	Remuneration	203.15	-	203.15
2	Rent /Lease	85.20	-	85.20
3	Interest paid	0.88	31.26	32.14
4	Investment	-	408.00	408.00
5	Purchases	-	1584.95	1584.95
6	Sales	-	77.60	77.60
7	Advances - accepted	-	500.00	500.00
8	Advances - refunded	10.00	500.00	510.00
9	Unsecured Loan – given	-	1233.00	1233.00
10	Donations paid	-	40.14	40.14
11	Job work charges incurred	-	60.00	60.00
12	Job work charges earned	-	93.40	93.40
13	Amount payable at the year end	17.24	4.90	22.14
14	Amount receivable at the year end	13.41	22.15	35.57

**Note 2.39 Operating Lease: (As a Lessee)**

₹ in lakhs

Sl. No	Particulars	Future Payments	
		As at 31.03.2013	As at 31.03.2012
1	Within one year	112.20	110.89
2	Between one year and five years.	111.56	134.78
3	Above five years	223.48	245.26

**Note 2.40 Deferred Tax**

₹ in lakhs

S.No	Particulars	Deferred Tax (Liability)/ Asset as at 01.04.2012	Current Year charge (Credit)	Deferred Tax (Liability)/ Asset as at 31.03.2013
1	Difference between Depreciation as per Co's Act. & as per IT Act.	(614.89)	(110.32)	(725.21)
2	Others	59.37	(8.49)	50.88
	<b>Deferred Tax Net</b>	<b>(555.52)</b>	<b>(118.81)</b>	<b>(674.33)</b>

**Note 2.41**

The Company has provided for Cess as specified in section 441 A of the Companies Act, 1956 and in the absence of any notification by the Central Govt. the Company could not deposit the same with the appropriate authority.

**Note 2.42**

No asset is impaired during the year as the assets are having recoverable value which is more than the carrying amount.

**Note 2.43**

Micro, Small and Medium Enterprises Development Act, 2006 **(MSMED)**

Disclosure required as per section 22 of the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act.) as at 31.03.2013.

		Rs in lakhs	
SL No	Description	2012-13	2011-12
1	Principal amount due to suppliers under MSMED	67.12	186.69
2	Interest accrued and due to suppliers covered under MSMED on the above amount ,unpaid	2.26	3.08
3	Payment made to suppliers (With Interest) beyond the appointed day during the year.	32.67	1121.34
4	Payment made to suppliers ( Other than interest ) beyond the appointed day during the previous year	-	-
5	Interest paid to suppliers covered under MSMED	0.90	10.91
6	Interest due & Payable to suppliers covered under MSMED Act., towards payments already made	-	-

The information has been given in respect of such vendors to the extent they could be identified as micro and small enterprises on the basis of information available with company.

**Note 2.44**

Letters have been written for confirmation of debit and credit balances pertaining to debtors and creditors and reply from the parties is awaited.

**Note 2.45**

Financial and derivative instruments:

	As at 31st March, 2013	As at 31st March, 2012
Forward contracts	₹6333.09 lacs	₹12048.14 lacs

All financial and forward contracts entered into by the Company are for hedging purpose only.

**Note 2.46**

The Company has prepared these financial statements as per the format prescribed by Revised Schedule VI to the Companies Act, 1956 issued by Ministry of Corporate Affairs.

Previous year's figures have been regrouped/ rearranged wherever necessary to confirm to current year's grouping/ classification.

As per report of even date

for **Laxminiwas Neeth & Co**  
Firm Registration No. 002460S  
Chartered Accountants

for and on behalf of the Board

**Dayaniwas Sharma**  
Partner  
M.No. 216244

**Sharad B Pitti**  
Chairman & Managing Director

**G.Narayana Rao**  
Director

Place : Hyderabad  
Date :03.05.2013

**Satyabrata Padhi**  
Company Secretary

**G.V.S.N. Kumar**  
Chief Financial officer



## Notes

## Notes

## Pitti Laminations Limited

**Regd.Office:** 6-3-648/401, IV Floor, Padmaja Landmark, Somajiguda, Hyderabad- 500 082

Name of Member in Capital Letters	ADMISSION SLIP
	PLEASE HAND OVER THIS ADMISSION SLIP AT THE ENTRANCE OF THE MEETING HALL
Folio Number :	
No. of shares :	

29th ANNUAL GENERAL MEETING  16th September 2013 at 4.00 p.m. The Central Court Hotel West Minister Hall 6-1-71, Lakdikapool Hyderabad – 500 004	Member <input type="checkbox"/> Proxy <input type="checkbox"/> NAME OF THE PROXY IN CAPITAL LETTERS
--	--

I hereby register my presence at the meeting

Signature of the Member / Proxy

## Pitti Laminations Limited

**Regd.Office:** 6-3-648/401, IV Floor, Padmaja Landmark, Somajiguda, Hyderabad- 500 082

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

PROXY FORM	
FOLIO	NO. OF SHARES

in the district of ..... being a member/members of PITTI LAMINATIONS LIMITED hereby appoint ..... of ..... or failing him ..... as my/our Proxy to vote for me/us and on my/our behalf at the 29th ANNUAL GENERAL MEETING of the Company to be held on Monday, the 16th September 2013 at 4.00 p.m at West Minister Hall, The Central Court Hotel, 6-1-71, Lakdikapool, Hyderabad – 500 004.

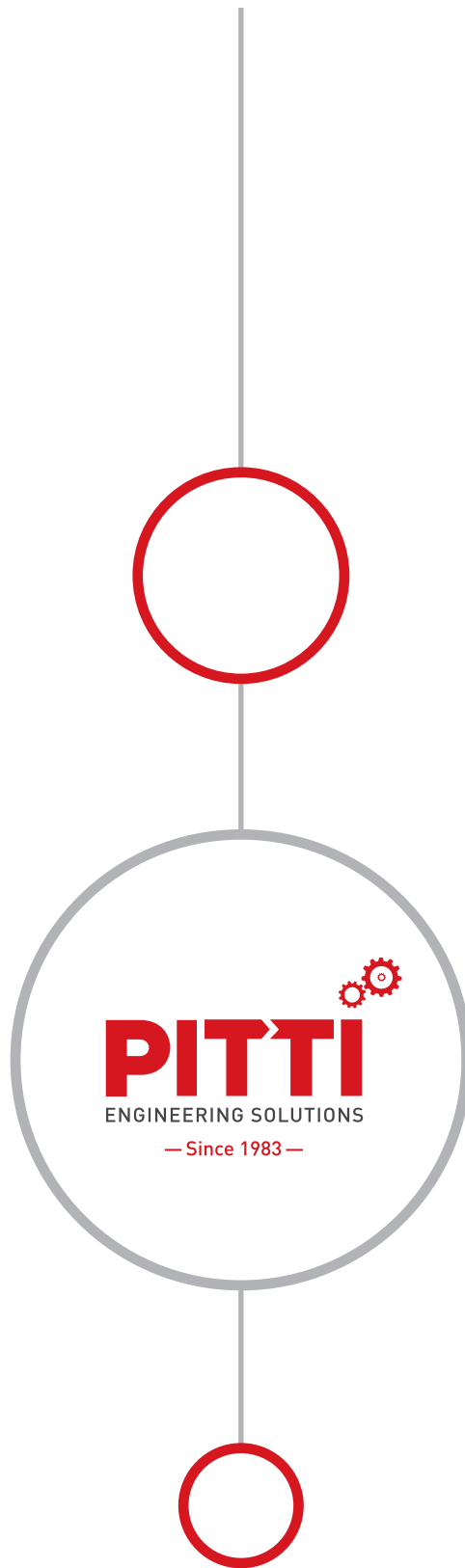
Signed this ..... day of

PROXY FORM MUST REACH COMPANY'S REGISTERED OFFICE NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING	
FOR OFFICE USE ONLY	
PROXY NO.	DATE OF RECEIPT

AFFIX  
REVENUE  
STAMP







## **Pitti Laminations Limited**

6-3-648/401, 4th Floor,  
Padmaja Landmark, Somajiguda,  
Hyderabad – 500082  
Andhra Pradesh, India  
Phone: 91-40-23312770, 23312774  
Fax: 91-40-23393985  
Website: [www.pittielectriclam.com](http://www.pittielectriclam.com)  
E-mail: [info@pitti.in](mailto:info@pitti.in)