



UNIQUE GLOBALLY

PITTI LAMINATIONS LIMITED | ANNUAL REPORT, FY 2011-12



Pitti's story is one of proactive change.

- From one business to three.
- From commodity to niche.
- From standalone manufacture to integration.
- From India to the world.
- From transaction to relationships.

UNIQUE

Members are aware that the Company has requested them last year to update their email ID in the records of their Depository participants or intimate their email ID and send the same to the Company's Registrars and Transfer Agents at the address given below.

This will help the Company in sending all documents including the Annual Report to the email address provided by them.

Trust members will participate in this environment-friendly initiative.

XL SOFTECH SYSTEMS LTD

3 Sagar Society, Road No.2

Banjara Hills, Hyderabad – 500 034

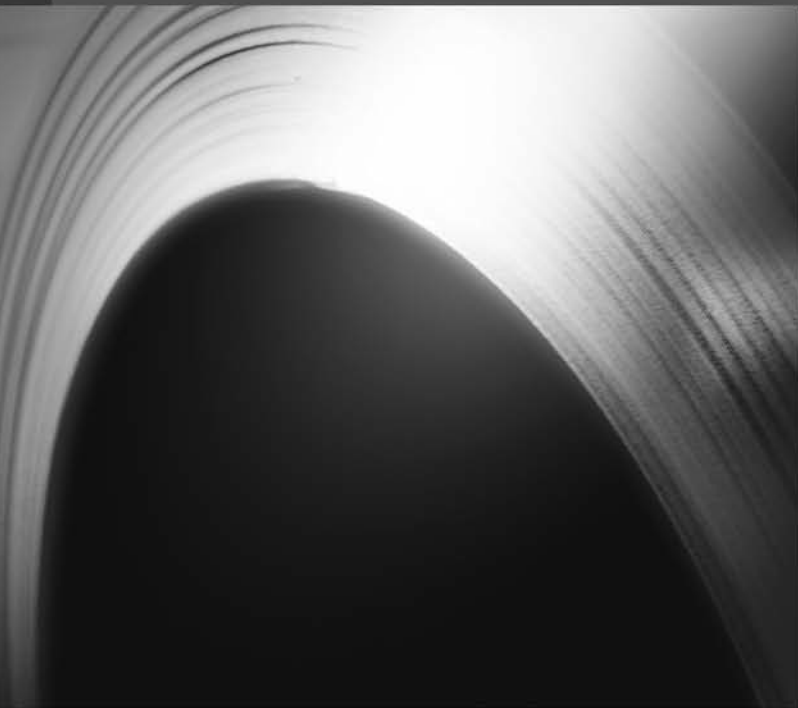
Phone: 040 23545913/14/15

Email: xlfield@rediffmail.com



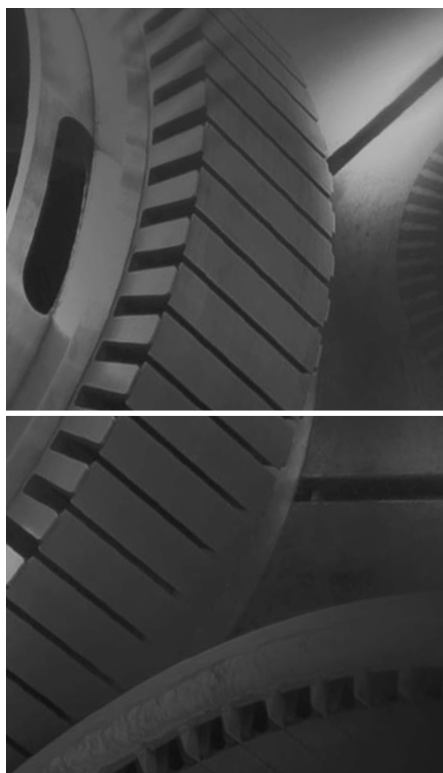


GLOBALLY



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STARTING FY 2012-13, PITTI LAMINATIONS WILL POSSESS TOOLING, LAMINATION, CASTINGS AND MACHINING CAPABILITIES UNDER ONE ROOF BECOMING POSSIBLY ONE OF THE FEW COMPANIES GLOBALLY WITH VERTICALLY INTEGRATED FACILITIES.

KEY FINANCIAL HIGHLIGHTS

Operating income

RS. 403.85 CR

FY: 2011-12

RS. 251.77 CR

FY: 2010-11

Total assets

RS. 357.60 CR

FY: 2011-12

RS. 249.60 CR

FY: 2010-11

Return on capital employed

16.42%

FY: 2011-12

12.52%

FY: 2010-11

Competitive advantage

Pitti Laminations possesses India's only indigenously developed tool room with a portfolio of over 3,400 tools. Extensively integrated capacities leading to cost advantages and customer convenience.

Business

Manufactures loose laminations, assembled laminations (stator core and rotor core), machined lamination assemblies, die-cast rotors, machined castings and stator core dropped machined castings.

Location

The Company has two plants located about 3 km away from each other and about 50 km from its headquarters in Hyderabad.

Equity

Listed on the BSE and NSE; market capitalisation of Rs. 105 cr as on 31 March 2012

Promoters

Promoted by Mr Sharad B. Pitti (Chairman & Managing Director) and Mr Akshay S. Pitti (Vice Chairman and Managing Director)

Profit after tax

RS. 22.42 CR

FY: 2011-12

RS. 8.49 CR

FY: 2010-11

Earnings per share (basic)

RS. 19.12

FY: 2011-12

RS. 8.99

FY: 2010-11

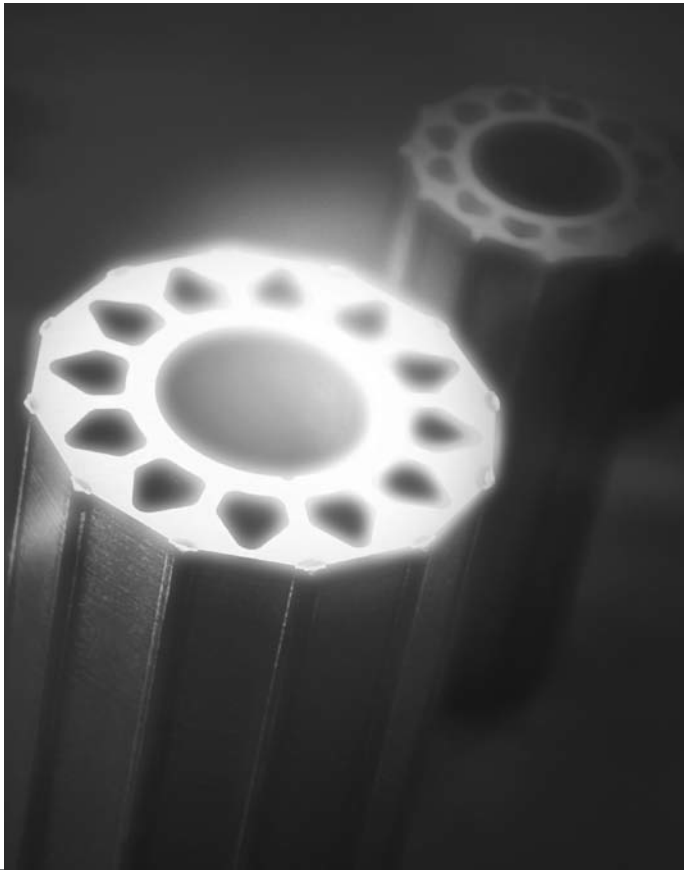
Dividend per share

RS. 3

FY: 2011-12

RS. 1

FY: 2010-11



STRATEGIC REVIEW BY THE CHAIRMAN

Pitti Laminations Limited delivered a superior financial performance with improvements across key parameters and was able to demonstrate the full potential of its assets, its deep talent pool, high quality products and strong access to domestic and export markets.

Dear Shareholders,

The Company attained an all-time high production, sales, turnover and profitability for the year under review.

THE TURNOVER ACHIEVED FOR THE YEAR ENDED 31 MARCH, 2012 WAS Rs. 423.91 cr, a growth of 59.07% over the previous year. Export turnover recorded a 94.44% growth at Rs. 256.08 cr during the year under review. The profit before tax (PBT) stood at Rs. 33.47 cr, an impressive growth of 150.66%. Profit after tax (PAT) registered a smart rise of 164.19% at Rs. 22.42 cr.

This landmark performance was a cumulative result of strong export demand, economies-of-scale, efficient

working capital management and the collective efforts of the Company in anchoring its operations and adequately responding to the buoyant market.

It gives me pleasure to mention that the Board has recommended a dividend of Rs. 3 per share on a face value of Rs. 10 per share for the year under review while the corresponding dividend for the previous fiscal stood at Rs. 1 per share and this is the highest-ever dividend proposed by the Company.



Pitti Laminations caters to capital goods industries, which stimulate the industrial growth of any country. Therefore, the Company does not envisage any difficulty in marketing its products, as it has a prestigious clientele engaged in manufacturing various products catering to numerous segments of the development process. Another significant advantage is that the Company has been servicing some of its domestic clients from inception, which is a testament to their confidence and satisfaction in our business model and quality deliverables.

The Company is embarking upon a new line of business (through a subsidiary) comprising the manufacture and sale of castings, the operations of which will be commissioned in the current year. Your

Company believes that this integrated business model will provide strong access to markets as it can offer several products to the requirement and satisfaction of the clients and thereby provide 'one-stop solutions'.

Extending our footprint by foraying into the castings business is viewed as a strategic initiative in perfecting an integrated business model which provides a competitive edge of an enduring nature across products, market cycles and geographies.

We are therefore gearing up for the next phase of growth in the current year by commissioning operations related to castings and I am sure that this integrated business model will further cement our bond with clients and we will continue to be their preferred vendor.

I am confident that the long-term arrangements being drawn up in the current year with the principal overseas clients will ensure good business volumes and that the domestic market will emerge stronger in the current year.

I am grateful to my colleagues on the Board for their valuable support and guidance. I take this opportunity to express my gratitude to all our stakeholders who have reposed trust in us and extended their support.

With best wishes,

Sincerely,

Sharad B Pitti
Chairman & Managing Director

THE POWER OF POSSIBILITY

Revenue
(gross)
(Rs. cr)



Operating
profit
(Rs. cr)



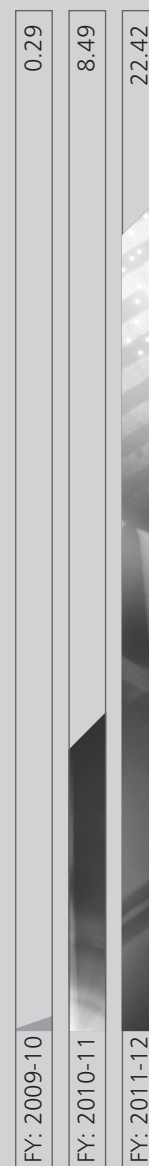
Operating
profit
margin
(on net
sales)
(%)



Cash
profit
(Rs. cr)



Post-tax
profit
(Rs. cr)



Interest
cover



Long-term debt-equity ratio

FY: 2009-10	0.36
FY: 2010-11	0.30
FY: 2011-12	0.16

RoCE (average) (%)

FY: 2009-10	8.91
FY: 2010-11	12.52
FY: 2011-12	16.42

Gross block (Rs. cr)

FY: 2009-10	98.91
FY: 2010-11	100.84
FY: 2011-12	120.70

EPS, basic (Rs.)

FY: 2009-10	0.31
FY: 2010-11	8.99
FY: 2011-12	19.12

Book value per share (Rs.)

FY: 2009-10	63.23
FY: 2010-11	71.06
FY: 2011-12	74.61

Dividend per share (Rs.)

FY: 2009-10	–
FY: 2010-11	1
FY: 2011-12*	3

* Recommended by the Board



AT PITTI, OUR REVENUES INCREASED MORE THAN 60% IN THE LAST TWO YEARS COMPOUNDED.

■ At Pitti, we cater to the demand coming out of core sector industries like railways, oil and gas, mining, earthmoving, power, industrial motors and infrastructure, among others

■ Our products are used in critical components used in these sectors, making them non-substitutable and making us indispensable to our customers' growth.

AT PITTI, OUR NET PROFIT INCREASED 164% IN A TOUGH FY 2011-12.

■ At Pitti, we transform an electrical steel strip into a specialised ready-to-fit component used in induction or traction motors (powering locomotives, turbines, aerospace, off-highway vehicles or industrial motors).

■ We evolved our product mix, selecting to manufacture larger and more sophisticated laminations; more than half our laminations product mix comprises sizes in excess of 750mm (one of the largest in the business)

■ We increased our value-added mix from 20% of our revenues to 80%

■ This focus strengthened our average per tonne realisations in FY 2011-12





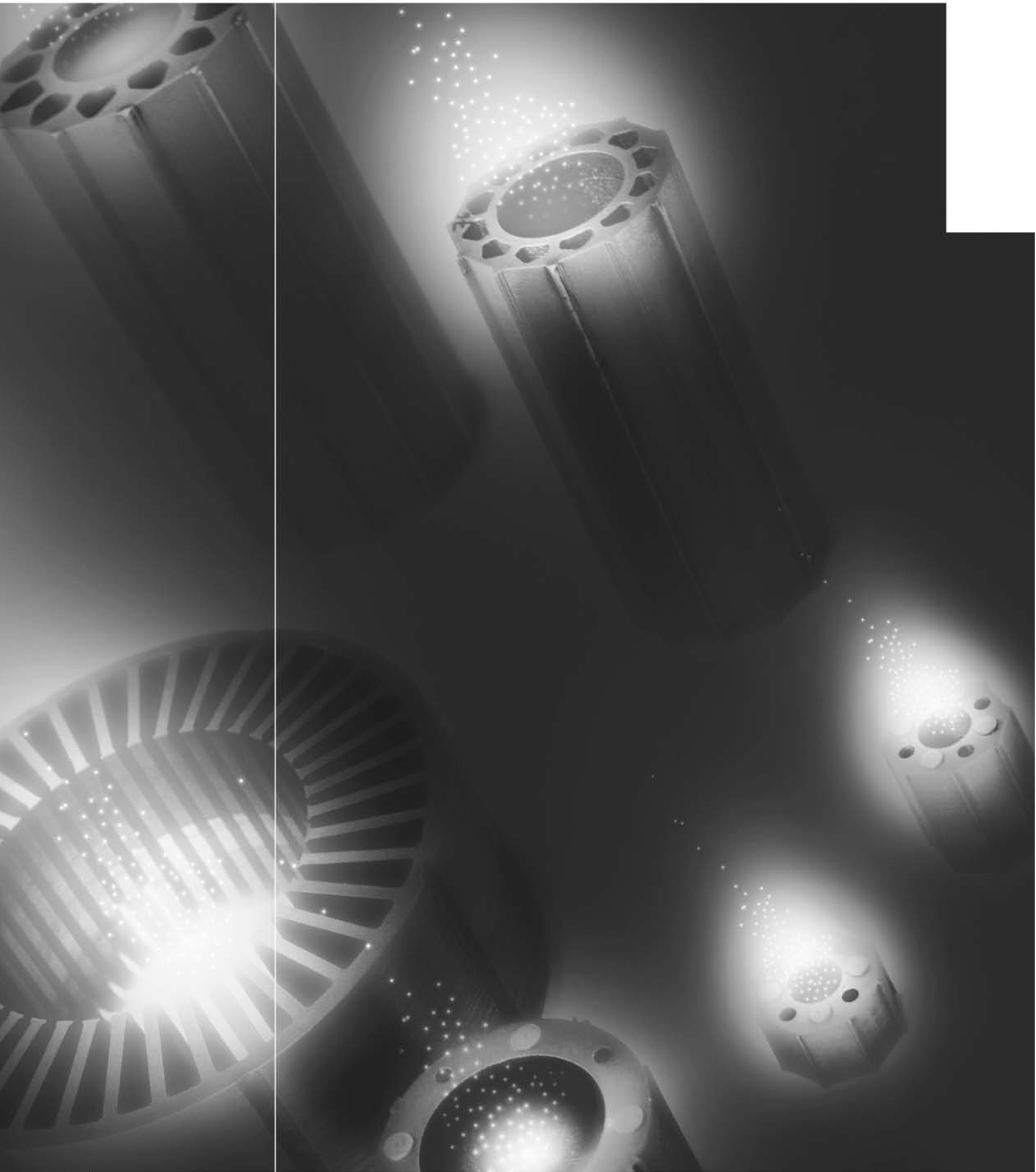
AT PITTI, THE BUSINESS MODELS MAKE IT A PREFERRED VENDOR TO OUR CLIENTELE.

■ In a situation when global markets are susceptible to volatility, a strategy that withstands the test of time is consolidation of vendors. In this, the Company has emerged as the preferred vendor to its clientele in view of the various internal advantages that we possess

■ The focussed attention it pays in enhancing its base of operations and widening its range of enterprise is viewed as a significant advantage to the clientele for their business association with us

AT PITTI, OUR RETURN ON AVERAGE EMPLOYED CAPITAL INCREASED 3.9 BPS TO 16.42% IN A CHALLENGING FY 2011-12.

- At Pitti, we strengthened our downstream and upstream capacities; our portfolio of more than 3,400 tools helped shrink the time-to-market; our industry-leading laminations capacity of 32,000 MTPA helped achieve a lower cost of manufacture; our machining capability accounts for a greater technical respect and share of the customer's wallet.
- We reinforced our ability to provide integrated solutions – tools to core drop frames – emerging as a product supplier of choice and new product development
- We ran our state-of-the-art assets at high utilisation levels, helping meet growing demand, reducing wastage and helping amortise costs more effectively
- We rationalised costs, including post manufacturing costs and reinforced logistics to deliver ready-to-fit sub-assemblies as per customer specifications



“PITTI LAMINATIONS REPORTED OPERATIONAL AND STRATEGIC INITIATIVES WHICH WILL REINFORCE BUSINESS SUSTAINABILITY”

HOW ARE YOU DIFFERENT FROM YOUR COMPETITION?

We are a unique company when you benchmark us against our competition. This is primarily because a company is either manufacturing laminations or castings or machining or tooling; seldom will you find a single company manufacturing more than one of the above products under one roof, whereas we have all four products in our portfolio.

We further distinguished ourselves by creating a new market place where customers can now buy our assemblies which are ready to use in their final product using components from the various products we manufacture.

YOUR MAIN PRODUCT IS LAMINATIONS, WHO ARE YOUR MAIN COMPETITORS AND HOW ARE YOU DIFFERENT FROM THEM?

Laminations have two distinct markets, the organised and the unorganised. We are present in the organised segment. We mainly compete with Kapsons Industries, Precision Stampings and Tempel Steel, among others. Pitti Laminations Limited is a highly professional organisation, employing hundreds of professionals who independently run various

business verticals and departments. MNC customers are increasingly selecting to deal with a professional organisation, which automatically makes us a preferred source.

We are predominantly in the high precision and large laminations segment of the organised market and produce laminations between 400-1,200 mm dia and this is coupled with a state-of-the-art tool room and the ability to supply value-added lamination assemblies.

HOW WOULD YOU RATE THE COMPANY'S PERFORMANCE IN FY 2011-12?

Much of our earlier business model was a simple pass through of the prevailing industry environment. As a result, a rise in the tide would inevitably enable us to grow attractively and vice versa. As a company committed to business sustainability, we concluded that we needed to integrate extensively, increase the proportion of value-added, ready-to-fit products and create a diversified business model.

I am happy that we were operationally and strategically successful in FY 2011-12 – we reported our highest

ever gross turnover (Rs. 423.91 cr) and net profit (Rs. 22.42 cr) on the one hand and embarked on a number of initiatives that will strengthen business sustainability on the other hand in the days to come.

WHAT BUSINESS-STRENGTHENING INITIATIVES DID THE COMPANY UNDERTAKE?

We undertook several steps aimed at strengthening the business. A few of them are mentioned below:

- Supplied larger quantities of assemblies
- Got domestic customers to buy assembled products by creating a product that was non-existent 3-4 years ago
- Enhanced machine shop capacity
- Balanced exports and domestic orders to a healthy 50:50 level
- De-risked business by entering into laminations, tooling, assembly, machining and castings
- Diversified from motor and alternator industries to mining, oil and gas and infrastructure sectors
- Added castings as a new product in our portfolio, a clear value-added initiative which also acts as a risk-mitigation measure



GENERAL ELECTRIC (GE) IS THE SINGLE-LARGEST CUSTOMER OF THE COMPANY BY FAR. HOW DO YOU SEE THIS RELATIONSHIP GROW AND IS THE OVER DEPENDENCE ON GE A CAUSE OF CONCERN?

'Yes', GE accounted for nearly 47% of the Company's sales in FY 2011-12 and 'no', the dependence on GE is not a concern because GE is not just a customer but an active partner in our growth and development.

So even as there is a perception that we are over-dependent on this single customer, the reality is quite the contrary. Firstly, we deal with three distinctly different entities comprising GE Transportation, GE Energy and GE Industrial. Secondly, our product is shipped to three different geographies. Thirdly, with our existing ability to supply value-added assemblies (boosted by our recent decision to acquire a foundry) and capacity enhancement in the machining division, we feel there is an unprecedented business linkage and a mutually beneficial and sustainable dependence on each other.

WHAT IS THE COMPANY'S OUTLOOK FOR 2012-13?

Given the volatility and sentiments of

the marketplace, a modest increase in volume is projected in the current year.

Minimising costs and enhancing productivity is an on-going exercise and the Company remains focussed on these issues. We are embarking upon a capex programme to strengthen our machine shop to prepare ourselves to produce more value-added products synchronising with our growth plan.

HOW DOES THE COMPANY EXPECT TO ENHANCE STAKEHOLDER VALUE?

We expect that a mix of product integration, capacity expansion, value-addition and timely project implementation will enable us to achieve sustainable growth in topline and bottomline, thus delivering significant shareholder value. We will balance dividend disbursement with the need to reinvest cash flows into the business.

Our business plans for vertical integration, and increasing the share of value-added products will enable our clients to reduce their product cost and facilitate and improve their quality deliverables. The consolidation of our vendors, systematic forecasting, planning and long-term arrangements with our suppliers will in turn enhance their delivery capabilities.

The Company recognises that human resources represent the primary source of our competitiveness and that employees are significant partners in the Company's growth and development. The Company focuses on people development by leveraging technology and developing a continuously learning human resource base to unleash their potential and fulfill their aspirations. Several initiatives such as job enrichment, career progression, performance-based incentives and retention bonuses, besides various other welfare measures, were undertaken by the Company.

The Company recognises the role played by lenders such as banks and financial institutions in moving up the value chain over the years and It has always been the Company's endeavour to improve the quality of assets and provide the requisite comfort to its lenders.

The Company believes and recognises its corporate social responsibility and views it as integral to its business vision and philosophy. The Company supports various sustainable initiatives in social and charitable activities.



OUR COMPETITIVE

Professional and organised

We have an elaborate organisation structure comprising of significant and adequate number of professionals working with established processes and systems. Ours is the only company in the laminations industry to have initiated an Oracle-based, ERP-driven environment, facilitating informed decision-making. Ours is the first company in the laminations industry to have ISO accreditation for its quality systems.

Brand

We are respected for our ability to design and manufacture sophisticated laminations. We pioneered the

manufacture of traction motor sub-assemblies in India and we are the only company in India to provide the most comprehensive end-to-end solutions.

Market share

We have commanded the largest market share in special purpose motors segment in India for more than a decade, especially among international OEMs.

Niche

We operate mainly in large laminations of 400mm and above and most of our products in this range are delivered assembled to our customers.



ADVANTAGES

Integration

Our operations are integrated from tooling to laminations to castings to machining to core drop frames, leading to extensive value-addition as a one-stop supply chain solution for our customers.

Diversified sectors

We cater to the needs of various core sectors like oil and gas, railways, off-highway vehicles, energy and general engineering, among others.

Cost advantage

We are one of the most efficient manufacturers of laminations globally, a testament to our ability to export close to 50% of our total production

beating manufacturers from countries like China, Brazil and Mexico, among others.

Diversified product portfolio

Over the past five years, we have painstakingly established three distinct products; laminations, machining and assemblies. In 2012-13, Pitti Castings Pvt. Ltd, the proposed subsidiary company, will acquire a foundry, further diversifying our product portfolio.

Robust clientele

We possess a portfolio of brand-enhancing clients, comprising GE, Siemens, Cummins, ABB, Caterpillar,

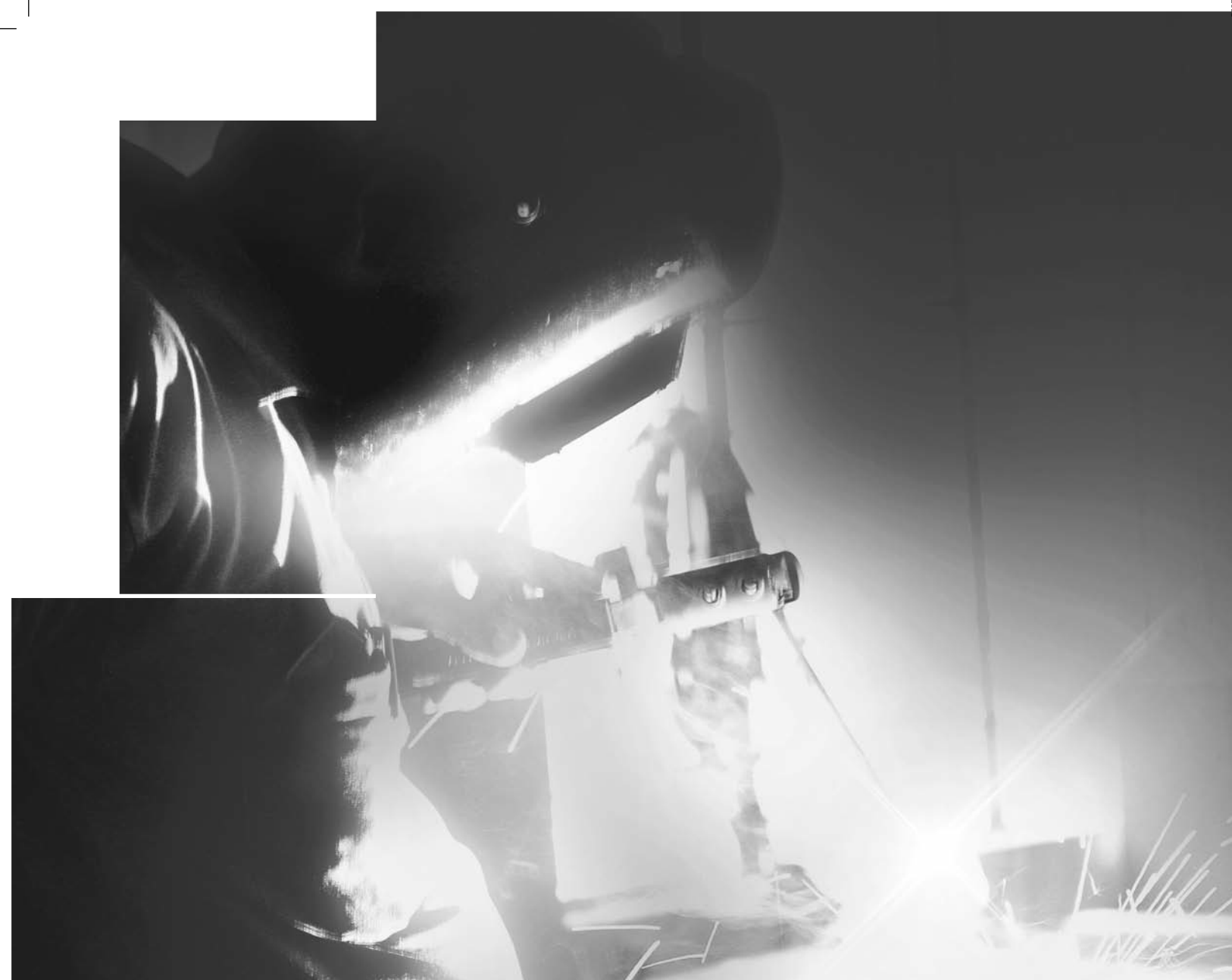
TDPS, BHEL, ReGen Power and Enercon, among others.

Modern tool room

We have the most advanced tool room among lamination manufacturers with a portfolio of over 3,400 tools developed over 25 years. The industry average product development turnaround time is estimated at six months.

Enduring customer relationships

We have longstanding relations with our clients. For example, Crompton Greaves has been a client for over 20 years, Siemens for over 15 years and the GE Group for close to a decade.



RISK MANAGEMENT

01 Industry risks

The Company caters its products to the capital goods industries and any adverse cyclical swings arising from factors such as excess capacity, regional demand and supply imbalances and volatile swings in market demand and prices will initially manifest themselves in the capital

goods industries. Your Company therefore is susceptible to such factors.

Risk mitigation measures

Over the last decade, India enjoyed robust macroeconomic growth catalysing core sector growth (second-largest GDP driver). Additionally, a targeted double-digit growth by the

end of the Twelfth Plan period suggests increased Government spending on infrastructure. Despite a globally sluggish FY 2011-12, the Company sustained a 94.44% export growth, in value terms, indicating the strength of Pitti's customer linkage and the customer's business model.

02 Strategy risks

A strategic error could lead to lost opportunities.

Risk mitigation measures

Pitti's long-term business strategy comprises the following:

- Presence in high-margin verticals

(railways, windmills and oil and gas transmission)

- Prudent investment in people and practices leading to high productivity (product acceptance rate in excess of 99%, one of the world's highest in the segment)

- Diversified presence in different products and segments (through the proposed foundry acquisition)

- Larger international presence (extending to Australia and Germany following the Americas)

03 Competition risks

Increasing competition can erode market share.

Risk mitigation measures

Pitti Laminations enjoys an undisputed

90% market share of the Indian laminations segment. This was derived from a low capital and conversion cost structure. Besides, the Company is India's only end-to-end product and

service provider in the electrical laminations sector. This point is further elaborated in the Management Discussion and Analysis Report.

04 Operational risks

Volatility in the prices of critical raw materials can adversely impact profitability.

Risk mitigation measures

The Company entered into long-term

raw material contracts with suppliers to reduce supply volatility and entered into pass-through agreements with clients whereby raw material cost increases could be passed on to

customers. This point is further elaborated in the Management Discussion and Analysis Report.

05 Attrition risks

Staff attrition and non-availability of key personnel may affect the Company's operations.

Risk mitigation measures

The Company fosters a healthy work

culture based on performance-based promotion and rewards, conflict-resolution mechanisms as well as fair pay and incentives benchmarked with industry standards leading to one of

the lowest attrition rates in the industry. This point is also briefly touched upon in the Management Discussion and Analysis Report.

Shri Sharad B. Pitti

Shri Sharad B. Pitti (54) 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 PLL. Shri Sharad 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 Pvt Ltd, Pitti Components Ltd, Pitti Castings Pvt Ltd and Pitti Holdings Pvt Ltd.

Shri Akshay S. Pitti

Shri Akshay S. Pitti (26) is the son of Shri Sharad B. Pitti. He was inducted as Director (Exports and Business Development) of PLL 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 Pvt. Ltd, Pitti Components Ltd, Pitti Castings Pvt. Ltd, Pitti Holdings Pvt. Ltd and Akshva Ispat Pvt. Ltd.

Shri Y. B. Sahgal

Shri Y. B. Sahgal (57) 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 in-charge of the Company's machining division. He is also a Director of Pitti Electrical Equipment Pvt. Ltd.

Shri Sanjay Kumar Srivastava

Shri Sanjay Kumar Srivastava (37) 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 Ltd. He is recently appointed as Managing Director of Pitti Castings Pvt. Ltd.

Shri G. Narayana Rao

Shri G. Narayana Rao (84) is a PG diploma holder in industrial marketing. He has been on the Board of Pitti Laminations 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 (58), an engineering graduate, joined the Board of Pitti Laminations on 28th June 1984 as a Non-Executive Director. He is a member of the Audit Committee and holds directorships in Keshav Knitwear Limited, Anshuman Industries Limited, Gold Silver Arts Pvt. Limited and Silver Arts Manufacturing Pvt. Ltd.

Shri Kanti Kumar R. Podar

Shri Kanti Kumar R. Podar (77) 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.

AT THE

He has rich industrial knowledge and experience. He is a Director of Moscow Region Podar International Pvt. Ltd, Premier Consultants Traders Pvt. Ltd, Podar InfoTech and Entertainment Ltd, Bajaj Auto Ltd and Ceat Ltd.

Shri N. R. Ganti

Shri N R Ganti (63) 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 Pvt Ltd.

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 organizing 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 Pvt Ltd, a start up software company specializing in open source based telecommunication solutions.

Shri G. Vijaya Kumar

Shri G. Vijaya Kumar (56) 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) (73) 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 Ltd, Goldstone Infratech Ltd, JOCIL Ltd, Kernex Micro Systems (I) Ltd, Vijayashri Organics Ltd, BGR Energy Systems Ltd, Sentini Bio-Products Pvt. Ltd, Avra Laboratories Pvt. Ltd, NSL Renewable Power Pvt. Ltd, Arani Power Systems Pvt. Ltd and Nuzuveedu Seeds Pvt. Ltd.

Shri TSSN Murthy

Shri TSSN Murthy (67) 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.

HELM



STATUTORY SECTION

Corporate information

Board of Directors

Shri Sharad B Pitti

Chairman and Managing Director

Shri Akshay S Pitti

Vice-Chairman and 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 B K Prasad, Secretary & GM (Commercial)

Bankers

State Bank of India

Industrial Finance Branch

Rajbhavan Road, Somajiguda, Hyderabad – 500 082

Indian Overseas Bank

Adarsh Nagar 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

IndusInd Bank

1-8-488, Sardar Patel Road,

Begumpet, Secunderabad – 500 003

Oriental Bank of Commerce

156/1, SMR Sartaj Plaza, Sikh Road, Bowenpally,

Secunderabad – 500 009

Auditors

Laxminiwas & Jain

Chartered Accountants, 5-4-726, Station Road, Nampally

Hyderabad – 500 001

Regd Office

6-3-648/401, IV Floor, Padmaja Landmark, Somajiguda

Hyderabad – 500 082

Factory

Plant I & II

Nandigaon Village, Kothur Mandal

Mahaboobnagar District

Andhra Pradesh – 590 233

Share Transfer Agents

XL Softech Systems Limited

Plot No.3, Sagar Society

Road No.2, Banjara Hills

Hyderabad – 500 034

Notice

NOTICE is hereby given that the 28th Annual General Meeting of the Members of Pitti Laminations Limited will be held on Monday, 6th August 2012 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 2012, Statement of Profit and Loss for the year ended as on that date and the Reports of the Directors and Auditors thereon.

2. To declare dividend on equity shares.

3. To appoint a Director in place of Shri Kanti Kumar R Podar who retires by rotation and who being eligible offers himself for re-appointment.

4. To appoint a Director in place of Shri M Gopalakrishna IAS (Retd) who retires by rotation and who being eligible offers himself for re-appointment.

5. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, Messrs Laxminiwas Neeth & Co, Chartered Accountants, Hyderabad, be and are hereby appointed as Auditors of the Company in place of the retiring Auditors Messrs Laxminiwas & Jain, Chartered Accountants, Hyderabad, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a remuneration as may be decided by the Board of Directors of the company”.

Special Business

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

“RESOLVED THAT pursuant to the provisions of sections 198, 269, 309, 310 and other applicable provisions, if any of the Companies Act, 1956 read with Schedule XIII thereto, the approval of the Company be and is hereby accorded to the re-appointment of Shri Sharad B Pitti as Chairman &

Managing Director who shall not be liable to retire by rotation for a period of five years with effect from 1st May 2012 on the terms and conditions detailed herein below.

- i) Salary Rs. 3.85 lacs per month (The remuneration shall be reviewed on an annual basis).
- ii) Contribution to Provident Fund and Gratuity are as per rules of the company in force.
- iii) Provision of car for use in companys' business and telephone at residence/and usage of cell phones.
- iv) In the event of loss or inadequacy of profits in any financial year, the Managing 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 and as may be amended from time to time.

“FURTHER RESOLVED THAT consent is given to the Management to split up the remuneration into individual components, if required, in such manner as deemed fit subject to the condition that the overall remuneration shall not exceed Rs. 3.85 lacs per month.”

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

“RESOLVED THAT pursuant to the provisions of sections 198, 309, 310 and other applicable provisions if any, of the Companies Act, 1956 read with schedule XIII thereto, the approval of the Company be and is hereby accorded to payment of revised remuneration at Rs. 3.85 lacs per month to Shri Akshay S Pitti, Vice-Chairman & Managing Director with effect from 01st May 2012 for the remaining period of his tenure, the other terms and conditions as originally approved by the members at the Annual General Meeting held on 20th September 2010 remaining unaltered.”

“FURTHER RESOLVED THAT consent is given to the Management to split up the remuneration into individual components, if required, in such manner as deemed fit subject to the condition that the overall remuneration shall not exceed Rs. 3.85 lacs per month.”

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

"RESOLVED THAT pursuant to the provisions of sections 198,269,309,310 and other applicable provisions if any, of the Companies Act, 1956 read with schedule XIII thereto, the approval of the Company be and is hereby accorded to the re-appointment of Shri Y B Sahgal, Executive Director who shall not be liable to retire by rotation for a period of five years with effect from 01st May 2012 on the terms and conditions detailed herein below.

- i) Salary Rs. 3.75 lacs per month (The remuneration shall be reviewed on an annual basis).
- ii) Contribution to Provident Fund and Gratuity are as per rules of the company in force.
- iii) Provision of car for use in companys' business and telephone at residence/and usage of cell phones.
- iv) 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.

"FURTHER RESOLVED THAT consent is given to the management to split up the remuneration into individual components, if required, in such manner as deemed fit subject to the condition that the overall remuneration shall not exceed Rs. 3.75 lacs per month."

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

"RESOLVED THAT pursuant to the provisions of sections 198,309,310 and other applicable provisions if any, of the Companies Act, 1956 read with schedule XIII thereto, the approval of the Company be and is hereby accorded to payment of revised remuneration at Rs. 3.75 lacs per month to Shri Sanjay Srivastava, Executive Director with effect from 01st May 2012 for the remaining period of his tenure, the other terms and conditions as originally approved by the members at the Annual General Meeting held on 20th September 2010 remaining unaltered."

"FURTHER RESOLVED THAT consent is given to the management to split up the remuneration into individual components, if required, in such manner as deemed fit subject to the condition that the overall remuneration shall not exceed Rs. 3.75 lacs per month."

NOTES :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member. A proxy is not entitled to speak at the meeting or vote except on a poll.

2. The instrument of proxy duly stamped and executed should be deposited at the Registered office of the Company atleast forty eight hours before the time fixed for commencement of the meeting.

3. Members are requested to notify change in address, if any, in case of shares held in electronic form to the concerned depository participant quoting their ID no. and in case of physical shares to the share transfer agents quoting their folio numbers.

4. 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.

5. The Register of Members and transfer books of the Company will be closed from 31st July 2012 to 6th August 2012 (both days inclusive) for the purpose of payment of dividend to those members whose names stand on the Register of Members as on 30th July 2012. The dividend in respect of shares held in electronic form will be payable to the beneficial owners of the shares as at the end of business hours on 30th July 2012 as per the details furnished by the depositories for this purpose.

6. Shareholders 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.

7. The shares of the Company are listed on the National Stock Exchange and Bombay Stock Exchange and the Company has paid listing fees for 2012-2013 to both the Stock Exchanges.

8. The notice in respect of Sl. No. 6 and Sl. No. 8 relating to re-appointment of Shri Sharad B Pitti and Shri Y B Sahgal may be treated as disclosure to members in terms of Section 302 of the Companies Act, 1956.

9. Explanatory statement pursuant to the provisions of Section 173(2) of the Companies Act 1956 is annexed hereto and forms part of the notice.

All documents referred to in the notice and the explanatory statements are open for inspection at the Registered office of the company during office hours on all working days up to the date of Annual General Meeting.

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

Place : Hyderabad
Date : 30th April 2012

B K Prasad
Secretary & GM (Commercial)

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

Item No.6

Members are aware that Shri Sharad B Pitti was re-appointed as Chairman and Managing Director for a period of five years effective from 01st December 2007.

Though the present term will be in force till 30th November 2012, the Board at its meeting held on 04th June 2012 has re-appointed him as Chairman and Managing Director for a period of five years effective from 01st May 2012 at a remuneration of Rs. 3.85 lacs per month from the present remuneration of Rs. 3.25 lacs per month. The remuneration will be revised on an annual basis. His remuneration has not been revised since December 2007. The re-appointment and the remuneration is subject to the approval of members. It has been decided to bring about uniformity in the date of appointment of all the managerial personnel in due course.

Shri Sharad B Pitti has been playing significant role in the growth and development of the company.

Shri Sharad B Pitti is interested in the subject matter. Shri Akshay S Pitti and Shri Arun Garodia are also deemed to be interested in the subject matter being relatives of Shri Sharad B Pitti.

Your Directors commend the Resolution for your approval.

Item No.7

Members are aware that Shri Akshay S Pitti has been re-designated as Vice-Chairman and Managing Director with effect from 07th July 2011 at a revised remuneration of Rs. 3 lacs per month effective from 01st April 2011.

Your company delivered superior financial performance on all key parameters during the year Shri Akshay S Pitti has played a pivotal role in recording these milestones. The Board at its meeting held on 04th June 2012 has revised the remuneration of Shri Akshay S Pitti at Rs. 3.85 lacs per month from the present remuneration of Rs. 3 lacs per month subject to the approval of members. The revised remuneration is effective from 01st May 2012. The remuneration will be reviewed on an annual basis during the tenure of his appointment.

Shri Akshay S Pitti is interested in the subject matter. Shri Sharad B Pitti is also deemed to be interested in the subject matter being the relative of Shri Akshay S Pitti.

Your Directors commend the Resolution for your approval.

Item No.8

Members are aware that Shri Y B Sahgal was re-appointed as Executive Director for a period of three years effective from 28th June 2010.

Though the present term will be in force till 27th June 2013, the Board at its meeting held on 04th June 2012 has re-appointed him as Executive Director for a period of five years effective from 01st May 2012 at a remuneration of Rs. 3.75 lacs per month from the present remuneration of Rs. 2.75 lacs per month. The remuneration will be revised on an annual basis. The re-appointment and the remuneration is subject to the approval of members.

Shri Y B Sahgal played a key role in achieving all-time highs

on all fronts in the just concluded year. He is presently looking after the machining business of the company.

Except Shri Y B Sahgal, none of the Directors is interested in the Resolution.

Your Directors commend the Resolution for your approval.

Item No.9

Members are aware that Shri Sanjay Srivastava has been appointed as Executive Director for a period of three years effective from 30th June 2010. He is presently looking after the overall operations of the company.

Shri Sanjay Srivastava has contributed to the robust performance recorded by the company in the year under review in a significant measure. The Board at its meeting held

on 04th June 2012 has revised the remuneration of Shri Sanjay Srivastava at Rs. 3.75 lacs per month from the present remuneration of Rs. 2.75 lacs per month subject to the approval of members.

Shri Sanjay Srivastava is interested in the subject matter.

Your Directors commend the Resolution for your approval.

By order of the Board
for Pitti Laminations Limited

Place : Hyderabad
Date : 30th April 2012

B K Prasad
Secretary & GM (Commercial)

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

Sl. No.	Particulars	Shri Sharad B Pitti	Shri Y B Sahgal	Shri Kanti Kumar R Podar	Shri M Gopalakrishna, IAS(Retd)
1.	Date of Birth	11.07.1957	04.10.1954	12.04.1935	12.01.1939
2.	Date of Appointment	17.09.1983	28.06.2007	15.07.1993	28.06.2007
3.	Occupation	Business	Service	Business	Retired from Government service
4.	Directorships held in other companies/ firms	Pitti Electrical Equipment Pvt Ltd Pitti Components Ltd Pitti Castings Pvt Ltd Pitti Holdings Pvt Ltd	Pitti Electrical Equipment Pvt Ltd	Podar Infotech & Entertainment Ltd Premier Consultant & Traders Ltd Moscow Region Podar International Ltd Ceat Ltd Bajaj Auto Ltd	NSL Textiles Ltd Goldstone Infratech Ltd JOCIL Limited Kernex Micro Systems (I) Ltd Vijayashri Organics Ltd BGR Energy Systems Ltd Sentini Bio-Products Pvt Ltd Avra Laboratories Pvt Ltd NSL Renewable Power Pvt Ltd Arani Power Systems Pvt Ltd Nuzuveedu Seeds Pvt Ltd
5.	Shareholding in Pitti Laminations Limited	15.85%	NIL	NIL	NIL

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 : 30th April 2012

GVSN Kumar
Chief Financial Officer

Directors' Report

Your Directors have pleasure in presenting their 28th Annual Report on the business and operations of your company for the financial year ended 31st March, 2012.

Financial Results

The financial results for 2011-2012 in comparison with that of the previous year are presented herein below:

(Rs. in lacs)

	2011-2012	2010-2011
Gross Sales	42391.19	26649.17
Other Income	443.29	342.04
Taxes & Duties	2006.63	1471.48
Net Sales & Other Income	40827.85	25519.73
Total Expenditure	34531.31	22254.71
Profit/(Loss) before depreciation and finance charges	6296.54	3265.02
Depreciation	663.75	627.77
Finance charges	2286.52	1302.29
Profit/(Loss) before tax	3346.27	1334.96
Provision for taxation		
- Current	1010.99	428.61
- Deferred	93.22	57.66
Net Profit/ (Loss)	2242.06	848.69
Profit/(Loss) brought forward from the previous year	2595.36	2056.40
Dividend (including tax on dividend)	470.41	109.74
Transferred to General Reserve	230.00	200.00
Profit/(Loss) carried to Balance sheet	4137.01	2595.36

Review of Operations

The Board has pleasure in informing you that the company achieved highest ever production, sales, turnover and profitability for the year ended 31st March 2012.

The company made sales of 25022 MT as against 20270 MT in the previous fiscal registering a growth of 23.44% while the target set for the year under review was 24000 MT. On export front, as against the target of 10000 MT, sales

recorded were 11828 MT and the corresponding sales in the preceding year were 6800 MT. The domestic sales were marginally lower at 13194 MT as compared to the target of 14000 MT. The domestic sales in the previous fiscal were 13470 MT.

The company achieved a turnover of Rs. 423.91 crores as against Rs. 266.49 crores in the preceding year recording a growth of 59.07%.

The robust growth in exports, operational economies of scale, prudent working capital management and the diligent and dedicated efforts of the company in synergizing its operations in tune with the demands of buoyant market have all cumulatively contributed to a record profit before tax of Rs. 33.46 crores as against Rs. 13.35 crores in the previous fiscal.

The Profit after tax (PAT) stands at Rs. 22.42 crores compared to Rs. 8.49 crores in 2010-2011. The company has earned cash profit of Rs. 29.06 crores after tax as against Rs. 14.76 crores in the previous year.

The net worth of the company as on 31st March 2012 stands at Rs. 100.66 crores compared to Rs. 67.09 crores as on 31st March 2011.

Exports

The significant surge in the exports in the year under review is a pointer to the presence of strong demand coupled with the serious endeavours made by the company in tapping good volume of business from its overseas customers.

Against the sales of 6800 MT of laminations and 603 nos. of stator frames last year, the company has sold 11828 MT of laminations and 1032 nos. of stator frames during the year. The export turnover as a result, shot up to Rs. 256.08 crores as against export income of Rs. 131.70 crores in the previous fiscal thereby registering a growth of 94.44%.

Dividend

Members are aware that the company declared dividend at Rs. 1/- per share for the year ended 31st March 2011. Considering the significant improvement in the operations and financials, your Directors recommend dividend at Rs. 3/- per share for the year ended 31st March 2012 and if approved by the members at Annual General Meeting, it will entail an outflow of Rs. 4.70 crores including the dividend tax.

Corporate Social Responsibility

True to its belief and philosophy that Corporate Social Responsibility is an integral part of the business, your company continues to support various sustainable initiatives in social and charitable activities.

During the year under review, the company has contributed a sum of Rs. 49.37 lacs for various activities of such nature

by way of donations as against Rs. 33.95 lacs in the preceding year.

Outlook and Current Year Plans

The company had preliminary deliberations with the present and potential clientele and having carefully considered the downturn in the domestic economic scenario, the company has set a sales target of 26000 MT for the year. The domestic sales and exports are expected to be 15000 MT and 11000 MT respectively. The company targets to sell 1200 nos of machined motor housings in the current year. Necessary capital expenditure programmes are being drawn up in the current year to strengthen the machining division.

Preferential Issue

Members are aware that the company has obtained the approval of members for issue of 40,50,000 equity shares of Rs. 10/- each to promoters at a price determined in accordance with SEBI (Issue of Capital and Disclosure Requirement) Regulations 2009. Approval of members was also given for re-issue of 8300 forfeited shares to the promoters at a price determined in accordance with SEBI (Issue of Capital and Disclosure Requirement) Regulations 2009.

The Board, at its meeting held on 07th September 2011, has allotted 34,90,000 equity shares to Pitti Electrical Equipment Pvt Ltd and 5,60,000 equity shares to Smt Madhuri S Pitti and the aggregate allotment of 40,50,000 equity shares to the promoters was made at Rs. 39.15 per share (including premium of Rs. 29.15 per share) being the price determined in accordance with SEBI (Issue of Capital and Disclosure Requirement) Regulations 2009.

As the request for the approval for re-issue of 8300 forfeited shares was to be dealt with by a different wing in the stock exchange, the company apprehended delay in obtaining approvals from Bombay Stock Exchange and National Stock Exchange and therefore deferred the proposal to re-issue forfeited shares to the promoters and restricted the preferential allotment to 40,50,000 equity shares only.

The listing approval for the preferential allotment of equity shares to the promoters has been obtained from the stock exchanges. The re-issue of 8300 equity shares will be made at an appropriate time subject to the approval of regulatory authorities.

As a result of the preferential allotment, the shareholding of the promoter group has gone up to 60% from 42.84% and therefore triggered the requirements of open offer.

It was stated in the last Annual report that the acquirers (promoter group) would be making an open offer under the SEBI Take Over Regulations for atleast 20% of the paid-up equity share capital of the company as expanded pursuant to the preferential allotment of equity shares. Accordingly the acquirers forming part of the promoter group, namely Pitti Electrical Equipment Pvt Ltd and Smt Madhuri S Pitti have made a public announcement to acquire 26,98,340 equity shares from the public shareholders of Pitti Laminations Limited (Target Company) and a draft letter of offer has been submitted to Securities and Exchange Board of India (SEBI) on 19th September 2011.

While scrutinizing the draft letter of offer, SEBI sought certain clarifications which were promptly provided. The acquirers will initiate the process of acquiring the shares in accordance with the procedures laid down in the Regulations immediately after Draft Letter of Offer (DLOF) is cleared by SEBI.

Postal Ballot

Members are aware that the company has 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 in respect of the matters detailed herein below.

1. To alter the objects clause of its Memorandum of Association so as to foray into foundry / castings and forging business;
2. To create a subsidiary for carrying on interalia the foundry/ castings business;
3. To enter into an agreement with Vaksh Steels Private Limited (VSPL) either directly by the company or through its subsidiary to acquire the assets of its foundry / castings division

The necessary Resolutions were passed by the members with the requisite majority through postal ballot.

The company proposes to invest in Pitti Castings Private Limited (PCPL) so as to make it a subsidiary and there upon PCPL will acquire the assets of Foundry/Castings division of

VSPL and carry on the operations.

The acquisition is proposed to be made by PCPL for operational convenience. The cost of acquisition will be funded by way of debt / equity / internal accruals / unsecured loans or a combination of these components.

The acquisition shall be subject to the satisfaction of the Board with regard to completion of legal, technical and financial due diligence of "The Assets" proposed to be acquired.

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.

Report on Corporate Governance

A detailed report on Corporate Governance prepared in compliance with provisions of listing agreement with the Stock Exchanges form part of this Report. The Management Discussion and Analysis also forms part of the Annual Report.

Directors

Shri Sharad B Pitti Chairman and Managing Director and Shri Y B Sahgal Executive Director have been re-appointed for a period of five years effective from 01st May 2012 and the company is seeking approval of members at the Annual General Meeting for the said reappointments.

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Shri Kanti Kumar R Podar and Shri M Gopalakrishna, IAS (Retd) retire by rotation and being eligible offer themselves for re-appointment.

Auditors

The Company has received a notice from a member proposing that M/s Laxminiwas Neeth. & Co Chartered Accountants Hyderabad be appointed as Statutory Auditors of the company in place of M/s Laxminiwas & Jain Chartered Accountants, Hyderabad and who upon their appointment shall hold office from the conclusion of the forthcoming Annual General Meeting (AGM) till conclusion of next AGM

at such remuneration as the Board may determine in due course. The company has initiated necessary action upon receipt of notice from the member.

Industrial Relations

The commitment and devotion demonstrated by the employees at all levels in responding to the rising demand and the key role played by them in enabling the company to exceed its targets vindicates the point that the industrial relations of your company continue to be cordial with mutual trust, harmony and unity of purpose acting as strong binding forces.

To build the human resources, the management has been taking several steps to promote job enrichment, engagement, accountability for performance, career progression, reward, recognition and welfare.

The Board places on record its appreciation of the excellent performance of employees at all levels in the just concluded year.

Insurance

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

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, Technology and Foreign Exchange

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.

Directors' Responsibility

Pursuant to section 217(2AA) of the Companies (Amendment) Act 2000, the Directors confirm that:

In the preparation of annual accounts for the year ended 31st March 2012, the applicable accounting standards read with requirements set out under revised schedule VI to the Companies Act 1956 have been followed and there are no material departures from the same.

The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year and of the profit or loss of the company for that period.

The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and

The Directors have prepared the annual accounts on a going concern basis.

Acknowledgements

Your Directors wish to place on record their appreciation for the co-operation and support extended by State Bank of India – Industrial Finance branch, Allahabad Bank – Industrial Finance branch, Kotak Mahindra Bank, Indian Overseas Bank, IndusInd Bank, Oriental Bank of Commerce, SBI Global Factors, Canbank Factors, Tata Capital, L & T Finance and all other Governmental bodies and agencies.

Your Directors record their appreciation for the encouraging response and patronage received from the domestic and overseas clientele as is evident by the surge in the sales during the year under review.

The Board appreciates the committed support extended by vendors and all other stake holders to the company.

Finally your Directors express their appreciation for the support given by the shareholders for the overall growth and development of the company.

By order of the Board
for Pitti Laminations Limited

Place : Hyderabad
Date : 30th April 2012

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':-

Not 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

11828 MT as against 6800 MT in the previous year.

Exports during the current year are projected at 11000 MT.

The export turnover is Rs. 256.08 crores compared to Rs. 131.70 crores in the previous year.

Total Foreign exchange earned

Foreign Currency (FC)	FC value	Rs. crores
USD	53261882	251.35
EURO	743206	4.73

Total Foreign exchange spent / outgo

Foreign Currency (FC)	FC value	Rs. crores
USD	21281413	103.32
EURO	95570	0.63
SGD	8058	0.03
THB	5000	0.00
CHF	40000	0.24
JPY	937522	0.06

FORM - A

Power & Fuel Consumption

A. Electricity

a) Purchased	FY 2011-12	FY 2010-11
Units	3703792	3101712
Total Amount (Rs.)	16819542	14796339
Rate / Unit (Rs.)	4.54	4.77
b) Own Generation		
Through Diesel Generator		
Units	582206	263834
Unit per Ltr	2.92	2.81
Cost / Unit (Rs.)	15.28	14.62
B. Consumption per unit of production		
i) Electricity (units)	151	150
ii) Diesel (units)	24	13

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

I. Brief Statement on Company's Philosophy on Code of Corporate Governance

Pitti Laminations Limited (PLL) is committed to good Corporate Governance. The fundamental objective of PLLs' Corporate Governance is "enhancement of the long-term shareholder value while at the same time protecting the interests of other stakeholders".

Your company has complied with all the Corporate Governance measures.

II. Board of Directors

The Board comprises of eleven Directors of which four are Whole-Time-Directors while the rest are Independent / Non-

Executive Directors. The day-to-day management of the company is conducted by Chairman and Managing Director, Vice Chairman and Managing Director, with the assistance of the Executive Directors.

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

During the financial year 2011-12, eight meetings of the Board were held. These meetings were held on 25th April 2011, 07th July 2011, 10th August 2011, 07th September 2011, 31st October 2011, 02nd December 2011, 30th January 2012 and 13th February 2012

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

Name of the Director	No. of Board meetings attended	Attendance at last AGM held (Yes/No)	No of directorships held		Membership in Committees of other Companies
			Public	Private	
Shri Sharad B Pitti	07	Yes	1	3	–
Shri Akshay S Pitti	08	Yes	1	4	–
Shri Y B Sahgal	07	Yes	–	1	–
Shri Sanjay Srivastava	07	Yes	–	1	–
Shri G Narayana Rao	08	Yes	–	–	–
Shri Arun Garodia	04	Yes	2	2	–
Shri Kanti Kumar R Podar	–	No	5	–	–
Shri N R Ganti	07	Yes	–	2	–
Shri G Vijaya Kumar	08	Yes	–	–	–
Shri M Gopalakrishna, IAS (Retd.)	08	Yes	6	5	–
Shri TSSN Murthy	07	Yes	–	–	–

III. 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 the annual financial statements before submission to the Board, focusing primarily on;
 - Any changes in accounting policies and practices;
 - Major accounting entries based on exercise of judgment by Management;
 - Qualifications in draft audit report;
 - Significant adjustments arising out of audit;
 - The going concern assumption;
 - Compliance with accounting standards;
 - Compliance with stock exchanges and legal requirements concerning financial statements;
 - 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, depositors 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 B K Prasad	Secretary & GM (Commercial)
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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	3
Shri N R Ganti	4	4

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 during the year. Compliance of AS as applicable to the Company has been ensured in the financial statements for the year ended 31st March, 2012.

IV. Remuneration Committee

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

Terms of Reference

The Remuneration Committee is authorized to decide the remuneration of the whole time Directors subject to the approval of the shareholders and central government, if required.

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 B K Prasad	Secretary & GM (Commercial)
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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 Gopala Krishna, IAS(Retd.)	1	1

V. 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)

Secretary to the Investor's grievance committee

Shri B K Prasad	Secretary & GM (Commercial)
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Meetings and attendance during the year

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

Investor grievances are being redressed on an on-going basis

and reporting is done while releasing the quarterly financial results to the stock exchanges.

VI. Details of Special Resolutions passed In the three previous Annual General Meetings

2008-2009

- Re-appointment of Shri Santosh Kumar Agrawal as Director (Technical).
- Appointment of Shri G Anshuman as Executive.

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 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 Rs. 1,00,000/- per month under Section 314(1) of the Companies Act, 1956.
- Re-issue of forfeited equity shares under clause 20(3) of the listing agreement in accordance with SEBI (ICDR) Regulations for Preferential Issue of Equity Shares.
- Issue of 40,50,000 equity shares of Rs. 10/- each at a price not less than the price calculated in accordance with SEBI ICDR Regulations 2009.

VII. Shareholders' Meetings

Details of last three AGMs held:

Year	Date	Venue	Time
2008-2009	23.09.2009	West Minister Hall, The Central Court Hall 6-1-71, Lakdikapul, Hyderabad – 500 004	4.00 PM
2009-2010	20.09.2010	West Minister Hall, The Central Court Hall 6-1-71, Lakdikapul, Hyderabad – 500 004	4.00 PM
2010-2011	11.08.2011	West Minister Hall, The Central Court Hall 6-1-71, Lakdikapul, Hyderabad – 500 004	4.00 PM

VIII. Disclosures

Disclosure on materially significant related party transactions is made in Note 2.35 under Notes forming part of the accounts in accordance with provisions of Accounting Standard 18.

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

IX. Means of Communication:

The unaudited financial results (provisional) and Audited Results were generally published in Business Line (English), and Andhra Prabha (Telugu) news papers.

The Management discussion and analysis report forms part of this annual report.

General Shareholder Information

(a) Annual General Meeting

6th August 2012 at West Minister Hall, The Central Court Hotel, 6-1-71, Lakdikapool, Hyderabad – 500 004

(b) Financial year

1st April 2011 to 31st March 2012

(c) Book closure date

31st July 2012 to 6th August 2012

(d) Listing

Bombay Stock Exchange Ltd, Mumbai
National Stock Exchange of India Ltd, Mumbai

(e) Stock code

513519 – Bombay Stock Exchange Ltd
PITILAM – National Stock Exchange of India Ltd

(f) Registrar and transfer agents

XL Softech Systems Ltd, Hyderabad

(g) Share transfer system

Processed by RTA and approved by authorised officials of the company

(h) Stock market data

Market price data high-low during each month in the last financial year.

Sl. No	Month	High (Rs.)	Low (Rs.)	No. of shares traded
01.	April 2011	48.10	38.45	259192
02.	May 2011	45.65	37.10	70994
03.	June 2011	46.25	35.45	76436
04.	July 2011	41.75	37.05	99117
05.	August 2011	45.80	31.75	341464
06.	September 2011	52.30	38.30	367857
07.	October 2011	53.15	44.00	222290

Sl. No	Month	High (Rs.)	Low (Rs.)	No. of shares traded
08.	November 2011	71.50	54.65	1227578
09.	December 2011	63.50	50.25	243461
10.	January 2012	69.80	49.00	338970
11.	February 2012	75.95	60.20	1063663
12.	March 2012	83.95	71.00	430060

Source : BSE website

Distribution of shareholding as of 31st March, 2012

Shareholdings of nominal value of	Shareholders		Share Amount	
	Nos.	%	Rs.	%
Upto - 5,000	9242	90.19	12594800	9.34
5,001 - 10,000	464	4.53	3904380	2.88
10,001 - 20,000	237	2.31	3531620	2.62
20,001 - 30,000	98	0.96	2523710	1.87
30,001 - 40,000	46	0.45	1668330	1.24
40,001 - 50,000	33	0.32	1550250	1.15
50,001 - 1,00,000	68	0.66	4989880	3.70
1,00,001 & above	59	0.58	104154030	77.20
Total	10247	100	134917000	100.00

Category	No. of shares held	% of shareholding
Promoters	8094690	60.00
Banks & FIs	56630	0.42
Others		
Bodies Corporate	1108382	8.22
Indian Public	4069474	30.16
NRIs / OCBs	129205	0.95
Others (Clearing Members)	33319	0.25
Total	13491700	100.00

Dematerialization of shares

13071161 shares are dematerialized 420539 shares are in physical form as of 31.03.2012

Plant location (Plant I & II)

Nandigaon village, Kottur Mandal, Mahaboobnagar District, Andhra Pradesh – 590233

Address of the Registrars and Share transfer agents for correspondence

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

X. As required by clause 49 of the Listing agreement, the auditors' certificate is attached herewith.

Declaration:

I hereby declare that all the members of the Board and Senior Management personnel have complied with the code of conduct adopted by the company.

B K Prasad

Secretary & GM (Commercial)

Auditor's Certificate on Corporate Governance

The Members,
Pitti Laminations Limited
Hyderabad

We have examined the compliance of Corporate Governance by Pitti Laminations Ltd., for the year ended 31st March, 2012, 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 explanation given to us and the representations made by the Directors and the Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in 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 such compliance is neither 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 & Jain**
Chartered Accountants
Firm Registration Number 18595

Date: 30/04/2012
Place: Hyderabad

Laxminiwas Sharma
Partner
MNO 014244

Management Discussion and Analysis Report

Industry Structure and Development

- Members are aware that the company had set a sales target of 24000 MT for the just concluded year and it is heartening to note that the company achieved sales of 25022 MT for 2011-2012 surpassing the target set by the company. The company's export sales were 11828 MT as against 6800 MT in the preceding year thereby constituting a growth of 73.94%. Sale of stator frames forming part of export turnover registered a smart rise of 71.14% at 1032 Nos. Domestic sales were lower by 2.05% at 13194 MT.

- The year marked record highs in respect of operating and financial parameters and this can be traced to significant surge in export operations, benefits of economies of scale and dedicated efforts of Pitti team. The share of exports in the year under review constitutes 60% of gross sales turnover. The world renowned GE group is the largest customer in terms of revenue generation. The list of domestic clientele includes reputed engineering and electrical concerns such as Siemens, Cummins, BHEL, Cromptons, ABB, Alstom, Andritz and others. The fact that some of the customers have been patronizing us ever since inception of the company vindicates its values and commitment to quality deliverables.

- In line with its aspirations of ongoing growth, Pitti laminations Limited (PLL) is diversifying in to new activities but closely aligned to its core business. The company is contemplating to foray into castings business and thus initiate the process of forward and backward integration. This new line of business is proposed to be carried out in 'Pitti Castings Private Limited' (PCPL) which is being converted into a subsidiary of the company.

- The proposed subsidiary PCPL will acquire the assets of castings division of Vaksh Steels Private Limited (VSPL). The company has obtained necessary approvals from the members for creation of subsidiary as well as for acquisition

of assets by the subsidiary company from VSPL through postal ballot in January, 2012.

- The business initiative in foraying into castings operations will make the business spectrum further widened with a host of products on offer truly making it an integrated business model that combines a long-term perspective with focus on a culture of operational excellence, responsible resource utilization and creation of a platform for sustainable growth to benefit all stakeholders.

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.

During the year under review, the company incurred a loss of Rs. 1.84 crores on account of foreign exchange fluctuations as against a gain of Rs. 0.45 crores in the previous fiscal.

Opportunities and Strengths

- Our products are an inseparable part to the capital goods industries, power and transportation (especially railways) sectors. The industrial growth of any nation in fact initially manifests in the growth and development of the above sectors. Our company, being a preferred vendor to many clientele in such industries, naturally enjoys an advantageous position.

- As part of the business strategy plans, the company is progressively broad-basing its range of products in order to

provide “One Stop Solutions” in line with the preferences of the clientele and thereby enabling them to rationalize their vendors. Such a move strengthens the company and offers great opportunities to further move up the value chain in the years to come.

- During the current year, the company desires to extend its foot print by foraying into castings business through a subsidiary and thus initiate the process of forward and backward integration. PLL is presently outsourcing its castings requirement. It is believed that the proposed activity will ensure self-reliance, cut down the lead time and make the supply chain faster and vibrant and eventually enabling PLL to carry on its business more economically, efficiently and with higher margins. The proposed activities will also give PLL synergies and an immediate impetus to the level of operations of its laminations and machining operations as these products are used in tandem. Even on a standalone basis, manufacturing of castings is an extremely profitable line of business.

- The company had narrowed down its search to the castings division of VSPL. VSPL is a ‘related party’ in the context of applicable accounting standards. PLL envisages a great opportunity in acquisition of the assets of VSPL on account of multiple factors as it offers everything the proposed subsidiary (PCPL) looks for to start the business initiative. VSPL had set up a green field castings division in 2008 using the state of the art sand system and molding machinery supplied by IMF (Italy), the world leader in castings equipment manufacturing. The infrastructure of the castings is top of the line and comparable to the best in the country. Apart from being just 3 years old, the plant & equipment is in excellent and pristine condition.

- The castings facility of VSPL is most conveniently located just about 30 Kms from both the plants of PLL. VSPL secured an ISO 9001 accreditation for the division in 2008 itself and a very efficient quality management system has been put in place. VSPL’s manufacturing facilities and its quality systems of the castings division have been approved by several reputed clients. VSPL is catering to the niche segment of the market and products manufactured by it are of high

precision / quality. The acquisition of “The Assets” would allow PCPL to commence operations without any gestation period and service the existing clientele of VSPL. It is pertinent to note here that the cost of acquisition is related purely to the value of “The Assets” of VSPL and no additional compensation is envisaged to be paid to VSPL for transferring their existing customer base and future potential business.

- Therefore PCPL, upon acquisition of “The Assets”, will instantly be endowed with a list of reputed clientele of VSPL such as Enercon India, Shriram Engineering, ABB, Bharat Earth Movers Ltd, SCHWING Stetter, AVTEC, Caterpillar, Ingersoll Rand, Mather + Platt, Winergy and Addison etc. who are in various fields including power generation, infrastructure, manufacturing of industrial equipment, earth moving and mining, oil and gas, agriculture etc. Many of the products made by VSPL involve precision machining which is a very high value-added activity. VSPL is presently outsourcing the machining operations. This can be done in-house in the state of art machining facility of PLL. Some of the customers of VSPL like Enercon, ABB, Winergy etc. consume large quantities of laminations and this enables PLL to tap into this requirement. In addition to the significant advantage of bringing several reputed clientele of VSPL into its fold, there will be surge in the sales volume to GE which is one of the most prestigious customers of PLL and GE is expected to commit significantly higher volumes once the manufacturing activity of the castings is in the direct control of PLL.

- Finally, the proposed acquisition will facilitate the forward and backward integration of the existing business enabling PLL to carry on its business more economically, efficiently and profitably and further enhance the area of operations. It certainly enhances the quality deliverables of PLL as it will bring into its fold several activities / facets thereby minimizing the dependence on outside vendors.

- It is believed that the long-term arrangements being entered into with the principal overseas client during the current year would not only ensure decent volumes but also enable the company to offer many products as per its requirements. While the slowdown on the domestic front is,

indeed, a cause for concern, the company has set a very modest increase in its sales target in the current year and given the proven quality deliverables of the company and continuous patronage it has been enjoying, the company does not envisage any difficulty in achieving the targets set.

- A sophisticated tool room for manufacture of tools and dies is managed by a technically competent team.
- The company is endowed with a dedicated workforce having proven skills and experience across various facets of the company.
- Time is the essence in decision making of any corporate and to ensure that information is accurate and that the flow of information is at the desired pace, the company constantly reviews its ERP practices to analyse the operational and financial performance.
- The very fact that most of the customers have been patronizing the company right from inception speaks of their confidence and satisfaction in the quality deliverables of the company and puts the company on a stronger footing to pitch for the best possible orders emanating from their growth plans.

Outlook

Your company has set a modest sales target of 26000 MT for the year comprising domestic target of 15000 MT and export target of 11000 MT given the slowdown in the economy.

The company is contemplating to sell 1200 Nos of stator frames in the current year based on the inputs received from the existing and prospective clientele. The company believes that initiating casting operations would enable the company to expand its range of enterprise and provide 'one stop solutions' to its clientele. The company is confident that such strategic initiatives enhance its rating and contribute to volume accretion and improved margins in the years to come.

Risks and Concerns

Risk Management forms an integral part of the company's business processes and constitutes an important element of decision making.

The Company caters its products to the capital goods industries and any adverse cyclical swings arising from factors such as excess capacity, regional demand and supply imbalances and volatile swings in market demand and prices will initially manifest themselves in the capital goods industries and your company, therefore is susceptible to such factors. However in the year under review, the Company clocked highest ever export turnover of Rs. 256.08 crores despite globally sluggish business environment evidencing well-thought out approach towards international presence, continued trust enjoyed by the company and diversified business model.

It is an established practice in this industry to pass on the increase in raw material cost to the customers and therefore cost escalations may not affect 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 is actually effected by the suppliers. Price determination on a quarterly basis is also effected with the principal raw material suppliers.

Like any other business enterprise, your company operates in a challenging competitive environment. However established track record and sustained patronage from the customers, dedicated work force with professional expertise coupled with wide range of state of the art technology enabling the company to offer diversified business models had put the company on a fundamentally strong position virtually making it India's only end-to-end products and service provider in the Electrical Laminations industry.

The company's determined efforts to broad base its customer base is likely to yield results with the addition of few new customers.

A carefully drafted retention policy which promotes job enrichment, engagement, accountability for performance, career progression, reward recognition and welfare insulates

the company against attrition and its attendant evils.

Internal Control Systems and their adequacy

The company believes that a strong internal controls framework 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 and these have broadly withstood the test of time. 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 assets from unauthorized use, executing transactions with proper authorizations 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 concern having considerable experience in the audit of manufacturing enterprises. The audit is carried on a monthly basis and monthly audit reports are submitted to the management. The Audit Committee will review the internal audit reports, the remedial measures taken by the concerned departmental heads in the light of audit observations.

The statutory auditors of the company also do scrutinize the internal audit reports as part of their statutory audit functions.

The statutory auditors will 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.

Human Resources Development and Industrial Relations

The company achieved all-time high record in production,

sales, sales turnover and profitability in the year under review backed by a dedicated and talented team.

Mutual trust, harmony and unity of purpose are the pillars on which the corporate edifice is built and true to its philosophy, the company is committed to maintain harmonious relationship with the work force, it being the active partner in its growth and development.

The company conducts consultations, dialogue, deliberations, negotiations and meetings in a congenial environment and arrives at amicable solutions to issues that crop up from time to time.

As on March 31, 2012 the company had a workforce of 1094 employees excluding the contract labour.

Cautionary Statement

Statements in the "Management Discussion and Analysis Report" and elsewhere 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.

Discussion on Financial Performance with Respect to Operational Performance

The company has attained all-time high in production, sales, sales turnover and profitability for the year ended 31st March 2012.

In a volume driven growth, the company's sales have significantly risen to 25022 MT from 20270 MT in the preceding year thereby recording a growth of 23.44%. The

turnover shot up to Rs. 423.91 crores from Rs. 266.49 crores in the preceding year thereby registering a growth of 59.07%.

There is a remarkable surge in export operations in the year under review with the company logging an export turnover of Rs. 256.08 crores as against Rs. 131.70 crores earned in the previous fiscal thereby recording a growth of 94.44%.

Due to the collective efforts of the company, benefits of economies of scale, the significant rise in export turnover and efficient working capital management, the company has posted a profit before tax (PBT) of Rs. 33.46 crores as compared to Rs. 13.35 crores in the previous year thereby registering a growth of 150.64%.

During the year under review, the company has issued 40,50,000 equity shares of Rs. 10/- each at a price of Rs. 39.15 per share (including premium of Rs. 29.15 per share) to the promoters of the company on a preferential basis and listing approval has been obtained from National Stock Exchange of India Limited and Bombay Stock Exchange Limited.

The preferential allotment was made in order to augment the equity base and improve upon the networth and to source the growth plans of the company. The company has raised Rs. 15.86 crores by way of share capital and premium in this preferential issue.

The term loans have increased to Rs. 12.15 crores in the year under review from Rs. 8.48 crores in the previous year. The working capital borrowings have increased from Rs. 66.14 crores to Rs. 123.92 crores consequent to the higher level of operations. The gross block of assets have increased to Rs. 116.82 crores in the year compared to Rs. 100.49 crores in the previous fiscal. The depreciation for the year has marginally increased to Rs. 6.64 crores from Rs. 6.28 crores in the year-ago period.

Geographical Mix

	2011-2012	2010-2011
A Exports (MT)	11828	6800
Domestic (MT)	13194	13470
Total	25022	20270
B Exports Stator Frames (Nos)	1032	603
Domestic Stator Frames (Nos)	—	—
Total	1032	603
C Export Revenue including stator frames (Rs. Crores)	256.08	131.70
Domestic Revenue (Rs. Crores)	167.83	134.79
Total	423.91	266.49

Other Income:

Other income for the year under review is Rs. 4.43 crores broadly comprising of export incentives and interest on deposits as against Rs. 3.42 crores in the previous year.

Profitability

Rs. in crores

	2011-2012	2010-2011
1 Earnings before interest, tax and depreciation	62.97	32.65
2 Depreciation	6.64	6.28
3 Finance Charges	22.87	13.02
4 Profit before tax	33.46	13.35
5 Profit after tax	22.42	8.49



FINANCIAL SECTION

AUDITORS' REPORT

To
The Members
PITTI LAMINATIONS LIMITED

We have audited the attached balance sheet of PITTI LAMINATIONS LIMITED as at 31st March 2012, and the Statement of Profit and Loss Account, Cash Flow statement for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion and report that:

As required by the Companies (Auditor Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose the Annexure on the matters specified in paragraphs 4&5 of the said order, to the extent applicable.

1. Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) 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;
- (iii) The Balance Sheet, Statement of Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account;

- (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss Account and Cash Flow statement dealt by this report comply with the accounting standards referred to in section 211(3C) of the Companies Act, 1956;
- (v) Based on the representations made by the Directors of the Company and the information and explanations given to us, none of the Directors is disqualified as on 31st March 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the accounting policies and Notes forming part of accounts thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. In case of Balance Sheet, of the state of affairs of the Company as at 31st March 2012;
 - b. In the case of Statement of Profit and Loss Account, of the profit of the company for the year ended on that date
 - c. In case of the Cash Flow Statement, of the cash flows for the year ended on the date.

for **LAXMINIWAS & JAIN.**

Chartered Accountants

Firm Registration Number:001859S

Laxminiwas Sharma

Partner

M.No. 014244

Date: 30/04/2012

Place: Hyderabad

ANNEXURE TO AUDITORS' REPORT

PITTI LAMINATIONS LIMITED

[Referred to in our report of 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 the 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 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 inventory 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 physical verification of inventory as compared to book/records were not material.
- iii) a) According to the information and explanations given to us, the company has not granted any loans secured or unsecured to companies, firms or other parties 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 loan of Rs. 2697.99 lakhs from three parties and repaid Rs.3405.49 lakhs to three parties and total amount outstanding as on 31st March 2012 was Rs.10 Lakhs payable to one party covered in the register maintained under section 301 of the Companies Act, 1956.
- c) In our opinion, the rate of interest and other terms and conditions on which loans were taken from the companies, firms or other parties covered in 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 explanations given to us, the company is regular in repayment of the principal 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 purchase of inventory, fixed assets and with regard to 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 arrangement referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- b) In our opinion 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 and 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 the size and nature of its business.
- viii) The maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 has not been prescribed by the Central Government for the products of the company.
- 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 Income tax, Service tax, Wealth tax, Sales tax, Customs duty, Excise duty and Cess were in arrears, as at 31st March, 2012 for a period of more than six months from the date they became payable.
- c) According to the information and explanation given to us, there are no dues of Sales Tax, Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which are not deposited on account of dispute except as under.

Nature of Dues	Amount (Rs. In Lakhs)	Dispute pending at
Service Tax	117.72	CESTAT/ AP High Court
Income Tax	87.91*	AP High Court

*(Net of Rs.33.71lacs paid under protest)

- x) In our opinion, the company has no accumulated losses as on 31.03.2012 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi) According to the information and explanation given to us, the company has not defaulted in repayment of its dues to Banks and financial institutions. The company has not issued any Debentures.
- 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 (Auditor's 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 (Auditor's 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 (Auditor's Report) order 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, term loans availed by the company were, prima facie, applied by the company during the year for the purpose for which the loans 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 during the year, the company has made preferential allotment of shares to parties covered in the register maintained under Section 301 of the Companies Act, 1956. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the Company.
- 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 (Auditor's 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 (Auditor's 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 information and explanation given by the management, we report that no fraud or on by the company has been noticed or reported during the year.

for LAXMINIWAS & JAIN.
Chartered Accountants
Firm Registration Number:0018595

Laxminiwas Sharma
Partner
M.No. 014244

Date: 30/04/2012
Place: Hyderabad

BALANCE SHEET as at 31st March, 2012

(Rs. in lacs)

Particulars	Note No.	As at 31st March, 2012	As at 31st March, 2011
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	2.1	1349.59	944.59
Reserves and Surplus	2.2	8716.80	5764.57
		10066.39	6709.16
Non-current liabilities			
Long-term borrowings	2.3	1666.31	2046.30
Deferred tax liabilities (net)	2.4	555.52	462.30
		2221.83	2508.60
Current liabilities			
Short-term borrowings	2.5	12391.83	6614.45
Trade payables	2.6	7526.27	6934.85
Other current liabilities	2.7	1898.84	1455.30
Short-term provisions	2.8	1654.84	737.82
		23471.78	15742.42
Total		35760.00	24960.18
ASSETS			
Non-current assets			
Fixed assets	2.9		
Tangible assets		7648.97	6644.92
Intangible Assets		88.74	124.28
Capital work-in-progress		388.41	35.48
Long term loans and advances	2.10	53.45	43.88
Other non-current assets	2.11	101.59	85.00
		8281.16	6933.56
Current assets			
Current investments	2.12	0.10	0.10
Inventories	2.13	10429.37	8505.83
Trade receivables	2.14	11318.35	6754.74
Cash and bank balances	2.15	1137.31	847.59
Short-term loans and advances	2.16	4557.67	1899.65
Other current assets	2.17	36.04	18.71
		27478.84	18026.62
Total		35760.00	24960.18
Significant accounting policies and notes on accounts	1 & 2		

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

As per report of even date

for **Laxminiwas & Jain**

Firm Registration No. 001859S

Chartered Accountants

for and on behalf of the Board

Akshay S Pitti

Vice-Chairman & Managing Director

G.Narayana Rao

Director

Laxminiwas Sharma

Partner

M.No. 014244

B.K Prasad

Secretary & GM (Commercial)

G.V.S.N. Kumar

Chief Financial officer

Place : Hyderabad

Date : 30th April, 2012

STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2012

(Rs. in lacs)

Particulars	Note No.	2011-12	2010-11
REVENUE			
Revenue from operations (Gross)		42391.19	26649.17
Less: Taxes & duties		(2006.63)	(1471.48)
Revenue from operations (Net)		40384.56	25177.69
Other Operating revenue		443.29	342.04
Total Revenue from Operations	2.18	40827.85	25519.73
EXPENSES			
Cost of materials consumed	2.19	25476.10	17184.18
Changes in inventories of work-in-process, finished goods and scrap	2.20	1412.93	(736.42)
Employee benefits expenses	2.21	2674.89	1880.01
Finance costs	2.22	2286.52	1302.29
Depreciation and amortization expense	2.9	663.75	627.77
Other expenses	2.23	4967.39	3926.94
Total Expenses		37481.58	24184.77
Profit before tax		3346.27	1334.96
Tax expenses:	2.24		
(a) Current tax		1010.99	428.61
(b) Deferred tax		93.22	57.66
Total Tax expenses		1104.21	486.27
Profit for the period from continuing operations		2242.06	848.69
Profit for the period		2242.06	848.69
Earnings per equity share:	2.25		
(a) Basic		19.12	8.99
(b) Diluted		19.12	8.99

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

As per report of even date

for **Laxminiwas & Jain**

Firm Registration No. 001859S

Chartered Accountants

for and on behalf of the Board

Laxminiwas Sharma

Partner

M.No. 014244

Place : Hyderabad

Date : 30th April,2012

Akshay S Pitti

Vice-Chairman & Managing Director

G.Narayana Rao

Director

B.K Prasad

Secretary & GM (Commercial)

G.V.S.N. Kumar

Chief Financial officer

CASH FLOW STATEMENT for the year ended 31st March, 2012

(Rs. in lacs)

Particulars	Year ended 31st March, 2012		Year ended 31st March, 2011	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax	3346.27		1334.96	
Adjusted For				
Depreciation	663.75		622.07	
Bad debts written off	26.87		–	
Sale of fixed asses	–		17.15	
Finance Costs	2286.52	6323.41	1302.29	3276.47
Operating Profit before Working Capital changes		6323.41		3276.47
Working Capital Changes Adjusted For				
Trade & Other Receivables	(6991.99)		(2304.53)	
Inventories	(1923.54)		(2355.95)	
Trade Payables	591.42		1101.24	
Working Capital Borrowings	5777.38		1970.60	
		(2546.73)		(1588.64)
Cash generated from operations		3776.68		1687.83
Taxes Paid		(727.84)		–
Cash Flow before extraordinary items		3048.84		1687.83
Net Cash Flow From Operating Activities - (A)		3048.84		1687.83
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets		(1985.19)		(211.21)
Net Cash used in Investing Activities - (B)		(1985.19)		(211.21)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Finance charges	(2286.52)		(1302.29)	
Dividend Paid	(109.74)		–	
Increase in securities premium	1180.58		–	
Issue of share capital	405.00		–	
Term Loans	654.87		(644.86)	
Other Loans	(618.12)	(773.93)	683.24	(1263.91)
Net Cash used in Finance Activities - (C)		(773.93)		(1263.91)
Net Increase(Decrease) in Cash & Cash Equivalents (A+B+C)		289.72		212.71
Opening Balance in Cash and Cash Equivalents (Cash and Bank balances)		847.59		634.88
Closing Balance in Cash and Cash Equivalents (Cash and Bank balances)		1137.31		847.59

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

As per report of even date

for **Laxminiwas & Jain**

Firm Registration No. 0018595

Chartered Accountants

for and on behalf of the Board

Akshay S Pitti

Vice-Chairman & Managing Director

G.Narayana Rao

Director

Laxminiwas Sharma

Partner

M.No. 014244

Place : Hyderabad

Date : 30th April,2012

B.K Prasad

Secretary & GM (Commercial)

G.V.S.N. Kumar

Chief Financial officer

1. SIGNIFICANT ACCOUNTING POLICIES

Note 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 recognized and expenses accounted on their accrual.

Note 1.2 FIXED ASSETS

Fixed Assets are stated at cost. Expenditure which is of capital nature is capitalized. 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 amortized 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.

Note 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.

Note 1.4 INVENTORIES

Inventories are valued as under:

SL No.	Particulars	Basis of Valuation
1.	Raw Material	Weighted average cost or net realizable value whichever is lower
2.	Work In Process	Weighted average cost or net realizable value whichever is lower
3.	Finished Goods	Weighted average cost or net realizable value whichever is lower
4.	Stores & Spares	Weighted average cost or net realizable value whichever is lower
5.	Scrap	At Realizable 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.

Note 1.5 RETIREMENT BENEFITS

Note 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.

Note 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.

Note 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.

Note 1.6 BORROWING COSTS

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

Note 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 recognizes 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 recognized as income or expense over the life of the said contract.

Note 1.8 LEASES

Assets acquired by way of finance lease are capitalized 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 recognized as finance costs in the Statement of Profit and Loss. Lease rentals paid in respect of operating leases are recognized as an expense in the statement of Profit and Loss.

Note 1.9 TAXATION

Note 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.

Note 1.9.2 DEFERRED TAX

The company is providing and recognizing 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, 2012

2. NOTES ON ACCOUNTS

(Rs. in lacs)

Parrticulars	As at 31st March, 2012	As at 31st March, 2011
Note 2.1 SHARE CAPITAL		
Authorised Capital		
1,50,00,000 (Previous year 1,50,00,000) Equity Shares of Rs.10/- each	1500.00	1500.00
Issued, Subscribed and Paid up 13491700 (Previous year 94,41,700) Equity shares of Rs.10/- each	1349.17	944.17
Shares forfeited (8300 Shares of Rs.5/- each)	0.42	0.42
Total	1349.59	944.59

NOTES TO FINANCIAL STATEMENTS (Contd.) for the year ended 31st March, 2012

Note 2.1 SHARE CAPITAL (Contd.)

Notes:

Particulars	2011-12		2010-11	
	No of shares	Value (Rs.)	No of shares	Value (Rs.)
Issued, subscribed and paid-up capital				
At the beginning of the period	9441700	944.17	9441700	944.17
Issued during the period - (Shares on Preferential basis)	4050000	405.00	—	—
At the closing of the period	13491700	1349.17	9441700	944.17

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

Name of the shareholder	As at 31st March, 2012		As at 31st March, 2011	
	%	No. of shares	%	No. of shares
Shri Sharad B Pitti	15.85	2137780	22.64	2137780
Shri Akshay S Pitti	11.70	1579100	16.72	1579100
Smt Madhuri S Pitti	5.79	781100	2.34	221100
Pitti Electrical Equipment Pvt Ltd	25.87	3490000	—	—

The company had allotted 40,50,000 equity shares of Rs.10/- each at a price of Rs. 39.15 per share (including premium of Rs.29.15 per share) to the promoters and promoters group.

The issue price is determined in accordance with the guidelines stipulated under SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009.

The shares allotted shall rank pari-passu in all respects with the existing equity shares of the company including entitlement to dividend and voting.

(Rs. in lacs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Note 2.2 RESERVES AND SURPLUS		
A. Securities Premium Reserve		
At the beginning of the period	2619.21	2619.21
Add: During the period - (Shares on Preferential basis)	1180.58	
At the closing of the period	3799.79	2619.21
B. General Reserve		
Opening balance of General Reserve	550.00	350.00
Add: Transferred from P&L Account during the year	230.00	200.00
	780.00	550.00
C. Surplus in the Statement of Profit and Loss		
Opening balance	2595.36	2056.40
Add :Profit for the period	2242.06	848.69
Less : Proposed dividend (inclusive of tax)	(470.41)	(109.73)
Less: Transferred to general reserve during the year	(230.00)	(200.00)
Net Surplus in the Statement of Profit and Loss	4137.01	2595.36
Total (A+B+C)	8716.80	5764.57

NOTES TO FINANCIAL STATEMENTS (Contd.) for the year ended 31st March, 2012

(Rs. in lacs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Note 2.3 LONG-TERM BORROWINGS		
A. Secured Loans		
Term Loans from Banks (Refer Note a)	798.82	741.14
Term Loans from others (Refer Note b)	416.64	106.76
Other loans from Bank (Refer Note c)	56.30	56.30
Sub Total	1271.76	904.20
Vehicle Loans		
i) Vehicle Loan from Banks (Refer Note d)	15.20	23.62
ii) Vehicle Loan from Others (Refer Note d)	27.03	57.06
Sub Total	42.23	80.68
Total	1313.99	984.88
B. Un secured loans		
Unsecured Loans from Directors (Refer Note e)	10.00	10.00
Sales Tax Deferral (Refer Note f)	282.32	283.92
Inter Corporate Deposit (Refer note g)	60.00	767.50
Total	352.32	1061.42
Total (A+B)	1666.31	2046.30

Notes:

- Term loans from scheduled banks viz State Bank of India, Oriental Bank of commerce and Allahabad Bank are 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 and collateral security provided by the Chairman and Managing Director/relative of Chairman and Managing Director. (Refer Note 2.7 (a) for terms of repayment)
- The above loan 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 2.7 (a) for terms of repayment)
- Secured against lien on FDR from Agroha Co-operative Urban Bank. (Repayable in September'2013)
- Secured against hypothecation of vehicles. (Refer Note 2.7 (b) for terms of repayment)
- Unsecured Loans from Shri G.Vijaya Kumar (Director) (Repayable in June'2013)
- 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. (Repayable in June'2013)

Note 2.4 DEFERRED TAX LIABILITIES (NET)		
Opening balance	462.30	404.64
Provision for the year	93.22	57.66
Closing balance	555.52	462.30

NOTES TO FINANCIAL STATEMENTS (Contd.) for the year ended 31st March, 2012

(Rs. in lacs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Note 2.5 SHORT-TERM BORROWINGS		
Working capital borrowings from Banks (Secured)	12391.83	6614.45

Note:

Working capital facilities from State Bank of India, Indian Overseas Bank, Allahabad Bank, Indusind 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 and Managing Director, Vice Chairman and Managing Director and one of the relatives of the promoter.

Note 2.6 TRADE PAYABLES		
Trade payables	7526.27	6934.85
Total	7526.27	6934.85

Note:

Out of the said amount Rs.186.69 lacs (March 31 2011 Rs.386.97 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 2.7 OTHER CURRENT LIABILITIES		
Other Liabilities	614.22	514.18
Unclaimed Dividend	22.61	21.52
Interest accrued but not due on loans	28.01	11.34
Term loan instalments due less than 12 months (Refer note a)	1185.69	834.53
Vehicle loan instalments due less than 12 months (Refer note b)	48.31	73.73
Total	1898.84	1455.30

Note:

a) Terms of repayment are given below:

- Loan taken from SBI IFB is repayable in quarterly instalments of Rs.99.65 lacs each till March'2013
- Loan taken from Allahabad Bank is repayable in quarterly instalments of Rs.85.63 lacs each till March'2013
- Loan taken from Oriental Bank of Commerce is repayable in quarterly instalments of Rs.68.75 lacs each till January'2016.
- Loan taken from TATA Capital Ltd., is repayable in quarterly instalments of Rs.20.00 lacs each till May'2013
- Loan taken from L & T Finance Ltd., is repayable in monthly instalments of Rs.7.46 lacs each till June'2016

b) Terms of repayment are given below:

- Loan taken from ICICI Bank is repayable in monthly instalments of Rs.0.99 lacs each inclusive of interest till June'2013
- Loan taken from Kotak Bank is repayable in monthly instalments of Rs.0.40 lacs each inclusive of interest till May'2013
- Loan taken from Axis Bank is repayable in monthly instalments of Rs.0.36 lacs each inclusive of interest till November'2014
- Loan taken from Tata Capital is repayable in monthly instalments of Rs.2.81 lacs each inclusive of interest till January'2014

Note 2.8 SHORT-TERM PROVISIONS		
Provision for taxation	1010.99	427.84
Provision for Gratuity	88.27	127.16
Provision for Bonus	25.91	28.24
Provision for Leave encashment	59.26	44.85
Proposed Dividend (Incl. Tax)	470.41	109.73
Total	1654.84	737.82

NOTES TO FINANCIAL STATEMENTS (Contd.) for the year ended 31st March, 2012

Note 2.9 FIXED ASSETS

(Rs. in lacs)

Particulars	Gross Block				Depreciation				Net block	
	As at 01.04.2011	Additions	Adjustments	As at 31.03.2012	As at 01.04.2011	For the Year	Adjustments	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
Tangible Assets:										
Land	233.27	–	–	233.27	–	–	–	–	233.27	233.27
Factory Building	1269.39	21.61	–	1291.00	213.10	42.76	–	255.86	1035.14	1056.29
Lease hold Property	821.05	–	–	821.05	226.78	43.09	–	269.87	551.18	594.27
Plant & Equipment	6476.23	1527.76	–	8003.99	2338.89	441.37	–	2780.26	5223.73	4137.34
Office Equipment	88.17	8.61	–	96.78	47.40	2.58	–	49.98	46.80	40.77
Furniture & Fixtures	159.01	5.53	–	164.54	51.02	10.16	–	61.17	103.36	107.99
Other –Computers	282.71	42.05	–	324.76	182.06	43.44	–	225.50	99.26	100.65
Vehicles	500.23	26.70	–	526.93	125.89	44.81	–	170.70	356.23	374.34
Sub Total	9830.06	1632.26	–	11462.32	3185.14	628.21	–	3813.34	7648.97	6644.92
Intangible Assets										
Computer Software	219.27	–	–	219.27	94.99	35.54	–	130.53	88.74	124.28
Sub Total	219.27	–	–	219.27	94.99	35.54	–	130.53	88.74	124.28
Total	10049.33	1632.26	–	11681.59	3280.13	663.75	–	3943.87	7737.71	6769.20
Previous Year	9852.57	213.92	(17.15)	10049.34	2658.07	627.77	(5.70)	3280.14	6769.20	7194.50
Capital Work In Progress									388.41	35.48

(Rs. in lacs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Note 2.10 LONG TERM LOANS AND ADVANCES		
Unsecured, considered good		
Rent deposit	20.46	20.16
Deposits with suppliers	2.34	2.38
Deposits with Govt., bodies	30.65	21.34
Total	53.45	43.88

Note 2.11 OTHER NON-CURRENT ASSETS

FDR with Agroha Co-op. Urban bank Ltd	101.59	85.00
Total	101.59	85.00

Note 2.12 CURRENT INVESTMENTS

1000 Equity Shares of Development Credit Bank Ltd., at Rs.10/- each (Quoted) (Market Value Rs. 45,050/- ,previous year Rs 45850/-)	0.10	0.10
Total	0.10	0.10

NOTES TO FINANCIAL STATEMENTS (Contd.) for the year ended 31st March, 2012

(Rs. in lacs)

Parrticulars	As at 31st March, 2012	As at 31st March, 2011
Note 2.13 INVENTORIES (at lower of cost or Net realisable value)		
Raw material	5556.84	2767.09
Work in process	1464.86	2541.97
Finished goods	1160.07	1655.56
Stores and spares	613.44	492.15
Press tools & dies	1181.96	756.53
Scrap	452.20	292.53
Total	10429.37	8505.83

Note 2.14 TRADE RECEIVABLES (Unsecured, considered good)		
Outstanding for a period exceeding six months	64.49	431.65
Others	11253.86	6323.09
Total	11318.35	6754.74

Note 2.15 CASH AND BANK BALANCES		
Cash and cash equivalents		
Balances with banks		
On Current Accounts	59.36	86.42
On Unclaimed dividend account (Refer note a)	22.61	21.50
Cash on Hand	4.42	9.34
Other bank balances		
Term Deposit Accounts (Refer note b)	1050.92	730.33
Total	1137.31	847.59

Note:

- An amount of Rs.1,99,875/- for the year 2004-05 (interim dividend) was transferred to Investor Education and Protection Fund (IEPF) on 03/02/2012.
- Term Deposits are held as Margins for LC/BG

Note 2.16 SHORT-TERM LOANS AND ADVANCES (Unsecured and considered good)		
Advances to material suppliers/contractors	2219.17	251.71
Advances to related parties (Refer note)	550.00	–
Balance with customs, central excise etc.,	1253.01	1070.10
Advance Income Tax and other taxes	376.98	414.15
Prepaid expenses	146.19	152.30
Loans and advances to employees	12.32	11.39
Total	4557.67	1899.65

Note:

Share application money with Pitti Castings Private Limited, pending allotment.

Note 2.17 OTHER CURRENT ASSETS		
Interest Accrued on Deposits	36.04	18.71
Total	36.04	18.71

NOTES TO FINANCIAL STATEMENTS (Contd.) for the year ended 31st March, 2012

(Rs. in lacs)

Particulars	2011-12	2010-11
Note 2.18 REVENUES FROM OPERATIONS		
Sales & Services		
Sale of Stampings	36907.69	23129.21
Sale of Scrap	4478.15	2497.36
Sale of Tools	351.23	280.69
Job work Income	654.12	741.91
Gross Sales & Services	42391.19	26649.17
Less: Taxes & Duties	(2006.63)	(1471.48)
Net Sales & Services	40384.56	25177.69
Other Operating revenue		
Interest on Deposits	98.32	39.93
Export incentives and others	344.97	302.11
Total	443.29	342.04

Note 2.19 COST OF MATERIALS CONSUMED		
Opening stock	2767.09	1298.50
Add: Purchases	28265.85	18652.77
Less: Closing stock	(5556.84)	(2767.09)
Consumption	25476.10	17184.18

Note 2.20 CHANGES IN INVENTORIES OF WORK-IN-PROCESS, FINISHED GOODS AND SCRAP		
A. Opening stocks:		
Work-in-process	2541.97	2448.65
Finished goods	1655.56	1234.63
Scrap	292.53	70.36
Total - A	4490.06	3753.64
B. Closing stocks:		
Work-in-process	1464.86	2541.97
Finished goods	1160.07	1655.56
Scrap	452.20	292.53
Total - B	3077.13	4490.06
C. Increase/(Decrease) in stocks (B-A)	(1412.93)	736.42

Note 2.21 EMPLOYEE BENEFIT EXPENSE		
Employees remuneration and benefits	2259.54	1521.90
Contribution to PF/ESI	135.54	116.05
Gratuity expenses	20.51	38.33
Remuneration to Managerial personnel	150.19	133.82
Staff welfare expenses	109.11	69.91
Total	2674.89	1880.01

NOTES TO FINANCIAL STATEMENTS (Contd.) for the year ended 31st March, 2012

(Rs. in lacs)

Particulars	2011-12	2010-11
Note 2.22 FINANCE COSTS		
Interest on Term Loans	199.64	222.60
Interest on Working Capital	1662.18	952.36
Bank Charges	241.19	172.00
Forex Loss/(Gain) (net)	183.51	(44.67)
Total	2286.52	1302.29

Note 2.23 OTHER EXPENSES		
Consumption of Stores, Spares, Tools & Dies	765.74	865.12
Power & fuel	167.88	155.23
Job Work Charges	120.90	133.29
Repairs & Maintenance :		
Plant	101.01	108.10
Building	3.84	2.54
Vehicles	4.95	9.39
Other Assets	11.87	4.03
Discounts to Customers	937.44	357.93
Other selling & Distribution expenses	331.79	385.94
Packing Cost	1236.32	946.72
Carriage outwards	283.37	267.16
Travelling & Conveyance	326.19	327.65
Insurance	38.99	12.86
Rent	110.89	85.79
Rates & Taxes (Excluding Taxes on Income)	87.82	30.46
Board Meeting Expenses	3.81	3.32
Remuneration to auditors :		
Audit Fee	3.00	3.00
Tax Audit Fee	1.00	1.00
Certification Fee /Taxation matter	4.09	2.50
Communication Expenses	38.58	34.10
Professional consultancy	173.80	38.67
Miscellaneous Expenses	214.11	152.14
Total - A	4967.39	3926.94

Note 2.24 TAX EXPENSES		
Current tax expenses		
Current tax	1010.99	428.61
Deferred (credit)/expenses	93.22	57.66
Total	1,104.21	486.27

NOTES TO FINANCIAL STATEMENTS (Contd.) for the year ended 31st March, 2012

Particulars	2011-12	2010-11
Note 2.25 EARNINGS PER SHARE (EPS)		
The computation of EPS is set out below:		
Earnings		
Net profit for the period (Rs. In lakhs)	2242.06	848.69
Shares		
Number of shares at the beginning of the period	9441700	9441700
Add: Shares issued during the period	4050000	–
Total number of equity shares outstanding at the end of the period	13491700	9441700
Weighted average number of equity shares outstanding during the period	11727453	9441700
Earnings per share of par value Rs.10/- Basic & Diluted (Rs)	19.12	8.99

(Rs. in lacs)

Note 2.26 CONTINGENT LIABILITIES NOT PROVIDED FOR		
A) Claims against the Company not acknowledged as debts:		
i) Income Tax Liability in respect of the appeals preferred by the Department in the High Court of Judicature of A.P. Hyderabad, pending disposal	121.62*	121.62*
ii) Service Tax liability for which appeal is pending	117.72*	22.52*
B) Commitments / Contingent Liabilities:		
i) Liability against factoring of bills	487.31	1466.75
ii) Estimated amount of contracts remaining to be executed on Capital accounts	537.56	588.89
iii) Bank guarantees	40.90	12.77

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

Note 2.27 EMPLOYEE BENEFIT PLANS

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

Assumptions:

	Gratuity Plan		Leave Encashment Plan	
	31-03-2012	31-03-2011	31-03-2012	31-03-2011
Discount Rate	8.60%	8.33%	8.60%	8.33%
Rate of increase in Compensation levels	3% p.a.	3% p.a.	3% p.a.	3% p.a.
Rate of Return on Plan Assets	9%	9%	0%	0%
Expected Average remaining working lives of employees (years)	23 Yrs	22 yrs	23 yrs	22 yrs

Table Showing Changes in Present Value of Obligations

(Amount in Rs.)

	31-03-2012	31-03-2011	31-03-2012	31-03-2011
Present Value of Obligation as at the beginning of the year	1,96,50,344	1,68,27,253	44,84,604	43,42,817
Interest Cost	16,36,874	13,46,180	3,73,568	3,47,425
Current Service Cost	27,34,113	59,51,672	14,04,176	1,41,787
Benefits paid	(10,96,842)	(11,68,490)	(1,10,37,174)	(13,19,714)
Actuarial (gain)/ loss on obligations	(16,93,406)	(33,06,271)	1,06,63,706	9,72,289
Present Value of Obligation as at the end of the year	2,12,31,083	1,96,50,344	58,88,880	44,84,604

NOTES TO FINANCIAL STATEMENTS (Contd.) for the year ended 31st March, 2012

Note 2.27 EMPLOYEE BENEFIT PLANS (Contd.)

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

(Rs.)

	31-03-2012	31-03-2011	31-03-2012	31-03-2011
Present Value of Obligation as at the end of the year	2,12,31,083	1,96,50,344	58,88,880	44,84,604
Fair Value of Plan Assets as at the end of the year	1,24,04,452	69,34,162	–	–
Funded Status	(88,26,631)	(1,27,16,182)	(58,88,880)	(44,84,604)
Net Asset / (Liability) Recognized in Balance Sheet	(88,26,631)	(1,27,16,182)	(58,88,880)	(44,84,604)

Expenses Recognized in the statement of Profit and Loss

(Rs.)

	31-03-2012	31-03-2011	31-03-2012	31-03-2011
Current Service Cost	27,34,113	59,51,672	14,04,176	1,41,787
Past Service Cost	–	–	–	–
Interest Cost	16,36,874	13,46,180	3,73,568	3,47,425
Expected Return on Plan Assets	(6,26,344)	(1,58,368)	–	–
Net actuarial (gain)/ loss recognized in the year	(16,93,406)	(33,06,271)	1,06,63,706	9,72,289
Expenses Recognized in the Statement of Profit & Loss	20,51,237	38,33,213	1,24,41,450	14,61,501

Note 2.28 DETAILS OF CONSUMPTION OF RAW MATERIALS

(Rs. in lacs)

Description	Value
Imported (Silicon Steel)	8358.04 (4148.69)
Indigenous (Silicon Steel)	16638.85 (11346.36)
Others	479.21 (1689.13)
Total	25476.10 (17184.18)

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

Note 2.29 DETAILS OF MANUFACTURED GOODS

(Rs. in lacs)

Description	Sales Values	Closing Inventory	Opening Inventory
Stampings	36907.69 (23129.21)	1160.06 (1655.56)	1655.56 (1234.63)
Others	5483.49 (3519.95)	– –	– –
Total	42391.18 (26649.16)	1160.06 (1655.56)	1655.56 (1234.63)

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

NOTES TO FINANCIAL STATEMENTS (Contd.) for the year ended 31st March, 2012

Note 2.30 DETAILS OF WORK IN PROCESS

(Rs. in lacs)

Description	WIP
Stampings	1464.86 (2541.97)
Total	1464.86 (2541.97)

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

(Rs. in lacs)

Particulars	2011-12	2010-11
Note 2.31 CIF VALUE OF IMPORTS		
Raw Materials	9391.44	5422.88
Stores and Spares	145.71	45.68
Capital goods	734.69	–
Total	10271.84	5468.56

Note 2.32 EARNINGS IN FOREIGN CURRENCY

FOB value of Exports	25608.46	13169.62
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Note 2.33 EXPENDITURE IN FOREIGN CURRENCY

Travelling and others	247.20	178.16
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Note 2.34 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)

(Rs. in lacs)

Particulars	Year Ended	
	31.03.2012	31.03.2011
Segment Revenue:		
a) India	17226.02	13821.59
b) Outside India	25608.46	13169.62
Total	42834.48	26991.21

- 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 on		Additions to Fixed Assets during the year			
		31.03.2012	31.03.2011	2011-12		2010-11	
				Put to use	CWIP	Put to use	CWIP
a)	India	27076.78	19950.92	1632.26	388.41	213.92	35.47
b)	Outside India	8683.22	5009.26	–	–	–	–
	Total	35760.00	24960.18	1632.26	388.41	213.92	35.47

NOTES TO FINANCIAL STATEMENTS (Contd.) for the year ended 31st March, 2012

Note 2.35 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

- 1) Shri Sharad B Pitti
- 2) Shri Akshay S Pitti
- 3) Smt Shanti B Pitti
- 4) Smt Madhuri S Pitti
- 5) Shri Y B Sahgal
- 6) Shri Sanjay Srivastava
- 7) 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 Pvt. Ltd.,
- 5) Badrivishal Pannalal Pitti Trust

B. Transactions/Balances outstanding with related parties

(Rs. in lacs)

Sl. No.	Transactions/ Outstanding Balances	Directors/ Relatives	Director's interest in companies	Total
1.	Remuneration	150.19	–	150.19
2.	Rent /Lease	85.20	–	85.20
3.	Interest paid	11.33	98.74	110.07
4.	Interest received	–	5.68	5.68
5.	Purchases	–	960.79	960.79
6.	Sales	–	229.93	229.93
7.	Advances – accepted	560.00	2137.99	2697.99
8.	Advances – refunded	560.00	2845.49	3405.49
9.	Share application money	–	550.00	550.00
10.	Donations paid	–	37.12	37.12
11.	Job work charges incurred	–	60.00	60.00
12.	Job work charges earned	–	3.64	3.64
13.	Amount payable at the year end	22.52	13.14	35.66
14.	Amount receivable at the year end	13.41	73.50	86.91

(Rs. in lacs)

Particulars	Future Payments	
	2011-12	2010-11
Note 2.36 OPERATING LEASE: (AS A LESSEE)		
Within one year	110.89	70.08
Between one year and five years.	134.78	71.32
Above five years	245.26	188.04

NOTES TO FINANCIAL STATEMENTS (Contd.) for the year ended 31st March, 2012

Note 2.37 DEFERRED TAX

(Rs. in lacs)

Sl. No.	Particulars	Deferred Tax (Liability) / Asset as at 01.04.2011	Current Year charge (Credit)	Deferred Tax (Liability) / Asset as at 31.03.2012
1.	Difference between Depreciation as per Co's Act. & as per IT Act.	(530.37)	(84.52)	(614.89)
2.	Others	68.07	(8.70)	59.37
	Deferred Tax Net	(462.30)	(93.22)	(555.52)

Note 2.38

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 2.39

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

Note 2.40 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 31.03.2012.

(Rs. in lacs)

Sl. No.	Description	2011-12	2010-11
1	Principal amount due to suppliers under MSMED	186.69	386.97
2	Interest accrued and due to suppliers covered under MSMED on the above amount, unpaid	3.08	13.77
3	Payment made to suppliers (With Interest) beyond the appointed day during the year.	1121.34	374.20
4	Payment made to suppliers (Other than interest) beyond the appointed day during the previous year	—	—
5	Interest paid to suppliers covered under MSMED	10.91	8.35
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.

NOTES TO FINANCIAL STATEMENTS (Contd.) for the year ended 31st March, 2012

Note 2.41

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

Note 2.42

Financial and derivative instruments:	As on 31st March, 2012	As on 31st March, 2011
Forward contracts	Rs.12048.14 lacs	Rs. 5932.05 lacs

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

Note 2.43

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 & Jain**
Firm Registration No. 001859S
Chartered Accountants

Laxminiwas Sharma
Partner
M.No. 014244

Place : Hyderabad
Date : 30th April,2012

for and on behalf of the Board

Akshay S Pitti
Vice-Chairman & Managing Director

G.Narayana Rao
Director

B.K Prasad
Secretary & GM (Commercial)

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

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.

0	1	-	4	1	4	1
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 State Code

						0	1
--	--	--	--	--	--	---	---

Balance Sheet Date

3	1
---	---

0	3
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2	0	1	2
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Date Month Year

II. Capital Raised during the year (Amount in lacs)

(Including Premium)

		4	0	5	.	0	0
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III. Position of Mobilisation and Deployment of Funds (Amount in Rs. 000)

Total Liabilities	<table border="1" style="display: inline-table;"><tr><td>3</td><td>5</td><td>7</td><td>5</td><td>9</td><td>9</td><td>9</td></tr></table>	3	5	7	5	9	9	9	Total Assets	<table border="1" style="display: inline-table;"><tr><td>3</td><td>5</td><td>7</td><td>5</td><td>9</td><td>9</td><td>9</td></tr></table>	3	5	7	5	9	9	9			
3	5	7	5	9	9	9														
3	5	7	5	9	9	9														
Sources of Funds																				
Paid-up Capital	<table border="1" style="display: inline-table;"><tr><td></td><td></td><td>1</td><td>3</td><td>4</td><td>9</td><td>1</td><td>7</td></tr></table>			1	3	4	9	1	7	Share Warrants Money	<table border="1" style="display: inline-table;"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table>							N	I	L
		1	3	4	9	1	7													
						N	I	L												
Reserves & Surplus	<table border="1" style="display: inline-table;"><tr><td></td><td></td><td>8</td><td>7</td><td>1</td><td>6</td><td>8</td><td>0</td></tr></table>			8	7	1	6	8	0	Unsecured Loans	<table border="1" style="display: inline-table;"><tr><td></td><td></td><td></td><td>3</td><td>5</td><td>2</td><td>3</td><td>2</td></tr></table>				3	5	2	3	2	
		8	7	1	6	8	0													
			3	5	2	3	2													
Secured Loans	<table border="1" style="display: inline-table;"><tr><td></td><td></td><td>1</td><td>3</td><td>1</td><td>3</td><td>9</td><td>9</td></tr></table>			1	3	1	3	9	9	Deferred Payment Liability	<table border="1" style="display: inline-table;"><tr><td></td><td></td><td></td><td>5</td><td>5</td><td>5</td><td>5</td><td>2</td></tr></table>				5	5	5	5	2	
		1	3	1	3	9	9													
			5	5	5	5	2													
Application of Funds																				
Net Fixed Assets	<table border="1" style="display: inline-table;"><tr><td></td><td></td><td>8</td><td>1</td><td>2</td><td>6</td><td>1</td><td>2</td></tr></table>			8	1	2	6	1	2	Investments	<table border="1" style="display: inline-table;"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td>1</td><td>0</td></tr></table>							1	0	
		8	1	2	6	1	2													
						1	0													
Net Current Assets	<table border="1" style="display: inline-table;"><tr><td></td><td></td><td>4</td><td>0</td><td>0</td><td>6</td><td>9</td><td>5</td></tr></table>			4	0	0	6	9	5											
		4	0	0	6	9	5													

IV. Performance of the Company (Amount in Rs. 000)

Total Income	<table border="1" style="display: inline-table;"><tr><td></td><td>4</td><td>0</td><td>8</td><td>2</td><td>7</td><td>8</td><td>5</td></tr></table>		4	0	8	2	7	8	5	Total Expenditure	<table border="1" style="display: inline-table;"><tr><td></td><td>3</td><td>7</td><td>4</td><td>8</td><td>1</td><td>5</td><td>8</td></tr></table>		3	7	4	8	1	5	8
	4	0	8	2	7	8	5												
	3	7	4	8	1	5	8												
Profit Before Tax	<table border="1" style="display: inline-table;"><tr><td></td><td>3</td><td>3</td><td>4</td><td>6</td><td>2</td><td>7</td></tr></table>		3	3	4	6	2	7	Profit After Tax	<table border="1" style="display: inline-table;"><tr><td></td><td>2</td><td>2</td><td>4</td><td>2</td><td>0</td><td>6</td></tr></table>		2	2	4	2	0	6		
	3	3	4	6	2	7													
	2	2	4	2	0	6													

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

Item Code No. (ITC Code)	Product Description						
<table border="1" style="display: inline-table;"><tr><td>8</td><td>3</td><td>1</td><td>2</td><td>0</td><td>0</td></tr></table>	8	3	1	2	0	0	Electrical Stampings & Laminations
8	3	1	2	0	0		
<table border="1" style="display: inline-table;"><tr><td>8</td><td>5</td><td>0</td><td>3</td><td>0</td><td>0</td></tr></table>	8	5	0	3	0	0	Die Cast Rotors
8	5	0	3	0	0		

As per report of even date
for **Laxminiwas & Jain**
Firm Registration No. 001859S
Chartered Accountants

for and on behalf of the Board

Laxminiwas Sharma
Partner
M.No. 014244

Akshay S Pitti
Vice-Chairman & Managing Director

G.Narayana Rao
Director

Place : Hyderabad
Date : 30th April, 2012

B.K Prasad
Secretary & GM (Commercial)

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

Pitti Laminations Limited

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

Name of Member in Capital Letters
Folio Number :
No. of shares :

ADMISSION SLIP
PLEASE HAND OVER THIS ADMISSION SLIP AT THE ENTRANCE OF THE MEETING HALL

28th ANNUAL GENERAL MEETING 6th August 2012 at 4.00 p.m. The Central Court Hotel West Minister Hall, 6-1-71, Lakdikapool Hyderabad – 500 004

Member ☐	Proxy ☐
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 28th ANNUAL GENERAL MEETING of the Company to be held on Monday, the 6th August 2012 at 4.00 p.m at West Minister Hall, The Central Court Hotel, 6-1-71, Lakdikapool, Hyderabad – 500 004.

Signed this _____ day of _____ 2012

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

PRINTED MATTER
BOOK-POST

If undelivered, please return to :



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
E-mail: sales@pittilam.com