



PITTI LAMINATIONS LIMITED

26th

ANNUAL REPORT

2009 - 2010



BOARD OF DIRECTORS

SHRI SHARAD B PITTI

SHRI AKSHAY S PITTI

SHRI Y B SAHGAL

SHRI SANJAY SRIVASTAVA

SHRI G NARAYANA RAO

SHRI ARUN GARODIA

SHRI KANTI KUMAR R PODAR

SHRI N R GANTI

SHRI G VIJAYA KUMAR

SHRI M GOPALA KRISHNA, IAS (Retd)

SHRI T S S N MURTHY

CHAIRMAN AND MANAGING DIRECTOR

VICE-CHAIRMAN AND
JOINT MANAGING DIRECTOR

EXECUTIVE DIRECTOR

EXECUTIVE DIRECTOR

DIRECTOR

DIRECTOR

DIRECTOR

DIRECTOR

DIRECTOR

DIRECTOR

DIRECTOR

SECRETARY & GM (COMMERCIAL)

SHRI B.K. PRASAD

BANKERS

State Bank of India
Industrial Finance Branch
Rajbhavan Road, Somajiguda,
Hyderabad – 500 082.

Kotak Mahindra Bank
Jewel Pawani Towers,
Raj Bhavan Road, Somajiguda,
Hyderabad – 500 082.

Indusind Bank Limited
'Laxmi' 100, Saradar Patel Road,
Begumpet,
Secunderabad – 500 003.

Allahabad Bank
Industrial Finance Branch
6-3-850/3, 1st Floor, Ameerpet Main Road,
Hyderabad – 500 016.

AUDITORS

LAXMINIWAS & JAIN
Chartered Accountants,
Hyderabad - 500 001.

REGD. OFFICE

6-3-648/401, 4th Floor,
Padmaja Landmark,
Somajiguda,
Hyderabad - 500 082.

FACTORY (Plant-I and Plant-II)

Nandigaon Village,
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 Twenty Sixth Annual General Meeting of the Company will be held on Monday, the 20th September, 2010 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

01. To receive, consider and adopt the audited Profit and Loss account for the year ended 31st March, 2010 and the Balance sheet as at the date together with the Reports of the Directors and Auditors thereon.
02. To appoint a Director in place of Shri Arun Garodia who retires by rotation and who being eligible offers himself for re-appointment.
03. To appoint a Director in place of Shri TSSN Murthy who retires by rotation and who being eligible offers himself for re-appointment.
04. To appoint Auditors to hold office from the conclusion of this Annual General Meeting upto the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. **To consider and if thought fit, to pass the following Resolutions with or without modification(s) as Special Resolutions.**

"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 Company be and is hereby accorded to the re-appointment of Shri Akshay S Pitti as Director (Exports & Business Development) for a period of five years with effect from 14th October, 2009 on the terms and

conditions decided by the Remuneration Committee and taken on record by the Board as detailed herein below.

- i) Salary Rs.1.50 lacs per month (Revision of remuneration to be considered at the expiry of three years from the date of appointment or at an earlier period).
- ii) Contribution to Provident Fund and Gratuity are as per rules of the company in force.
- iii) Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
- iv) Provision of car for use in company's business and telephone at residence/ and provision of cell phone will not be considered as perquisites."

"FURTHER RESOLVED THAT the Remuneration can be split up into individual components, if required, in such manner as deemed fit subject to the condition that the over all remuneration shall not exceed Rs.1.50 lacs per month".

"FURTHER RESOLVED THAT the approval of Company be and is hereby accorded to the re-designation of Shri Akshay S Pitti as Vice-Chairman and Joint Managing Director with effect from 22nd March, 2010 till 13th October, 2014 (the period up to which Shri Akshay S Pitti would have held the position in his earlier capacity) at the existing remuneration of Rs.1.50 lacs per month (Revision of remuneration to be considered at the expiry of three years from the date of appointment or at an earlier period). The other terms and conditions as approved by the Board at its meeting held on 28th October, 2009 shall remain unaltered for this appointment".



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

"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 as Executive Director for a period of three years with effect from 28th June, 2010 on the terms and conditions decided by the Remuneration Committee and taken on record by the Board as detailed herein below.

- i) Salary Rs.2.25 lacs per month (effective from 01st April, 2010).
- ii) Contribution to Provident Fund and Gratuity are as per rules of the company in force.
- iii) Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
- iv) Provision of car for use in companys' business and telephone at residence/ and provision of cell phone will not be considered as perquisites.
- v) Personal long distance calls and use of car for private purpose shall be billed by the company.

"FURTHER RESOLVED THAT the Remuneration can be split up into individual components, if required, in such manner as deemed fit subject to the condition that the over all remuneration shall not exceed Rs.2.25 lacs per month".

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

"RESOLVED THAT Shri Sanjay Srivastava, who was appointed by the Board of Directors at the meeting held on 30th June, 2010, as an Additional Director effective from 30th June, 2010 under section 260 of the companies Act, 1956, and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as a Director of the company and who shall not be subject to retirement by rotation until such time that he is the whole-time Director of the company.

"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 appointment of Shri Sanjay Srivastava as Executive Director for a period of three years with effect from 30th June, 2010 on the terms and conditions decided by the Remuneration Committee and taken on record by the Board as detailed herein below.

- i) Salary Rs.2.25 lacs per month.
- ii) Contribution to Provident Fund and Gratuity are as per rules of the company in force.
- iii) Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
- iv) Provision of car for use in companys' business and telephone at residence/ and provision of cell phone will not be considered as perquisites.



- v) Personal long distance calls and use of car for private purpose shall be billed by the company.

"FURTHER RESOLVED THAT the Remuneration can be split up into individual components, if required, in such manner as deemed fit subject to the condition that the over all remuneration shall not exceed Rs.2.25 lacs per month".

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

"RESOLVED THAT pursuant to the provisions of Section 293 (1) (d) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow such sum or sums of moneys in any manner, as the Board of Directors may think fit, from time to time with or without security and upon such terms and conditions as they may think fit, notwithstanding that the moneys borrowed together with the moneys already borrowed by the Company including working capital facilities by way of temporary loans and short term loans obtained from its Bankers and Financial Institutions in the ordinary course of business may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of Rs.300 crores (Rupees Three hundred crores only)."

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

"RESOLVED THAT pursuant to the

provisions of section 293 (1) (a) and all other applicable provisions, if any of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company for mortgaging and/or charging the movable and immovable properties of the company on such terms and conditions for term loan borrowings and also for working capital facilities by way of temporary loans and short term loans obtained from Bankers and Financial institutions in the ordinary course of business from time to time and in such form or manner, as they may think fit, the whole or substantially the whole of the Company's any one or more of the undertakings including the present and/or future properties, whether existing or new undertaking or undertakings of the Company, as the case may be, in favour of such of the Bankers/ Financial Institutions or to any other person(s) or entities which give, provide or extend loans to the Company to secure the said amount of loans together with interest thereon, commitment charges, liquidated damages, premium on redemption, costs, charges and expenses considered expedient by the Board of Directors and in such manner as may be agreed to between the Board of Directors and the Banker(s)/Financial Institutions including the present Bankers / Financial Institutions in respect of the existing facilities hereby confirmed, approved and ratified."

By order of the Board
for **PITTI LAMINATIONS LIMITED**

(B.K. PRASAD)
SECRETARY & GM (COMMERCIAL)

Place : Hyderabad

Date : 06th August, 2010.



NOTES :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself 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 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.
4. The Register of Members and transfer books of the Company will be closed from 17/09/2010 to 20/09/2010 (both days inclusive) for the purpose of this Annual General Meeting.
5. The shares of the Company are listed on the National Stock Exchange and Bombay Stock Exchange and the Company has paid listing fees for 2010-2011 to the Stock Exchanges.
6. 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**

(B.K.PRASAD)
SECRETARY & GM (COMMERCIAL)

Place : Hyderabad
Date : 06th August, 2010



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

Item No.5

Statement containing information as required under clause (iv) of Part II section II (B) of Schedule XIII

I. General Information

1) Nature of industry:

Manufacture of electrical stampings & laminations

2) Financial indicators

	Rs. in crores		
	2009-10	2010-11	2011-12
Turnover	152.99	227.83	264.12
PBT	0.92	7.36	12.82
PAT	0.29	5.00	8.34

3) Export performance :

	2009-10	2010-11	2011-12
Turnover	63.60	94.57	107.62

II. Information about the appointee:

1. Background details:

Shri Akshay S Pitti has been on the Board since 14th October, 2004 in the capacity of Director (Exports and Business Development).

He was re-appointed as Director (Exports and Business Development) for a period of five years effective from 14th October, 2009.

2. Past remuneration:

Rs.2.00 lacs per month (effective from 14.10.2007)

Rs.1.50 lacs per month (effective from 01.10.2008) The remuneration is reduced to Rs.1.50 lacs per month to all the Whole-Time Directors and to

certain categories of employees as part of the cost-reduction drive.

3. Job profile and suitability of the appointee:

Shri Akshay S Pitti has brought about significant improvement in the business particularly that of exports. Many new customers have been brought into the company's fold during his tenure. He was also looking after various other critical areas concerning the operations of the company.

The Board at its meeting held on 28th October, 2009 has re-appointed Shri Akshay S Pitti as Director (Exports and Business Development) for a period of five years effective from 14th October, 2009.

Subsequently Shri Akshay S Pitti has been re-designated as Vice-Chairman and Joint Managing Director with effect from 22nd March, 2010 till 13th October, 2014 (the period up to which Shri Akshay S Pitti would have held the position in his earlier capacity).

4. Remuneration proposed

The present remuneration of Rs.1.50 lacs per month is retained by the Board.

5. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person

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

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



Shri Akshay S Pitti is related to Shri Sharad B Pitti, Chairman and Managing Director of the company. He is also one of the promoter Directors.

III. Other information

1) Reasons for loss or inadequate profits

Global recession has impacted exports for the year apart from non recurring expenditure of a sum of USD 1.20 Million equivalent to Rs.548.31 lacs incurred by the company towards engineering analysis for repair procedures, actual repairs and other associated costs.

2) Steps taken or proposed to be taken for improvement

Hedging operations are being done in a judicious manner.

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

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

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

Cost control measures are being implemented on a constant basis.

IV. Disclosures

Remuneration package

- i) Salary Rs.1.50 lacs per month
- ii) Contribution to Provident Fund and Gratuity are as per rules of the company in force.
- iii) Encashment of leave at the end of the tenure will not be included in the

computation of the ceiling on perquisites.

- iv) Provision of car for use in companys' business and telephone at residence/ and provision of cell phone will not be considered as perquisites

No other Director is interested in the Resolution except Shri Akshay S Pitti. Shri Sharad B Pitti is also deemed to be interested in the subject matter being a relative of Shri Akshay S Pitti.

The Board commends the Resolution for approval of members.

Item No.6

I. Information about the appointee:

1. Background details

Shri Y B Sahgal is an engineer with over eighteen years of experience in the laminations industry. Prior to his appointment as Executive Director, he was the Chief General Manager of the company.

2. Past remuneration

Rs.2.25 lacs per month (effective from 01.04.2008 to 30.09.2008)

Rs.1.68 lacs per month (effective from 01.10.2008) The remuneration is reduced to Rs.1.68 lacs per month to all the Whole-Time Directors and to certain categories of employees as part of the cost-reduction drive.

3. Job profile and suitability of the appointee.

Shri Y B Sahgal has been the Executive Director since 28th June, 2007. He was in charge of over all administration of the company and is presently looking after machining business of the company.



The Board at its meeting held on 26th May, 2010 has re-appointed Shri Y B Sahgal as Executive Director for a period of three years effective from 28th June, 2010.

4. Remuneration proposed

The remuneration of Rs.2.25 lacs per month was restored by the Board effective from 01st April, 2010.

5. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person

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

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

Shri Y B Sahgal is not related to any other Director of the company. He has no other pecuniary relationship directly or indirectly with the company.

II. Disclosures

Remuneration package

- i) Salary Rs.2.25 lacs per month
- ii) Contribution to Provident Fund and Gratuity are as per rules of the company in force.
- iii) Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
- iv) Provision of car for use in companys' business and telephone at residence/ and provision of cell phone will not be considered as perquisites

No other Director is interested in the Resolution except Shri Y B Sahgal.

The Board commends the Resolution for approval of members.

Item No.7

I Information about the appointee:

1. Background details

Shri Sanjay Srivastava is inducted on the Board with effect from 30th June, 2010. The last employment held by Shri Sanjay Srivastava was with GE Transportation as Sourcing Programme Manager. He had earlier worked in companies like General Motors India, Honda Cars India and Claas India Limited.

2. Past remuneration

Rs.1.92 lacs per month.

3. Job profile and suitability of the appointee.

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

The induction of Shri Sanjay Srivastava as Executive Director will be of significant advantage to the company in attaining its production targets and in providing quality deliverables.

4. Remuneration proposed

Rs.2.25 lacs per month.

5. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person



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

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

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

II. Disclosures

Remuneration package

- i) Salary Rs.2.25 lacs per month
- ii) Contribution to Provident Fund and Gratuity are as per rules of the company in force.
- iii) Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
- iv) Provision of car for use in company's business and telephone at residence/ and provision of cell phone will not be considered as perquisites

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

The Board commends the Resolution for the approval of members.

General information and other information are common to all the appointees.

Item No.8

At the Extra-ordinary General Meeting held on 11th October, 2006 members had empowered the Board of Directors to borrow moneys in any manner as the Board of Directors may think fit

from time to time with or without security and upon such terms and conditions as they may think fit upto a sum of Rs.75 crores apart from temporary loans and short term loans obtained or that may be obtained from its Bankers and Financial Institutions in the ordinary course of business.

Members are aware that the company had borrowed money by availing of terms loans from Banks and Financial institutions for its expansion programmes and also for the machining project. The machining project had commenced commercial operations in January, 2008.

The company now proposes to enhance the borrowing powers to Rs.300 crores from the present limit of Rs.75 crores to meet its future requirements for capital expenditure programmes and also for working capital requirements.

Though working capital borrowings are out of the purview of section 293(1)(d) of the companies Act, 1956 the present increase in borrowing limit is being sought after reckoning with the requirements of working capital funds as a cautionary measure.

Increase in borrowing powers requires the approval of members under section 293 (1)(d) of the Companies Act, 1956.

The Board commends the Resolution as contained in Item No.8 for your approval.

None of the Directors is interested in the Resolution.

Item No.9

The company had availed of term loans from Allahabad Bank, State Bank of India and Tata Capital Limited for part financing its capital expenditure programmes in the past.

Further the company has been availing of working capital facilities from Allahabad Bank, State Bank of India, Kotak Mahindra Bank Limited and IndusInd Bank. In addition, factoring



facilities are being availed of from Canbank Factors Limited and SBI Global Factors Limited.

In terms of the loan agreements that have been executed or that may be executed in future, the company may be required to mortgage its movable and immovable properties both present and future and such mortgage or charge created or to be created may be construed as disposal of the company's undertaking within the meaning of section 293(1)(a) of the Companies Act, 1956. Approval of members is required for creation of the mortgage in favour of lending Bankers and Institutions.

The Board commends the Resolution as contained in item No.9 for your approval.

No Director of the company is directly or indirectly concerned or interested in this Resolution.

By order of the Board
for **PITTI LAMINATIONS LIMITED**

(**B.K.PRASAD**)
SECRETARY & GM (COMMERCIAL)

Place : Hyderabad

Date : 06th August, 2010

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

01.	Name of the Directors	Shri Akshay S Pitti	Shri Y B Sahgal	Shri Sanjay Srivastava	Shri Arun Garodia	Shri TSSN Murthy
02.	Date of Birth	28th October, 1985	04th October, 1954	28th November, 1974	01st November, 1953	09th June, 1945
03.	Date of Appointment	14th October, 2004	28th June, 2007	30th June, 2010	28th June, 1984	28th June, 2007
04.	Occupation	Service	Service	Service	Business	Profession
05.	Directorships held in other companies/ firms	Pitti Electrical Equipment Pvt Ltd Hyderabad Laminations & Stampings	Pitti Electrical Equipment Pvt Ltd	NIL	Keshav Knitwear Ltd Garodia Exportex Ltd Narayan Textiles Pvt Ltd Anshuman Industries Ltd Gold Silver Arts Pvt Ltd Silver Arts Manufacturing Pvt Ltd	NIL
06.	Shareholding in Pitti Laminations Limited	16.71%	NIL	NIL	NIL	NIL



CERTIFICATE BY SENIOR GENERAL MANAGER (FINANCE)

I PVSN Murthy, Senior General Manager (Finance) 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.

for **PITTI LAMINATIONS LIMITED**

(PVSN MURTHY)
SR.GENERAL MANAGER (FINANCE)

Place : Hyderabad

Date : 06th August, 2010



DIRECTORS' REPORT

Your Directors have pleasure in presenting their 26th Annual Report on the business and operations of your company for the financial year ended 31st March, 2010.

FINANCIAL RESULTS

The financial results for 2009-2010 in comparison with the previous year are presented herein below:

	(Rs. in lacs)	
	2009-2010	2008-2009
Gross Sales	15299.07	26702.45
Other Income	721.32	(914.87)
Taxes & Duties	851.10	852.27
Net Sales & Other Income	15169.29	24935.32
Total Expenditure	13250.23	22186.67
Profit/(Loss) before depreciation and finance charges	1919.06	2748.65
Depreciation	633.59	552.28
Finance charges	1193.25	1290.26
Profit/(Loss) before tax	92.22	906.11
Provision for taxation		
- Current	1.12	154.27
- Deferred	61.99	95.74
- FBT	–	15.33
Tax of earlier years	–	28.70
Net Profit/ (Loss)	29.11	612.07
Profit/(Loss) brought forward from the previous year	2027.28	1575.73
Dividend (including tax on dividend)	–	110.51
Transferred to General Reserve	–	50.00
Profit/(Loss) carried to Balance sheet	2056.39	2027.28

REVIEW OF OPERATIONS

The global meltdown had its impact on the exports of the company during the year under review. As a result, the company could record sales of only 13814 MT against 17546 MT achieved in the previous year, a decline of 21.27%.

The sales attained for the year under review falls short of the target set at 15000 MT. However the company's export sales are 3517 MT as against the target of 3000 MT. Domestic sales for the year are at 10297 MT as against the target of 12000 MT.

Though the domestic sales have fallen short of target set for the year, it is pertinent to note that the domestic sales have increased from 7462 MT to 10297 MT in the year signalling the economic recovery on the domestic front.

The company has clocked a turnover of Rs.152.99 crores as against Rs.267.02 crores registered in the year ago thus recording a decline of 42.70%.

During the year under review, the company incurred non-recurring expenditure of USD 1.20 million equivalent to Rs.548.31 lacs in respect of GE's claim towards Engineering analysis for repair procedures, actual repairs and other associated costs. This has been considered in the financial results as an exceptional item of expenditure.

In view of the lower volume of sales, steep fall in exports and the non-recurring expenditure incurred for settling GE's claim, the company has posted a profit before tax (PBT) of Rs.0.92 crores as against the PBT of Rs.9.06 crores recorded in the previous fiscal.

The profit after tax (PAT) stands at Rs.0.29 crores as against Rs.6.12 crores in 2008-2009. The company has earned a cash profit of Rs.6.63 crores after tax compared to Rs.11.64 crores in the previous year.



The networth of the company as on 31st March, 2010 stands at Rs.59.70 crores as against Rs.59.41 crores as on 31st March, 2009.

EXPORTS

The export sales were affected due to global recession. There is a steep fall in export turnover during the year under review. Export turnover declined to Rs.63.59 crores compared to Rs.200.61 crores in the previous fiscal. In an year marked by challenges in the wake of slowdown on the global front, it is gratifying to note that export sales of 3517 MT have surpassed the target set at 3000 MT.

Export sales of stator frames were 407 nos as against 1766 nos in the previous year. Sale of stator frames, forming part of export turnover, has witnessed significant fall yielding an income of Rs.13.98 crores as compared to Rs.69.28 crores in the preceding year.

DIVIDEND

In view of low profits earned by the company due to worldwide recessionary conditions, and steep fall in export orders, your Directors regret their inability to recommend any dividend for 2009-2010.

CORPORATE SOCIAL RESPONSIBILITY

The management believes and recognizes that social responsibility is integral to the business vision and philosophy and would strive to support various charitable and social activities through sustainable initiatives.

During the year under review, the company has contributed a sum of Rs.18.45 lacs as compared to Rs.29.45 lacs in the preceding year to charitable activities by way of donations.

OUTLOOK AND CURRENT YEAR PLANS

The management has not been witnessing any visible improvement in the order book position on the export front while further surge in the

domestic sales is anticipated for the current year based on extensive deliberations the company had with its present and potential domestic clientele.

Based on available indications, the company has set a sales target of 17000 MT for current year, out of which, domestic sales and exports are expected to be 14000 MT and 3000 MT respectively. The company targets to sell 300 nos of machined motor housings in the current year.

REPORT ON CORPORATE GOVERNANCE

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

DIRECTORS

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

Shri Akshay S Pitti has been re-appointed as Director (Exports & Business Development) for a further period of five years effective from 14th October, 2009 subject to the approval of members.

With the gradual improvement in the economic scenario, the company is poised to attain significantly higher volume of sales in 2010-2011 and the Board feels that the company should take stock and advantage of the emerging favourable climate and economic growth prospects of India and the western world.

It is in this context, that Shri Akshay S Pitti has been re-designated as Vice-Chairman and Joint Managing Director so that the company gears



up to the emerging opportunities and meet the challenges under the dynamic leadership of Shri Akshay S Pitti.

Shri Akshay S Pitti has been appointed as Vice-Chairman and Joint Managing Director with effect from 22nd March, 2010 till 13th October, 2014 (the period up to which Shri Akshay S Pitti would have held the position in his earlier capacity).

The appointment of Shri Akshay S Pitti as Vice-Chairman and Joint Managing Director is subject to the approval of share holders.

Shri Y B Sahgal, Executive Director has been re-appointed for a further period of three years effective from 28th June, 2010 subject to the approval of members.

The Board at its meeting held on 30th June, 2010 has appointed Shri Sanjay Srivastava as an additional director under section 260 of the Companies Act, 1956 and designated him as Executive Director. He shall hold office up to the date of the forthcoming Annual General Meeting and a Resolution for his appointment is being placed before the members for their approval.

The Board believes that the extensive expertise of Shri Sanjay Srivastava in Quality Assurance, systems and practices and other critical areas concerning the operations will be of significant advantage to the company in attaining its production targets and in providing quality deliverables.

Shri Santosh Kumar Agrawal, Director (Technical) has resigned on personal grounds and was relieved from his duties and responsibilities on 31st July, 2010. The Board places on record its appreciation of the services rendered by Shri Santosh Kumar Agrawal.

AUDITORS

The present Auditors Laxminiwas & Jain, Chartered Accountants, Hyderabad retire at the conclusion of the ensuing Annual General Meeting. They have indicated their willingness to accept re-appointment and have further confirmed their eligibility under section 224 (IB) of the Companies Act, 1956.

INDUSTRIAL RELATIONS

The industrial relations have been marked by mutual trust, harmony and unity of purpose.

The company provides roadmap for acquiring need based and appropriate human resources, its development and its retention through training, job enrichment, reward, recognition and accountability for performance, career progression and welfare. The management believes that sincere compliance to the Human Resources Management (HRM) policy will certainly lead to greater operating efficiency and enhanced delivery capabilities.

The Board places on record its appreciation of the services rendered by employees at all levels during the year under review.

INSURANCE

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

PARTICULARS OF EMPLOYEES

Information in accordance with provisions of section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) (Amendment) Rules, 1975 is furnished in the annexure.



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:

(i) in the preparation of annual accounts, the applicable accounting standards have been followed.

(ii) 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 the financial year and of the profit or loss of the company for that period.

(iii) 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.

(iv) 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, IndusInd Bank Ltd, Kotak Mahindra Bank Ltd, SBI Global Factors Ltd, Canbank Factors Ltd, Tata Capital Ltd and all other governmental bodies and agencies.

Your Directors record their appreciation for the encouraging response and patronage being received from the domestic clientele as is evident by the surge in domestic sales.

The company appreciates its overseas clientele for the support rendered by them despite the adverse circumstances on the export front.

The Board appreciates the committed support extended by suppliers and all other stakeholders 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.

for and on behalf of the Board
PITTI LAMINATIONS LIMITED

SHARAD B. PITTI
CHAIRMAN AND MANAGING DIRECTOR

Place : Hyderabad
Date : 06th August, 2010



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

- i) 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 supplied 3505 MT to GE group concerns valued at Rs. 57.98 crores

Exports to other customers are valued at Rs. 5.62 crores.

Exports during the current year are projected at 3000 MT
- ii) Total foreign Exchange earned

US\$	12684420	Equivalent to	Rs. 59.75 crores.
Euros	590528	Equivalent to	Rs. 3.85 crores
		Total	<u>Rs. 63.60 crores</u>
- iii) Total foreign exchange spent/outgo
US\$ 49,99,899
Equivalent to Rs. 23.53 crores.



ANNEXURE
FORM - A
POWER & FUEL CONSUMPTION

	Current year 2009-2010	Previous year 2008-2009
A. Electricity		
a) Purchased		
Units	2610836	3137444
Total Amount(Rs.)	8492856	10327407
Rate / Unit (Rs.)	3.25	3.28
b) Own generation		
Through diesel generator		
Units	283949	514615
Unit per Ltr. Diesel oil	4.79	6.39
Cost/Unit(Rs.)	8.14	5.63
B. Consumption per unit of production		
	Standards (If any)	
i) Electricity (units)	—	378
ii) Diesel (units)	—	101
iii) Others	—	—



ANNEXURE

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 goods are cleared for sale.

Technology absorption, adaptation and innovation

1. Efforts, in brief, made towards technology absorption, adoption and innovation.
2. Benefits derived as a result of the above efforts
3. 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.

Annexure

Information as per section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2010.

S.No	Name of the Director	Designation & Nature of Duties	Age (Years)	Gross Remuneration (Rs. lacs)	Total Experience (Years)	Date of Commencement of employment	Last employment
01	Shri Sharad B Pitti	Chairman & Managing Director	53	32.76	31	Since inception of the company	Not under any employment earlier
02	Shri Akshay S Pitti	Vice-Chairman and Joint Managing Director	25	20.16	06	14-10-2004	Not under any employment earlier

Notes :

1. Gross remuneration includes monthly salary and PF.
2. Shri Sharad B Pitti is the relative of Shri Akshay S Pitti, Vice-Chairman and Joint Managing Director. He is also related to Shri Arun Garodia, another Director of the company.
3. The percentage of share holding of Shri Sharad B Pitti and Shri Akshay S Pitti as on 31st March, 2010 is 22.62% and 16.71% respectively.

for and on behalf of the Board
PITTI LAMINATIONS LIMITED

Place : Hyderabad
Date : 06th August, 2010

(SHARAD B PITTI)
CHAIRMAN & MANAGING DIRECTOR





I. A 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 with the assistance of Whole-time Directors.

The Chairman and Managing Director and Vice-Chairman and Joint 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 2009-2010, six meetings of the Board were held. These meetings were held on 10th April 2009, 29th June 2009, 27th July 2009, 28th October 2009, 18th January 2010 and 22nd March, 2010.

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

Name of the Director	Number of Board meetings attended	Attendance at last AGM held (Yes/No)	No. of other directorships held		Membership in Committees of other Companies
			Public	Private	
Shri Sharad B Pitti	06	Yes	1	2	—
Shri Akshay S Pitti	05	Yes	—	1	—
Shri Y B Sahgal	04	No	—	1	—
Shri Santosh Kumar Agrawal	06	Yes	—	—	—
Shri G Narayana Rao	06	Yes	—	—	—
Shri Arun Garodia	01	No	3	3	—
Shri Kanti Kumar R Podar	—	No	5	1	—
Shri N R Ganti	06	Yes	—	1	—
Shri G Vijaya Kumar	06	No	—	—	—
Shri M Gopala Krishna, IAS (Retd.)	06	Yes	6	4	—
Shri TSSN Murthy	06	Yes	—	—	—
Shri Sanjay Srivastava	—	—	—	—	—

*Shri Sanjay Srivastava is inducted on the Board with effect from 30th June, 2010.

*Shri Santosh Kumar Agrawal has resigned and he was relieved of his duties and responsibilities effective from 31st July, 2010.



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)

*effective from 06th August, 2010



❖ **Secretary of the Audit Committee**

Shri B K Prasad
Secretary & GM (Commercial)

❖ **Meetings and attendance during the year**

Members	Meetings held	Meetings attended
Shri TSSN Murthy	5	5
Shri G Narayana Rao	5	5
Shri Arun Garodia	5	1

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, 2010.

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 Gopala Krishna, IAS (Retd.)
Member
(Independent/Non-Executive Director)

❖ **Secretary to the Remuneration Committee**

Shri B K Prasad
Secretary & GM (Commercial)

❖ **Meetings and attendance during the year**

Members	Meetings held	Meetings attended
Shri N R Ganti	3	3
Shri G Narayana Rao	3	3
Shri M Gopala Krishna, IAS(Retd.)	3	3

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)

❖ **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

2006-2007

Appointment and Remuneration of Shri Y B Sahgal as Executive Director with effect from 28.06.2007.

2007-2008

- a) Re-appointment and revised Remuneration of Shri Sharad B Pitti as Chairman & Managing Director.
- b) Revised Remuneration of Shri Akshay S Pitti, Director (Exports & Business Development)
- c) Revised remuneration of Shri Y B Sahgal, Executive Director.
- d) Revised remuneration of Shri V K Salhotra, Director (Operations).
- e) Revised remuneration of Shri Santosh Kumar Agrawal, Director (Technical)

2008-2009

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

No special Resolutions were passed in last year through postal ballot.

VII. SHAREHOLDERS' MEETINGS

Details of last three AGMs held :

Year	Date	Venue	Time
2006-2007	24.08.2007	West Minister Hall The Central Court Hotel 6-1-71, Lakdikapul Hyderabad - 500 004	4.00 p.m
2007-2008	01.09.2008	West Minister Hall The Central Court Hotel 6-1-71, Lakdikapul Hyderabad - 500 004	4.00 p.m
2008-2009	23.09.2009	West Minister Hall The Central Court Hotel 6-1-71, Lakdikapul Hyderabad - 500 004	4.00 p.m



VIII. DISCLOSURES

Disclosure on materially significant related party transactions is made in Note 7 under schedule 15 to the 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 | : | 20th September, 2010 at West Minister Hall,
The Central Couort Hotel,
6-1-71, Lakdikapool,
Hyderabad - 500 004. |
| (b) Financial year | : | 1st April, 2009 to 31st March, 2010 |
| (c) Book closure date | : | 17th September, 2010 to 21st September, 2010 |
| (d) Listing | : | Bombay Stock Exchange, Mumbai.
National Stock Exchange of India Ltd., Mumbai. |
| (e) Stock code | : | 513519 Mumbai Stock Exchange.
PITTILAM-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. |



S.No.	Month	High (Rs.)	Low (Rs.)	No.of shares traded
01.	April, 2009	30.60	23.25	3119
02.	May, 2009	41.95	25.10	3199
03.	June, 2009	51.75	33.15	4040
04.	July, 2009	35.70	27.05	2000
05.	August, 2009	42.90	29.65	5099
06.	September, 2009	45.00	34.70	6727
07.	October, 2009	40.85	29.75	2872
08.	November, 2009	35.75	27.00	2100
09.	December, 2009	39.25	31.10	2119
10.	January, 2010	44.45	34.00	7120
11.	February, 2010	40.10	33.55	2493
12.	March, 2010	40.90	35.10	1893

Source : BSE website

Distribution of shareholding as of 31st March, 2010

Shareholdings of nominal value of				Shareholders		Share Amount	
	Rs.			Nos.	%	Rs.	%
Up to	5,000	:		9865	90.03	13856570	14.68
5,001 -	10,000	:		549	5.01	4569530	4.84
10,001 -	20,000	:		240	2.19	3669570	3.89
20,001 -	30,000	:		86	0.78	2227710	2.36
30,001 -	40,000	:		50	0.46	1776740	1.88
40,001 -	50,000	:		43	0.39	200671	2.13
50,001 -	1,00,000	:		56	0.51	3974630	4.21
1,00,0001 &	above	:		69	0.63	62335540	66.02
Total				10958	100.00	94417000	100.00



Category	No. of shares held	% of shareholding
1) Promoters	4044690	42.84
2) Banks & FIIs	380	0.00
3) Others		
Bodies Corporate	634817	6.72
Indian Public	4617342	48.90
NRIs/Clearing Members	144471	1.54
Total	9441700	100.00

Dematerialization of shares : 8988561 shares are dematerialized
453139 shares are in physical form as of 31.03.2010.

Plant location (Plant I & II) : Nandigaon village, Kothur Mandal,
Mahaboobnagar District,
Andhra Pradesh -590 233.

**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.

For and on behalf of the Board
PITTI LAMINATIONS LIMITED

Place : Hyderabad
Date : 06th August, 2010

(**SHARAD B. PITTI**)
CHAIRMAN AND MANAGING DIRECTOR



AUDITORS' 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, 2010, 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
FRN: 001859S

(Laxminiwas Sharma)
Partner
M.No. 014244

Place : Hyderabad
Date : 06th August, 2010



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry structure and Development

Though Pitti Laminations Limited (PLL) had expanded its range of products with the commissioning of the machining project in January, 2008, the company suffered a steep fall in its export turnover during the year under review due to global recession.

Due to recessionary conditions, Export sales were 3517 MT as compared to 10084 MT in the preceding year. Export sales of stator frames were 407 nos as against 1766 nos in the previous year.

Consequently the export turnover declined to Rs.63.60 crores from a high of Rs.200.61 crores achieved in the previous year.

Sale of stator frames, forming part of export turnover, has witnessed steep fall yielding an income of Rs.13.98 crores only as compared to Rs.69.28 crores in the preceding year.

The business spectrum of PLL had widened encompassing broad range of products - electrical steel laminations, die cast rotors, tools, jigs, fixtures and moulds and last but not the least the machining of motor housings and dropping of assembled stator cores into the housing.

The company mainly caters to the capital goods, transportation (railways) and power generation industry. The share of exports in the overall business for 2009-2010 is 41.57% as against 75.13% in the previous year.

PLL is endowed with the distinct advantage of enjoying patronage of all its customers even in the most challenging times as is evident from the fact that the company supplies to the biggest and the best of clients at the national and global level. This demonstrates the company's values and its commitment to quality deliverables.

Barring the external factors on which the company has no control, the company enjoys a fundamentally strong position enabling it to offer a wide range of products and to move up the value chain on a sustainable basis.

Impact of foreign exchange fluctuations

As part of risk management measures, the

company has undertaken hedging operations in respect of export receivables and import obligations in a judicious manner. During the year under review, the company has made a gain of Rs.1.32 crores on account of foreign exchange fluctuations as against a loss of Rs.9.75 crores in the preceding year.

Opportunities and Strengths

- The global recessionary conditions and its impact on export operations of the company are viewed as a temporary phenomena. The company believes and recognizes that the wide range of products that it offers to the critical sectors of the economy enables it to move up the value chain in the years to come.
- The company's endeavours to extend the machining business to domestic clientele has received encouraging response and the company is hopeful of increasing this line of business.
- The company is continuing its efforts to broad base the domestic clientele in the current year, add new clients and increase the share of the existing customers on the domestic front.
- The fact that the company's customers cover a wide range of prestigious enterprises known for their business excellence and standing is testimony to the quality deliverables of the company.
- Technology upgradation to gear up to the business requirements and challenges has always been the focus of the management.
- A sophisticated tool room for manufacture of tools and dies is managed by a technically competent team.
- A committed workforce with adequate skills and experience.
- With the implementation of ERP, better information flow is facilitating the management to analyze the operational and financial performance online and expedite the decision making process.



Outlook

After careful consideration of the continued downturn on the export front due to global meltdown in the economies, world over, and the fast recovery in the domestic economy promising greater volume of domestic sales during the current year, your company has set a sales target of 17000 MT for the year of which, the export target is 3000 MT.

The company is planning to sell 300 Nos of stator frames in the current year based on the available inputs received from the overseas clients.

The company seeks to utilize the recovery in the domestic economy capture new clientele and also enhance the share of business of the existing clientele. Such an endeavour is expected to offset the steep fall in exports and yet enable the company to attain the targeted sale of 17000 MT. Diligent efforts are under way to ensure that the plan is effectively implemented and there is no slippage on any count.

Risks and Concerns

The management has been taking timely effective steps to mitigate the risk factors affecting various operations of the company on a continuing basis.

The process of risk identification includes taking stock of the risk landscape, factors likely to affect the company and thereby broad-base the mechanism of Enterprise-wide Risk Management (ERM) and take appropriate predictive and preventive actions.

Members will no doubt appreciate that the global meltdown and the recessionary environment has its effect on the critical sectors that the company caters to and will adversely impact its exports business over which the company has no control whatsoever. However, the company has been taking concrete measures to secure and service export orders with enhanced quality deliverables to ensure that there is no further dip in export business for the current year.

Many of the existing clientele on the domestic front have been patronising the company right from its inception and this positive profile enables the company to pitch for the best possible orders

from them and thereby equip better to face the likely challenges resulting from the steep fall in export business anticipated for the current year as well.

It is an established practice in this industry that increase in raw material cost is passed on to the customers and therefore cost escalations may not affect the profitability of the company.

However the customers may not absorb the full increase in raw material cost at all times and that too with retrospective effect in all situations.

Internal control systems and their adequacy

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 it against the risks associated with the business.

The internal checks and balances have always been under focus with monthly internal audit reports in vogue. In addition to the monthly audit reports, quarterly limited reviews are carried out by statutory auditors and all these are deliberated upon at the Audit Committee meetings. The audit observations and the corrective steps initiated by the concerned departments are scrutinized by the Audit Committee.

The Audit committee will also enlarge appropriately the scope of internal audit and risk mitigation measures as warranted in the interests of the company and its stake holders.

Human Resources development and industrial relations

The company is committed to maintain harmonious relationship with its workforce at all



points of time through consultations, deliberations, negotiations and meetings.

As on 31st March, 2010 the company had a workforce of 949 permanent employees.

Cautionary statement

Statements in the "Management Discussion and Analysis Report" which seek to describe the Company's objectives, projections, estimates, expectations or predictions may be considered to be "forward looking statements" within the meaning of 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.

Discussion on financial performance with respect to operational performance

During the year under review, the company has achieved a turnover of Rs.152.99 crores with production and sales for the year at 14176 MT and 13814 MT respectively.

As stated in the Directors' Report, export performance suffered a setback during the year under review due to global recession. Domestic sales have significantly improved when compared to the previous year. However, total sales of 13814 MT recorded during 2009-2010 are considerably lower when compared to the sales of 17546 MT attained in the previous year.

There is no infusion of share capital during 2009-2010. There is reduction in term loans from Rs.31.82 crores in 2008-2009 to Rs.23.27 crores in 2009-2010. The working capital borrowings have marginally decreased from Rs.46.50 crores to Rs.46.44 crores.

The net current assets have declined from Rs.69.23 crores to Rs.67.02 crores in 2009-2010.

During the year, the company purchased assets worth Rs.0.74 crores while the depreciation for

the year increased to Rs.6.34 crores from Rs.5.52 crores due to provision of depreciation for the entire year in respect of assets acquired in the previous year.

Geographical Mix

	2009-10	2008-09
A. Stampings		
i) Exports (MT)	3517	10084
ii) Domestic (MT)	10297	7462
Total	13814	17546
B. iii) Export Stator Frames (Nos.)		
Domestic	—	—
Total	407	1766
iv) Export Revenue including stator frames (Rs.crores)	63.60	200.61
Domestic Revenue (Rs.crores)	89.39	66.41
Total	152.99	267.02

Other income

Other income for the year under review is Rs.7.21 crores broadly consisting of export incentives and forex gain against a negative Rs.9.15 crores in the previous year which had arisen primarily due to loss incurred on account of hedging operations.

(Rs. in crores)

	2009-10	2008-09
Profitability		
i) Earnings before interest, tax and depreciation	24.70	27.48
ii) Depreciation	6.34	5.52
iii) Finance charges	11.93	12.90
iv) Profit before tax	0.92	9.06
v) Profit after tax	0.29	6.12



AUDITORS' REPORT

The Members,

PITTI LAMINATIONS LIMITED

We have audited the attached balance sheet of PITTI LAMINATIONS LIMITED as at 31st March 2010, and the 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, 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, 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 31 March 2010 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 the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2010;
 - b. In the case of Profit and Loss Account, of the profit of the company for the year ended on that date
 - c. In the case of the Cash Flow Statement, of the cash flows for the year ended on the date.

For Laxminiwas & Jain
Chartered Accountants
FRN: 001859S

(Laxminiwas Sharma)

Place : Hyderabad
Date : 26th May, 2010

Partner
M.No. 014244



ANNEXURE TO AUDITOR'S REPORT

Re: 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 explanations 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. 725 lakhs from one party and repaid Rs.655 lakhs to one party and total amount outstanding as on 31st March 2010 was Rs.80 Lakhs payable to Two Parties 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, 2010 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, service tax, 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	12.17	CESTAT

- (x) In our opinion, the company has no accumulated losses as on 31.03.2010 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 explanations 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 (4xiv) 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 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 explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section

301 of the Companies Act, 1956. Hence the provisions of clause 4 (xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to 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 explanations given to us, the company has not raised any money by public issues during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For Laxminiwas & Jain
Chartered Accountants
FRN: 001859S

(Laxminiwas Sharma)
Partner

Place : Hyderabad
Date : 26th May, 2010

M.No. 014244



BALANCE SHEET AS AT 31ST MARCH, 2010

SOURCE OF FUNDS	Schedule No.	As at 31-03-2010		As at 31-03-2009	
		Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs
Shareholders' Funds					
Share Capital	1	944.59		944.58	
Reserves and Surplus	2	5025.60		4996.49	
			5970.19		5941.07
Loan Funds	3				
Secured Loans		7136.10		8152.00	
Unsecured Loans		423.92		353.92	
			7560.02		8505.92
Deferred Tax Liability(Net)			404.64		342.65
TOTAL			13934.85		14789.64
APPLICATION OF FUNDS					
Fixed Assets	4				
Gross Block		9852.55		9886.19	
Less: Depreciation		2658.07		2088.82	
Net Block		7194.48		7797.37	
Capital Work in Progress including Capital Advances		38.19		69.39	
			7232.67		7866.76
Investments	5		0.10		0.10
Current Assets, Loans and Advances	6				
Inventories		6149.90		6259.57	
Sundry Debtors		4278.79		4676.23	
Cash and Bank Balances		634.90		683.37	
Loans and Advances		2218.65		1404.46	
TOTAL		13282.24		13023.63	
Less: Current Liabilities and Provisions	7				
Liabilities		6314.41		5647.92	
Provisions		265.75		452.93	
TOTAL		6580.16		6100.85	
Net Current Assets			6702.08		6922.78
TOTAL			13934.85		14789.64
Notes forming part of accounts	15				

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

As per our report of even date

for **Laxminiwas & Jain**

Chartered Accountants

FRN: 001859S

Laxminiwas Sharma

Partner

M.No. 014244

Place : Hyderabad

Dated : 26th May, 2010

for and on behalf of the Board

Sharad B. Pitti

Chairman & Managing Director

G. Narayana Rao

Director

B. K. Prasad

Secretary & GM (Commercial)

P.V.S.N Murthy

Sr. GM (Finance)



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	2009-2010	2008-2009
	No	Rs. in lacs	Rs. in lacs
INCOME			
Sales & Services	8	15299.07	26702.45
Less: Taxes & Duties		851.10	852.27
Sales & Services (Net)		14447.97	25850.18
Other Income	9	721.32	(914.87)
Increase /(Decrease) in Stocks	10	755.01	1243.66
TOTAL		15924.30	26178.97
EXPENDITURE			
Consumption of raw material	11	9636.30	18423.93
Manufacturing and			
Administrative expenses	12	2953.70	3363.77
Selling & Distribution expenses	13	866.93	1642.61
Finance Charges	14	1193.25	1290.27
Depreciation	4	633.59	552.28
TOTAL		15283.77	25272.86
Profit Before Exceptional Items		640.53	906.11
Exceptional Items		548.31	—
Profit Before Tax		92.22	906.11
Less: Provision for Tax			
- Current Tax		—	152.88
- Wealth Tax		1.12	1.40
- Deferred Tax		61.99	95.74
- Minimum Alternate Tax		14.08	—
Less: Mat Credit Entitlement Account		14.08	—
- Fringe Benefit Tax		—	15.33
- Tax of earlier years		—	28.70
Profit after Tax		29.11	612.07
Profit brought forward from previous year		2027.28	1575.73
Profit available for appropriation		2056.39	2187.80
Proposed Dividend (Incl. of Tax)		—	110.51
Transfer to General Reserve		—	50.00
Profit/(Loss) carried to Balance Sheet		2056.39	2027.28
Weighted average Number of equity shares - Basic		9441700	9444082
Weighted average Number of equity shares - Diluted		9441700	9444082
Nominal Value per Share - Rs		10	10
Basic earnings per share -Rs		0.31	6.48
Diluted earnings per share - Rs		0.31	6.48
Notes forming part of accounts	15		

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

As per our report of even date

for **Laxminiwas & Jain**

for and on behalf of the Board

Chartered Accountants

FRN: 001859S

Laxminiwas Sharma

Partner

M.No. 014244

Place : Hyderabad

Dated : 26th May, 2010

Sharad B. Pitti

Chairman & Managing Director

B. K. Prasad

Secretary & GM (Commercial)

G. Narayana Rao

Director

P.V.S.N Murthy

Sr. GM (Finance)



		AS AT 31-03-2010		AS AT 31-03-2009
SCHEDULE-1	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs
SHARE CAPITAL				
Authorised Capital				
1,50,00,000 (Previous year 1,50,00,000)				
Equity Shares of Rs.10/- each		<u>1500.00</u>		<u>1500.00</u>
Issued, Subscribed and Paid up 94,41,700 (Previous year 94,50,000)	944.17		945.00	
Equity shares of Rs.10/- each				
LESS: Calls-in-arrears				
- Directors	-		-	
- Others	<u>-</u>	944.17	<u>0.42</u>	944.58
Shares forfeited (8300 Shares of Rs.5/- each)		0.42		-
TOTAL		<u>944.59</u>		<u>944.58</u>

SCHEDULE-2

RESERVES & SURPLUS

Securities Premium	2619.21		2619.63	
Less: Calls-in-arrears				
- Directors				
- Others	<u>-</u>		<u>0.43</u>	
		2619.21		2619.20
General Reserve				
Opening Balance		350.00		300.00
Add: Transferred during the year		-		50.00
Closing Balance		350.00		350.00
Profit & Loss A/c		2056.39		2027.28
TOTAL		<u>5025.60</u>		<u>4996.48</u>



AS AT
31-03-2010
Rs. in lacs

AS AT
31-03-2009
Rs. in lacs

SCHEDULE-3 LOAN FUNDS

1. SECURED LOANS

Term Loans from Banks

Term Loan from (Scheduled Banks)	2088.59	2876.02
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(The above loans are secured by equitable mortgage of immovable properties and first charge on the present and future fixed assets of the company. 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)

Term Loan from others	238.69	305.75
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(The above loan is secured by exclusive charge on the machinery purchased to the extent funded and Personal grarentee provided by the Chairman and Managing director)

SUB TOTAL	2327.28	3181.77
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Working capital borrowings from Banks

(Secured against hypothecation of Stocks, Tools & Dies, Book Debts and all other current assets both present and future, personal guarantees of Chairman and Managing Director/ relative of Chairman and Managing Director. Further these are secured by Second charge on fixed assets of the company both present and future)	4643.84	4650.41
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Other loan from Bank	58.50	148.50
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(Secured against lien on FDR)

TOTAL - 1	7029.62	7980.68
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Vehicle Loans

a) Vehicle Loan from Scheduled Banks	96.04	151.73
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b) Vehicle Loan from Others	10.44	19.59
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(Secured against hypothication of vehicles)

SUB TOTAL	106.48	171.32
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TOTAL - 1	7136.10	8152.00
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2. Unsecured Loans

i) Unsecured Loans from Directors	10.00	10.00
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ii) Sales Tax Deferral	283.92	283.92
------------------------	--------	--------

iii) Inter Corporate Deposit	130.00	60.00
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TOTAL - 2	423.92	353.92
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TOTAL (1+2)	7560.02	8505.92
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SCHEDULE-4 FIXED ASSETS

(Rs. in Laacs)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 01-04-2009	Addi- tions	Adjust- ments	As at 31-03-2010	As at 01-04-2009	For the Year	As at 31-03-2010	As at 31-03-2009
Land	233.27			233.27	0.00		0.00	233.27
Factory Building	1269.39			1269.39	128.31	42.40	170.71	1098.68
Lease hold Property	821.05			821.05	140.59	43.09	183.68	637.37
Plant & Machinery	6036.20	28.08		6064.28	1404.65	403.96	1808.61	4255.67
Testing Equipment	64.74	5.20		69.94	30.47	3.81	34.28	35.66
Electrical Installation	250.37	6.66		257.03	53.42	16.71	70.13	186.90
Furniture & Fixtures	157.34	0.61		157.95	32.00	9.48	41.48	116.47
Office Equipment	83.02	4.92		87.94	43.87	1.02	44.89	43.05
Computers	463.08	22.74		485.82	120.19	77.62	197.81	288.01
Vehicles	482.74		(107.56)	375.18	127.51	33.65	96.83	278.35
Other Misc. Equipment	25.00	5.70		30.70	7.80	1.85	9.65	21.05
TOTAL	9886.20	73.91	(107.56)	9852.55	2088.81	633.59	2658.07	7194.48
Previous Year	8198.26	1687.93	(31.79)	9886.19	1536.54	558.93	2088.82	7797.37
Capital Work In Progress							38.19	69.39





	31-03-2010 Rs. in lacs	31-03-2009 Rs. in lacs
SCHEDULE-5		
INVESTMENTS	0.10	0.10
1000 Shares of Development Credit Bank Ltd., at Rs.10/- each (Market Value Rs. 32200/- ,previous year Rs18900/-)		
TOTAL	0.10	0.10

SCHEDULE-6
CURRENT ASSETS, LOANS AND ADVANCES

INVENTORIES

Raw material	1298.51	2330.32
Work in progress	2448.66	2122.08
Finished goods	1234.63	758.18
Stores and spares	391.21	231.05
Press tools & dies	706.53	699.56
Scrap	70.36	118.38
TOTAL -A	6149.90	6259.57

SUNDRY DEBTORS

(Unsecured and considered good)

Debts outstanding for a period exceeding

Six months	455.72	225.17
Others	3823.07	4451.06
TOTAL -B	4278.79	4676.23

CASH AND BANK BALANCES

Cash In Hand	5.21	5.36
Cheques on Hand	-	38.80
With Scheduled banks		
In Term Deposit Accounts (include TDRs for LC/BG Margins/Loan)	491.13	440.74
In Current Account	53.56	133.47
With Others		
TDR with Agroha Co-op. Urban bank Ltd (Maximum amount outstanding during the year Rs 85 lacs) (Previous year - Rs 65 lacs)	85.00	65.00
TOTAL -C	634.90	683.37



	AS AT 31-03-2010 Rs. in lacs	AS AT 31-03-2009 Rs. in lacs
SCHEDULE-6 (Contd.)		
LOANS & ADVANCES		
(Unsecured and considered good)		
Advances recoverable in cash or in kind or for value to be received (Includes amount due from Directors Rs. 17.52 lacs, Maximum amount outstanding during the year Rs.17.52 lacs) Previous year Rs.13.41 lacs)	384.83	96.42
Advance Income Tax and other taxes	1717.96	1131.54
Deposits	76.78	71.19
Prepaid expenses	39.08	105.31
TOTAL -D	2218.65	1404.46
GRAND TOTAL A+B+C+D	13282.24	13023.63

SCHEDULE-7

CURRENT LIABILITIES

Sundry Creditors - covered by MSMED Act	245.04	414.91
Sundry creditors other than covered by MSMED ACT	5521.31	4843.43
Other Liabilities	524.00	358.08
Unclaimed Dividend	21.59	24.58
Interest accrued but not due on loans	2.47	6.92
TOTAL - A	6314.41	5647.92

PROVISIONS

Provision for taxation (Current Tax Net)	-	102.61
Provision for Bonus	55.00	50.00
Retirement Benefits	210.75	189.81
Proposed Dividend (Incl. Tax)	-	110.51
TOTAL -B	265.75	452.93
GRAND TOTAL (A+B)	6580.16	6100.85

PARTICULARS

	Provision for Taxation	Retirement Benefits	Proposed Dividend (Incl.of Tax)
Opening Balance	102.61	239.81	110.51
Add: Provided during the year		265.75	
Less: Charged/Reversed during the year	102.61	239.81	110.51
Closing Balance	-	265.75	-



	2009 - 2010 Rs. in lacs	2008 - 2009 Rs. in lacs
SCHEDULE-8		
SALES & SERVICES		
Sale of Stampings	13075.46	23033.02
Sale of Scrap	1517.60	2796.89
Sale of Tools	204.69	280.23
Job work Income	501.32	592.31
Gross Sales	<u>15299.07</u>	<u>26702.45</u>
SCHEDULE-9		
OTHER INCOME		
Interest on Deposits (TDS amounting to Rs.3.02 lacs previous year Rs.7.81 lacs)	32.62	45.44
Other Miscellaneous Income	12.22	14.75
Export incentives	544.04	—
Forex (Loss)/Gain	132.44	(975.06)
TOTAL	<u>721.32</u>	<u>(914.87)</u>
SCHEDULE-10		
INCREASE/(DECREASE) IN STOCKS		
A. Opening stocks:		
Work-in-process	2122.08	1019.65
Finished goods	758.18	635.20
Scrap	118.38	100.13
TOTAL - A	<u>2998.64</u>	<u>1754.98</u>
B. Closing stocks:		
Work-in-process	2448.66	2122.08
Finished goods	1234.63	758.18
Scrap	70.36	118.38
TOTAL - B	<u>3753.65</u>	<u>2998.64</u>
C. Increase/(Decrease)		
In stocks (B-A)	<u>755.01</u>	<u>1243.66</u>
SCHEDULE-11		
CONSUMPTION OF RAW MATERIALS		
Opening stock	2330.32	1440.05
Add: Purchases	8604.49	19314.20
Less: Closing stock	1298.51	2330.32
Consumption	<u>9636.30</u>	<u>18423.93</u>



	2009 - 2010 Rs. in lacs	2008 - 2009 Rs. in lacs
SCHEDULE-12		
MANUFACTURING AND OTHER ADMN. EXPENSES		
Consumption of Stores, Spares, Tools & Dies	489.36	452.89
Power & fuel	137.94	192.91
Job Work Charges	122.58	236.15
Repairs & Maintenance :		
Plant	75.78	39.58
Building	6.32	4.34
Vehicles	10.62	8.61
Other Assets	3.35	3.38
Travelling & Conveyance	232.30	255.96
Insurance	16.45	13.22
Rent	80.43	76.90
Rates & Taxes (Excluding Taxes on Income)	93.51	46.86
Employees remuneration and benefits (Include Rs.112.46 lacs towards ESI/PF contributions previous year Rs.108.34 lacs)	1301.54	1519.47
Staff welfare expenses	45.95	35.33
Remuneration to Managerial personnel (Include Rs.7.60 lacs towards PF contribution Previous year Rs.8.95 lacs)	99.30	131.28
Board Meeting Expenses	3.19	2.39
Remuneration to auditors :		
Audit Fee	2.25	2.25
Tax Audit Fee	0.75	0.75
Certification Fee	3.00	2.57
Communication Expenses	29.95	33.66
Professional consultancy	48.99	146.56
Other Expenses	150.14	158.71
TOTAL	2953.70	3363.77
SCHEDULE-13		
SELLING & DISTRIBUTION EXPENSES		
Discounts to Customers	124.86	255.31
Other selling & Distribution	196.09	388.30
Packing Cost	354.99	611.08
Carriage outwards	188.03	337.05
Bad debts/Advances Written off	2.96	50.87
TOTAL	866.93	1642.61
SCHEDULE-14		
FINANCE CHARGES		
Interest on Term Loans	349.79	456.96
Interest on Working Capital	715.02	636.63
Bank Charges	128.44	196.69
TOTAL	1193.25	1290.28



SCHEDULE-15

NOTES FORMING PART OF ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

01.1 BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention on the basis of a going concern with revenues recognized and expenses accounted on their accrual.

01.2 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 land 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.

01.3 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.

01.4 BORROWING COSTS

Borrowing costs attributable to the acquisition/construction of qualifying fixed assets are capitalized for the eligible period. Other borrowing costs are charged to Profit and Loss account.

01.5 INVENTORIES:

Inventories are valued as under:

Particulars	Basis of Valuation
Raw Material	Weighted average cost or net realizable value which ever is lower
Work In Process	Weighted average cost or net realizable value which ever is lower
Finished Goods	Weighted average cost or net realizable value which ever is lower
Stores & Spares	Weighted average cost or net realizable value which ever is lower
Scrap	At Realizable value
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.

01.6 RETIREMENT BENEFITS

01.6.1 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.



01.6.2 Defined Benefit Plan:

Gratuity: In accordance with applicable Indian Laws, the company provides gratuity, a defined benefit retirement plan (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.

01.6.3 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..

01.7 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.

01.8 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 charged in the Profit and Loss Account. Lease rentals paid in respect of operating leases are charged to Profit and Loss Account.

01.9 TAXATION

Current year Charge

01.9.1) Income Tax

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

01.9.2) Wealth Tax

Wealth Tax is provided under the Wealth Tax Rules, 1957.

01.9.3) 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 ON ACCOUNTS:

	2009-10 Rs. in lacs	2008-09 Rs. in lacs
1. Contingent Liabilities not provided for		
Income Tax Liability in respect of the appeal preferred by the Department with ITAT pending disposal	Nil	145.48
Service Tax Liability for which appeal is pending	12.19*	14.07
Sales Tax Liability for which appeals are pending	Nil	236.25
Liability against factoring of bills	1001.78	2522.02
Estimated amount of contracts remaining to be executed on Capital accounts not provided for	469.60	475.60

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

2. Employee Benefit Plans

2.01 A summary of the Gratuity & Leave Encashment plan is as follows

Assumptions:

	Gratuity Plan		Leave Encashment Plan	
	31-03-2010	31-03-2009	31-03-2010	31-03-2009
Discount Rate	8%	8%	8%	8%
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%	0%	0%	0%
Expected Average remaining working lives of employees (years)	23 yrs	24 yrs	23 yrs	24 yrs

Table Showing Changes in Present Value of Obligations

	In Rs.			
	31-03-2010	31-03-2009	31-03-2010	31-03-2009
Present Value of Obligation as at the beginning of the year	1,45,89,877	1,23,93,513	43,90,646	36,44,167
Interest Cost	11,67,190	9,91,481	3,51,252	2,91,533
Current Service Cost	28,08,915	21,96,364	(47,829)	7,46,479
Benefits paid	(3,16,032)	(8,40,794)	(10,75,652)	(2,82,882)
Actuarial (gain)/ loss on obligations	(14,22,697)	(1,50,687)	7,24,400	(8,651)
Present Value of Obligation as at the end of the year	1,68,27,253	1,45,89,877	43,42,817	43,90,646



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

	In Rs.			
	31-03-2010	31-03-2009	31-03-2010	31-03-2009
Present Value of Obligation as at the end of the year	1,68,27,253	1,45,89,877	43,42,817	43,90,646
Fair Value of Plan Assets as at the end of the year	16,42,075	–	–	–
Funded Status	(1,51,85,178)	(1,45,89,877)	(43,42,817)	(43,90,646)
Net Asset/(Liability) Recognized in Balance Sheet	(1,51,85,178)	(1,45,89,877)	(43,42,817)	(43,90,646)

Expenses Recognized in the statement of Profit and Loss

	31-03-2010	31-03-2009	31-03-2010	31-03-2009
Current Service Cost	28,08,915	21,96,364	(47,829)	7,46,479
Past Service Cost	–	–	–	–
Interest Cost	11,67,190	9,91,481	3,51,252	2,91,533
Expected Return on Plan Assets	(92,782)	–	–	–
Net actuarial (gain)/ loss recognized in the year	(14,25,620)	(1,50,687)	7,24,400	(8,651)
Expenses Recognized in the statement of Profit & Loss	24,57,703	30,37,158	10,27,823	10,29,361

2.02 Remuneration to Managerial Personnel:

	Rs. In lacs			
Remuneration Particulrs	2009 - 2010		2008 - 2009	
	CMD & VC & JMD	Whole Time Directors	CMD	WholeTime Directors
Salary and allowances	47.25	44.45	34.13	88.20
Contribution to Provident Fund	5.67	1.93	4.10	4.85
TOTAL	52.92	46.38	38.23	93.05

- The company has availed sales tax deferral benefit of Rs.283.92 lacs. Out of this the commercial tax department has disallowed the company's claim of Rs.179.77 lacs. The company has paid a sum of Rs.153.39 lacs to the department under protest and appealed to the Appellate tribunal. The company had won the case vide Order T.A No: 717/08 dated 02nd June, 2009 and TA No 718/08 dated 4th November, 2009. The same is included in the loans and advances.



4. Additional information pursuant to the provisions of paragraph 3,4C and 4D of Part II of Schedule VI of the Companies Act, 1956.

Sl. No.	Particulars	2009-10		2008-09	
		Qty (MT)	Value (Rs.in lacs)	Qty (MT)	Value (Rs.in lacs)
a)	Class of Goods - Stampings - Licensed Capacity	25000	—	25000	—
b)	Installed Capacity	25000	—	25000	—
c)	Installed Capacity of Stator Bodies (No's)	3000	—	3000	—
d)	Production inclusive of production on job work basis	14176	—	17609	—
e)	Production of Stator Bodies (No's)	227		1870	
f)	Stocks				
i)	At commencement	704	758.18	641	635.20
ii)	At close	1066	1234.63	704	758.18
g)	Stocks (Stator Bodies) No's				
i)	At commencement	234	600.45	130	348.59
ii)	At Close	54	125.39	234	600.45
h)	Turnover				
	Sale of Stampings and Services	13814	12178.80	17546	16696.39
	Sale of Scrap	9311	1517.60	11993	2796.89
	Sale of Tools (Qty Nos)	28	204.69	70	280.23
	Sale of Stator Bodies (Qty. No's)	407	1397.98	1766	6889.13

- i) Details of consumption of Raw Materials:-

Description	2009-2010			2008-2009		
	Qty (Tons)	Value (Rs. in lacs)	%	Qty (Tons)	Value (Rs. in lacs)	%
Imported (Silicon Steel)	4641	3044.29	31.59	5965	3405.14	18.49
Indigenous (Silicon Steel)	11283	5698.47	59.14	15121	9478.21	51.44
Others		893.54	9.27		5540.58	30.07
TOTAL	15924	9636.30	100.00	21291	18423.93	100.00



Particulars	2009-2010 Rs in lacs	2008-2009 Rs in lacs
j CIF Value of Imports of Raw Material	1897.47	4233.72
k FOB Value of Exports	6359.70	20211.37
l Expenditure in Foreign Currency	47.69	787.58

5. 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)

SL. NO	PARTICULARS	Year ended 31.03.2010	Rs. in lacs Year ended 31.03.2009
1.	SEGMENT REVENUE:		
a)	INDIA	8939.37	6641.49
b)	OUTSIDE INDIA	6359.70	20060.95
	TOTAL	15299.07	26702.44

6. 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	PARTICULARS	Carrying amount of assets as on 31.03.2010	Rs. in lacs. Additions during the year 2009-10	
1.	SEGMENT ASSETS:		Put to use	CWIP
a)	INDIA	18146.44	73.94	38.19
b)	OUTSIDE INDIA	2368.59	-	-
	TOTAL	20515.03	73.94	38.19

7. Related Party Disclosures:

A. List of Related Parties:

I) Directors/Relatives

Shri Sharad B Pitti
Shri Akshay S Pitti
Smt Shanti B Pitti
Shri YB Sahgal
Shri SK Agrawal
Shri G Vijay Kumar



- II) Directors' interest in firm** - 1) Hyderabad Laminations & Stampings
 2) Vaksh Steels Pvt. Ltd.,
 3) Badrivishal Pannalal Pitti Trust
 4) Pitti Electrical Equipment Pvt. Ltd.,

B. Transactions/Balances outstanding with related parties (Rs.in lacs)

Transactions/ Outstanding Balances	Directors/ Relatives	Director's interest in firms	Total
Remuneration	99.30	—	99.30
Rent /Lease	64.89	—	64.89
Interest	11.13	—	11.13
Purchases	—	1.17	1.17
Inter Corporate Deposit Accepted	—	725.00	725.00
Inter Corporate Deposit Refunded	—	655.00	655.00
Donations paid	—	18.20	18.20
Job work charges	—	53.84	53.84
Amount payable at the year end	21.92	88.79	110.71
Amount receivable at the year end (Lease deposit & Travel Advance)	17.52	0.15	17.67

8. Operating Lease: (As a Lessee)

(Rs. in lacs)

S.No	Particulars	Future Payments	
		2009-10	2008-09
1.	Within one year	85.78	76.21
2.	Between one year and five years.	126.23	133.50
3.	Above five years	203.22	163.51



9. Deferred Tax

(Rs. in lacs)

Sl. No.	Particulars	Deferred Tax (Liability)/ Asset as at 01.04.2009	Current Year charge (Credit)	Deferred Tax (Liability)/ Asset as at 31.03.2010
1	Difference between Depreciation as per Co's Act & as per IT Act.	(424.15)	(73.27)	(497.41)
2	Provision for Bonus	16.99	4.16	21.16
3	Provision for Gratuity	49.58	7.29	56.87
4	Provision for Leave Encashment	14.93	(0.17)	14.76
	Deferred Tax Net	(342.65)	(61.99)	(404.62)

10. 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.

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

12. 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 31.03.2010

Sl.No.	Description	2009-10	2008-09
1	Principal amount due to suppliers under MSMED	245.02	354.99
2	Interest accrued and due to suppliers covered under MSMED on the above amount ,unpaid	8.56	3.16
3	Payment made to suppliers (With Interest) beyond the appointed day during the year.	304.79	–
4	Payment made to suppliers (Other than interest) beyond the appointed day during the previous year	–	1406.08
5	Interest paid to suppliers covered under MSMED	13.41	–
6	Interest due & Payable towards suppliers covered under MSMED Act., towards payments already made.	–	12.51

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. The identification of enterprises as micro, small or medium suppliers has been carried out during the current year.

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



-
15. Financial and derivative instruments: **As on 31st March, 2010** As on 31st March, 2009
- | | | |
|-------------------|------------------------|------------------------|
| Forward contracts | Rs.4641.30 lacs | Rs.8048.70 lacs |
|-------------------|------------------------|------------------------|
- a) All financial and forward contracts entered into by the company are for hedging purpose only.
- b) In respect of outstanding forward contracts there is a net loss of Rs.139.87 lacs inclusive of premium taken on proportionate basis as on 31st March, 2010. The same is recognized in the books.
15. During the year the company has incurred non recurring expenditure of a sum of 1.20 \$ Million equivalent to Rs 548.31 lacs towards Engineering analysis for repair procedures, actual repairs and other associated costs and the same has been shown in the financial results as an exceptional item of expenditure in the Profit & Loss Account.
16. The Other Income of Rs.721.32 lacs broadly consists of Export Incentives which include Salable licenses, Forex Gain on Hedging Operations, Interest on Deposits and Margins, Receipt of Duty Drawback.
17. Previous year's figures have been regrouped/ rearranged wherever necessary to confirm to current year's grouping/ classification.
-

As per our report of even date
for **Laxminiwas & Jain**
Chartered Accountants
FRN: 001859S

for and on behalf of the Board

Laxminiwas Sharma
Partner
M.No. 014244

Sharad B. Pitti
Chairman & Managing Director

G. Narayana Rao
Director

Place : Hyderabad
Dated : 26th May, 2010

B. K. Prasad
Secretary & GM (Commercial)

P.V.S.N Murthy
Sr. GM (Finance)



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No: 01-4141

State Code : 01

Balance Sheet Date: 31st March, 2010.

II. Capital raised during the year (Amount Rs. in lacs) NIL (Including Premium)

III. Position of Mobilisation and Deployment of funds (Amount in Rs.000)

Total Liabilities

139,34.85

Total Assets

139,34.85

Sources of funds paid up capital

9,44,59

Share Warrants Money

Nil

Reserves & Surplus

50,25,61

Unsecured Loans

4,23,93

Secured Loans

71,36,09

Deferred Tax Liability

4,04,64

Application of funds net fixed assets

72,32,69

Investments

10

Net current Assets

67,02,07

IV. Performance of company (Amount in Rs. 000)

Total Income

1,59,24,30

Total Expenditure

1,58,32,08

Profit before Tax

92,22

Profit after Tax

29,11

V. Generic names of two principal products/Services of Company (as per monetary terms)

Item Code No.(ITC CODE)

Product Description

831200

Electrical Stampings &
Laminations

850300

Die cast Rotors & Stator Bodies



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rs.in lacs)

	Year ended 31st March, 2010	Year ended 31st March, 2009
A. CASH FLOW OPERATING ACTIVITIES		
Net Profit before tax as per P&L Account	92.22	906.11
Adjusted For		
Depreciation	569.25	545.63
Gain/(Loss) on sale of fixed asses	107.54	(20.12)
Finance Charges	1193.25	1290.27
	<u>1962.26</u>	<u>2721.89</u>
Operating Profit before Working Capital	1962.26	2721.89
Capital Changes Adjusted For		
Trade & Other Receivables	(416.77)	(1189.44)
Inventories	109.69	(2348.01)
Trade Payables	692.43	152.86
Working Capital Borrowings	(6.56)	3938.60
Gratuity of earlier years	378.79	554.01
	<u>2341.05</u>	<u>3275.90</u>
Cash generated from operations	2341.05	3275.90
Finance charges	(1193.25)	(1290.27)
Taxes Paid	(103.72)	(310.26)
Dividend Paid	(110.51)	(221.12)
	<u>(1407.48)</u>	<u>(1821.65)</u>
Cash Flow before extraordinary items	933.57	1454.25
Net Cash Flow From Operating Activities - (A)	933.57	1454.25
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(42.73)	(1501.26)
Net Cash used in Investing Activities - (B)	(42.73)	(1501.26)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Unsecured Loans from promoters	0.00	0.00
Increase in Equity Share Capital	0.00	0.00
Vehicle Loans	(64.84)	96.13
Share Application Money		0.00
Preferential Capital/Share Capital/Calls		0.00
Term Loans	(854.49)	(362.87)
Other Loans	(20.00)	148.50
	<u>(939.33)</u>	<u>(118.24)</u>
Net Cash Used in Finance Activities	(939.33)	(118.24)
Net Increase(Decrease) in Cash & Cash Equivalents (A+B+C)	(48.49)	(165.25)
Opening Balance in Cash and Cash Equivalents	683.37	848.62
Closing Balance in Cash and Cash Equivalents	634.88	683.37

As per our report of even date

for **Laxminiwas & Jain**

for and on behalf of the Board

Chartered Accountants

FRN: 001859S

Laxminiwas Sharma

Partner

M.No. 014244

Place : Hyderabad

Dated : 26th May, 2010

Sharad B. Pitti

Chairman & Managing Director

B. K. Prasad

Secretary & GM (Commercial)

G. Narayana Rao

Director

P.V.S.N Murthy

Sr. GM (Finance)



PITTI LAMINATIONS LIMITED

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

Name of Member in Capital Letters

Folio Number:

No.of Shares:

26th ANNUAL GENERAL MEETING

Monday, the 20th September, 2010 at 4.00 p.m

The Central Court Hotel

West Minister Hall,
The Central Court Hotel, 6-1-71,
Lakdikapool, Hyderabad - 500 004

ADMISSION SLIP

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



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, 4th 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 26th ANNUAL GENERAL MEETING of the Company to be held on Monday, the 20th
September, 2010 at 4.00 p.m at West Minister Hall, The Central Court Hotel, 6-1-71, Lakdikapool,
Hyderabad - 500 004

Signed this ----- day of -----

PROXY FORM MUST REACH COMPANY'S REGISTERED
OFFICE NOT LATER THAN 48 HOURS BEFORE THE
COMMENCEMENT OF THE MEETING

FOR OFFICE USE ONLY

PROXY NO.

DATE OF RECEIPT

AFFIX
REVENUE
STAMP



**PRINTED MATTER
BOOK POST**

If undelivered, Please return to:

PITTI LAMINATIONS LIMITED

6-3-648/401, 4th Floor,
Padmaja Landmark, Somajiguda,
Hyderabad - 500 082.