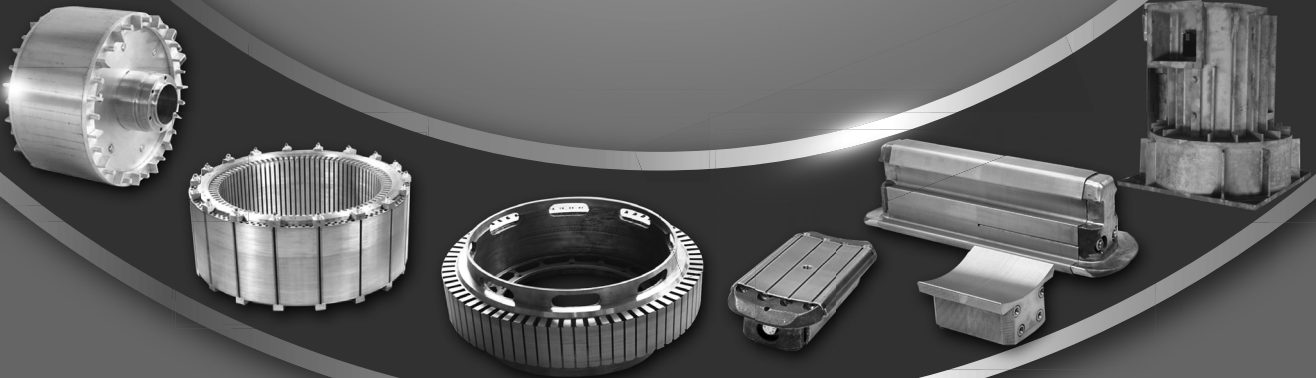




One Stop Solution

PITTI LAMINATIONS LIMITED



27th ANNUAL REPORT 2010-2011

• Laminations • Machining • Castings • Tooling

FOR ATTENTION OF THE MEMBERS

Please update your email ID: in the records of your Depository participant or intimate your email ID and send the same to the company's Registrars and Transfer Agents at the address given below.

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

Trust you will participate in this green initiative in corporate governance.

XL SOFTECH SYSTEMS LTD

3 Sagar Society, Road No.2,
Banjara Hills, Hyderabad – 500 034.
Ph.: 040 23545913/14/15

Email : xlfield@rediffmail.com



BOARD OF DIRECTORS

1 Shri. SHARAD B PITTI	CHAIRMAN AND MANAGING DIRECTOR
2 Shri. AKSHAY S PITTI	VICE-CHAIRMAN AND MANAGING DIRECTOR
3 Shri. Y B SAHGAL	EXECUTIVE DIRECTOR
4 Shri. SANJAY SRIVASTAVA	EXECUTIVE DIRECTOR
5 Shri. G NARAYANA RAO	DIRECTOR
6 Shri. ARUN GARODIA	DIRECTOR
7 Shri. KANTI KUMAR R PODAR	DIRECTOR
8 Shri. N R GANTI	DIRECTOR
9 Shri. G VIJAYA KUMAR	DIRECTOR
10 Shri. M GOPALAKRISHNA, IAS (Retd)	DIRECTOR
11 Shri. T S S N MURTHY	DIRECTOR

SECRETARY & GM (COMMERCIAL)

B K PRASAD

CHIEF FINANCIAL OFFICER

G V S N KUMAR

BANKERS

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

Indian Overseas Bank
Adarshnagar Branch
5-9-305A, Paigah Plaza Building
Basheerbagh, Hyderabad - 500 029

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

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

Indusind Bank Limited
100, Laxmi Sardar Patel Road
Begumpet, Secunderabad - 500 003

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 & 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 Seventh Annual General Meeting of the Company will be held on Thursday, the 11th August, 2011 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, 2011 and the Balance sheet as at the date together with the Reports of the Directors and Auditors thereon.
02. To declare dividend on Equity shares.
03. To appoint a Director in place of Shri N R Ganti who retires by rotation and who being eligible offers himself for re-appointment.
04. To appoint a Director in place of Shri G Narayana Rao who retires by rotation and who being eligible offers himself for re-appointment.
05. 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

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

“RESOLVED THAT pursuant to sections 198,309,310 and other applicable provisions if any, of the Companies Act, 1956 read with schedule XIII thereto, the approval of the Company be and is hereby accorded to payment of revised remuneration at Rs.2.75 lacs per month to Shri Y B Sahgal, Executive Director with effect from 1st April, 2011 for the remaining period of his tenure, the other terms and conditions

as originally approved by the members at the Annual General Meeting held on 20th September, 2010 remaining unaltered.”

“FURTHER RESOLVED THAT consent is given to the Board/Remuneration Committee to split up the remuneration into individual components, if required, in such manner as deemed fit subject to the condition that the over all remuneration shall not exceed Rs.2.75 lacs per month.”

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

“RESOLVED THAT pursuant to sections 198,309,310 and other applicable provisions if any, of the Companies Act, 1956 read with schedule XIII thereto, the approval of the Company be and is hereby accorded to payment of revised remuneration at Rs.2.75 lacs per month to Shri Sanjay Srivastava, Executive Director with effect from 1st April, 2011 for the remaining period of his tenure, the other terms and conditions as originally approved by the members at the Annual General Meeting held on 20th September, 2010 remaining unaltered.”

“FURTHER RESOLVED THAT consent is given to the Board/Remuneration Committee to split up the remuneration into individual components, if required, in such manner as deemed fit subject to the condition that the over all remuneration shall not exceed Rs.2.75 lacs per month.”

08. **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 payment of revised remuneration at Rs.2.50 lacs per month to Shri Akshay S Pitti, Vice-Chairman and Joint Managing Director with effect from 1st April, 2010, on the terms and conditions decided by the Remuneration Committee and taken on record by the Board at the respective meetings held on 20th September, 2010.

“FURTHER RESOLVED THAT consent is given to the Board/Remuneration Committee to split up the remuneration into individual components, if required, in such manner as deemed fit subject to the condition that the over all remuneration shall not exceed Rs. 2.50 lacs per month.”

“FURTHER RESOLVED THAT approval of the Company be and is hereby accorded to the re-designation of Shri Akshay S Pitti as Vice-Chairman and Managing Director with effect from 07th July, 2011 till 13th October, 2014 (the period up to which Shri Akshay S Pitti would have held the position in his original capacity) at a revised remuneration of Rs. 3.00 lacs per month effective from 01st April, 2011 for the remaining period of his tenure and other terms and conditions as approved by the members at its meeting held on 20th September, 2010 shall remain unaltered for this appointment”.

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

“RESOLVED THAT in accordance with the provisions of section 314(1) and other applicable provisions, if any of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) consent of the company be and is hereby accorded to the appointment of Smt Radhika Akshay

Pitti as Senior Manager (Marketing) at a remuneration of Rs. 1,00,000/- per month and that she shall be eligible for all benefits applicable to employees occupying similar posts in the said management cadre and that consent is accorded to the Board to award from time to time such increments as the Board may in its discretion think fit so that the gross remuneration shall not exceed the ceiling provided for in Rule 3 of the Directors’ Relatives (office or place of profit) Rules 2003 as amended by Amendment Rule 2011 the present ceiling being Rs. 2.50 lacs per month.

“RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

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

In modification of the Resolution passed at the Annual General Meeting held on 20th September 2010, “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.400 crores (Rupees Four hundred crores only).”

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

In modification of the Resolution passed at the Annual General Meeting held on 20th September 2010, “RESOLVED THAT pursuant to the provisions of section 293 (1) (a) and other applicable provisions if any of the Companies Act, 1956, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (herein after referred to as “the Board” which term shall be deemed to include any Committee thereof) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the management and concern of the Company in certain events in favour of the Banks, financial institutions and other parties to secure rupee loans, foreign currency loans and working capital facilities borrowed in Indian rupees and foreign currency availed and also proposed to be availed and also to secure corporate guarantees and other obligations of the company, provided that the total amount of loans, corporate guarantees and other obligations of the company together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on prepayment or on redemption,

costs, charges, expenses and all other moneys payable by the company in respect of the said loans, corporate guarantees and other obligations, shall not, at any time exceed the limit of Rs.400 crores (Rupees four hundred crores only).

12. To consider Re-issue of Forfeited Equity Shares

“RESOLVED THAT in accordance with the Clause 23 of the Listing Agreement entered into by the Company with the Stock Exchanges and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), and enabling provisions of Memorandum and Articles of Association of the Company, the consent and approval of the Company be and is hereby accorded to the Board, to re-issue 8,300 Equity Shares which have been forfeited, to the Promoter and Promoter Group for a price which is not less than the price calculated in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI (ICDR) Regulations) for Preferential Issue of Equity Shares on such terms and conditions as may be decided and deemed appropriate by the Board, provided however the issue of shares to the promoters shall be subject to necessary compliance of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997;

RESOLVED FURTHER THAT consent for reissue of Equity Shares as aforesaid shall also constitute approval of the shareholders of the Company in terms of Regulation 23(1)(b) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (SEBI Takeover Regulations);



RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all such actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient including in relation to the issue or allotment of aforesaid securities and listing thereof with the Stock Exchanges as appropriate and sign all documents and undertakings as may be required and generally to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit;

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this Resolution to any Director or Directors or to any Committee of Directors or to any Officer or Officers of the Company to give effect to the aforesaid Resolutions.”

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

“**RESOLVED THAT** in accordance with the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the existing provisions for Preferential Issue contained in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI ICDR Regulations) as in force and subject to all other applicable rules, regulations, notifications and circulars of the Securities and Exchange Board of India (SEBI) and enabling provisions of the Memorandum and Articles of Association of the Company

and the Listing Agreements entered into by the Company with Stock Exchange (s) where the shares of the Company are listed, and subject to any requisite approvals, consents, permissions and/or sanctions of SEBI, the Stock Exchange (s), and all other authorities / bodies / institutions as may be required, and subject to such conditions as may be prescribed by any of them while granting any such approval, consent, and agreed to by the Board of Directors of the Company (hereinafter referred to as the Board which term shall be deemed to include any committee which the Board may have constituted or to be constituted to exercise its powers including the powers conferred by this Resolution), the consent and approval of the Company be and is hereby accorded to the Board to offer, issue and allot on preferential basis up to 40,50,000 Equity Shares (Forty Lacs Fifty Thousand Only) of the face value Rs.10/- (Rupees Ten) each for a price which is not less than the price calculated in accordance with the SEBI (ICDR) Regulations for Preferential Issue of Equity Shares and such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue or allotment, on preferential basis to the following:

A. Smt. Madhuri S Pitti

B. Pitti Electrical Equipment Pvt Ltd

The above mentioned allottees are forming part of the Promoter group of the Company.

RESOLVED FURTHER THAT the Equity Shares shall rank pari passu in all respects with the existing Equity Shares of the Company, including entitlement to dividend and voting;

RESOLVED FURTHER THAT the Board/any Committee thereof be authorized to determine, vary, modify or alter any of



the terms and conditions of the issue and allotment of the Equity Shares, including reduction of the size of the issue, as it may deem expedient;

RESOLVED FURTHER THAT the Relevant Date for the preferential issue, in relation to the aforesaid Equity Shares, for the purpose of determining the issue price under the SEBI ICDR Regulations is 12th July, 2011 which being 30 days prior to the date of passing of this Resolution;

RESOLVED FURTHER THAT consent for issue of Equity Shares as aforesaid shall also constitute approval of the shareholders of the Company in terms of Regulation 23(1) (b) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (SEBI Takeover Regulations);

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all such actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient including

in relation to the issue or allotment of aforesaid securities and listing thereof with the Stock Exchanges as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of the said securities, utilization of the issue proceeds, sign all documents and undertakings as may be required and generally to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution;

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this Resolution to any Director or Directors or to any Committee of Directors or to any Officer or Officers of the Company to give effect to the aforesaid Resolutions.”



NOTES :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a member. A proxy is not entitled to speak at the meeting or vote except on a poll.
2. The instrument of proxy duly stamped and executed should be deposited at the Registered office of the Company at least forty eight hours before the time fixed for commencement of the meeting.
3. Members are requested to notify change in address, if any, in case of shares held in Electronic form to the concerned Depository Participant quoting their ID No. and in case of physical shares to the Share Transfer Agents quoting their Folio Numbers.
4. Members seeking any information with regard to accounts and any other information relating to this Annual report are requested to write to the Company atleast 10 days in advance of the meeting to enable the management to keep the information ready.
5. The Register of Members and transfer books of the Company will be closed from 10th August, 2011 to 11th August, 2011 (both days inclusive) for the purpose of payment of dividend to those members, whose names stand on the Register of

Members as on 09th August, 2011. The dividend in respect of shares held in electronic form will be payable to the beneficial owners of the shares as at the end of business hours on 09th August, 2011 as per the details furnished by the depositories for this purpose.

6. The shares of the Company are listed on the National Stock Exchange and Bombay Stock Exchange and the Company has paid listing fees for 2011-2012 to the Stock Exchanges.
7. 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 : 07th July, 2011



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

Item No.6

-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

	2010-11	2011-12	2012-13
Turnover	266.49	370.00	465.00
PBT	13.35	28.00	38.50
PAT	8.49	19.00	26.15

3) Export performance :

	2010-11	2011-12	2012-13
Turnover	131.70	180.00	225.00

II. Information about the appointee:

1. Background details

Shri Y B Sahgal is an engineer with over nineteen 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 01.04.2010)

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 members at the meeting held on 20th September 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 Board has fixed the remuneration of Rs.2.75 lacs per month effective from 01st April, 2011.

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.

III. Disclosures

Remuneration package

i) Salary Rs.2.75 lacs per month

All other terms and conditions as approved by the members at its meeting held on 20th September, 2011 shall remain unaltered.

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

The Board commends the Resolution for approval of members.



IV. Other information

1) Reasons for loss or inadequate profits

There are certain bottlenecks in the present machinery portfolio and the issue is being addressed.

2) Steps taken or proposed to be taken for improvement

Further increase in sales volume is envisaged in the current year.

The company is embarking upon a capital expenditure programme which is expected to remove the bottle necks and provide balancing machinery.

Hedging operations are being done in a judicious manner.

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

With good share of export business and surge in domestic operations, profitability is expected to increase in the current year.

More over the facilities envisaged under the capital expenditure programme will be in place during the course of the year which will enable the company to service the additional business.

Cost control measures are being implemented on a constant basis.

Programme Manager. He had earlier worked in companies like General Motors India, Honda Cars India and Claas India Limited.

2. Past remuneration Rs. 2.25 lacs per month (effective from 30.06.2010)

3. Job profile and suitability of the appointee.

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

The team led by Shri Sanjay Srivastava has recorded robust growth in the year under review.

4. Remuneration proposed

Rs.2.75 lacs per month

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

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

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

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

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

II. Disclosures

Remuneration package

i) Salary Rs.2.75 lacs per month

All other terms and conditions as approved by the members at its



meeting held on 20th September, 2010 shall remain unaltered.

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

The Board commends the Resolution for the approval of members.

Item No.8

I. 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.

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.

At the meeting held on 07th July, 2011 Shri Akshay S Pitti has been re-designated as Vice-Chairman and Managing Director with effect from 07th July, 2011 till 13th October, 2014 (the period up to which Shri Akshay S Pitti would have held the position in his original capacity).

2. Past remuneration

The Board at its meeting held on 20th September, 2010 has fixed the remuneration at Rs.2.50 lacs per month effective from 01st April, 2010 and this is being placed before the members for the approval.

3. Job profile and suitability of the appointee.

Shri Akshay S Pitti was appointed as Vice-Chairman and Joint Managing Director at the meeting of the Board held on 22nd March, 2010 and the same was approved by the members at the AGM held on 20th September, 2010.

The company attained all-time high sales in production and sales in the year under review and recorded robust performance under the dynamic leadership of Shri Akshay S Pitti.

The Board felt that the company shall take advantage of the favourable market and reach new highs on all fronts and it is in this context that Shri Akshay S Pitti has been re-designated as Vice-Chairman and Managing Director effective from 07th July, 2011. He will hold this position till 13th October, 2014 (the period up to which Shri Akshay S Pitti would have held the position in his original capacity).

4. Remuneration proposed

Rs.3.00 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 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.



II Disclosures

Remuneration package

i) Salary Rs.3.00 lacs per month

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

Shri Akshay S Pitti is interested in the Resolution. 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.

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

Item No.9

Smt Radhika Akshay Pitti wife of Shri Akshay S Pitti, Vice-Chairman and Managing Director has joined the company on 01st May, 2011 as She looks after marketing functions of the company. She had undergone in-depth orientation in her father's business and worked there for some time.

As Smt Radhika Akshay Pitti is related to Shri Akshay S Pitti, Vice-Chairman and Managing Director, approval of the members is being sought by way of a special Resolution for the said appointment pursuant to section 314(1) of the Companies Act, 1956.

Shri Sharad B Pitti and Shri Akshay S Pitti are interested in the Resolution being relatives of Smt Radhika Akshay Pitti.

The Board commends the Resolution for approval of members.

Item No.10

At the Annual General Meeting held on 20th September, 2010 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.300 crores including the working capital facilities by way of temporary loans and short term loans obtained or that may be obtained from its Bankers and Financial Institutions in the ordinary course of business.

The company now proposes to enhance the borrowing powers to Rs.400 crores from the present limit of Rs.300 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.10 for your approval.

None of the Directors is interested in the Resolution

Item No.11

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.

The company is availing of term loan facilities aggregating to Rs.16 crores from Oriental Bank of Commerce and L & T Finance Limited for meeting the current capital expenditure requirements.

Further the company has been availing of working capital facilities from Allahabad Bank, State Bank of India, Kotak Mahindra Bank Limited,



Indian Overseas Bank 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 present Bankers and financial institutions and also other Bankers and institutions from whom the company might avail of borrowing facilities in future.

Item No.12

The company had offered 19,00,000 equity shares of Rs.10/- each at a premium of Rs.10/- per share in January, 1994. In spite of several reminders and notices, some of the shareholders had failed to pay up the call money due and payable on the shares issued and allotted to them. All those shareholders who did not pay the call money even after giving the final notice, their shares were forfeited by the Board at its meeting held on 29th June, 2009.

The Board has now proposed to re-issue 8300 forfeited shares to Smt. Madhuri S Pitti, one of the promoters of the Company, at a re-issue price of which will be determined by the Board as per the SEBI (ICDR) regulations. The acquisition by promoters will not be more than the extent permitted under Regulation 11 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (SEBI SAST Regulations).

Your Directors commend the above Resolutions for approval by the shareholders.

The Chairman and Managing Director, Shri Sharad B Pitti and Vice-Chairman and Managing Director, Shri Akshay S Pitti are interested in the Resolution being part of the promoter group.

None of the other directors are, in any way, concerned or interested in this Resolution.

Item No.13

The following disclosure for the preferential issue of Equity Shares is made in accordance with the provisions of Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI ICDR Regulations);

A) Object of the Issue:

The Company intends to raise long-term funds in order to augment the equity base and improve upon the net worth and source its growth plans.

B) INTENTION OF THE PROMOTERS / DIRECTORS / KEY MANAGEMENT PERSONS TO SUBSCRIBE TO THE OFFER:

The promoters intend to subscribe to the said offer of preferential issue. None of the other Directors / Key Management personnel intends to subscribe to this offer.

C) Shareholding Pattern of the Company before and after the issue:

The pattern of shareholding before and the one likely to emerge after the proposed allotment of Equity Shares including the allotment of 8300 Equity Shares (Re-issue of forfeited Equity Shares) would be as under;



Category	Before the issue		After the issue	
	No.of shares	% of holding	No.of shares	% of holding
Promoters				
Sharad B Pitti	2137780	22.64	2137780	15.84
Shanti B Pitti	98210	1.04	98210	0.73
Madhuri S Pitti	221100	2.34	*789400	5.85
Akshay S Pitti	1579100	16.72	1579100	11.70
Sharad B Pitti-HUF	8500	0.09	8500	0.06
Pitti Electrical Equipment Pvt Ltd	----	----	3490000	25.85
Sub-Total	4044690	42.84	8102990	60.02
Banks, Financial Institutions and Mutual Funds	100	0.00	100	0.00
Private Bodies Corporate	639732	6.78	639732	4.73
NRI/OCBs	7047	0.07	7047	0.05
General Public	4750131	50.31	4750131	35.19
Total	9441700	100.00	13500000	100.00
* includes re-issue of 8300 forfeited shares.				

D) Open Offer:

The promoter group will be making the Open Offer under the SEBI Takeover Regulations for at least 20% of the paid-up Equity Share Capital of the Company (as expanded pursuant to the proposed preferential allotment of Equity Shares) as per the terms of the SEBI Takeover Regulations. There is no certainty as to the number of Equity Shares which may be offered to Acquirer in the Open Offer. In the event of acquisition of any Equity Shares of the Company pursuant to such Open Offer, the shareholding pattern detailed herein above would undergo changes to that extent after the acquisition of the Equity Shares in the open offer.

E) Lock-in:

The Equity Shares to be allotted to above promoters under the proposed offering shall be subject to lock-in for a period of 3 years and / or 1 year from the date of allotment of Equity Shares as prescribed under the SEBI ICDR Regulations.

F) Proposed time within which the allotment shall be completed:

The Company will complete the allotment of Equity Shares within a period of 15 days from the date of passing of the Special Resolution by the shareholders or where the allotment on preferential basis requires any approval by any regulatory authority or Central Government, the allotment of shares will be completed within 15 days from the date of such approval.

**G) Details of proposed allottees:**

Sl. No	Name of the proposed allottees	Before the issue		After the issue	
		No.of shares	% of holding	No.of shares	% of holding
01.	Smt. Madhuri S Pitti	221100	2.34	*789400	5.85
02.	Pitti Electrical Equipment Pvt Ltd	----	----	3490000	25.85

* includes the forfeited shares of 8300 numbers

H) Change in control:

No change in management control over the Company is contemplated as a result of or consequent to allotment of equity shares as envisaged in the Resolutions.

I) Pricing of preferential issue:

The above Equity Shares will be issued and allotted at a price which is higher of the following in terms of the SEBI ICDR Regulations 2009:-

- The average of the weekly high and low of the closing prices of the related Equity Shares quoted on the stock exchange during the six months preceding the relevant date; or
- The average of the weekly high and low of the closing prices of the related Equity Shares quoted on the stock exchange during the two weeks preceding the relevant date;

J) Payment terms

In respect of promoter allottees, the entire amount on the equity shares issued on preferential basis shall be paid by way of cash and/or conversion of outstanding dues, if any, payable by the company to the promoter allottees on such terms and conditions and in such manner as Board may think fit.

K) Explanation:

- Relevant Date for the purpose of this clause means the date thirty days prior to the date on which the Meeting of general body of shareholders is held in terms of Section 81 [1A] of the Companies Act, 1956 (including any amendment to or any re-enactment thereof) to consider the proposed issue, which relevant date, in the present case, is 12th July, 2011.
- Stock Exchange for the purpose of this clause means any of the recognized stock exchanges in which the shares are listed and in which the highest trading volume in respect of shares of the company has been recorded during the preceding six months prior to the relevant date, in the present case being the Bombay Stock Exchange(BSE)
- Section 81 of the Companies Act, 1956 provides, inter alia, that whenever it is proposed to issue further shares, such shares shall be offered to the existing shareholders of the Company in the manner laid down in the said Section, unless shareholders decide otherwise in the general meeting by way of a Special Resolution.
- The SEBI ICDR Regulations requires that when a listed company proposes to make a preferential allotment of Equity Shares, the notice of the meeting, including the explanatory statement, must make the disclosures mentioned herein above.



- (ii) Regulation 23(1)(b) of the Takeover Regulations provides that unless the approval of the general body of shareholders is obtained after the date of the public announcement of offer, the Board of Directors of the Target Company shall not, during the offer period, issue or allot any authorized but un-issued securities carrying voting rights during the offer period. In the present case, the above mentioned 4050000 Equity Shares may be issued during the offer period.
- (iii) accordingly, the consent of the shareholders is being sought pursuant to the provisions of Section 81 (1A) and other applicable provisions of the Companies Act, 1956, Chapter VII of the SEBI ICDR Regulations, Regulation 23(1)(b) of the Takeover Regulations and in terms of the provisions of the Listing Agreement to issue and allot Equity Shares as stated in the Special Resolutions.

L) UNDERTAKING

Company hereby undertakes that it shall re-compute the price of the Equity Shares in terms of the provisions of SEBI ICDR Regulations where it is required to do so. Company further hereby undertakes that if the amount payable on account of the re-computation of price is not paid within the time stipulated in SEBI ICDR Regulations, the Equity Shares shall continue to be locked-in till the time such amount is paid by the allottees.

M) CERTIFICATE FROM AUDITORS:

M/s. Lakshminiwas & Jain, Chartered Accountants, Statutory Auditors of the Company, have certified that the proposed preferential issue is being made in accordance with the requirements contained in SEBI ICDR Regulations. A copy of the said certificate is available for inspection by the shareholders at the Registered Office of the Company on all working days prior to the date of the Annual General Meeting and will also be available for inspection at the Meeting.

Your Directors commend the above Resolutions for approval by the shareholders.

The Chairman and Managing Director, Shri Sharad B Pitti and Vice-Chairman and Managing Director, Shri Akshay S Pitti are interested in the Resolution being part of the promoter group.

None of the other directors is, in any way, concerned or interested in this Resolution.

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

Place : Hyderabad
Date : 07th July, 2011

(B K PRASAD)
SECRETARY & GM (COMMERCIAL)



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

Sl.No.	Particulars	Shri N R Ganti	Shri G Narayana Rao
1	Date of Birth	14 th May, 1949	11 th October, 1928
2	Date of Appointment	16 th October, 2002	07 th March, 1984
3	Occupation	Business	Business
4	Directorships held in other companies/firms	Spectra Core Technologies Pvt Ltd	NIL
5	Shareholding in Pitti Laminations Limited	NIL	NIL

CERTIFICATE BY CHIEF FINANCIAL OFFICER

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

- a. I have reviewed the financial statements and the cash flow statements for the year and that to the best of my knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of company's code of conduct.
- c. I accept responsibility for establishing and maintaining internal controls and I have evaluated the effectiveness of the internal control systems of the Company and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- d. I have indicated to the auditors and the Audit Committee
 - i) significant changes in internal controls during the year if any;
 - ii) that there are no significant changes in accounting policies during the year;
 - iii) that there have been no instances of significant fraud of which I have become aware, involving the management or an employee having a significant role in the Company's internal control system.

Place: Hyderabad
Date : 07th July, 2011

GVSN KUMAR
CHIEF FINANCIAL OFFICER



DIRECTORS' REPORT

Your Directors have pleasure in presenting their 27th Annual Report on the business and operations of your company for the financial year ended 31st March, 2011.

FINANCIAL RESULTS

The financial results for 2010-2011 in comparison with that of the previous year are here in presented.

(Rs. in lacs)

	2010-2011	2009-2010
Gross Sales	26649.17	15299.07
Other Income	386.71	721.32
Taxes & Duties	1471.48	851.10
Net Sales & Other Income	25564.40	15169.29
Total Expenditure	22254.71	13250.23
Profit/(Loss) before depreciation and finance charges	3309.69	1919.07
Depreciation	627.77	633.59
Finance charges	1346.96	1193.25
Profit/(Loss) before tax	1334.96	92.22
Provision for taxation		
- Current	428.61	1.12
- Deferred	57.66	61.99
Net Profit/ (Loss)	848.69	29.11
Profit/(Loss) brought forward from the previous year	2056.40	2027.28
Dividend (including tax on dividend)	109.74	--
Transferred to General Reserve	200.00	--
Profit/(Loss) carried to Balance sheet	2595.36	2056.39

REVIEW OF OPERATIONS

The Board has pleasure in informing you that the company recorded highest ever production and sales for the year ended 31st March, 2011.

The company made sales of 20270 MT against 13814 MT in the previous year registering a growth of 46.74%. Increase in sales was in both exports and domestic sales while rate of growth on exports is more pronounced.

It is gratifying to note that the sales of 20270 MT recorded in the year significantly surpassed the sales target of 17000 MT set by the company. On the export front, as against the target of 3000 MT, sales recorded were 6800 MT. Against the domestic sales target of 14000 MT, the sales were marginally lower at 13470 MT.



Exports have risen to 6800 MT from a low of 3517 MT recorded in the previous year. Domestic sales have increased to 13470 MT compared to 10297 MT registered in the last year.

The increase in domestic and export sales during the year was due to the improvement in the economic situation and the concerted efforts of the company in synergizing its operations in tune with the demands of the buoyant market.

The company achieved a turnover of Rs.266.49 crores as against Rs.152.99 crores in the previous year recording a growth of 74.18%.

Due to the robust growth in volume of sales and operational economies of scale, the company has posted a profit before tax (PBT) of Rs.13.35 crores as against the PBT of Rs.0.92 crores in the previous fiscal year.

The profit after tax (PAT) stands at Rs.8.48 crores as against Rs.0.29 crores in 2009-10. The company has earned a cash profit of Rs.14.76 crores after tax compared to Rs.6.63 crores in the previous year.

The net worth of the company as on 31st March, 2011 stands at Rs.67.09 crores as against Rs.59.70 crores as on 31st March, 2010.

EXPORTS

Members are aware that during the previous year, the company suffered on the export front due to global melt down. The Board has pleasure in informing the members that there was a sharp rebound on the export front with the revival in the demand coupled with the diligent efforts made by the company in capturing good volume of business from GE group which enabled it to shore up its overseas business.

Against the sales of 3517 MT of laminations and 407 nos. of stator frames during the last year the company has sold 6800 MT of laminations and 603 nos. stator frames during the year. As a result, company earned an income of Rs.131.70 crores as against the export turnover of Rs.63.59 crores in the previous fiscal thereby registering a growth of 107.11%.

The sale of stator frames forming part of export turnover recorded an income Rs.23.70 crores as against Rs.13.98 crores recorded in the preceding year thereby registering a growth of 69.52%.

DIVIDEND

Members are aware that in view of the low profits, the company could not pay dividend in the last year to its members and taking into account the proposed outlay on capital expenditure programmes in the current year and the enhanced requirements of working capital facilities, there is need for the company to conserve its resources.

Despite such an imperative need to conserve resources, your Directors recommend dividend at Rs.1/- per share for the year ended 31st March, 2011. The dividend, if approved by the members at the Annual General Meeting will entail an outlay of Rs.1.10 crores including the dividend tax.

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 sustainable initiatives in social and charitable activities.

During the year under review, the company has contributed a sum of Rs.33.45 lacs to charitable activities by way of donations as against Rs.18.45 lacs in the preceding year.

OUTLOOK AND CURRENT YEAR PLANS

The company had extensive deliberations with its present and potential clientele and having carefully considered the recovery of the export market and further improvement in the domestic market, the company has set a sales target of 24000 MT for the year. The domestic sales and exports are expected to be 14000 MT and 10000 MT respectively. The company targets to also sell 900 nos of machined motor housings in the current year.



The proposed capital expenditure with an estimated outlay of Rs.23 crores is mainly to undertake de-bottlenecking operations and for replacement of certain machines which are being phased out. The financial tie-up has been completed and the facilities are expected to be in place during the financial year.

PREFERENTIAL ISSUE

With the improvement in the economic situation, Your Directors are hopeful that the company will enter a new growth trajectory. The mission of the company is to take advantage of emerging opportunities and add value at every stage of the value chain on a sustainable basis.

While the company is making all-out efforts to enlarge and broad-base the domestic and overseas clientele and build adequate capacity and infrastructure to more effectively service customers, there is pressing need to augment the long-term funds of the company. It is therefore felt appropriate to go in for a preferential issue to the promoters to facilitate the company to secure funds and finance its plans for rapid productivity increases and higher profitability.

Infusion of funds by way of preferential issue will help the company in augmenting the equity base, owned long term funds and bring about improvement in the net worth and other financials of the company.

The details of the preferential issue including the size and the price are detailed in the notice and explanatory statement and the company seeks the approval of members for the preferential issue at this Annual General Meeting.

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 the provisions of the Companies Act, 1956 and the Company's Articles of Association, Shri G Narayana Rao and Shri N R Ganti retire by rotation and being eligible offer themselves for re-appointment.

Members are aware that Shri Akshay S Pitti has been re-appointed as Vice-Chairman and Joint Managing Director with effect from 22nd March, 2010 and the same has been approved by the members at the Annual General Meeting held on 20th September, 2010.

The Board felt that the company should capitalize on the buoyant market and for that purpose take new initiatives and improve the performance of the company. Shri Akshay S Pitti has demonstrated commendable skill and commitment and played a pivotal role in recording robust growth in the year under review.

It is in this context that Shri Akshay S Pitti has been re-designated as Vice-Chairman and Managing Director so that the company can be geared to meet the emerging opportunities.

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

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

Industrial relations of your company continue to be cordial and is based on mutual trust, harmony and unity of purpose. The contribution of the employees to improved performance during the year is proof of the success of the policy.



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

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

INSURANCE

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

PARTICULARS OF EMPLOYEES

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

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

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

DIRECTORS' RESPONSIBILITY

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

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

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.

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.

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, Kotak Mahindra Bank, Indian Overseas Bank, Oriental bank of Commerce, SBI Global Factors, Canbank Factors, Tata Capital, L & T Finance Limited and all other governmental bodies and agencies.

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

The Board appreciates the committed support extended by vendors 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 & MANAGING DIRECTOR

Place : Hyderabad

Date : 07th July, 2011



ANNEXURE TO DIRECTORS' REPORT

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

A) CONSERVATION OF ENERGY

- i) Energy conservation measures adopted:-
The benefits of energy conservation measures are stabilised.
- ii) Additional investments and proposal for reduction of consumption of energy:-
Nil
- iii) Impact of the above measures:-
Reduced power consumption
- iv) Total energy consumption and energy consumption per unit of production in Form 'A':-
Not Applicable

B) TECHNOLOGY ABSORPTION

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

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

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

During the year under review, the company has exported 6800 MT as against 3517 MT in the previous year.

Exports during the current year are projected at 10000 MT.

The export turnover is Rs.131.70 crores compared to Rs.63.60 crores in the previous year.

Total foreign Exchange earned

US\$	28059277	Equivalent to	Rs.127.00 crores
Euros	770306	Equivalent to	Rs.4.70 crores
Total foreign exchange spent/outgo		US\$	10926876
			Equivalent to Rs.50.82 crores
			Euros 46147
			Equivalent to Rs.0.28 crores



ANNEXURE
FORM - A
POWER & FUEL CONSUMPTION

A. Electricity

a)	Purchased	Current year 2010-2011	Previous year 2009-2010
	Units	3101712	2610836
	Total Amount(Rs.)	1479339	8492856
	Rate / Unit (Rs.)	9.50	6.50
b)	Own generation		
	Through diesel generator		
	Units	2638834	283949
	Unit per Ltr. Diesel oil	5.61	4.79
	Cost / Unit(Rs.)	29.70	32.65

B. Consumption per unit of production

i)	Electricity (units)	344	378
ii)	Diesel (units)	72	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	There is a separate Department exclusively focusing its attention to the quality of the product
2	Benefits derived as a result of the above R & D	
3	Future plan of action	
4	Expenditure on R & D :	
	a) Capital	Thorough inspection will be done before products are cleared for sale.
	b) Recurring	
	c) Total	
	d) Total R & D expenditure as a percentage of total turnover	
Technology absorption, adaptation and innovation		
1	Efforts, in brief, made towards technology absorption, and innovation.	Machinery acquisition aimed at increased productivity has always been a part of the capital expenditure programmes of the company
2	Benefits derived as a result of the above efforts	
1	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	



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 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 2010-2011, six meetings of the Board were held. These meetings were held on 26th May 2010, 30th June 2010, 06th August 2010, 20th September 2010, 29th October 2010, and 07th February 2011.

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

Name of the Director	No. of Board meetings attended	Attendance at last AGM held (Yes/ No)	No of other directorships held		Membership in Committees of other Companies
			Public	Private	
Shri Sharad B Pitti	06	Yes	-	1	--
Shri Akshay S Pitti	05	Yes	-	2	--
Shri Y B Sahgal	05	Yes	-	1	--
Shri Sanjay Srivastava	04	Yes	-	-	--
Shri G Narayana Rao	06	Yes	-	-	--
Shri Arun Garodia	02	Yes	3	3	--
Shri Kanti Kumar R Podar	01	Yes	5	-	--
Shri N R Ganti	06	Yes	-	1	--
Shri G Vijaya Kumar	06	Yes	-	-	--
Shri M Gopala Krishna, IAS (Retd.)	05	Yes	6	5	--
Shri TSSN Murthy	06	Yes	-	-	--



II. AUDIT COMMITTEE

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

- **Terms of Reference:**

- 1) Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- 2) Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- 3) Reviewing with management the annual financial statements before submission to the Board, focusing primarily on;
 - Any changes in accounting policies and practices;
 - Major accounting entries based on exercise of judgment by Management;
 - Qualifications in draft audit report;
 - Significant adjustments arising out of audit;
 - The going concern assumption;
 - Compliance with accounting standards;
 - Compliance with stock exchanges and legal requirements concerning financial statements;
 - Any related party transactions i.e. transactions of the company

of material nature with promoters or the management or their subsidiaries or relatives etc, that may have potential conflict with the interests of company at large;

- 4) Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- 5) Reviewing the adequacy of internal audit function, reporting structure coverage and frequency of internal audit.
- 6) Discussion with internal auditors on any significant findings and follow up thereon.
- 7) Reviewing the findings of any investigation by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- 8) Discussion with external auditors before the audit commences as to the nature and scope of audit as well as to have post-audit discussion to ascertain any area of concern.
- 9) Reviewing the company's financial and risk management.
- 10) To look into the reasons for substantial defaults, if any, in payment to the shareholders, creditors, Banks, financial institutions, depositors and debenture holders.



- Composition**

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

- Secretary of the Audit Committee**

Shri B K Prasad	...	Secretary & GM (Commercial)
-----------------	-----	-----------------------------

- Meetings and attendance during the year**

Members	Meetings held	Meetings attended
Shri TSSN Murthy	6	6
Shri G Narayana Rao	6	6
Shri Arun Garodia	6	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, 2011.

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**

Members		
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

2007-2008

- Re-appointment and revised Remuneration of Shri Sharad B Pitti as Chairman & Managing Director.
- Revised Remuneration of Shri Akshay S Pitti, Director (Exports & Business Development)
- Revised remuneration of Shri Y B Sahgal, Executive Director.
- Revised remuneration of Shri V K Salhotra, Director (Operations).
- 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.

2009-2010

- a) Re-appointment of Shri Akshay S Pitti as Director (Exports & Business Development), revised Remuneration and re-designation of Shri Akshay S Pitti as Vice-Chairman & Joint Managing Director.
- b) Re-appointment of Shri Y B Sahgal as Executive Director.
- c) Appointment of Shri Sanjay Srivastava as Executive Director.
- d) Increase in borrowing powers.
- e) Mortgaging of movable and immovable properties.

No special Resolutions were passed in the past three years through postal ballot.

VII. SHAREHOLDERS' MEETINGS

Details of last three AGMs held :

Year	Date	Venue	Time
2007-2008	01.09.2008	West Minister Hall The Central Court Hall 6-1-71, Lakdikapul Hyderabad – 500 004	4.00 P.M
2008-2009	23.09.2009	West Minister Hall The Central Court Hall 6-1-71, Lakdikapul Hyderabad – 500 004	4.00 P.M
2009-2010	20.09.2010	West Minister Hall The Central Court Hall 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	:	11 th August, 2011 at West Minister Hall, The Central Court Hotel, 6-1-71, Lakdikapool, Hyderabad – 500 004.
(b)	Financial year	:	1 st April, 2010 to 31 st March, 2011
(c)	Book closure date	:	10 th August, 2011 to 11 th August, 2011
(d)	Listing	:	Bombay Stock Exchange, Mumbai National Stock Exchange of India Ltd, Mumbai
(e)	Stock code	:	513519 - Bombay 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.

SL.No.	Month	High (Rs.)	Low (Rs.)	No.of shares traded
01	April, 2010	51.55	37.30	4265
02	May, 2010	49.85	39.95	1291
03	June, 2010	45.35	39.00	724
04	July, 2010	46.00	41.00	980
05	August, 2010	45.60	37.15	1834
06	September, 2010	44.40	37.10	1867
07	October, 2010	55.05	41.00	5731
08	November, 2010	56.85	42.25	1833
09	December, 2010	48.50	39.00	692
10	January, 2011	45.80	36.00	676
11	February, 2011	40.00	32.00	1315
12	March, 2011	39.90	35.10	780

Source : BSE website



Distribution of shareholding as of 31st March, 2011

Share holdings of nominal value of			Shareholders		Share Amount	
(Rs.)			Nos.	%	In Rs.	%
Up to	—	5,000	9688	89.62	13686410	14.50
5,001	—	10,000	534	4.94	4477150	4.74
10,001	—	20,000	258	2.39	3888450	4.12
20,001	—	30,000	98	0.91	2530320	2.68
30,001	—	40,000	44	0.41	1608600	1.70
40,001	—	50,000	50	0.46	2336850	2.48
50,001	—	1,00,000	75	0.69	5518470	5.84
1,00,0001 & above			63	0.58	60370750	63.94
Total			10810	100.00	94417000	100.00

	Category	No. of shares held	% of shareholding
1)	Promoters	4044690	42.84
2)	Banks & FIIs	100	0.00
3)	Others		
	Bodies Corporate	635499	6.73
	Indian Public	4608460	48.80
	NRI's / Clearing Members	152951	1.63
		9441700	100.00

Dematerialization of shares	9011461 shares are dematerialized 430239 shares are in physical form as of 31.03.2011.
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.

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



AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

The Members,
Pitti Laminations Limited,
Hyderabad.

We have examined the compliance of Corporate Governance by Pitti Laminations Ltd, for the year ended 31st March, 2011, 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

Place : Hyderabad
Date : 07th July, 2011

(**Laxminiwas Sharma**)
Partner
M.No.014244



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry structure and Development

Members are aware that the company suffered a steep fall in its export turnover in the preceding year due to global recession. As stated in the last year's report, the company viewed it as a temporary phase and not a long term phenomenon. The remarkable surge in the demand and improved operations and financials in the just concluded year reinforces the managements' perceptions and views.

The company's export sales were 6800 MT as compared to 3517 MT in the preceding year. Sale of stator frames, forming part of export business were 603 as against 407 in the previous year.

Consequently the export turnover rose to Rs131.70 crores from a low of Rs.63.59 crores in the previous year. Sale of stator frames in the year fetched an income of Rs.23.70 crores as against Rs.13.98 crores in the last year.

The business spectrum of PLL had widened and now encompasses a broad range of products – electrical steel laminations, die cast rotors, tools, jigs, fixtures and moulds, the machining of motor housings and anchoring of assembled stator cores in the housing.

The company mainly caters to the capital goods, required by the transportation (railways) and power generation industries. The share of exports in the overall business for 2010-2011 is 49.42% as against 41.57% in the previous year.

The company supplies to the biggest and the best of clients at the national and global level. The fact that some of the customers have been patronising us ever since inception of the company is a pointer to the company's values and its commitment to quality deliverables.

Satisfied clientele, committed work force with professional expertise and state of the art technology coupled with a host of other

positive factors had placed the company in a fundamentally strong position to enable it to offer a wide range of products and to move up the value chain on a sustainable basis.

Impact of foreign exchange fluctuations

The company's policy is to undertake hedging operations in respect of export receivables and import obligations in a judicious manner. Close monitoring is done to mitigate the risk factors arising out of the foreign exchange fluctuations.

During the year under review, the company made a gain of Rs.0.45 crores on account of foreign exchange fluctuations as against a gain of Rs.1.32 crores in the preceding year.

Opportunities and strengths

- It is the considered opinion of the company that the global recessionary conditions and the slow down in the economy are behind us and that there is an imperative need to capitalise on the favourable present climate, consolidate the gain and be prepared to grow and progress over the next few years.
- The fact that the company offers wide range of products and provides "one stop solutions" and prompt deliveries to the critical sectors of the economy places it in an advantageous position and offers opportunities to the company to move up the value chain in the years to come.
- The company has already made a modest beginning in extending its machining business to domestic clientele. Given the encouraging response, the company is hopeful of increasing this line of business.
- The company has been making best endeavours to further enlarge and broad-base its domestic clientele and



increase the share of the existing customers on the domestic front.

- The company has an established track record with its customers known for their business excellence and standing. This provides testimony of the confidence level of the customers about the quality deliverables of the company.
- Technology upgradation in tune with the changing times and new challenges has always received the focused attention of the management.
- A sophisticated tool room for manufacture of tools and dies is managed by a technically competent team.
- A dedicated work force with adequate skills and experience has been built up.
- 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 recovery of global markets and the improved prospects in the domestic market and its sustainability in the years to come, your company has set a sales target of 24000 MT for the year comprising the export target of 10000 MT, and domestic target of 14000 MT.

The company is planning to sell 900 nos. of stator frames in the current year based on the inputs received from the existing and prospective clients.

The company is also embarking upon a capital expenditure programme at an estimated outlay of around Rs.23 crores. The proposed acquisition of machinery is expected to remove the existing bottlenecks and provide balancing machinery and also enable phase-out of certain old and obsolete equipment.

The facilities are expected to be in place during the course of the year thereby enabling the company to attain the targetted sale of 24000 MT.

Diligent efforts are underway to ensure that the sales target is achieved and that there is no slippage.

Risks and Concerns

The management has been taking effective steps to mitigate the identified risk factors while conducting its business operations. It has also been exploring and assessing the new risk-prone areas and activities and initiating necessary action to mitigate the overall impact of risks on the company.

Many of the existing clientele on the domestic front have been patronising the company right from its inception and their continued trust will enable the company to pitch for the best possible orders emanating from their growth plans.

It is an established practice in this industry to pass on the increase in raw material cost to the customers and therefore cost escalations may not affect the profitability of the company. However, the customers may not always absorb the full increase in raw material cost and that too with retrospective effect in all situations.

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 them against the risks associated with the business.

The internal checks and balances have always been under focus with monthly internal audit reports and reviews. In addition to the monthly audit reports, quarterly limited reviews are carried out by statutory auditors and all these are deliberated upon in 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 appropriately fixes 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 mutual trust, harmony and unity of purpose as stated in the Directors' Report, provides the alignment and bonding between the workforce and the management.

True to its philosophy, the company is committed to maintain harmonious relationship with its workforce at all points of time through consultations, dialogue, deliberations, negotiations and meetings.

As on 31st March, 2011, the company had a work force of 950 employees excluding the contract labour.

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

As stated elsewhere in the Report, the company's performance on the domestic as well as export fronts has significantly improved compared to that of the preceding year.

In a volume driven growth, the company's sales have increased from 13814MT to 20270MT registering a growth of 46.49% whereas the turnover shot up to Rs.266.49 crores as against Rs152.99 crores in the preceding year thereby recording a growth of 74.18%.

There is no infusion of share capital during 2010-2011. There is reduction in term loans from Rs.23.27 crores to Rs.16.82 crores in the year under review compared to the previous year.

The working capital borrowings have shot up to Rs.66.14 crores in 2010-2011 from Rs.46.44 crores in the preceding year due to increased level of operations.

The net current assets have registered an increase from Rs.67.02 crores in 2009-2010 to Rs.99.36 crores in 2010-2011 reflecting the growth in operations over the preceding year.

During the year, the company purchased assets worth Rs.2.14 crores as against Rs.0.74 crores in the preceding year. The depreciation for the year marginally decreased to Rs.6.28 crores from Rs.6.34 crores in the year-ago period



Geographical Mix

		2010-2011	2009-2010
A	Exports (MT)	6800	3517
	Domestic (MT)	13470	10297
Total		20270	13814
B	Exports Stator Frames (Nos)	603	407
	Domestic Stator Frames (Nos)	--	--
Total		603	407
C	Export Revenue including stator frames (Rs. crores)	131.70	63.60
	Domestic Revenue (Rs. crores)	134.79	89.39
Total		266.49	152.99

Other Income

Other income for the year under review is Rs.3.87 crores broadly consisting of export incentives and forex gain and interest on deposits as against Rs.7.21 cores in the previous year.

Profitability

(Rs. in crores)

		2010-2011	2009-2010
1	Earnings before interest, tax and depreciation	33.10	24.70
2	Depreciation	6.28	6.34
3	Finance charges	13.47	11.93
4	Profit before tax	13.35	0.92
5	Profit after tax	8.49	0.29



AUDITORS' REPORT

To

The Members

PITTI LAMINATIONS LIMITED

We have audited the attached balance sheet of **PITTI LAMINATIONS LIMITED** as at 31st March 2011, 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 31st March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the accounting policies and Notes forming part of accounts thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:



-
- a. In case of Balance Sheet, of the state of affairs of the Company as at 31st March 2011;
 - b. In the case of Profit and Loss Account, of the profit of the company for the year ended on that date
 - c. In case of the Cash Flow Statement, of the cash flows for the year ended on the date.

for **LAXMINIWAS & JAIN.**
CHARTERED ACCOUNTANTS
Firm Registration Number:001859S

(LAXMINIWAS SHARMA)
PARTNER
M.No. 014244

Place : Hyderabad
Dated : 25th April, 2011



ANNEXURE TO AUDITORS' REPORT PITTI LAMINATIONS LIMITED

[Referred to in our report of even date]

- (i) (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) No major part of the Fixed assets was disposed off during the year hence do not affect the going concern assumption.
- (ii) (a) The inventory has been physically verified by the management during the year except material lying with third parties (which have substantially been confirmed). In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) According to the information and explanation given to us, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book/records were not material.
- (iii) (a) According to the information and explanations given to us, the company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) According to the information and explanations given to us, during the year the company has taken unsecured loan of Rs. 2322.44 lakhs from three parties and repaid Rs.1684.94 lakhs to three parties and total amount outstanding as on 31st March 2011 was Rs.717.50 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, 2011 for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of sales tax, income tax, 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	22.52	CESTAT

- (x) In our opinion, the company has no accumulated losses as on 31.03.2011 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (xi) According to the information and explanation given to us, the company has not defaulted in repayment of its dues to banks and financial institution. The company has not issued any Debentures.



- (xii) In our opinion and according to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly the provisions of clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiii) In our opinion, the company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, Securities, debentures and other Investments. Accordingly, the provisions of clause 4 (xiv) of the companies (Auditor's Report) order are not applicable to the company.
- (xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) According to the information and explanations given to us, term loans availed by the company were, prima facie, applied by the company during the year for the purpose which the loans were obtained.
- (xvii) According to the information and explanations given to us and on the overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investments.
- (xviii) According to the information and explanation given to us, 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 during the year. Therefore, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xx) According to the information and explanation given to us, the company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xxi) 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
Firm Registration Number:001859S

(LAXMINIWAS SHARMA)
PARTNER
M.No. 014244

Place : Hyderabad
Dated : 25th April, 2011



BALANCE SHEET AS AT 31st MARCH,2011

SOURCES OF FUNDS	Schedule No.	AS AT 31.03.2011		AS AT 31.03.2010	
		Rs in lacs	Rs in lacs	Rs in lacs	Rs in lacs
Shareholders' Funds					
Share Capital	1	944.59		944.59	
Reserves and Surplus	2	5764.53	6709.12	5025.61	5970.20
Loan Funds	3				
Secured Loans		8507.59		7136.09	
Unsecured Loans		1061.42	9569.01	423.92	7560.02
Deferred Tax Liability(Net)			462.30		404.64
TOTAL			16740.43		13934.86
APPLICATION OF FUNDS					
Fixed Assets	4				
Gross Block		10049.34		9852.57	
Less: Depreciation		3280.14		2658.07	
Net Block		6769.20		7194.50	
Capital Work in Progress including					
Capital Advances		35.47	6804.67	38.19	7232.69
Investments	5		0.10		0.10
Current Assets, Loans and Advances	6				
Inventories		8505.84		6149.89	
Sundry Debtors		6754.74		4278.80	
Cash and Bank Balances		932.58		634.88	
Loans and Advances		1962.24		2218.67	
TOTAL		18155.40		13282.23	
Less: Current Liabilities and Provisions	7				
Liabilities		7481.90		6314.42	
Provisions		737.84		265.74	
Net Current Assets		8219.74	9935.66	6580.17	6702.07
TOTAL			16740.43		13934.86
Notes forming part of accounts	15				

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

As per report of even date

for **Laxminiwas & Jain**

Chartered Accountants

FRN 001859S

for and on behalf of the Board

Sharad B Pitti

Chairman & Managing Director

G.Narayana Rao

Director

Laxminiwas Sharma

Partner

M.No. 014244

B.K Prasad

Secretary & GM (Commercial)

G.V.S.N. Kumar

Chief Financial officer

Place : Hyderabad

Dated : 25 th April, 2011



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

	Schedule	2010-2011	2009-2010
INCOME	No	Rs in lacs	Rs in lacs
Sales & Services	8	26649.16	15299.07
Less: Taxes & Duties		1471.48	851.10
Sales & Services (Net)		25177.68	14447.98
Other Income	9	386.71	721.32
Increase /(Decrease) in Stocks	10	736.42	755.01
TOTAL		26300.81	15924.30
EXPENDITURE			
Consumption of raw material	11	17184.20	9636.30
Manufacturing and Administrative expenses	12	3849.20	2953.69
Selling & Distribution expenses	13	1957.77	866.93
Finance Charges	14	1346.94	1193.25
Depreciation	4	627.77	633.59
TOTAL		24965.88	15283.77
Profit Before Exceptional Items		1334.93	640.54
Exceptional Items		-	548.31
Profit Before Tax		1334.93	92.22
Less: Provision for Tax			
- Current Tax		428.61	1.12
- Deferred Tax		57.66	61.99
- Minimum Alternate Tax		-	14.08
Less: Mat Credit Entitlement Account		-	14.08
Profit after Tax		848.66	29.11
Profit brought forward from previous year		2056.40	2027.28
Profit available for appropriation		2905.06	2056.40
Proposed Dividend (Incl. of Tax)		109.74	
Transfer to General Reserve		200.00	
Profit / (Loss) carried to Balance Sheet		2595.32	2056.40
Weighted average Number of equity shares - Basic		9441700	9441700
Weighted average Number of equity shares - Diluted		9441700	9441700
Nominal Value per Share - Rs		10.00	10.00
Basic earnings per share -Rs		8.99	0.31
Diluted earnings per share - Rs		8.99	0.31
Notes forming part of accounts	15		

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

As per report of even date

for **Laxminiwas & Jain**

Chartered Accountants

FRN : 001859S

for and on behalf of the Board

Sharad B Pitti

Chairman & Managing Director

G.Narayana Rao

Director

Laxminiwas Sharma

Partner

M.No. 014244

FRN : 001859S

B.K Prasad

Secretary & GM (Commercial)

G.V.S.N. Kumar

Chief Financial officer

Place : Hyderabad

Dated : 25 th April, 2011



SCHEDULE - 1	AS AT	AS AT
SHARE CAPITAL	31.03.2011	31.03.2010
	Rs in lacs	Rs in lacs
Authorised capital 1,50,00,000 (Previous year 1,50,00,000) Equity Shares of Rs.10/- each	1500.00	1500.00
Issued, Subscribed and Paid up 94,41,700 (Previous year 94,41,700) Equity shares of Rs.10/- each	944.17	944.17
Shares forfeited (8300 Shares of Rs.5/- each)	0.42	0.42
TOTAL	944.59	944.59

SCHEDULE - 2		
Securities Premium	2619.21	2619.21
General Reserve		
Opening Balance	350.00	350.00
Add: Transferred during the year	200.00	-
Closing Balance	550.00	350.00
Profit & Loss A/c	2595.32	2056.40
TOTAL	5764.53	5025.61



SCHEDULE - 3 LOAN FUNDS

1. SECURED LOANS

Term Loans from Banks

Term Loan from (Scheduled Banks)

1520.55

2088.59

(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

161.87

238.69

(The above loan is secured by exclusive charge on the machinery purchased to the extent funded and Personal guarantee provided by the Chairman and Managing director)

SUB TOTAL

1682.42

2327.28

Working capital borrowings from Banks

6614.46

4643.84

(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)

Other loan from Bank

56.30

58.50

(Secured against lien on FDR)

Vehicle Loans

a) Vehicle Loan from Scheduled Banks

66.96

96.04

b) Vehicle Loan from Others

87.45

10.44

(Secured against hypothecation of vehicles)

SUB TOTAL

154.41

106.48

TOTAL - 1

8507.59

7136.09

2. UNSECURED LOANS

i) Unsecured Loans from Directors

10.00

10.00

ii) Sales Tax Deferral

283.92

283.92

iii) Inter Corporate Deposit

767.50

130.00

TOTAL - 2

1061.42

423.92

TOTAL (1+2)

9569.01

7560.02

SCHEDULE - 4

FIXED - ASSETS

Rs in lacs

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	AS AT 01.04.2010	ADDITIONS	ADJUST- MENTS	AS AT 31.03.2011	AS AT 01.04.2010	FOR THE YEAR	ADJUST- MENTS	AS AT 31.03.2011	AS AT 31.03.2011
Land	233.27	0.00	0.00	233.27	0.00			0.00	233.27
Factory Building	1269.39	0.00	0.00	1269.39	170.71	42.39		213.10	1056.29
Lease hold Property	821.05	0.00	0.00	821.05	183.68	43.10		226.78	594.27
Plant & Machinery	6064.29	45.20	0.00	6109.49	1808.61	394.59		2203.20	3906.29
Testing Equipment	69.94	8.80	0.00	78.74	34.28	3.80		38.08	40.66
Electrical Installation	257.03	0.00	0.00	257.03	70.13	16.07		86.20	170.83
Furniture & Fixtures	157.95	1.06	0.00	159.01	41.48	9.54		51.02	107.99
Office Equipment	87.95	0.22	0.00	88.17	44.89	62.11		126.64	(38.47)
Computers	485.82	16.17	0.00	501.99	197.81	19.65		197.81	304.18
Vehicles	375.19	142.20	(17.15)	500.23	96.83	34.76	(5.70)	125.89	374.34
Other Misc. Equipment	30.70	0.27	0.00	30.97	9.65	1.77		11.42	19.55
TOTAL	9852.57	213.93	(17.15)	10049.34	2658.07	627.78	(5.70)	3280.14	6769.20
Previous Year	9886.19	73.94	(107.55)	9852.57	2088.82	633.59	(64.33)	2658.07	7194.50
Capital Work In Progress								35.47	38.19





	AS AT 31.03.2011 Rs in lacs	AS AT 31.03.2010 Rs in lacs
SCHEDULE - 5		
INVESTMENTS	0.10	0.10
1000 Shares of Development Credit Bank Ltd., at Rs.10/- each (Market Value Rs. 45,850/- ,previous year Rs32,200/-)		
TOTAL	0.10	0.10
SCHEDULE - 6		
CURRENT ASSETS, LOANS AND ADVANCES		
INVENTORIES		
Raw material	2767.09	1298.50
Work in progress	2541.97	2448.65
Finished goods	1655.56	1234.63
Stores and spares	492.15	391.21
Press tools & dies	756.54	706.53
Scrap	292.53	70.36
TOTAL -A	8505.84	6149.89
SUNDRY DEBTORS		
(Unsecured and considered good)		
Debts outstanding for a period exceeding		
Six months	466.60	455.72
Others	6288.14	3823.08
TOTAL -B	6754.74	4278.80
CASH AND BANK BALANCES		
Cash In Hand	9.34	5.21
Cheques on Hand		
With Scheduled banks		
In Term Deposit Accounts (include TDRs for LC/BG Margins / Loan)	751.83	491.12
In Current Account	86.41	53.55
With Others		
TDR with Agroha Co-op. Urban Bank Ltd	85.00	85.00
Maximum amount outstanding during the year Rs 85 lacs (Previous year - Rs 85 lacs)		
TOTAL -C	932.58	634.88



	AS AT 31.03.2011 Rs in lacs	AS AT 31.03.2010 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. 13.41 lacs, Maximum amount outstanding during the year Rs.13.41 lacs) Previous year Rs.17.52 lacs)	263.10	384.83
Advances Income Tax and other taxes	1484.25	1717.96
Deposits	62.59	76.79
Prepaid expenses	152.30	39.08
TOTAL -D	1962.24	2218.67
GRAND TOTAL A+B+C+D	18155.40	13282.23

SCHEDULE - 7

A. CURRENT LIABILITIES

Sundry Creditors - covered by MSMED Act	386.97	245.04
Sundry creditors other than covered by MSMED ACT	6547.88	5521.32
Other Liabilities	514.19	523.99
Unclaimed Dividend	21.52	21.59
Interest accrued but not due on loans	11.34	2.47

TOTAL - A	7481.90	6314.42
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B. PROVISIONS

provision for taxation (Current Tax Net)	427.84	—
Provision for Bonus	28.24	55.00
Retirement Benefits	172.02	210.74
Proposed Dividend (Incl. Tax)	109.74	

TOTAL -B	737.84	265.74
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GRAND TOTAL (A+B)	8219.74	6580.17
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PARTICULARS	Provision for Taxation Rs.in lacs	Retirement Benefits & Bonus Rs.in lacs	Proposed Dividend Incl.of Tax Rs.in lacs
Opening Balance	0	265.74	0
Add: Provided during the year	427.84	77.44	109.74
Less: Charged / Reversed during the year	0	142.92	0
Closing Balance	427.84	200.26	109.74



	31.03.2011	31.03.2010
	Rs in lacs	Rs in lacs
SCHEDULE - 8		
SALES & SERVICES		
Sale of Stampings	23129.21	13075.46
Sale of Scrap	2497.35	1517.60
Sale of Tools	280.69	204.69
Job work Income	741.91	501.32
Gross Sales	<u>26649.16</u>	<u>15299.07</u>

SCHEDULE - 9		
OTHER INCOME		
Interest on Deposits (TDS amounting to Rs.3.99 lacs previous year Rs.3.26 lacs)	39.94	32.62
Other Miscellaneous Income	33.66	12.22
Export incentives	268.45	544.04
Forex (Loss)/Gain	44.66	132.44
TOTAL	<u>386.71</u>	<u>721.32</u>

SCHEDULE - 10
INCEREASE/ (DECREASE) IN STOCK

A. Opening stocks:		
Work-in-process	2448.65	2122.08
Finished goods	1234.63	758.18
Scrap	70.36	118.38
TOTAL - A	<u>3753.64</u>	<u>2998.64</u>
B. Closing stocks:		
Work-in-process	2541.97	2448.65
Finished goods	1655.56	1234.63
Scrap	292.53	70.36
TOTAL - B	<u>4490.06</u>	<u>3753.65</u>
C. Increase/(Decrease) in stocks (B-A)	<u>736.42</u>	<u>755.01</u>

SCHEDULE - 11
CONSUMPTION OF RAW MATERIALS

Opening stock	1298.50	2330.32
Add: Purchases	18652.79	8604.48
Less: Closing stock	2767.09	1298.50
Consumption	<u>17184.20</u>	<u>9636.30</u>



	31.03.2011	31.03.2010
	Rs in lacs	Rs in lacs
SCHEDULE - 12		
MANUFACTURING AND OTHER ADMN.EXPENSES		
Consumption of Stores,		
Spares, Tools & Dies	865.10	489.36
Power & fuel	155.23	137.94
Job Work Charges	133.29	122.58
Repairs & Maintenance :		
Plant	108.09	75.78
Building	2.54	6.32
Vehicles	9.39	10.63
Other Assets	4.03	3.35
Travelling & Conveyance	327.65	232.30
Insurance	12.86	16.45
Rent	85.79	80.43
Rates & Taxes (Excluding Taxes on Income)	30.46	93.51
Employees remuneration and benefits	1676.28	1301.54
(Include Rs116.05 lacs towards ESI/PF contributions		
previous year Rs. 112.46 lacs)		
Staff welfare expenses	69.91	45.95
Remuneration to Managerial personnel	133.82	99.30
(Include Rs 10.62.lacs towards PF contribution Previous year		
Rs 7.60 lacs)		
Board Meeting Expenses	3.33	3.19
Remuneration to auditors :		
Audit Fee	3.00	2.25
Tax Audit Fee	1.00	0.75
Certification Fee	2.50	3.00
Communication Expenses	34.10	29.96
Professional consultancy	38.67	48.99
Other Expenses	152.16	150.14
TOTAL	3849.20	2953.69



	31.03.2011	31.03.2010
	Rs in lacs	Rs in lacs
SCHEDULE - 13		
SELLING & DISTRIBUTION EXPENSES		
Discounts to Customers	357.93	124.86
Other selling & Distribution	385.96	196.09
Packing Cost	946.72	354.99
Carriage outwards	267.16	188.03
Advances Written off		2.96
TOTAL	1957.77	866.93
SCHEDULE - 14		
FINANCE CHARGES		
Interest on Term Loans	222.60	349.79
Interest on Working Capital	952.34	715.02
Bank Charges	172.00	128.43
TOTAL	1346.94	1193.25



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:

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

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 Act, 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:

	2010-11 (Rs. in lacs)	2009-10 (Rs. in lacs)
1. Contingent Liabilities not provided for		
Income Tax Liability in respect of the appeals preferred by The Department with ITAT and in the High Court of Judicature of A.P Hyderabad pending disposal	87.91*	Nil
Service Tax Liability for which appeal is pending	22.52*	12.19
Liability against factoring of bills	1466.75	1001.78
Estimated amount of contracts remaining to be executed on Capital accounts not provided for	588.89	469.60

* 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	
	31-03-2011	31-03-2010	31-03-2011	31-03-2010
Discount Rate	8.33%	8%	8.33%	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%	9%	0%	0%
Expected Average remaining working lives of employees (years)	22 yrs	23 yrs	22 yrs	23yrs

Table Showing Changes in Present Value of Obligations

In Rs.

	31-03-2011	31-03-2010	31-03-2011	31-03-2010
Present Value of Obligation as at the beginning of the year	1,68,27,253	1,45,89,877	43,42,817	43,90,646
Interest Cost	13,46,180	11,67,190	3,47,425	35,12,532
Current Service Cost	59,51,672	28,08,915	1,41,787	(47,829)
Benefits paid	(11,68,490)	(3,16,032)	(13,19,714)	(10,75,652)
Actuarial (gain)/ loss on obligations	(33,06,271)	(14,22,697)	9,72,289	7,24,400
Present Value of Obligation as at the end of the year	1,96,50,344	1,68,27,253	44,84,604	43,42,817



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

	31-03-2011	31-03-2010	31-03-2011	31-03-2010
Present Value of Obligation as at the end of the year	1,96,50,344	1,68,27,253	44,84,604	43,42,817
Fair Value of Plan Assets as at the end of the year	69,34,162	16,42,075	-	-
Funded Status	(1,27,16,182)	(1,51,85,178)	(44,84,604)	(43,42,817)
Net Asset / (Liability) Recognized in Balance Sheet	(1,27,16,182)	(1,51,85,178)	(44,84,604)	(43,42,817)

Expenses Recognized in the statement of Profit and Loss

	31-03-2011	31-03-2010	31-03-2011	31-03-2010
Current Service Cost	59,51,672	28,08,915	1,41,787	(47,829)
Past Service Cost	-	-	-	-
Interest Cost	13,46,180	11,67,190	3,47,425	3,51,252
Expected Return on Plan Assets	(1,58,368)	(92,782)	-	-
Net actuarial (gain)/ loss recognized in the year	(33,06,271)	(14,25,620)	9,72,289	7,24,400
Expenses Recognized in the statement of Profit & Loss	38,33,213	24,57,703	14,61,501	10,27,823

2.02 Remuneration to Managerial Personnel:

Rs. In lacs

Remuneration Particulars	2010 – 2011		2009 – 2010	
	CMD & VC & JMD	Whole Time Directors	CMD & VC & JMD	Whole Time Directors
Salary and allowances	69.00	54.20	47.25	44.45
Contribution to Provident Fund	8.28	2.34	5.67	1.93
Total	77.28	56.54	52.92	46.38

The remuneration of Shri Akshay S Pitti Vice-Chairman & Managing Director has been revised to Rs.2.50 lacs Per month effective from 01st April, 2010 and approval of members is being sought at the Annual General Meeting.



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

S.No	Particulars	2010-11		2009-10	
		Quantity (MT)	Value (Rs in lacs)	Quantity (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	20619	--	14176	--
e)	Production of Stator Bodies (No's)	587	--	227	--
f)	Stocks				
	i) At commencement	1066	1234.63	704	758.18
	ii) At close	1415	1655.56	1066	1234.63
g)	Stocks (Stator Bodies) No's				
	i) At commencement	54	125.39	234	600.45
	ii) At Close	48	107.55	54	125.39
h)	Turnover				
	Sale of Stampings and Services	20270	21536.70	13814	12178.80
	Sale of Scrap	12094	2497.36	9311	1517.60
	Sale of Tools (Qty Nos)	31	280.69	28	204.69
	Sale of Stator Bodies (Qty. No's)	593	2334.42	407	1397.98

i) Details of consumption of Raw Materials :-

Description	2010-11			2009-10		
	Quantity (Tons)	Value (Rs in lacs)	%	Quantity (Tons)	Value (Rs in lacs)	%
Imported (Silicon Steel)	7104	4148.69	24.14	4641	3044.29	31.59
Indigenous (Silicon Steel)	18288	11346.36	66.03	11283	5698.47	59.14
Others		1689.13	9.83		893.54	9.27
Total	25392	17184.18	100.00	15924	9636.30	100.00



		2010-11 Rs in lacs	2009-10 Rs in lacs
j	CIF Value of Imports of Raw Material	5468.56	1897.47
k	FOB Value of Exports	13137.02	6359.70
l	Expenditure in Foreign Currency	178.16	119.47

4. Segment Reporting :

a) Primary Segment Reporting –

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

b) Secondary Segment (by Geographical Segment)

RS. In lakhs.

S.No	PARTICULARS	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
	SEGMENT REVENUE:		
	a) INDIA	13479.55	8939.37
	b) OUTSIDE INDIA	13169.62	6359.70
	TOTAL	26649.17	15299.07

5. 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.

Rs in lacs

SL. NO	PARTICULARS	Carrying amount of assets as on 31.03.2011	Additions during the year 2010-11	
1	SEGMENT ASSETS:		Put to use	CWIP
	a) INDIA	19950.92	213.92	35.47
	b) OUTSIDE INDIA	5009.26		
	TOTAL	24960.18	213.92	35.47

6. 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
Shri Sanjay Srivastava		

II) Directors' interest

- 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

SL No	Transactions/ Outstanding Balances	Directors/ Relatives	Director's interest in firm / company	Total
1	Remuneration	133.82	-	133.82
2	Rent /Lease	70.26	-	70.26
3	Interest	5.21	44.75	49.93
4	Purchases	-	18.29	18.29
5	Inter Corporate Deposit Accepted	469.94	1852.50	2322.44
6	Inter Corporate Deposit Refunded	469.94	1215.00	1684.94
7	Donations paid	-	29.22	29.22
8	Job work charges Incurred	-	60.30	60.30
9	Job work charges Earned	-	18.39	18.39
10	Amount payable at the year end	11.14	40.45	51.59
11	Amount receivable at the year end	13.41	12.33	25.74

7. Operating Lease: (As a Lessee)

Rs in lacs

S. No	PARTICULARS	FUTURE PAYMENTS	
		2010-11	2009-10
1	Within one year	70.08	85.78
2	Between one year and five years.	71.32	126.23
3	Above five years	188.04	203.22

8. Deferred Tax

Rs in lacs

S. No	Particulars	Deferred Tax (Liability)/ Asset as at 01.04.2010	Current Year charge (Credit)	Deferred Tax (Liability)/ Asset as at 31.03.2011
1	Difference between Depreciation as per Co's Act. & as per IT Act.	(497.41)	(32.97)	(530.38)
2	Provision for Bonus	21.16	(11.56)	9.60
3	Provision for Gratuity	56.87	(13.65)	43.23
4	Provision for Leave Encashment	14.76	0.48	15.24
	Deferred Tax Net	(404.62)	(57.70)	(462.32)

9. 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.



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

11. 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 31.03.2011

Rs in lacs			
SL No	Description	2010-11	2009-10
1	Principal amount due to suppliers under MSMED	386.97	245.02
2	Interest accrued and due to suppliers covered under MSMED on the above amount ,unpaid	13.77	8.56
3	Payment made to suppliers (With Interest) beyond the appointed day during the year.	374.20	304.79
4	Payment made to suppliers (Other than interest) beyond the appointed day during the previous year	-	-
5	Interest paid to suppliers covered under MSMED	8.35	13.41
6	Interest due & Payable to suppliers covered under MSMED Act., towards payments already made.	--	-

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

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

13. Financial and derivative instruments:	As on 31 st March, 2011	As on 31 st March, 2010
Forward contracts	Rs.5932.05 lacs	Rs. 4641.30 lacs

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

14. 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

Firm Registration Number: 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: 25th April,2011

B.K Prasad

Secretary &

G.M (Commercial)

G.V.S.N Kumar

Chief Financial Officer



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1) Registration Details

Registration No: 01-4141

State Code: 01

Balance Sheet Date: 31st March, 2011

2) Capital Raised During the year (Amount Rs. In lacs) (Including Premium)

NIL

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

Total Liabilities

167,40,47

Total Assets

167,40,47

Sources of funds paid up capital
9,44,17

Share Warrants Money
Nil

Reserves & Surplus
57,64,57

Unsecured Loans
10,61,42

Secured Loans
85,07,59

Deferred Tax Liability
4,62,30

Application of funds net fixed assets
68,04,68

Investments
10

Net Current Assets
99,35,69

4) Performance of Company (Amount in Rs. 000)

Total Income
2,63,00,82

Total Expenditure
2,49,65,86

Profit Before Tax
13,34,96

Profit After Tax
8,48,69

5) 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



CASH FLOW STATEMENT FOR THE THE YEAR ENDED 31ST MARCH, 2011

Rs. In lacs

	Year ended 31st March,2011	Year ended 31st March,2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax as per P&L Account	1334.96	92.22
Adjusted For		
Depreciation	622.07	569.25
Sale of fixed asses	17.15	107.54
Finance Charges	1346.96	1193.25
Operating Profit before Working Capital	3321.14	1962.26
Capital Changes Adjusted For		
Trade & Other Receivables	(2219.53)	(416.77)
Inventories	(2355.95)	109.69
Trade Payables	1101.24	692.43
Working Capital Borrowings	1970.60	(6.56)
Gratuity of earlier years	(1503.64)	378.79
Cash generated from operations	1817.50	2341.05
Finance charges	1346.96	(1193.25)
Taxes Paid	—	(103.72)
Dividend Paid	(1346.96)	(110.51)
Cash Flow before extraordinary items	470.54	933.57
Net Cash Flow From Operating Activities - (A)	470.54	933.57
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(211.21)	(42.73)
Net Cash used in Investing Activities - (B)	(211.21)	(42.73)
C CASH FLOW FROM FINANCING ACTIVITIES		
Unsecured Loans from promoters		0.00
Increase in Equity Share Capital		0.00
Vehicle Loans	47.94	(64.84)
Share Application Money		
Preferential Capital / Share Capital / Calls		
Term Loans	(644.86)	(854.49)
Other Loans	635.30	(20.00)
Net Cash Used in Finance Activities	38.38	(939.33)
Net Increase(Decrease) in Cash &		
Cash Equivalents (A+B+C)	297.71	(48.49)
Opening Balance in Cash and Cash Equivalents	634.88	683.37
Closing Balance in Cash and Cash Equivalents	932.59	634.88
The Schedules referred to above form an integral part of the accounts		

As per report of even date

for **Laxminiwas & Jain**

Chartered Accountants

FRN 001859S

for and on behalf of the Board

Sharad B Pitti

Chairman & Managing Director

G.Narayana Rao

Director

Laxminiwas Sharma

Partner

M.No. 014244

Place : Hyderabad

Dated : 25th April, 2011

B.K Prasad

Secretary & GM (Commercial)

G.V.S.N. Kumar

Chief Financial officer



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:

<p align="center">27th ANNUAL GENERAL MEETING</p> <p align="center">11th August, 2011 at 4.00 p.m</p> <p align="center">The Central Court Hotel West Minister Hall, The Central Court Hotel, 6-1-71, Lakdikapool, Hyderabad - 500 004</p>

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

<input type="checkbox"/> MEMBER <input type="checkbox"/> 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 27th ANNUAL GENERAL MEETING of the Company to be held on Thursday,
the 11th August, 2011 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
--

AFFIX REVENUE STAMP

FOR OFFICE USE ONLY	
PROXY NO.	DATE OF RECEIPT



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Hyderabad - 500 082.