



ONLY THE
FITTEST
SURVIVE.

Pitti Laminations Limited
Annual Report FY 2013-14

Forward-looking statement In this annual report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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It was the worst of years.
It was the best of years.

On the face of it, Pitti Laminations reported a 19.97 per cent decline in gross revenues, 57.29 per cent erosion in profit after tax, and 35.29 per cent lower exports in FY 2013-14.

But explore below the surface and you find a different picture. A cash profit of ₹12.96 crore. A 172.22 per cent growth in export revenues. A 35.90 per cent sequential revenue growth in the last quarter of FY 2013-14 compared to Q3.

Emphasising a singular point. That only the fittest survive.



These are some of the capabilities that make Pitti Laminations special:

- We are India's largest commercial manufacturer of laminations used in electrical motors across downstream sectors.
- We are one of the most competitive lamination manufacturers in the world.
- We are a dependable back-end lamination supplier to some of the largest MNCs.
- We are possibly the only extensively integrated - tooling, lamination, castings and machining – lamination company in the world.

Pitti Laminations manufactures the following products: electrical steel laminations, die cast rotors and assemblies, stator core assemblies, rotor core assemblies, pole assemblies as well as casting and machine components.

Business

Pitti Laminations is engaged in the manufacture of value-added machined electrical steel laminations that find irreplaceable application in all types of motors (traction, industrial and induction). Pitti Laminations is promoted by Shri Sharad B Pitti (Chairman and Managing Director) and Shri Akshay S Pitti (Vice-Chairman and Managing Director).

Product mix

Pitti Laminations manufactures products, which include electrical steel laminations, die cast rotors and assemblies, stator core assemblies, rotor core assemblies, pole assemblies as well as casting and machine components.

Competitive advantage

Pitti Laminations is the only end-to-end product and service provider in its segment. The Company possesses India's only indigenously developed tool room with a portfolio of over 3,400 tools. Extensively integrated capacities of laminations, castings, machining and tooling leading to cost advantages and customer convenience. The Company is a market leader in the special

purpose motors segment in India. The Company is also one of few global suppliers with tooling, laminations, casting and machining capabilities under one roof. The Company was the first commercial manufacturer of laminations in India, certified by Bureau Veritas Quality International UK with ISO 9002.

Location

The Company is headquartered in Hyderabad and all its plants – laminations, foundry and machining centres – are located within a 50-km radius around the city. The Company possesses an installed product manufacturing capacity of 32,000 TPA across two plants and a machined casting capacity of 3,000 per annum. The Company aims to partially shift its manufacturing capacity to Pune, Maharashtra, by the second half of FY 2014-15.

Performance

Pitti Laminations has reported a FY 2010-14 revenue CAGR of 13%. The Company has reported a five-year average EBIDTA margin of around 14%. The Company's credit ratings were reaffirmed with a BBB+ for its long-term

bank facilities and an A2 for its short-term bank facilities by CARE in July 2014.

Equity

Pitti Laminations is listed on the BSE and NSE; its market capitalisation stood at ₹82.63 crores as on 30th June 2014.

Customers

The Company services the needs of diverse customers in the following sectors – power generation, transportation, industrial motors, locomotives, aerospace, automobile, earth moving & mining, oil & gas and infrastructure. The Company enjoys longstanding relationships with prominent customers like Crompton Greaves, Siemens and the GE Group. Some of its other prominent customers comprise ABB, Alstom, Andritz Hydro, BHEL, Cummins India Limited, Emerson Electric Company, Larsen & Toubro, ReGen Powertech, T D Power Systems Limited, Caterpillar, AVTEC Limited, Enercon GmbH and Voith Hydro. India accounted for 68 per cent of the Company's volumes towards the close of FY 2013-14. The Company exports its products to many countries including the US, Germany, Australia, Brazil, Canada, Mexico and others.

Key financial highlights

Operating income	Total assets
FY 2012-13: ₹ 310.36 cr FY 2013-14: ₹ 247.83 cr	FY 2012-13: ₹ 322.42 cr FY 2013-14: ₹ 308.51 cr
Return on capital employed (ROCE)	Profit after tax
FY 2012-13: 23.66 % FY 2013-14: 10.98 %	FY 2012-13: ₹ 9.85 cr FY 2013-14: ₹ 4.21 cr
Earnings per share (basic)	Dividend per share
FY 2012-13: ₹ 7.30 cr FY 2013-14: ₹ 3.12 cr	FY 2012-13: ₹ 1 FY 2013-14: ₹ 1 *

*Recommended by the Board of Directors

Strategic overview by the Chairman

“We strengthened our business in one of our most **challenging years**”

At Pitti Laminations, we encountered one of our most challenging years in FY 2013-14 and I am proud to state that we utilised the opportunity to strengthen our business model.

We reported a 19.97 per cent decline in revenues to ₹264.31 crore and a 57.29 per cent drop in profit after tax to ₹4.21 crore during the year under review. However, the shareholders need to appraise our performance in the light of the unavoidable forex loss of ₹9.07 crore, which was beyond the Company's control.

This market-contrarian performance was the result of our intrinsic competitiveness and ability to re-strategise with speed in a dynamic environment. While these initiatives have been explained in the later parts of this report, I must assure shareholders that at Pitti Laminations, the goalpost is always moving and that we are driven to moderate costs and enhance our viability at all times.

Economic rebound

There are a number of reasons why we are optimistic of our prospects. Primarily, permit me to state that if the Company could have protected its profitability after an unprecedented decline in exports in one of the slowest years of domestic economic growth with

the overhang of an unprecedented forex loss, then prospects can only get better. Going ahead, we are optimistic that the new Indian Government will engage in whatever it takes to revive the economy through a thrust on capital goods, power and transportation (especially railways) sectors, which are not only under-penetrated but where significant reinvestment is expected. With India's progress, our products will find increased uses. Pitti Laminations is attractively positioned to address this emerging demand; our Company is a preferred vendor for customers across our downstream sectors, a fact vindicated by our enduring relationships, growing orders and rising customer wallet share. Besides, international sales began to pick up during the last quarter of the year under review. This provides me with the optimism that the worst is over for our Company and we face better days ahead.

Pitti's competitive positioning

There are a number of reasons why I am optimistic of Pitti's ability to report profitable year-on-year growth from this point onwards.

One, the Company expects to ride the national economic rebound with a wider product mix that comprises smaller laminations addressing consumer



we have strengthened our India focus; our India-derived revenues, which were 40 per cent two years ago, increased to 61 per cent in FY 2013-14.

motors from a point when they did not figure in our product mix to nearly 6 per cent of our revenues in the current financial year. This extension of our product mix will leverage the use of standard length raw material as opposed to expensive cut-to-size resources, enhancing our profitability.

Two, there has been a paradigm shift within our raw material space, whereby for the first time ever India has emerged as a surplus producer of electrical steel (our principal raw material). This transition has helped evolve our procurement lead time from three to six months to just three to four weeks. Consequently, what was often seen as a constraint to our ability to meet emerging demand is now likely to become an enabler, the full benefit of which is likely to be felt by the third quarter of the current financial year.

Three, we have strengthened our domestic focus; our India-based revenues, which were 40 per cent two years ago, increased to 61 per cent in FY 2013-14. We achieved this by adding new customers and enhancing our market share.

Four, we expect to shift some of our installed capacity to Pune, Maharashtra, which will save us inward

raw material movement costs and related taxes, strengthening our margins and competitiveness.

Outlook

A couple of years ago, I had predicted a revenue guidance of ₹1,000 crore by 2015-16. Given the unforeseen realities that have emerged in the interim, I intend to state that while we continue to be optimistic of achieving this target, there could be a two-year delay.

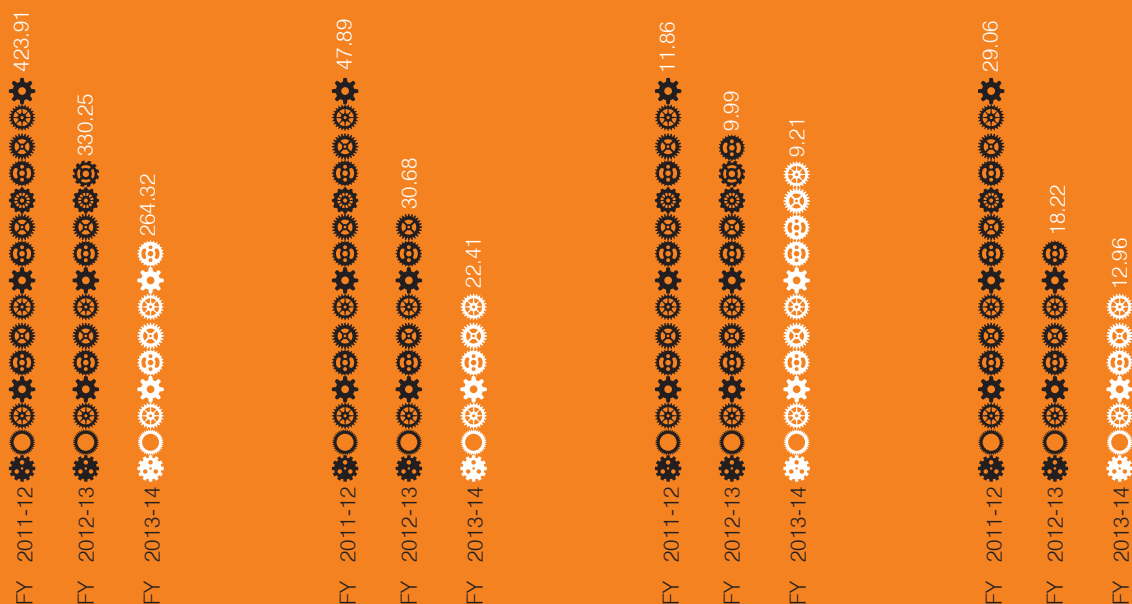
We expect to realise this ambitious revenue target by increasing our electrical laminations production and extending to opportunities beyond laminations. While addressing these new opportunities, we expect to leverage our understanding of engineering and metallics to create value-accretive products.

We expect that this strategy, leveraging our knowledge of products, customers and locations, will enhance value in the hands of our stakeholders over the coming years.

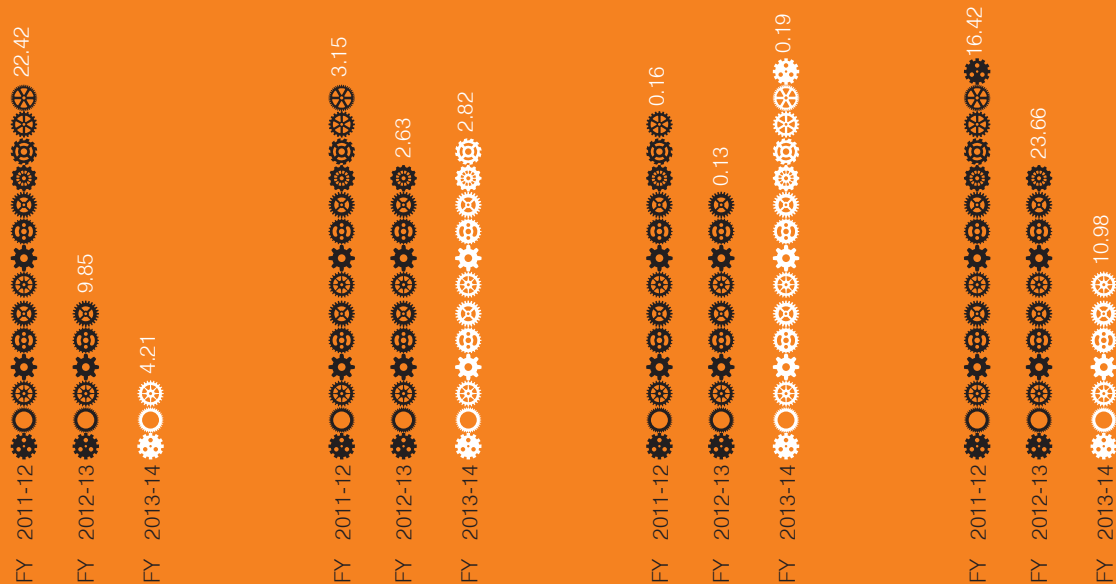
Sharad B Pitti,
Chairman and Managing Director

The power of possibilities

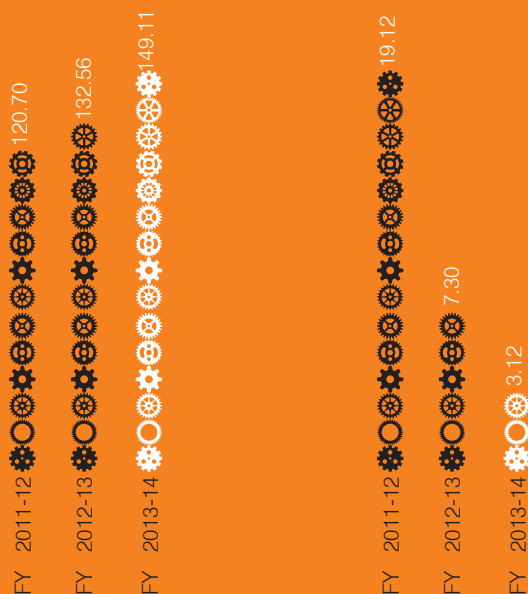
Revenue (gross) (₹ crore) Operating profit (₹ crore) Operating profit margining (%) Cash profit (₹ crore)



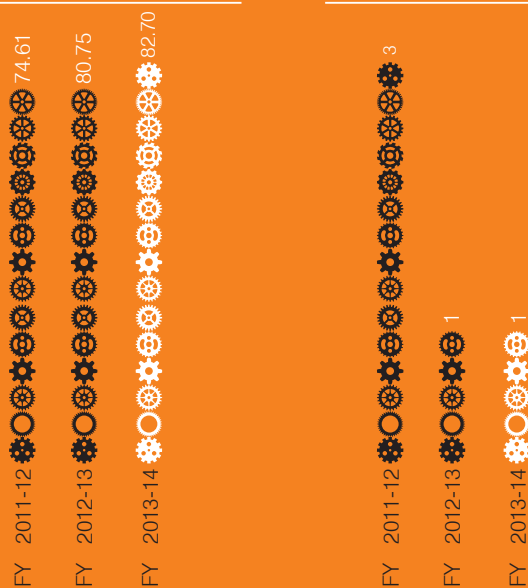
Post-tax profit (₹ crore) Interest cover (₹ crore) Long-term debt-equity ratio RoCE (average) (%)



Gross block	(₹ crore)	EPS (basic)	(₹)
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Book value per share	(₹)	Dividend per share	(₹)
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OUR PERFORMANCE IN FY 2013-14

- Overall revenues declined by 19.97%; EBIDTA declined by 19.94%
- Domestic volumes declined by 17.7% to 10,747 MT; domestic sales declined by 5.7% to ₹161.34 crore
- Export volumes declined by 35.1% to 4,308 MT; export sales declined by 35.3% to ₹102.97 crore
- Raw material cost as a proportion of revenues declined from 65% in FY 2012-13 to 63%
- Overall debt declined from ₹144.75 crore in FY 2012-13 to ₹115.24 crore
- Trade receivables declined from ₹88.82 crore to ₹64.22 crore; receivables (number of days of turnover equivalent) declined from 98 days to 89 days
- Forex loss stood at ₹9.07 crore (₹1.29 crore in the previous year)
- Cash and cash equivalents increased from ₹6.31 crore in FY 2012-13 to ₹9.47 crore

OUR PERFORMANCE IN THE LAST QUARTER OF FY 2013-14

- Volumes increased by 25% over the preceding quarter, largely driven by a rebound in exports (from ₹10.75 crore in the third quarter of FY 2013-14 to ₹29.26 crore).
- Cost of raw materials as a percentage of sales declined following increased synergies in the manufacture of consumer motors and other value engineering initiatives.
- Financial expenses declined by 25.3% and total debt declined by 20% (to ₹115.24 crore) compared to the corresponding quarter in the previous year following debt repayment and optimal working capital utilisation; debt-equity ratio declined from 1.33x (FY 2012-13) to 1.03x (FY 2013-14).
- Interest coverage ratio improved from 1.3x in the third quarter of FY 2013-14 to 1.59x.
- Forex gain was ₹1.35 crore (compared to a loss of ₹9.07 crore for the full year FY 2013-14).
- Cash and cash equivalents increased from ₹6.31 crore in the last quarter of FY 2012-13 to ₹9.47 crore.

In a slowdown, most companies would have focused on getting the most out of their existing locations.

At Pitti, we selected to move to a new one.

During a sluggish FY 2013-14, the big challenge within the country's electrical lamination sector was to cap production costs with the objective to remain viable.

At Pitti, we embarked on the unexpected – shifting a part of our capacity to a more strategic location. This contrarian initiative was derived from a need to extend from one location (Hyderabad) to another (Pune) with the objective to strengthen the Company's competitive advantage.

At Pitti, we are optimistic that this new location will enable us to get closer to our raw material vendors and customers, helping us reduce transportation logistics. In turn, this saving is expected to enhance the Company's margins in a competitive, volume-driven business. Besides, a majority of the Company's customers are located in Pune, Pitti is expected to shrink service turnaround and enhance customer delight.

This shift, effective from October 2014, is expected to strengthen revenues and margins, enhancing the Company's competitiveness.

Deriving a large portion of revenues from sales to a couple of large MNCs, may be ideal thing for most companies.

At Pitti, we selected to widen our customer basket instead.

In a business where a large part of one's business is accounted for by committed order flows from two large multi-nationals, there is often little incentive to look elsewhere.

At Pitti, we recognised the downside of such a model in the event of one of these large esteemed clients interrupting its procurement schedule for however temporary a period it might be.

So during the last financial year, Pitti set about de-risking its business model through the following initiatives: the Company set about increasing its domestic focus by increasing the number of domestic customers.

Result: Pitti's domestic revenues spiked from 40 per cent a couple of years ago to 61 per cent in 2013-14.

The Company is optimistic that the organic growth of the business, courtesy a few large customers on the one hand, a number of medium-sized businesses on the other and a large number of relatively small businesses, represent adequate de-risking in the unexpected event of a decline in the prospects of any one segment.

This recalibration was reflected in the revenue mix: even as India passed through its second year of sub-5% GDP growth during FY 2013-14, the decline in domestic revenues was lower compared to the export contraction.



A focus on high-ticket electrical laminations might appear to be a safe business model.

At Pitti, we strengthened our business with a focus on the entire product range.

In a business where we were for long respected as a value-accretive player, there appeared to be no incentive to address the volume-end.

At Pitti, we took a different call during the last financial year by selecting to address the growing requirements of all kinds of customers. The Company strengthened the viability of its volume-driven small laminations business through prudent raw material procurement, production economies and transportation efficiencies. The Company addressed the consumer motors segment, growing its revenues in this segment to 6 per cent of revenues during the last financial year from scratch.

This widening of the product mix will strengthen the Company's brand as a single-point provider of most kinds of electrical laminations, evolving transactions into enduring relationships leading to a growth in the number of customers and enhanced revenue visibility.

Our competitive advantages

Market

Brand: Respect for the ability to design and manufacture sophisticated laminations; pioneered the manufacture of traction motor sub-assemblies in India (outside the public sector).

Robust clientele: Brand-enhancing clients comprising the GE Group, Siemens, Crompton Greaves, ABB, T D Power Systems Limited, Enercon GmbH, ReGen Powertech, Andritz Hydro, BHEL and Cummins India.

Enduring customer relationships: Nearly 74 per cent of the revenues in FY 2013-14 were derived through existing relationships with longstanding clients (Crompton Greaves, BBL,

BHEL and Siemens have been clients for more than 22 years, ABB for 17 years, CGT and the GE Group for more than a decade).

Product mix: Wide range of products from 50 millimetre to 1,250 millimetre single piece electrical steel laminations allow Pitti to cater to niche customer requirements - diversifying revenue streams and de-risking the business from a single product dependence.

Diverse clientele: Caters to the need of various core sectors like oil & gas transmission, transportation, railways, off-highway vehicles, energy and general engineering, among others.

Operational

Integration: Integrated operations - from tooling to laminations to castings to machining leading to extensive value-addition and one-stop customer solutions.

Robust engineering capital: Professional team comprising more than 32 per cent (engineering graduates or diploma holders)

allows Pitti to deliver laminations to an accuracy of 3 microns (industry average 9 microns).

Modern tool room: Only Indian company with an indigenously developed tool room; portfolio of over 3,400 designs; product development turnaround time estimated at a quarter of the industry average.

Answering shareholder questions

Shri Akshay S Pitti, Vice-Chairman and Managing Director, Pitti Laminations Limited, analyses the Company's FY 2013-14 performance and looks ahead with optimism.

Q How would you explain the sharp decline in the Company's performance in FY 2013-14?

A There was a large deferment in our international sales, as a result of which exports declined by 35 per cent to ₹102.97 crore during the year under review.

This decline was the result of our largest international customer – the GE Group, scaling purchases down during the financial year under review. This decline in offtake was a result of some of its new low-emission locomotives (where our products were used) taking a slightly longer time to be accepted in the marketplace. Besides, a slowdown in the performance of the international coal and mining businesses resulted in a decline in the performance of downstream railroad customers, affecting our offtake. Some of our international oil & gas customers did not perform well on account of a growth in the use of competing shale gas.

There was another point that needs to

be indicated. For a company deriving 39 per cent of revenues from exports, the Company was largely exposed to an adversely unprecedented two-way currency movement – the rupee weakening from ₹54 to a dollar to ₹68 and then strengthening to ₹60. The result was that the Company was debilitated by forex losses during the first two quarters of the financial year under review, aggregating to ₹9.06 crore.

The combination of these realities dented the Company's profits and margins during the year under review.

Q How did the Company respond to this reality?

A At Pitti Laminations, we had two choices: either wait for the external marketplace to stabilise or strengthen our business and become progressively shock-resistant. I am pleased to state that we responded with the latter. Over the last year, the Company widened and deepened its presence within India. Resultantly, whatever impact that the Company suffered on account of its exports decline was to a large extent recouped by the Company's

domestic operations. I must also take this opportunity to emphasise that most companies suffering a major decline in revenues would have been unable to cover their aggregate fixed cost and reported a loss. The fact that Pitti managed to report a cash profit of ₹12.96 crore despite this revenue decline and forex loss worth ₹9.06 crore, is an index of its intrinsic competitiveness.

Q What specific initiatives strengthened the Company's presence within India?

A These are some of the things that we accomplished even as our Company was passing through a challenging revenue downturn:

■ We shifted attention to growing our domestic presence. So what used to be a principally export-focused company with 60 per cent of revenues derived from international sales as recent as a couple of years ago, now reported 61 per cent of revenues from its India operations during the year under review. The result of this recalibration

was that our domestic revenues as a proportion of our overall revenues increased, perhaps the highest proportion that we have achieved from India in the last few years.

■ We did not just increase our revenues from a wider spread of prominent Indian customers (Enercon GmbH, Emerson India, T D Power Systems Limited, TIMC and Elmes India), but also accounted for a larger share of their wallet. We did not just select to report higher unit sales but addressed a wider spread of downstream sectors (power, captive power plants and industrial motors). We did not just promise customers with steady supply but gave them the assurance that with adequate capacity at our disposal they could bank on anytime material availability.

Q In what other ways did the management strengthen the Company's business?

A One of our principal initiatives was to enhance our customer proximity with the objective to rationalise logistics costs and tax incidence. Even as we are based in Telengana, 65 per cent of our Indian customers and two of our key raw material suppliers are based in Pune. Over the years, our expenses spiked higher than our competitors within Maharashtra and consequently

our business growth slowed. With the new facility coming on stream in FY 2014-15, we expect to win back some extra market share from our peers.

During the year under review, we selected to lease premises in Pune with the objective to shift 1,200 tonnes per month of existing capacity to the new facility, starting October 2014. We are optimistic that this relocation will enable us to enhance customer proximity, strengthen competitiveness, enhance margins and widen our business.

Besides, we selected to enrich our product mix during the downturn – from a point where we were largely focused on larger motors to a point where we grew our consumer motors segment from scratch to a projected 6 per cent of our domestic revenues in FY 2014-15. This extension to consumer motors will enable us to make a superior use of our raw material and unutilised capacity, enhancing our overall margins. I am happy to state that some of the improvement in our raw material efficiency was the result of this prudent material use.

Q What you are indicating is that the Company enhanced its competitiveness during the business trough?

A Absolutely. We rationalised our

manufacturing operations by 600 heads with the objective to benchmark our production capacities in line with a monthly output of 1,800 tonnes, making it possible for us to save an annualised ₹4.50 crore. The management also engaged in effective value engineering, which helped moderate conversion costs. Besides, one of the highlights of the Company's cost management was better utilisation of raw materials by focusing on smaller laminations to get more finished product per tonne of raw material.

Q What gives the management the confidence that its Indian operations could strengthen?

A The Company is enjoying increased domestic realisations. The superior raw material sourcing strategy will help moderate input costs. We reduced customer turnaround time with the objective to strengthen service and cash collection. We rationalised the number of transport vendors and utilised larger trucks for enhanced logistic efficiencies. We rationalised our inventory management, resulting in a relatively better working capital management.

Pitti's **compe**



Single-stop solution

In the general course, a customer approaches a tooling facility, goes to a lamination unit and finally to a machining company. In the event of a minimal machining non-conformance of 2 microns, the customer would need to return to the tooling center leading to delays in delivery. At an operationally-integrated Pitti, the assurance of a single-stop solution has strengthened customer traction.



Enduring relationships

Electrical laminations are used in motors (induction, traction and industrial) where magnetic energy is converted into mechanical energy to drive turbines, locomotives, off-highway vehicles, motor blades and other equipment. Over the decades, Pitti has created enduring relationships with large global customers on account of high reliability products delivered on schedule around a superior price-value proposition.



Prestigious clientele

The GE Group is the Company's single largest customer, accounting for a majority of its exports in FY 2013-14. At Pitti, the GE Group has evolved into a partner-in-progress. The GE Group comprises two entities (GE Mexico and GE Erie). We work to maintain a long-term relationship with GE Group.

Competitiveness



Global presence

Pitti Laminations is one of the most competitive electrical lamination manufacturers in the world. The Company addresses the growing needs of prominent downstream brands like the GE Group, Siemens, ABB, Crompton Greaves, T D Power Systems Limited, Enercon, ReGen Powertech, Andritz Hydro, BHEL and Cummins India. The company's exports (39 per cent of revenues in FY 2013-14) were made to many countries including the US, Germany, Mexico and others.



Extensive integration

Each of the Company's activities – tooling, laminations manufacture and machining - is profitable in its standalone capacity; when integrated, each one can potentially cross-sell whereby the machining customer brings in a lamination client or where a castings client can generate machining revenues. Besides, there is a possibility for the Company to progressively use laminations for captive use and enhance value across the line. This extensive integration makes the Company one of a handful – if not only – companies in India with a combination of castings and machining capabilities.

Our business lines at a glance

Division	Competitive advantages	Principal customers	Key forward-looking initiatives
Tooling	<ul style="list-style-type: none"> * India's only indigenously developed tool room * Portfolio of over 3,400 tools * Strengthens customer convenience through quick time-to-market of as low as three days 	<ul style="list-style-type: none"> *Andritz Hydro *Siemens *Voith Hydro *Cummins India *The GE Group *Custom Motors 	<ul style="list-style-type: none"> *Expand utilisation levels *Cater to the growing demand for value-added products, especially from the automobile sector
Electrical steel laminations	<ul style="list-style-type: none"> * One of India's few large electrical steel lamination capacities at 32,000 MTPA * The industry's most comprehensive size portfolio of 50-1,250 millimetres * Ability to source specialised steel (silicon and zirconium) from reputed manufacturers comprising ThyssenKrupp, Kawarin Enterprise, Posco, SAIL, Salzgitter AG, China Steel and Baosteel. * Low conversion costs on account of economies-of-scale * Protected margins through price escalation clauses in almost all contracts 	<ul style="list-style-type: none"> *The GE Group *Siemens *ReGen Powertech *Cummins India *ABB *Crompton *Dol Motors *T D Power Systems *Andritz Hydro *Bharat Bijlee *Emerson India *Voith Hydro *L&T *Leitwind *Rotronic AG *Jeumont Electric *Paras Motors *REIL *Custom Motors *Wind World India *Elmas Magnetics Private Limited *Alstom *BHEL *Electromech *Remy Electricals *Leitner Shriram 	<ul style="list-style-type: none"> *Climb the value chain for value-added traction and induction motors * Integrate forward by providing a holistic solution by the manufacture of castings (through associate company) and core drop frames * Widen product basket and tap newer geographies
Castings (through associate company)	<ul style="list-style-type: none"> * One of India's largest in the organised sector * Deploys modern no-bake process, which optimises resource consumption and shrinks batch times * Manufactures value-added castings catering to heavy engineering and energy sector requirements * Strong customer portfolio 	<ul style="list-style-type: none"> * Enercon *ABB *Automotive Axles *AVTEC *BEML *Caterpillar *Ingersoll Rand *Mather & Platt *Metalex Cryogenics *Michell Instruments *Panchal *Precision *Schwing *Wind World India 	<ul style="list-style-type: none"> * Installed capacity of 21,600 TPA * Strengthen value-addition to maximise realisations
Machining	<ul style="list-style-type: none"> * Large capacity of assets * Manufactures value-added machined products that fetch high realisations * One of India's few capacities integrated for both casting and laminations 		<ul style="list-style-type: none"> * Drive realisations growth through niche value-addition * Enhance capacity utilisation

Risk management

At Pitti Laminations, the Company has in place a process of risk assessment comprising risk identification and analysis, followed by a suitable control environment covering activities/procedures. It also employs a series of governance and activity-level controls to ensure that the financial statements are free from material misstatements. At the enterprise-level, the risk identification and mitigation procedures employed include the following provided below:

Economic risk

The performance of the electrical laminations business is largely dependant on the performance of core sectors (power, mining, transportation, oil & gas) which in turn depend on the health of the economy (national and global). Any downturn can affect the Company's earnings.

Risk mitigation measures

The business of electrical laminations is dependant on the health of the economy. Over the last year, even as India's index of industrial production growth in FY 2013-14 declined marginally by 0.1% compared with the previous year (result of the mining and capital goods sector slowdown), the Company's domestic offtake declined by 17.69%. However, the Company believes that a part of this decline was a result of the Company shifting its sales attention from the

international markets to the domestic.

This was visible in the last quarter when even as the Indian economy continued to be weak, domestic revenues rebounded by 5.81 per cent over the preceding quarter. The management is of the opinion that its overall competitiveness and shift in business focus made it possible to carve out a disproportionately larger share of the domestic market and grow faster than the overall Indian electrical laminations market.

Geographic risk

Until the start of FY 2013-14, only 52 per cent of the Company's revenues were derived from India. The exports slowdown of FY 2013-14 impacted the Company's overall revenues and profits, a scenario that could recur.

Risk mitigation measures

The Company recognises the risks arising out of an excessive dependence on the global markets (the US, Mexico accounting for 96 percent of exports). Following the sharp decline in exports in the first two quarters of FY 2013-14, the Company re-strategised in reaching out to mid and small Indian customers. Consequently, the proportion of Indian revenues increased from 52 per cent of

overall revenues in FY 2012-13 to 61 per cent in FY 2013-14. Besides, increased sales within India helped the Company widen its presence across customers of all sizes and enrich its product mix (towards smaller electrical laminations addressing consumer motors) which helped strengthen margins. Going ahead, the Company intends to consume its unused production capacity to raise India-based revenues and exports, ensuring a balanced mix.

Strategic risk

A strategic error could dent revenues, margins and market share.

Risk mitigation measures

Pitti's has focused on in high-margin verticals (railways, windmills, oil & gas), diversified presence across products and segments (by asset purchase of foundry unit through associate company) and wider international footprint (extending to Australia and Germany besides the US). The result is that the company developed

strong buffers that made it possible to recover quicker from industry declines. Consequently, the Company enjoyed a sizeable market share of the Indian electrical laminations segment, building on a low capital and conversion cost structure as well as end-to-end product manufacture.

Customer concentration risk

The GE Group is the Company's largest international client. An overt dependence on this single client represents a risk in the event of attrition.

Risk mitigation measures

A slowdown in offtake by the GE Group was the single most important reason for a decline in revenues during the year under review. Even as the Company caters to diverse GE segments - GE Mexico (64% of total export tonnage) and GE Erie (32% of total export tonnage) – the reality is that the Company needs to broaden its customer spread. In view of this, the Company increased the

proportion of domestic revenues during the year under review (projected at 60 per cent of the overall revenues, FY 2014-15) and for revenues derived from within India; the Company selected to reach out to users of small electrical laminations. This initiative helped the Company extend from a reasonable number of large customers to a mix of select large and a number of small and medium customers.

Raw material risk

Volatility in the cost of critical raw materials can impact profitability.

Risk mitigation measures

The Company entered into long-term raw material contracts to reduce supply volatility. The Company also entered into pass-through agreements whereby raw material cost increases can be passed

on to customers. The Company will benefit from an increase in the number of electrical steel manufacturers in India, making it possible to reduce imports on the one hand and shrink the order cycle time from six months to three to four weeks.

Currency risk

The Company is exposed to currency fluctuation risk due to the forex debt on its books, import of raw materials and export of finished products.

Risk mitigation measures

The Company intends to continue hedging, its price fluctuation dependant on the rupee-dollar parity, raw material

costs and the forward booking costs. So, even as the profitability may not be impacted, the topline could decline because of a stronger value of the rupee versus the dollar.

Corporate information

Board of Directors

Shri Sharad B Pitti

Chairman & Managing Director

Shri Akshay S Pitti

Vice-Chairman & Managing Director

Shri Y B Sahgal, *Executive Director*

Shri GVS N Kumar, *Executive Director & CFO*

Shri G Narayana Rao, *Director*

Shri Arun Garodia, *Director*

Shri Kanti Kumar R Podar, *Director*

Shri N R Ganti, *Director*

Shri G Vijaya Kumar, *Director*

Shri M Gopalakrishna, IAS (Retd), *Director*

Shri TSSN Murthy, *Director*

Shri Satyabrata Padhi, *Company Secretary*

Bankers

State Bank of India

Industrial Finance Branch

Rajbhavan Road, Somajiguda,

Hyderabad – 500 082

Indian Overseas Bank

Adarshnagar Branch

5-9-305A, Paigah Plaza

Basheerbagh,

Hyderabad – 500 029

Kotak Mahindra Bank

Jewel Pavani Towers

Rajbhavan Road, Somajiguda

Hyderabad – 500 082

Allahabad Bank

Industrial Finance Branch

6-3-850/3, I Floor

Ameerpet Main Road

Hyderabad – 500 016

Oriental Bank of Commerce

156/1, SMR Sartaj Plaza

Sikh Road, Bowenpally

Secunderabad – 500 009

Auditors

Laxminiwas Neeth & Co

Chartered Accountants

402, IV Floor

Moghal's Court, Basheerbagh

Hyderabad – 500 001

Cost Auditors

Sagar & Associates

Cost Accountants

206, II Floor

Raghava Ratna Towers

Chirag Ali Lane, Abids

Hyderabad – 500 001

Registered Office

6-3-648/401, IV Floor

Padmaja Landmark

Somajiguda, Hyderabad – 500 082

Factory

Plant I & II

Nandigaon Village, Kottur Mandal

Mahaboobnagar District

Telangana - 590233

Share Transfer Agents

XL Softech Systems Ltd

Plot No. 3, Sagar Society

Road No. 2, Banjara Hilla

Hyderabad – 500 034

Board of Directors Profile

Shri Sharad B Pitti

Shri Sharad B Pitti (57) is the promoter of Pitti Laminations Ltd (PLL). He has over 31 years of experience in the laminations industry. He is presently the Chairman and Managing Director of PLL. Shri Sharad B Pitti had played a pivotal role in the formative years of PLL and nurtured the organisation and contributed to its growth and development. He is the Chairman of Pitti Castings Pvt Ltd, Pitti Electrical Equipment Pvt Ltd, Pitti Holdings Pvt Ltd and Pitti Components Ltd.

Shri Akshay S Pitti

Shri Akshay S Pitti (29) is the son of Shri Sharad B Pitti. He was inducted as Director (Exports and Business Development) of PLL on 14th October 2004. Under his direction and supervision, various reputed companies were added to the prestigious list of clients. He was primarily responsible for the surge in domestic and export sales. He became Vice-Chairman and Joint Managing Director effective 22nd March 2010 and subsequently became Vice-Chairman and Managing Director. He is on the Board of Pitti Castings Pvt Ltd, Pitti Electrical Equipment Pvt Ltd, Pitti Holdings Pvt Ltd, Pitti Components Ltd.

Shri Y B Sahgal

Shri Y B Sahgal (60) is an engineer by profession. He joined the Company in 1997 and held various positions before becoming Executive Director on 28th June 2007. He is looking after the operations of Laminations, Tool Room and Machine Shop Business unit. He is also Director of Pitti Electrical Equipment Pvt. Ltd.

Shri GVSN Kumar

Shri GVSN Kumar (43) is a Chartered Accountant and Cost

Accountant. He joined the Board of PLL on 04th November 2013 as Executive Director and CFO. He is an expertise in Finance, Accounts, Taxation, management accounting MIS, commercial, mergers & acquisitions, ERP matters. He is looking after the Finance, Accounts, Taxation, Commercial, Costing, Legal, Secretarial, IR and IT (Including ERP) operations of the company.

Shri G Narayana Rao

Shri G Narayana Rao (87) is a PG diploma holder in industrial marketing. He has been on the Board of PLL from 07th March 1984 as an Independent Director. He possesses vast and rich experience in the construction business. He is also the Chairman of Investor Grievances Committee.

Shri Arun Garodia

Shri Arun Garodia (61), an engineering graduate, joined the Board of PLL on 28th June 1984 as a Non-Executive Director. He is a member of the Audit Committee and holds directorships in Keshav Knitwear Ltd, Anshuman Industries Ltd, Gold Silver Arts Pvt Ltd, Silver Arts Manufacturing Pvt Ltd and Narayan Textiles Pvt Ltd.

Shri Kanti Kumar R Podar

Shri Kanti Kumar R Podar (79), a graduate, joined the Board as an Independent Director effective 15th July 1993. He is a well known industrialist and was the Sheriff of Bombay in 1974. He was a past president of the Indian Merchant Chambers in 1982 and the Federation of Indian Chambers of Commerce and Industry (FICCI) in 1993 and SAARC Chambers of Commerce and Industries in 1997. He has rich industrial knowledge and experience. He is a Director of Moscow Region Podar

International Pvt. Ltd, Podar InfoTech and Entertainment Ltd, Bajaj Auto Ltd and Ceat Ltd.

Shri N R Ganti

Shri N R Ganti (65) has been the independent Director since 16th October 2002. He is also the Chairman of Nomination & Remuneration Committee of the company. A post graduate in the Business administration, Shri N R Ganti started his career in the field of Banking with State Bank of India. Having quit State Bank of India, he had taken up management consultancy services since then. As a corporate investment advisor to a number of companies, he gave productive advice to the companies in organising funds through private placements and preferential issues.

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

Shri G Vijaya Kumar

Shri G Vijaya Kumar (59), a Bachelor of Law (LLB), was inducted as an Independent Director on 28th August 2006. He is one of the senior advocates of the Andhra Pradesh High Court. He worked as standing counsel for municipalities in the High Court of Andhra Pradesh and Andhra Pradesh Administrative Tribunal. He was also the additional Central Government standing counsel at the Andhra Pradesh High Court.

Shri M Gopalakrishna, IAS (Retd)

Shri M Gopalakrishna, IAS (Retd) (75) joined the Board as an Independent Director effective 28th June 2007. He held prestigious positions in the states of Assam and Andhra Pradesh and the Government of India.

A graduate in science and law, he presented several papers at International conferences on energy, minerals, corporate governance and rural development. He has in-depth experience in the corporate world and served as founder Managing Director of Godavari Fertilisers and Chemicals Ltd. He has wide and varied administrative and managerial experience of over four decades in Government and Public sector in the promotion, development and regulation of industry and power utilities. He was Director on several Industrial Promotion and Development Corporations and Manufacturing companies in the Government of India, Government of Andhra Pradesh and Assam.

Shri TSSN Murthy

Shri TSSN Murthy (69) is a practicing Chartered Accountant and a senior partner in M/s.Sankaran and Krishnan, Chartered Accountants. He is in charge of its Hyderabad office. As a senior partner he has participated in various statutory audits of Nationalised Banks, Public sector companies including Government companies. He has considerable experience in accounts and taxation. He joined Pitti Laminations as an Independent Director on 28th June 2007. He is Chairman of the Company's Audit Committee.

Notice

Notice is hereby given that the 30th Annual General Meeting of Pitti Laminations Limited will be held on Monday, the 22nd September 2014 at 4.00 P.M at the West Minister Hall, The Central Court Hotel, 6-1-71, Lakdikapool, Hyderabad-500 082, Telangana, India to transact the following business:

Ordinary business

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2014 including the Audited Balance Sheet as at 31st March, 2014 and the Statement of profit and Loss for the year ended on that date and the Reports of the Directors and Auditors thereon.

2. To declare dividend on equity shares for the financial year ended 31st March 2014.

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

“RESOLVED THAT Shri Akshay S Pitti (DIN 00078760), Director of the Company who retires by rotation in accordance with Companies Act, 2013 and who being eligible offers himself for re-appointment be and is hereby reappointed as a Director of the Company .”

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

“RESOLVED THAT pursuant to section 139 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014 and other applicable rules, if any (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendation of the Audit Committee, M/s.Laxminiwas & Co, Chartered Accountants, Hyderabad, having firm registration number FRN 011168S be appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the 33rd AGM of the Company to be held in the year 2017 (subject to ratification of the appointment by the Members at every AGM held after this AGM), at a remuneration to be determined by the Board of Directors of the Company in addition to out of pocket expenses as may be incurred by them during the course of the Audit

Special business

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri G Narayana Rao (DIN: 00127070), Director of the Company, whose period of office was liable to determination by retirement of directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a Notice in writing from a member along with the deposit of the requisite amount under section 160 of the Companies Act, 2013 proposing his candidature for the office of director, being so eligible, be appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 22nd September 2014, not liable to retire by rotation.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Kanti Kumar R Podar (DIN: 00086038), Director of the Company, whose period of office was liable to determination by retirement of directors by rotation under the provisions of the Companies Act,1956 and in respect of whom the Company has received a Notice in writing from a member along with the deposit of the requisite amount under section 160 of the Companies Act, 2013 proposing his candidature for the office of director, being so eligible, be appointed as an Independent Director of the Company to hold office for a term upto five consecutive

years commencing from 22nd September 2014, not liable to retire by rotation.”.

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri N R Ganti (DIN: 00021592), Director of the Company, whose period of office was liable to determination by retirement of directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a Notice in writing from a member along with the deposit of the requisite amount under section 160 of the Companies Act, 2013 proposing his candidature for the office of director, being so eligible, be appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 22nd September 2014, not liable to retire by rotation.”.

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri G Vijaya Kumar (DIN: 00780356), Director of the Company, whose period of office was liable to determination by retirement of directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a Notice in writing from a member along with the deposit of the requisite amount under section 160 of the Companies Act, 2013 proposing his candidature for the office of director, being so eligible, be appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 22nd September 2014, not liable to retire by rotation.”.

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri M Gopalakrishna, IAS (Retd) (DIN: 0088454), Director of the Company, whose period of office was liable to determination by retirement of directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a Notice in writing from a member along with the deposit of the requisite amount under section 160 of the Companies Act, 2013 proposing his candidature for the office of director, being so eligible, be appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 22nd September 2014, not liable to retire by rotation.”.

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri TSSN Murthy (DIN: 01736083), Director of the Company, whose period of office was liable to determination by retirement of directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a Notice in writing from a member along with the deposit of the requisite amount under section 160 of the Companies Act, 2013 proposing his candidature for the office of director, being so eligible, be appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 22nd September 2014, not liable to retire by rotation.”.

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being

in force), Ms. Gayathri Ramachandran (DIN: 02872723), in respect of whom the Company has received a Notice in writing from a member along with the deposit of the requisite amount under section 160 of the Companies Act, 2013 proposing her candidature for the office of director, being so eligible, be appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 22nd September 2014, not liable to retire by rotation.”

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

“**RESOLVED THAT** pursuant to the provisions of Sections 152, 161 and other applicable provisions if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri GVSN Kumar (DIN: 06728378), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 04th November 2013 and who hold office as such upto this Annual General Meeting and in respect of whom a notice under section 160 of the Companies Act, 2013 has been received from a member signifying his intention to propose Shri GVSN Kumar, as a candidature for the office of Director of the Company, be appointed as a Director of the Company, liable to retire by rotation.”

FURTHER RESOLVED THAT pursuant to sections 196 and 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (“the Act”), the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities while granting such approvals, permissions and sanctions, approval of the Company be accorded to the appointment of Shri GVSN Kumar (DIN: 06728378), as a Whole time Director of the Company designated as Executive Director & CFO for a period of three years with effect from 04th November 2013 on the terms and conditions recommended by the Remuneration Committee and approved by the Board as detailed below.

- i) Salary ₹3.75 lacs per month.

- ii) Contribution to Provident Fund and Gratuity are as per rules of the Company in force.
- iii) Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
- iv) Provision of car for use in Company's' business and telephone at residence / and provision of cell phone will not be considered as perquisites.
- v) In the event of loss or inadequacy of profits in any financial year, the Executive Director shall be paid remuneration by way of salary, allowances and perquisites as specified under section II of part II of schedule V of the Companies Act, 2013 or within such ceilings as may be prescribed under schedule V from time to time or the Companies Act, 2013 as may be amended from time to time.

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

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

FURTHER RESOLVED THAT for the purpose of giving effect to this Resolution, the Board be authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be, proper, desirable or expedient.”

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

RESOLVED THAT in supersession of the Resolution No.10 passed at the Annual General Meeting held on 11th August, 2011, and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, and rules made thereof as

amended from time to time, the consent of Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) for borrowing, from time to time, at their discretion for the purpose of the business of the Company, from any one or more banks, financial institutions and other persons, firms, bodies corporate, as it may consider fit, any sum or sums of monies, on such terms and conditions as the Board may deem fit notwithstanding that the money(ies) to be borrowed together with the money(ies) already borrowed by the Company (apart from temporary loan obtained or to be obtained from the Company's Bankers 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 shall not at any time exceed ₹400 Crores (Rupees Four Hundred Crores Only)."

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this Resolution."

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

"RESOLVED THAT in supersession of the Resolution No.11 passed at the Annual General Meeting held on 11th August, 2011 and pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, and rules made thereof as amended from time to time, the consent of the Company be and is hereby given to the Board of Directors of the Company (hereinafter 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 substantial assets of the Company in certain events in favour of banks/financial institutions, other investing agencies and trustees for the holders of debentures/

bonds/other instruments to secure rupee/foreign currency loans and/or the issue of debentures whether partly/ fully convertible or non-convertible and/or rupee/ foreign currency convertible bonds and/or bonds with share warrants attached (hereinafter collectively referred to as "Loans") provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans, shall not, at any time exceed ₹400 crores (Rupees Four Hundred Crores Only)."

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised and empowered to enter into, sign, seal and execute and deliver such arrangements, assignments, conveyances, covenants, contracts, deeds, writings and other instruments and to do all such acts, deeds, matters and things in the name and on behalf of the Company as the Board may consider expedient, usual, proper or desirable for creating mortgages / charges/hypothecation on all or any of the immovable and moveable properties of the Company, both present and future, which may be beneficial and convenient to the Company".

Notes:

1. An Explanatory statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. A member entitled to attend and vote at the Annual General Meeting ("the Meeting") is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a member of the Company. The instrument of proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed not later than forty-eight hours before the commencement of the meeting. A proxy form is annexed to this Report. Proxies submitted on behalf of limited companies, societies etc, must be supported by an appropriate Resolution / authority as applicable.
3. A Person can act as a Proxy on behalf of Members not exceeding Fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying

voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Shareholder. Proxies submitted on behalf of limited companies, societies etc, must be supported by an appropriate Resolution / authority as applicable.

4. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) are XL Softech Systems, Plot No.3, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034, Telangana, India.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 16th September 2014 to Monday, 22nd September 2014 (both days inclusive) for determining the names of members eligible for dividend on equity shares, if declared at the meeting.
6. The dividend on equity shares, if declared at the meeting, will be credited / dispatched to those members whose names shall appear on the Company's Register of Members on 15th September 2014, in respect of the shares held in dematerialised form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owners as on that date.
7. Pursuant to section 101 and 136 of the Companies Act, 2013 read with relevant Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those members who have registered their email address either with the Company's Registrar and Transfer Agents or with the Depository.
8. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically.
9. The notice of Annual General Meeting, Annual Report and Attendance slip are being sent in electronic mode to members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the members have registered their request for a hard copy of the same. Physical copy of the notice of Annual General Meeting, Annual Report and Attendance slip are being sent to those members who have not registered their e-mail IDs

with the Company or depository participant(s). Members who have received the notice of Annual General Meeting, Annual Report and Attendance slip in electronic mode are requested to print the attendance slip and submit a duly filled in attendance slip at the registration counter to attend the Annual General Meeting.

10. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of section 72 of the Companies Act, 2013. Members desiring to avail of this facility may send their nomination in the prescribed Form No.SH-13 duly filled in to XL Softech Systems Ltd at the above mentioned address. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.
11. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the Depositories and the bank account details maintained by the Registrar and Transfer Agents for payment of dividend through Electronic Clearing Service ("ECS") to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend. The Company will not entertain any direct request from Members holding shares in electronic mode for deletion of/change in such bank details. Further, instructions if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode. Members who wish to change such bank account details are therefore requested to advise their Depository Participants about such change, with complete details of bank account.
12. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Members through the Electronic Clearing Service ("ECS")/ National Electronic Clearing Service ("NECS"). Members wishing to avail of this facility are requested to intimate the Company's Registrar and Transfer Agents/ Depository Participants in the prescribed form and with the prescribed details. Members located in places where ECS/NECS facility is not available may submit their bank details to the Registrar and Transfer Agents. This will enable the

Company to incorporate this information on the dividend warrants and thus prevent fraudulent encashment.

13. Members are requested to:

- (a) intimate to the Company's Registrar and Transfer Agents, XL Softech Systems Ltd changes, if any, in their registered addresses at an early date, in case of Shares held in physical form;
 - (b) intimate to the respective Depository Participant, changes, if any, in their registered addresses at an early date, in case of shares held in dematerialised form.
 - (c) quote their folio number/Client ID/DP ID in all correspondence; and
 - (d) consolidate their holdings into one folio in case they hold shares under multiple folios in the identical order of names.
14. Members are requested to note that as per section 124 of the Companies Act, 2013, dividends not encashed / claimed within seven years from the date of declaration will be transferred to the Investor Education and Protection Fund (IEPF). After transfer of the said amount to IEPF, no claims in this respect shall lie against IEPF or the Company.
15. Relevant documents referred to in the accompanying notice are open for inspection by the members at the Registered office of the Company on all working days between 11.00a.m and 1.00p.m upto the date of the meeting.
16. 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.
17. For convenience of the members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance slip. Members are requested to sign at the place provided on the attendance slip and hand it over at the registration counter.
18. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
19. Appointment/Re-appointment of Directors and their

Shareholding in the Company: In respect of the Information to be provided under Clause 49 of the Listing Agreement pertaining to the Directors being appointed, re-appointed, Members are requested to kindly refer the chapter on Corporate Governance in the Annual Report.

20. Instructions about Voting: The Members are requested to opt for one mode of voting, i.e. either through e-voting or postal ballot. If a Member casts votes by both modes, then voting done through a valid e-voting shall prevail and physical ballot form voting of that Member shall be treated as invalid. Pursuant to section 108 of the Companies Act, 2013 read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The e-voting period will commence at 9.00 a.m on Monday, 15th September 2014 and will end at 5.00 p.m on Wednesday, 17th September 2014. The Company has appointed K Swamy & Co., Practicing Company Secretary, to act as the scrutiniser, for conducting the scrutiny of the votes cast. The members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereunder.

21. Procedure for e-voting

The Company has entered into an arrangement with Central Depository Services (India) Limited for facilitating e-voting for AGM. The instructions for e-voting are as under:

In case of members receiving e-mail:

1. Log on to the e-voting website www.evotingindia.com
2. Click on "Shareholders" tab.
3. Select the "PITTI LAMINATIONS LIMITED" from the drop down menu and click on "SUBMIT"
4. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
5. Next enter the Image Verification as displayed and Click on Login.
6. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

7. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN* Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (available in the Address label pasted in the cover and / or in the e-mail sent to Members) in the PAN field.

In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

DOB# Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.

Dividend Bank Details# Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.

Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field.

8. After entering these details appropriately, click on "SUBMIT" tab.

9. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Set Password' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your

password confidential.

10. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

11. Click on the relevant EVSN for Pitti Laminations Limited.

12. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

13. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

14. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

15. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

16. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

17. If Demat account holder has forgotten the changed password then enter the User ID and Captcha code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as corporate.

- After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote.

- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutiniser to verify the same.

a) The voting period begins on 15th September 2014 and ends on 17th September 2014. During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date i.e. 14th August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

b) In case you have any queries or issues regarding e-voting,

you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

- c) The voting rights of shareholders shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 14th August, 2014.

22. Voting by using the Postal Ballot Form

1. A Ballot Form is provided (enclosed separately) for the benefit of Members who do not have access to e-voting facility, to enable them to send their assent or dissent by post.
2. Please complete and sign the Ballot Form (no other form or photocopy thereof is permitted) and send it so as to reach the scrutiniser appointed by the Board of Directors of the Company, K Swamy & Co, Practicing Company Secretaries, not later than the close of working hour (1700 hours) on 17th September 2014. For this purpose, a self-addressed prepaid “Business Reply Inland Letter” (BR Letter) is enclosed and postage will be paid by the Company, and is to the attention of the Scrutiniser. However, BR Letters containing the Ballot Form(s), if deposited in person or sent by courier or registered / speed post at the expenses of the Member, will also be accepted.
3. The form should be signed by the Member as per the specimen signature registered with the Company / Depository Participants. In case of joint holding, the Form should be completed and signed by the first named Member and in his / her absence, by the next named joint holder. There will be one Form for every Folio / Client ID irrespective of the number of joint holders. A Power of Attorney (POA) holder may vote on behalf of a member, mentioning the registration number of the POA or enclosing an attested copy of the POA. Exercise of vote is not permitted through proxy.
4. For shares held by Companies, Bodies Corporate, Trusts, Societies etc, the duly completed Form should be accompanied by a certified true copy of the Board Resolution / Authorisation together with attested specimen signatures(s) of the duly authorised signatory (ies).
5. Votes should be cast in case of each resolution, either in favour or against by putting the tick (✓) mark in the column provided for assent / dissent. Members may

partially enter any number in “FOR” and partially in “AGAINST” but the total number in “FOR/AGAINST” taken together should not exceed the Member’s total shareholding. If the shareholder does not indicate either “FOR” or “AGAINST” in case of any resolution, it will be treated as “ABSTAIN” for that resolution and the shares held will not be counted under either head.

6. The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the company as on 14th August 2014 (cut-off date) as per the Register of Members of the Company and as informed to the Company by the Depositories in case of Beneficial Owners.
7. Duly completed forms should reach the Scrutiniser not later than the close of working hours (1700 hours) on 17th September 2014. Ballot Forms received after 17th September 2014 will be strictly treated as if the reply from the Members has not been received.
8. A member may request for a duplicate ballot forms, if so required. However, the duly filled in and signed duplicate form should reach the scrutiniser not later than 17th September 2014.
9. Unsigned, incomplete, improperly or incorrectly tick marked Ballot forms will be rejected. A form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutiniser to identify either the Member or the number of votes or as to whether the votes are in favour or against or if the signature cannot be verified.
10. The Scrutiniser’s decision on the validity of a Ballot will be final.
11. Members are requested not to send any other paper along with the Ballot form in the enclosed self-addressed envelope as all such envelopes will be sent to the Scrutiniser and any other paper found in such envelope would be destroyed by him. They are also requested not to write anything on the Ballot form except giving their assent or dissent and putting their signature.

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

Place: Hyderabad
Date: 11th August 2014

Satyabrata Padhi
Company Secretary

Explanatory statement under section 102 of the Companies Act, 2013

Item 5 to 11

As per section 149 of the Companies Act, 2013 ("the Act"), the Company should have at least one third of the total number of Directors as Independent Directors on the Board of the Company. An Independent Director shall hold office for a term of up to five consecutive years on the Board of a Company and no Independent Director shall hold office for more than two consecutive terms. The provisions relating to retirement by rotation shall not be applicable to the Independent Directors.

As per the applicable provisions of the Companies Act, 1956 and in accordance with Articles of Association, whole-time Directors of the Company were not liable to retire by rotation. As per the Companies Act, 2013, all Directors except Independent Directors are liable to retire by rotation. The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement.

Shri G Narayana Rao, Shri Kanti Kumar R Podar, Shri N R Ganti, Shri G Vijaya Kumar, Shri M Gopalakrishna, IAS (Retd), Shri TSSN Murthy, are Independent Directors of the Company in terms of clause 49 of the Listing Agreement. Pursuant to the recommendations of the Nomination and Remuneration Committee, the Board of Directors at its Meeting held on 11th August, 2014 has proposed the appointment of Shri G Narayana Rao, Shri Kanti Kumar R Podar, Shri N R Ganti, Shri G Vijaya Kumar, Shri M Gopalakrishna, IAS (Retd), Shri TSSN Murthy and Ms. Gayathri Ramachandran, IAS (Retd) as Independent Directors, who shall hold office on the Board of the Company for a period as stated in the respective Resolutions.

The Company has received Notices in writing from a Member along with the deposit of the requisite amount under section 160 of the Act proposing the candidatures of Shri G Narayana Rao, Shri Kanti Kumar R Podar, Shri N R Ganti, Shri G Vijaya Kumar, Shri M Gopalakrishna, IAS (Retd), Shri TSSN Murthy and Ms. Gayathri Ramachandran, IAS (Retd) for the office of Independent Directors of the Company.

Further, the above Independent Directors are not disqualified from being appointed as Directors in terms of section 164 of the Act and have given their consent in writing to act as Directors of the Company.

All the above mentioned Directors are persons of integrity and possess appropriate skills, experience, knowledge and qualifications in their respective fields which are beneficial to

the interest of the Company.

In the opinion of the Board, the above mentioned Independent Directors fulfill the conditions for appointment as Independent Directors as specified in the Act and the Rules framed thereunder. These Directors are independent of the management.

Keeping in view the vast experience and knowledge which these Directors possess, the Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail their services as Independent Directors

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges. The above Independent Directors are interested in the Resolutions as set out at Item Nos. 5 to 11 of the Notice to the extent of their respective appointments and shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in these Resolutions except to the extent of their shareholding interest, if any, in the Company.

As per the provisions of Section 149(1) of the Companies Act, 2013 and the amended Listing Agreement, the Company should have atleast one women director. Keeping in view the above legal requirements, the Board of Directors have proposed that Ms. Gayatri Ramachandran be appointed as an Independent Director of the Company and recommended to the Members for their approval.

None of the Directors other than Independent Directors are concerned or interested, in these Resolutions. The Board commends the Ordinary Resolutions as set out at item no.5 to 11 for approval of the Members.

Item No.12

Shri GVSN Kumar was appointed as Executive Director & CFO for a period of three years with effect from 04th November 2013 at a remuneration of ₹3.75 lacs per month.

Prior to his elevation, he was the Chief Financial Officer of the company looking after the overall financial operations of the company. He has over 20 years of experience in various MNC's with finance, accounts, taxation, management & accounting, MIS, commercial and ERP matters. He is a member of the

Institute of Chartered Accountant of India, as well as a member of The Institute of Cost Accountant of India.

He holds office upto the date of forthcoming Annual General Meeting. The company has received a notice in writing from a member proposing his candidature as Director.

Barring Shri GVSN Kumar, none of the Directors is in any way concerned or interested in the Resolution. The Board commends the Resolution for approval of the Members.

Statement containing information as required under clause (iv) of part II section II (B) of Schedule V of Companies Act, 2013.

I. General Information

- 1) Nature of industry
Manufacture of electrical stamping & laminations
- 2) Date or expected date of commencement of commercial production:

The Company was incorporated on 17th September, 1983. The Company started its commercial production in the year 1987.

- 3) Financial performance based on given indicators:

₹ in crores

FY 2013-14	
Turnover	264.31
PBT	6.77
PAT	4.21

- 4) Foreign Investments or collaborations, if any:
Not Applicable.

II. Information about the appointee

1. Background details
Shri GVSN Kumar is a member of The Institute of Chartered Accountant of India as well as a member of The Institute of Cost Accountant of India with over twenty years of experience. Prior to his appointment as Executive Director, he was the Chief Financial Officer of the company.
2. Past remuneration
₹3.75 lacs per month (effective from 04th November 2013)
3. Job profile and suitability of the appointee
Shri GVSN Kumar has over twenty years of experience in various MNC's with finance, accounts, taxation, management & accounting, MIS, commercial and ERP matters. He is a member of the Institute of

Chartered Accountant of India, as well as a member of The Institute of Cost Accountant of India.

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

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

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

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

III. Other Information

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

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

- 3) Expected increase in productivity and profits in measurable terms.
Improvement in volumes is expected to enhance the profitability. All efforts are being made to retain the existing volume of export sales and bring about further surge in domestic sales.

III. Disclosures

Remuneration package

- i) Salary ₹3.75 lacs per month.
- ii) Contribution to Provident Fund and Gratuity are as per rules of the company in force.
- iii) Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
- iv) Provision of car for use in companys' business and telephone at residence / and provision of cell phone will not be considered as perquisites."

No other Director is interested in the Resolution except Shri GVSN Kumar.

The Board commends the Resolution for the approval of members.

Item No.13 & 14

In order to meet the requirements of Section 293 (1) (d) & 293 (1) (a) of the Companies Act, 1956 the shareholders had, in the Annual General Meeting held on 11th August 2011, authorised the Company to borrow sums in excess of paid capital and free reserves of the Company subject to a ceiling of ₹400 Cr.

Section 180 of the Companies Act, 2013 (notified on 12th September 2013) mandates that the aforementioned powers of the Board shall be exercised only through Special Resolution passed in the meeting of shareholders as compared to the requirement of ordinary resolution under the previous Act.

Consequently, the Board recommends to the shareholders to pass a special resolution under Section 180(1)(c) and Section 180(1)(a) of the Companies Act, 2013, without altering the borrowing limits already approved by way of general Resolution earlier.

The proposed borrowings of the Company may, if necessary, be secured by way of creation of charges/ mortgage/

hypothecation on the Company's assets in favour of the lenders/holders of securities/trustees for the holders of the said securities as mentioned in the Resolution under Item No.14. As the documents to be executed between the lenders/security holders/trustees for the holders of the said securities and the Company may contain provisions to take over substantial assets of the Company in certain events, it is necessary to pass a resolution under Section 180(1)(a) of the Companies Act, 2013 for creation of charges/mortgages/ hypothecations etc, for an amount not exceeding ₹400 Crores (Rupees Four Hundred Crores only).

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said Resolution.

By order of the Board
For Pitti Laminations Limited

Place: Hyderabad
Date: 11th August 2014

Satyabrata Padhi
Company Secretary

Pursuant to clause 49 of the Listing Agreement with the stock exchanges, following is the information about the Directors proposed to be appointed / re-appointed

Sl. No.	Particulars	Shri Akshay S Pitti	Shri G VSN Kumar	Shri G Narayana Rao	Shri Kanti Kumar R Podar	Shri N R Ganti	Shri G Vijayakumar	Shri M Gopalakrishna, IAS (Retd)	Shri TSSN Murthy	Ms. Gayathri Ramachandran IAS (Retd)
1.	Date of Birth	28.10.1985	02.08.1970	03.11.1927	12.04.1935	14.05.1949	23.10.1955	12.01.1939	09.06.1945	27.09.1948
2.	Date of Appointment	14.10.2004	04.11.2013	07.03.1984	15.07.1993	16.10.2002	28.08.2006	28.06.2007	28.06.2007	11.08.2014
3.	Expertise in the Specific functional area	Industrial Management	Finance, Accounts, Taxation, Management & Accounting, MIS, Commercial and ERP Matters	Industrial Management	Industrial Management	Banking and Finance	Law	Industrial Management	Accountancy, Audit and Finance	Industrial Management
4.	Occupation	Business	Service	Business	Business	Business	Legal Profession	Retired from Government service	Profession	Retired from Government service
5.	Directorships held in other companies / firms	1. Pitti Castings Pvt Ltd 2. Pitti Electrical Equipment Pvt Ltd 3. Pitti Holdings Pvt Ltd 4. Pitti Components Ltd	NIL	NIL	1. Podar Infotech & Entertainment Ltd 2. Moscow Region Podar International Pvt Ltd 3. Ceat Ltd 4. Bajaj Auto Ltd	1. Spectra Core Technologies Pvt Ltd 2. Pitti Castings Pvt Ltd	NIL	1. JOCIL Ltd 2. BGR Energy Systems Ltd 3. Goldstone Infratech Ltd 4. Vijayasri Organics Ltd 5. Nuziveedu Seeds Ltd 6. NSL Textiles Ltd 7. Suven Life Sciences Ltd 8. Arani Power Systems Ltd 9. Kernex Microsystems (I) Ltd 10. Sentini Bioproducts Pvt Ltd 11. NSL Renewable Power Pvt Ltd	1. B N Rathi Securities Ltd	1. Gujarat-Dwarka Portwest Ltd 2. SKIL Infrastructure Ltd
6.	Shareholding in Pitti Laminations Ltd (No of shares)	1579100	NIL	300	NIL	800	NIL	NIL	NIL	NIL

Directors' report

Directors' report

Your Directors are pleased to present their 30th Annual Report on the business and operations of your Company together with the Audited Financial Statements for the year ended 31st March, 2014.

Corporate overview

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

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

Financial results

The financial results for the FY 2013-14 in comparison with that of the previous year are presented below:

(₹ in cores)

	FY2014	FY2013
Gross Sales	264.31	330.25
Other Income	6.37	4.35
Taxes & Duties	20.89	22.96
Net Sales & Other Income	249.79	311.65
Total Expenditure	215.12	269.51
Profit/(Loss) before depreciation and finance charges	34.67	42.14
finance charges		
Depreciation	8.75	8.37
Finance charges	19.15	17.91
Profit/(Loss) before tax	6.77	15.86
Provision for taxation		
- Income tax	2.07	4.82
- Deferred	0.49	1.19
Net Profit/ (Loss)	4.21	9.85
Profit/(Loss) brought forward from the previous year	49.65	41.37
Dividend (including tax on dividend)	1.58	1.57
Transferred to General Reserve	0.25	-
Profit/(Loss) carried to Balance Sheet	52.03	49.65

Review of operations

During the year, the Indian economy remained under pressure due to low levels of industrial and infrastructure investments. However, during the last quarter of the financial year, the Company benefitted from some early signs of improvement in the key economic indicators such as inflation and current account deficit. This changing environment supported strong financial performance of the Company in Q4 FY 2014, resulting in gross sales of ₹264.31 crores for FY 2014. Of the total sales, domestic sales contributed ₹161.34 crores and export sales ₹102.97 crores. Export sales were impacted by the postponement of orders from some of the Company's international clients, although the situation improved from Q4 FY 2014. In particular, the export of stator frames sales declined by 450 units to 501 in FY 2014. EBITDA was ₹24.06 crores in FY 2014, a decrease of 38% compared to the same period of last year. PAT for the period decreased from ₹9.85 crores in FY 2013 to ₹4.21 crores in FY 2014.

Liquidity

As of 31st March 2014, the Company had a consolidated total debt of ₹115.24 crores, cash and cash equivalents of ₹9.47 crores, net debt of ₹105.77 crores and net worth of ₹111.57 crores. Total debt consists of ₹21.15 crores of long term debt and ₹94.09 crores of short term debt. At the financial year end the Company had a conservative capital structure with total debt to equity ratio of 1.0x.

Credit ratings

During the year under review, Credit Analysis and Research Limited (CARE)

has reaffirmed the CARE BBB+ rating for long term facilities and CARE A2 rating for short term bank facilities of your Company.

Transfer to general reserves

We propose to transfer ₹25lacs to the General Reserves and the balance of ₹395.53 lacs is proposed to be retained in the profit and loss account.

Share capital

During the year, there was no change in the issued, subscribed and paid-up equity share capital of the Company which was at ₹13,49,17,000 comprising 1,34,91,700 equity shares of ₹10/- each as at 31st March 2014.

Dividend

Despite the challenging business environment, your Directors are pleased to recommend dividend of ₹1.00 per equity share, 10% on face value of ₹10.00 each for the year ended 31st March 2014. This demonstrates Management's ongoing commitment to provide returns to shareholders. The total dividend payout for FY 2014 will be ₹1.58 crores including dividend distribution tax of ₹0.23 crores.

The dividend, subject to approval of shareholders at the Annual General Meeting (AGM) to be held on 22nd September 2014, will be paid to the shareholders whose names appear in the Register of Members as on 15th September 2014. In respect of shares held in dematerialised form, it shall be paid to members whose names are furnished by National Securities Depository Limited (NSDL) and Central Depository Securities (India) Limited (CDSL) as beneficial owners as on that date.

Major corporate developments:

New Clients: During the year under review, the Company started supply to high profile customers such as Wind World (Enercon) and Jeumont Electric.

From September 2014, the Company expects to start supplies to companies such as:

- a. Motor Segment: Toshiba, Mitsubishi-Electric and Industrial Systems Corporation
- b. Thermal Power Segment: ALSTOM and Bharat Forge
- c. Turbo Generators / HT Motors: WEG

Small Laminations and Die Casting:

The Company entered into the small laminations and die casting segment in FY 2014 to capitalise on the prevailing opportunities in the consumer sector. This diversification is an extension of the Company's existing business, and limited capital expenditure was incurred. This segment is expected to result in significant cost synergies as the wastage from the industrial segment will contribute to the raw material required for this division. The consumer segment is less prone to seasonal and business cycles and is expected to strengthen the Company's positioning in the domestic market.

Small laminations are used in making core, stators and rotors for electric motors, compressors, generators and turbines. The major customers for the segment include Texmo, Crompton Greaves, Tecumseh, Amara Raja, Servomax, Elmas, Tibrewala Fans, Crompton Greaves and V-GUARD.

Establishment of New Plant at Pune:

The Company is in the process of

setting up a manufacturing facility with production capacity of around 15,000MT per annum at Pune. The new plant is focused on providing best-in-class products to customers. As many of the major domestic customers of the Company are located in Maharashtra and Gujarat, this will help in reducing the logistics effort while providing for better customer service. Moreover, the major domestic suppliers of PLL are also located in Nasik and Pune. Furthermore the facility will be closer to the Mumbai seaport, where the Company receives its imported raw materials. This new facility will enable PLL to save time, freight cost and improve inventory turnover, besides providing better customer satisfaction at competitive prices. The Company anticipates an increase in domestic volumes post completion of the project.

Expansion of Machining Division:

During the year, PLL started an expansion project for the machining division with the objective to provide "One stop solutions" to customers. The Company added new machinery and equipment to meet customer requirements. Samples in compliance with client needs from the new set-up have been submitted and the Company expects new orders in due course. This expansion is expected to add to revenue and profitability from FY 2015.

Status of Open Offer: As informed earlier, Securities Appellate Tribunal (SAT) has allowed the appeal vide its order dated 31st October 2013 in favour of the acquirers to the open offer process. However, Securities and Exchange Board of India (SEBI) has advised the Merchant Bankers not to proceed with the open offer. SEBI has filed an appeal with the Hon'ble Supreme Court of India against the SAT

order dated 31st October 2013 and the matter is now pending before the apex court of India.

Capital expenditure

During the year, the Company took many strategic decisions like capacity expansion and diversification with the objective of providing one stop solutions to customers. These initiatives resulted in total capital expenditure of ₹19 crores. Of this total capital expenditure, ₹12 crore was incurred on the expansion of machining division and the remaining ₹7 crore was utilised for setting-up the smaller laminations segment.

PLL plans to invest around ₹6 crore in FY 2015 for setting up the manufacturing facility at Pune. This expansion will provide a competitive advantage to the Company in terms of customer service and supplier logistics.

Corporate social responsibility (CSR)

Your Company has always been undertaking Corporate Social Responsibility (CSR) activities on a significant scale. During the year under review, the Company has contributed ₹0.57 crores for various activities by way of donations.

Pursuant to section 135 of the Companies Act, 2013 your Company has constituted a Corporate Social Responsibility Committee by the Board of Directors at their meeting held on 26th May 2014.

Human resources and industrial relations

PLL understands the importance of human resource for the sustainable growth of the Company and makes best efforts for maintaining cordial

relationship with the employees. The Company undertakes various measures to improve the welfare and skills of its employees through training initiatives, which support job enrichment, engagement and accountability and lead to better performance, career progression, recognition and reward. PLL has an excellent track-record of cordial and harmonious industrial relations and over the years, not a single man-day has been lost on account of labour unrest.

Transfer of amount to investor education and protection fund

Pursuant to the provisions of section 205A(5) of the Companies Act, 1956, the declared dividend which remained unpaid or unclaimed for a period of seven years has been transferred by the company to the Investor Education and Protection Fund (IEPF) established by the Central Government under section 205C of the said Act.

Environment and safety

The Company appreciates that for sustainable growth of an organisation due attention must be paid to environmental and safety standards. PLL's internal policy ensures that they are in compliance of all the requirements for environment protection and conservation of natural resources. Suitable actions are undertaken to adopt best-in-class standards to ensure employee safety and cleanliness of the surroundings where PLL operates.

Insurance

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

Fixed deposits

During the year under review, the Company has not accepted or invited any deposit from the public within the meaning of Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposit) Rules, 1975.

Particulars of employees

The provisions of section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Amendment Rules, 2011 do not apply as no employee is drawing a remuneration of more than ₹5 lacs per month or ₹60 lacs per financial year.

Conservation of energy, technology absorption and foreign exchange earnings & outgo

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to section 217(1) (e) of Companies Act 1956 the Act read with Rule 2 of the Companies (Disclosure of particulars in the Report of the Board of Directors Rules, 1988) is annexed hereto and forms part of the Report.

Management discussion & analysis report

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

Directors

During the period under review, Shri Sanjay Srivastava, Executive Director resigned from the services of the company with effect from 03rd May 2014. The Board places on record its appreciation for the services rendered

by Shri Sanjay Srivastava during his tenure.

In accordance to the provisions of section 152 of the Companies Act, 1956, Shri Akshay S Pitti, Director of the company will be retiring by rotation at the ensuing Annual General Meeting (AGM) and being eligible, has offered himself for reappointment. Pursuant to provisions of section 161 (1) of the Companies Act, 2013 and Articles of Association of the company Shri GVSN Kumar was appointed as an Additional Director, designated as Executive Director & CFO with effect from 04th November 2013 and he holds office upto the date of ensuing AGM. The company has received requisite notice in writing from a member proposing Shri GVSN Kumar for appointment as Director.

As per provisions of section 149 of the Act, which has come into force with effect from 01st April 2014, an Independent Director shall hold office for a term upto five consecutive years on the Board of the Company and is not liable to retire.

In compliance of section 149, read with schedule IV of the Act, the appointment of Shri G Narayana Rao, Shri Kanti Kumar R Podar, Shri Arun Garodia, Shri N R Ganti, Shri G Vijayakumar, Shri M Gopalakrishna, IAS (Retd) and Shri TSSN Murthy as Directors is being placed before the members in the AGM for approval.

As per the provisions of Section 149(1) of the Companies Act 2013 and the amended listing agreement, the Company should have atleast one women Director. Keeping in view the above legal requirement the Board of Directors at their meeting held on 11th August 2014 proposed to appoint Ms. Gayathri Ramachandran as an Independent Director and

recommended the members for their approval.

The company has received necessary declaration from all the Independent Directors of the company confirming that they meet the criteria of Independency as prescribed both under section 149 of Companies Act, 2013 and under clause 49 of Listing Agreement.

In the opinion of the Board they fulfill the conditions specified in the Act and Rules made thereunder for appointment of Independent Directors and are Independent of the management. Members are required to refer notice of AGM and explanatory statement for details of the qualification and experience of the Directors and the period of their appointment.

The Board commends the passing of Resolutions at Item no.3,5,6,7,8,9,10,11 and 12 of the AGM notice.

Statutory auditors

M/s.Laxminiwas Neeth & Co, Chartered Accountants, auditors of the Company hold office till the conclusion of the ensuing AGM and being eligible, offer themselves for re-appointment. The statutory auditors have informed the Company that with effect from 1st April 2014, a demerger has taken place with the approval of "The Institute of Chartered Accountants of India" (ICAI) and the name of the audit firm is M/s. Laxminiwas & Co with FRN 011168S. The said Auditors have furnished a certificate, confirming that if appointed, their appointment will be in accordance with section 139 read with section 141 of the Companies Act, 2013.

Pursuant to section 139 of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014, it is proposed to appoint M/s.

Laxminiwas & Co as statutory auditors of the company from the conclusion of the forth coming AGM till the conclusion of the 33rd AGM to be held in the year 2017, subject to ratification of their appointment at the subsequent AGMs.

Related Resolution is provided in the notice for the meeting. Your Directors commend the Resolution for members' approval.

Cost auditors

During the year under review, based on the recommendations of the audit committee, the Board of Directors have appointed M/s.Sagar & Associates as the cost auditors of the company for the financial year 2013-14 at a remuneration of ₹2 lacs per annum. The due date for filing of the cost audit report for the financial year 2012-13 is 30th September 2013. The company has duly filed the reports to the Ministry of Corporate Affairs by the due date.

Pursuant to section 148 of Companies Act, 2013 read with Companies (cost records and audit) Rules, 2014 your company is not required to maintain cost audit records as the products manufactured by the company are not covered in the category of products given under the Cost Audit Rules.

Auditors report

Notes to the accounts, as referred to in the Auditors' Report are self explanatory and therefore do not require further comments and explanation.

Corporate governance & share holders information

Your Company is committed to maintain the highest standard of corporate governance. It strives to ensure that best corporate practices are identified, adopted and consistently followed. The Directors adhere to the requirements of Corporate Governance practices set out by the Securities & Exchange Board of India, and have implemented all the stipulations prescribed. A detailed report on the Corporate Governance system is given in a separate section of the Annual Report FY 2013-14.

A certificate from auditors of the Company, M/s. Laxminiwas Neeth & Co, Chartered Accountants, Hyderabad certifying compliance with the conditions of corporate governance as stipulated in clause 49 of the listing agreement with Stock Exchanges is annexed with the report of corporate governance.

Directors responsibility statement

Pursuant to section 217 (2AA) of the Companies (Amendment) Act 1956, the Directors to their best of the knowledge and belief confirm that:

- a. In the preparation of the annual accounts for the financial year ended 31st March, 2014 the applicable accounting standards have been followed and there are no material departures;
- b. Accounting policies have been selected and applied consistently

and have made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at the end of the financial year 31st March, 2014 and of the profit & loss account of the Company for that period;

- c. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act. Adequate systems and controls are implemented for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The annual accounts have been prepared on a going concern basis.

Acknowledgements

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

By order of the Board
For Pitti Laminations Limited

Place: Hyderabad
Date: 11th August 2014

Sharad B Pitti
Chairman & Managing Director

Annexure to Directors' report

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

A. Conservation of Energy

- i. Energy conservation measures adopted:-
The benefits of energy conservation measures are stabilised.
- ii. Additional investments and proposal for reduction of consumption of energy:-
NIL
- iii. Impact of the above measures:-
Reduced power consumption
- iv. Total energy consumption and energy consumption per unit of production in Form 'A':
As per Form 'A' (to the extent applicable)

B. Technology Absorption

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

C. Foreign exchange earnings and outgo

During the year under review, the company has exported 4308 MT as against 6637 MT in the previous year.

Exports during the current year are projected at 6000 MT.

The export turnover is ₹102.97 crores (including SEZ sales of ₹0.54 crores) compared to ₹159.11 crores (including SEZ sales of ₹1.19 crores) in the previous year.

Total foreign exchange earned

Foreign currency (FC)	FC value	₹ crores
USD	16588185	100.01
GBP	3183	0.03
EURO	298383	2.39

Total foreign exchange spent / outgo

Foreign currency (FC)	FC value	₹ crores
USD	9865490	60.19
EURO	18288	0.14
CNY	872	0.00
GBP	9690	0.10
THB	12020	0.00
JPY	590857	0.04
CHF	17945	0.13

FORM – A

Power & Fuel consumption

A. Electricity

Purchased	FY 2013-14	FY 2012-13
Units		
Total Amount (₹)	3196200	3088068
Rate / Unit (₹)	8.39	6.41
Own generator (Though diesel generator)	FY 2013-14	FY 2012-13
Units	439394	730487
Units per Ltr	3.16	3.20
Cost / Unit (₹)	17.90	15.16

B. Consumption per unit of production

Electricity (units)	217	162
Diesel (units)	30	38

FORM – B

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

Research and development (R & D)

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

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

Technology absorption, adaptation and innovation

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

In case of imported technology

 - a. Technology imported
 - b. Year of import
 - c. Has technology been fully absorbed?
 - d. If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action

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

Report on Corporate Governance

1. Company's Corporate Governance Philosophy

The Company has a legacy of maintaining high standard of ethical values through standards of good governance with transparency, efficiency, full disclosure in its dealings and appropriate checks and balances directed at sustaining shareholders' interests and overall organisational goals. The Company's philosophy on corporate governance is founded on the fundamental ideologies of the group viz., Trust, Value and Service.

The Company believes in ensuring corporate fairness, transparency, professionalism, accountability and propriety in total functioning of the Company, which are pre-requisites for attaining sustainable growth in this competitive corporate world. Obeying the law, both in letter and in spirit, is the foundation on which the Company's ethical standards are built. The Company would constantly endeavors to improve on these aspects on an ongoing basis and adopts innovative approaches for leveraging resources, converting opportunities into achievements through proper empowerment and motivation, fostering a healthy growth and development of human resources to take the Company forward.

The Company's corporate governance philosophy has been further strengthened by adopting a Code of Business Conduct and Ethics and Code of Conduct for Prevention of Insider Trading for board and senior management personnel.

2. Board of Directors

The board which consists of eminent persons with considerable professional expertise and experience, provides leadership and guidance to the management, thereby enhancing stakeholders' value

Composition and Category of Directors

The total strength of the board of directors (the board) is eleven. As the Company has an executive chairman viz., Shri Sharad B Pitti who is the Chairman and Managing

Director, the board is required, in terms of Clause 49 of the Listing Agreement, to have fifty per cent of its directors as independent directors.

Accordingly, the board has six non-executive and independent Directors, Shri G Narayana Rao, Shri Kanti Kumar R Podar, Shri N R Ganti, Shri G Vijaya Kumar, Shri M Gopalakrishna (IAS) Retd, Shri TSSN Murthy and two non-executive and non-independent directors, Shri Y B Sahgal and Shri GVSN Kumar. Thus, the composition of the Company's ensures that the board is in conformity with the Listing Agreement.

Shri Akshay S Pitti, Vice-Chairman and Managing Director is promoter Director. Shri Arun Garodia a Non-Executive Director, he is related to Shri Sharad B Pitti.

a. Board Meetings

The Company, in consultation with the directors, prepares and circulates a tentative annual calendar for meetings of the committees / board in order to assist the directors in planning their schedules well in advance to participate in the meetings. The Company regularly places, before the board for its review, information as required under Annexure 1A to Clause 49 of the Listing Agreement. This include annual operating plans, capex budget and its quarterly updates, quarterly results, minutes of meetings of audit committee and other committees of the board, quarterly details of foreign exchange exposures, risk management and mitigation measures prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances, if any, etc.

Comprehensively drafted notes for each agenda item along with background materials, wherever necessary, are circulated well in advance to the committee / board, to enable them for making value addition as well as exercising their business judgment in the committee / board meetings.

During the year ended 31st March 2014, the Board of Directors met four times on 03rd May 2013,

07th August 2013, 04th November 2013 and 06th February 2014.

Attendance and other directorship

The details of attendance of the directors at the Board

meetings during the year and at the last annual general meeting held on 16th September 2013 and also the number of other directorships, committee memberships / chairmanships as on 31st March 2014 are as follows:

Name of the Director	Category	No. of Board meetings attended	Attendance at last AGM held (Yes / No)	No. of other directorships held		Membership in committees other companies
				Public	Private	
Shri Sharad B Pitti	PG	4	Yes	1	3	-
Shri Akshay S Pitti	PG	3	Yes	1	4	1
Shri Y B Sahgal	ED	3	Yes	-	1	-
Shri Sanjay Srivastava	ED	4	Yes	-	1	-
Shri GVSN Kumar*	ED	2	Yes	-	-	-
Shri G Narayana Rao	I/NED	4	Yes	-	-	-
Shri Arun Garodia	NED	2	No	2	3	-
Shri Kanti Kumar R Podar	I/NED	-	No	3	1	-
Shri N R Ganti	I/NED	4	Yes	-	2	-
Shri G Vijaya Kumar	I/NED	4	Yes	-	-	-
Shri M Gopalakrishna, IAS (Retd)	I/NED	4	Yes	9	2	-
Shri TSSN Murthy	I/NED	4	Yes	-	-	-

* Shri GVSN Kumar is inducted on the Board as Executive Director and CFO with effect 04th November 2013.

PG - Promoter Group, ED – Executive Director, I – Independent and NED – Non-Executive Director.

b. Shareholding of Non-Executive or Independent Directors

Sl. No.	Name of the Director	Category	No of shares held
01.	Shri Arun Garodia	Non-Executive Director	NIL
02.	Shri G Narayana Rao	Independent / Non-Executive Director	300
03.	Shri Kanti Kumar R Podar	Independent / Non-Executive Director	NIL
04.	Shri N R Ganti	Independent / Non-Executive Director	800
05.	Shri G Vijaya Kumar	Independent / Non-Executive Director	10
06.	Shri M Gopalakrishna, IAS(Retd)	Independent / Non-Executive Director	NIL
07.	Shri TSSN Murthy	Independent / Non-Executive Director	NIL

c. Information flow to the Board members

Information is provided to the Board members on a continuous basis for their information, review, inputs and approval from time to time. Quarterly financial statements and annual financial statements are first presented to the Audit Committee and subsequently to the Board of Directors for their approval. In addition specific cases of important managerial decisions, statutory matters are presented to the Committees of the Board and later with the recommendation of committee to Board for their approval.

d. Board committees

Currently, the Board has four committees: audit committee, remuneration & nomination committee, share transfer and stakeholders relationship committee and corporate social responsibility committee (CSR). All committees except the CSR committee consist entirely of independent directors.

e. Appointment / Re-appointment of directors:

In terms of Clause 49 (IV) (G) of the Listing Agreement with the Stock Exchanges, a brief resume of directors, proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, their other directorships and committee memberships, their shareholdings and their relationships, if any, with other directors are provided in the notice convening the AGM.

3. Audit Committee

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosure and transparency, integrity and quality of financial reporting. The Company has an adequately qualified Audit Committee, the committee was constituted by the Board of Directors at the meeting held on 16th October 2002.

Terms of reference of the Audit Committee inter-alia, includes the following

Pursuant to section 177 of the Companies Act, 2013 the Board of Directors at the meeting held on 26th May 2014 revised the terms of reference of the Audit Committee which shall inter-alia include the following:-

a. the recommendation for appointment, remuneration

and terms of appointment of auditors of the Company;

- b. review and monitor the auditor's independence and performance, and effectiveness of audit process;
- c. examination of the financial statement and the auditors' report thereon;
- d. approval or any subsequent modification of transactions of the Company with related parties;
- e. scrutiny of inter-corporate loans and investments;
- f. valuation of undertakings or assets of the Company, wherever it is necessary;
- g. evaluation of internal financial controls and risk management systems;
- h. monitoring the end use of funds raised through public offers and related matters.

Composition

As on 31st March 2014, the Audit Committee comprised four non-executive Directors. The members of the committee are

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

The Committee composition meets with the requirement of section 177 of the Companies Act, 2013 and clause 49 of the Listing Agreement. Members of the Audit Committee possess financial/accounting expertise/exposure.

Secretary to the Audit Committee

Shri Satyabrata Padhi – Company Secretary

Meetings and attendance during the year

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

The Audit Committee while reviewing the Annual Financial

Statements also reviews the applicability of various Accounting standards (AS) issued by the Institute of Chartered Accountants of India (ICAI) during the year. Compliance of (AS) as applicable to the Company has been ensured in the financial statements for the year ended 31st March 2014. The subjects reviewed and recommended in the meetings of the Audit Committee were apprised to the board by the Chairman of the Audit Committee, for its approval.

4. Nomination & Remuneration Committee

The Board has a Remuneration Committee to make recommendations to the Board as to the Company's framework or broad policy for the remuneration of the Executive Directors. In accordance with the Companies Act, 2013, the Board of Directors at the meeting held on 26th May 2014 has reconstituted the Remuneration Committee as "Nomination & Remuneration Committee".

Terms of Reference

The terms of reference of the "Nomination & Remuneration Committee" shall inter-alia include the following:-

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and removal.
2. To carry out evaluation of every Director's performance.
3. To formulate criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for Directors, key managerial personnel and other employees.

Composition

As on 31st March 2014, the Remuneration Committee comprised three non-executive Directors. The members of the committee are

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

The Committee constitution and the terms of reference are in compliance with the provisions of the Companies Act, 2013 and clause 49 of the Listing Agreement.

Secretary to the Nomination & Remuneration Committee

Shri Satyabrata Padhi – Company Secretary

Meetings and attendance during the year

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

Remuneration Policy

The objective of the Company's remuneration policy is to enable a framework that allows for competitive and fair rewards for the achievement of key deliverables and also aligns with practice in the industry and shareholders expectations.

Remuneration to Directors

The remuneration payable to the Chairman and Managing Director (CMD), Vice-Chairman & Managing Director and Whole-Time Directors (WTD) was fixed by the Board within the limits approved by the shareholders in terms of the relevant provisions of the Companies Act, 1956 (the Act 1956).

The Non-Executive Directors do not draw any remuneration and are paid only the sitting fees for each meeting of the Board, Audit Committee, Nomination and Remuneration Committee and Share Transfer & Stakeholders Relationship Committee. Presently, the Company does not have a scheme for grant of stock options either to the directors or to the employees of the Company.

The details of remuneration / sitting fee paid to Directors for the year ended 31st March 2014

(₹ in lacs)

Sl No.	Name of the Director	Salary, Perquisites & other benefits	Sitting fees	Total
01.	Shri Sharad B Pitti	46.20	–	46.20
02.	Shri Akshay S Pitti	46.20	–	46.20
03.	Shri Y B Sahgal	45.00	–	45.00
04.	Shri Sanjay Srivastava	45.00	–	45.00
05.	Shri GVSN Kumar	18.37	–	18.37
06.	Shri G Narayana Rao	–	0.46	–
07.	Shri Arun Garodia	–	0.20	–
08.	Shri Kanti Kumar R Podar	–	–	–
09.	Shri N R Ganti	–	0.46	–
10.	Shri G Vijaya Kumar	–	0.28	–
11.	Shri M Gopalakrishna, IAS (Retd)	–	0.31	–
12.	Shri TSSN Murthy	–	0.43	–

5. Share Transfer and Stakeholders Relationship Committee

During the year, Investors Grievance Committee was reconstituted as Share Transfer & Stakeholders Relationship Committee in compliance with the requirements of Section 178 of the Companies Act, 2013. The Board of Directors' at the meeting held on 26th May 2014 have reconstituted the Investors' Grievances Committee as "Share Transfer and Stakeholders Relationship Committee".

The terms of reference of "Share Transfer and Stakeholders Relationship Committee" inter-alia include the following:

- Oversee and review all matters connected with the transfer of the Company's securities
- Approve issue of the Company's duplicate share / debenture certificates
- Monitor redressal of investors' / shareholders' / security
- Oversee the performance of the Company's Registrars and Transfer Agents
- Recommend methods to upgrade the standard of services to investors
- Monitor implementation of the Company's Code of Conduct for Prohibition of Insider Trading
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as

may be applicable.

The "Share Transfer and Stakeholders Relationship Committee", facilitates prompt and effective redressal of shareholders' complaints and reporting of the same to the Board periodically.

Composition

The existing composition of Investors' Grievances Committee meets with the requirements of Section 178 of the Companies Act, 2013 and the Listing Agreement. The members of the committee are

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)

As required by Securities and Exchange Board of India (SEBI), Shri Satyabrata Padhi, Company Secretary is the compliance officer of the Stakeholders' Relationship Committee. For any clarification / complaint, the shareholders may contact Shri Satyabrata Padhi.

Secretary to the Share Transfer & Stakeholders Relationship Committee

Shri Satyabrata Padhi – Company Secretary

Meetings and attendance during the year

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

The Company has appointed XL Softech Systems Ltd as the Registrar and Transfer Agent to handle investor grievances in coordination with the Compliance Officer. All grievances can be addressed to the Registrar and Share Transfer Agent. The Company monitors the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The total no of complaints received and resolved to the shareholders during the year ended 31st March 2014 are

Received during the year	–	3
Resolved during the year	–	3

All the queries and complaints received during the financial year ended 31st March 2014, were duly redressed and no complaints were pending at the year end.

All requests for dematerialisation of shares were carried out within the stipulated time period and no share certificate was pending for dematerialisation.

The no of pending share transfers and pending request for dematerialisation as on 31st March 2014 were NIL. No investor grievances remained unattended pending for more than thirty days as on 31st March 2014.

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

6. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was constituted by the Board on 26th May 2014 considering requirements of the Companies Act, 2013 relating to the constitution of a Corporate Social Responsibility Committee. The Board also empowered the Committee to look into matters related to sustainability and overall governance. The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of "corporate social responsibility policy" & to suggest remedial measures wherever necessary.

Accordingly, the Board on 26th May 2014 constituted the CSR committee comprising the following Directors.

Shri N R Ganti	Chairman (Independent / Non-Executive Director)
Shri G Vijaya Kumar	Member (Independent / Non-Executive Director)
Shri Akshay S Pitti	Member (Executive / Whole-time Director)

The purpose of the committee is to formulate and monitor the CSR policy of the Company. The committee will be overseeing the activities / functioning in identifying the areas of CSR activities, programs and execution of initiatives as per predefined guidelines.

Terms of reference of the CSR Committee, inter-alia, include the following

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- To recommend the amount of expenditure to be incurred on the activities for the above said purpose.
- To Monitor the Corporate Social Responsibility Policy of the Company from time to time.

Secretary to the Corporate Social Responsibility Committee

Shri Satyabrata Padhi – Company Secretary

7. General Body Meetings Details of last three AGMs held

Financial year	Date	Venue	Time
2010-2011	11 th August 2011	West Minister Hall, The Central Court Hotel, 6-1-71, Lakdikapool, Hyderabad – 500 004	4.00 P.M
2011-2012	06 th August 2012	West Minister Hall, The Central Court Hotel, 6-1-71, Lakdikapool, Hyderabad – 500 004	4.00 P.M
2012-2013	16 th September 2013	West Minister Hall, The Central Court Hotel, 6-1-71, Lakdikapool, Hyderabad – 500 004	4.00 P.M

Details of Special Resolutions past in the three previous Annual General Meetings

FY2010-2011

- Revised remuneration of Shri Y B Sahgal, Executive Director with effect from 01st April, 2011.
- Revised remuneration of Shri Sanjay Srivastava, Executive Director with effect from 01st April, 2011.
- Revised remuneration of Shri Akshay S Pitti, Vice Chairman & Joint Managing Director with effect from 01st April, 2010. Re-designation and Re-appointment of Shri Akshay S Pitti as Vice Chairman & Managing Director with effect from 07th July, 2011 and revised remuneration with effect from 01st April, 2011.
- Appointment of Smt. Radhika Akshay Pitti as Sr. Manager – Marketing at a remuneration of ₹1,00,000/- per month under Section 314(1) of the Companies Act, 1956.
- Re-issue of forfeited equity shares under clause 23 of the listing agreement in accordance with SEBI (ICDR) Regulations for Preferential Issue of Equity Shares.
- Issue of 40,50,000 equity shares of ₹10/- each at a price not less than the price calculated.

FY2011-2012

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

FY2012-2013

- Re-appointment of Shri Sanjay Srivastava, Executive Director with effect from 01st July 2013

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

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

Details of Valid Ballots	No. of Ballots	No. of Shares	Percentage (%) of Shareholding voted
Assent	182	1,16,20,487	99.88%
Dissent	30	9,162	0.08%
Not Voted	4	4,950	0.04%
Total	216	1,16,34,599	100.00%

The Resolution has been passed by majority.

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

Details of Valid Ballots	No. of Ballots	No. of Shares	Percentage (%) of Shareholding voted
Assent	182	1,16,20,093	99.87%
Dissent	24	9,556	0.08%
Not Voted	10	4,950	0.05%
Total	216	1,16,34,599	100.00%

The Resolution has been passed by majority.

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

8. Disclosures

The Company follows the accounting standards and guidelines laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements. Further the Company has also followed the Cost Accounting Records, Rules 2011.

Materially Significant Related party transactions

During the year, the Company has not entered into any transactions of material nature with the Directors, their relatives or management which is in conflict with the interest of the Company.

All the related party transactions are strictly done on arm's length basis. The Company presents a statement of all related party transactions before the Audit Committee on a quarterly basis, specifying the nature and value of the transaction.

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

Register under section 301 of the Companies Act 1956 is maintained and particulars of transactions are entered in the Register, wherever applicable.

Such transactions are provided to the Board, and the interested Directors neither participate in the discussion, nor do they vote on such matters, wherever approval of the Board is sought.

Disclosure of accounting treatment:

The Company follows the Accounting Standards issued by the Institute of Chartered Accountants of India and Companies (Accounting Standards) Rules, 2006

Risk Management:

The Company has laid down procedures to inform board about the risk assessment and mitigation procedures, to ensure that executive management controls risk through means of a properly defined framework.

Instances of non-compliance

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

No whistle blower policy is in place. However transparency is maintained subject to reasonable restrictions. No personnel have been denied access to the audit committee.

Disclosure by senior management personnel

The senior management personnel have made disclosures to the board relating to all material, financial and other transactions stating that they did not have personal interest that could result in a conflict with the interest of the Company at large.

CEO and CFO Certification

The Chairman and Managing Director (CEO) and Chief Financial Officer (CFO) of the Company have certified to

the board on financial and other matters in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended 31st March 2014.

Code for prevention of insider trading

In compliance with the SEBI regulations on prevention of insider trading, the Company has instituted a code of conduct for its Directors, management and staff. The code lays down guidelines, which advise them on procedures to be followed and disclosures to be made, while dealing with shares of Company and cautioning them of the consequences of violations. The code clearly specifies, among other matters, that the Directors and Designated employees of the Company can trade in the shares of the Company only during the period when "Trading Window" is open. The trading window is closed during the time of declaration of results or occurrence of any material events as per the code. An annual disclosure is also taken from all the Directors and Designated Employees of the Company at the year end.

Code of Conduct

The Board of Directors has laid down the code of conduct for Directors and senior management personnel including all functional heads, which they are bound to observe in the course of conduct of the business of the Company. This code of conduct has been posted on the website of the Company. Each Director of the Company and senior management personnel including all functional heads to whom the code has been made applicable, have affirmed their compliance with the code.

Auditors' certificate on corporate governance

As required by Clause 49 of the Listing Agreement, the auditors' certificate on corporate governance is annexed to the Directors' report.

Management discussion and analysis report:

The management discussion and analysis report forms part of the directors' report.

Compliance with mandatory / non-mandatory requirements:

The Company has complied with all applicable mandatory requirements in terms of Clause 49 of the Listing Agreement. The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed elsewhere in this report.

9. Non-Mandatory Requirements

The Board

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

All independent Directors have diversified experience and requisite qualification.

Remuneration Committee

The Board has constituted a Remuneration Committee comprising of three independent Directors, which determines remuneration payable to the Executive Directors of the Company. This has been mentioned under the appropriate headings detailed elsewhere in this report.

Shareholders Rights

The quarterly financial results are published in the news papers (Business Line, Andhra Prabha) and also posted on the Company's website www.pittielectriclam.com. The significant events, if any, too are posted on the Company's website and in view of this, summary of such events are not separately sent to the shareholders.

Training of Board Members / Mechanism for evaluating non-executive directors:

The present board consists of well-experienced and responsible members of society. All the Directors are well aware of business model as well as the risk profile of the business parameters of the Company and their responsibilities as directors. Hence, in the opinion of the board, they do not require any further training. There is also no specific mechanism for evaluating the performance of the non-executive Directors of the Company.

Audit Qualifications

During the current financial year, there are no audit qualifications in the financial statements. The Company continues to adopt best practices in order to ensure unqualified financial statements.

Whistleblower Policy

The Company has not denied access to any personnel to approach the management on any issue. The Company is in the process of formulating a policy on vigil mechanism as required under the Act 2013.

Reconciliation of share capital audit

Pursuant to clause 47(C) of the Listing Agreement with the stock exchanges, certificate on half yearly basis, was issued by K Swamy & CO, a Company secretary in practice for due compliance of share transfer formalities by the Company. Audits were also carried out by M/s. K Swamy & CO, to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued and paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).

10. Means of Communication to shareholders

The board believes that effective communication of information is an essential component of corporate governance. The Company regularly interacts with shareholders through multiple channels of communication such as monthly sales update, results announcement, annual report, media releases, Company's website and specific communications to Stock Exchanges, where the Company's shares are listed.

10.1 Quarterly results:

The unaudited quarterly financial results of the Company were published in English and regional newspapers. These are not sent individually to the shareholders.

10.2 Newspapers wherein results are normally published:

The results are normally published in English Newspapers such as Business Line and Regional Newspaper, Andhra Prabha

10.3 Website:

The Company's website is www.pittielectriclam.com. This website contains the basic information about the Company, e.g., details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company, who are responsible for assisting and handling investor grievances and such other details as may be required under Clause 54 of the Listing Agreement. The Company ensures that the contents of this website are periodically updated. In addition, the Company makes use of this website for publishing official news releases and presentations, if any, made to institutional investors / analysts.

The Company has designated the e-mail ID, shares@pittilam.com for the purpose of registering complaints, if any by the investors and expeditious redressal of their grievances.

11. General shareholder information

Annual General Meeting

Date : 22nd September 2014

Time : 4.00 P.M

Venue : WEST MINISTER HALL, THE CENTRAL COURT HOTEL, LAKDIKAPPOOL, HYDERABAD, TELANGANA

Financial year

01st April 2013 to 31st March 2014

Tentative Financial Calendar

For the financial year ended 31st March 2015, results will be announced by

First quarter & Limited review : Second week of August 2014

Second quarter & Limited review : Second week of November 2014

Third quarter & Limited review : Second week of February 2015

Audited Annual results (2014-15) : Mid May 2015

Particulars of Dividend payments

The Board of Directors of the Company has recommended

a final dividend of INR 1.00 per equity share. The dividend recommended by the Directors for the year ended 31st March 2013, if declared at the AGM will be paid by 21st October 2014 to those members, whose names appear in the Register of Members of the Company on 15th September 2014, in respect of shares held in electronic form, the dividend will be payable to the beneficial owners of the shares as on closing hours of business on 15th September 2014 as per the details furnished by the respective depositories for this purpose.

Book closure

The dates of book closure are from 16th September 2014 to 22nd September 2014 both days inclusive.

Listing in stock exchanges

The equity shares of the Company are listed on BSE Limited (BSE) and the NSE Limited (NSE). The annual listing fee for the financial year 2013-14 has been paid to BSE and NSE. The Company has also paid annual custody / issuer fee for the year 2013-14 to National Securities Depository Limited (NSDL) and Central Depository (India) Limited (CDSL).

Stock Exchange Codes

Name of the stock exchange	Stock Code
BSE	513519
NSE	PITILAM

Market Price data

High and low price of the scrip during each month in last financial year

Months	BSE			NSE		
	High price (INR)	Low price (INR)	No. of shares traded	High price (INR)	Low price (INR)	No. of shares traded
April 2013	37.75	31.10	43302	38.00	31.00	63103
May 2013	37.80	31.50	112362	37.95	31.05	168974
June 2013	33.85	29.00	24425	33.30	28.10	48126
July 2013	35.10	24.20	21701	35.55	29.00	6854
August 2013	27.95	21.65	19530	-	-	-
September 2013	37.50	23.50	57310	-	-	-
October 2013	37.00	27.60	22796	-	-	-
November 2013	38.80	30.85	37916	-	-	-
December 2013	39.50	34.25	92513	-	-	-
January 2014	37.50	33.15	83788	37.80	33.00	69765
February 2014	36.00	30.70	54420	36.20	30.75	65739
March 2014	37.50	31.25	59898	38.00	31.00	57725

Distribution of shareholding as on 31st March 2014

Shareholdings of nominal value of INR	Shareholders		Share Amount	
	Nos.	%	INR	%
Upto 5000	8643	90.27	11539650	8.55
5001 – 10000	438	4.57	3667860	2.72
10001 – 20000	206	2.15	3111350	2.31
20001 – 30000	76	0.79	1953620	1.45
30001 – 40000	41	0.43	1483470	1.10
40001 – 50000	30	0.31	1405440	1.04
50001 – 100000	65	0.68	4493930	3.33
100001 and above	76	0.79	107261680	79.50

Shareholding pattern as on 31st March 2014

Category	No. of shares held	% of shareholding
Promoters	8094690	60.00
Banks & FIs	90390	0.67
Bodies Corporate	1293766	9.59
Indian Public	3880941	28.77
NRI / OCBs	126422	0.93
Others (Clearing Members)	5491	0.04
TOTAL	13491700	100.00

Dematerialisation of shares

The shares of the Company are compulsorily traded in dematerialised form and are available for trading on both the depositories of India – National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31st March 2014, 97.02% shares of the Company were held in dematerialised form.

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

The Company has not issued any Global Depository Receipt / American Depository Receipt / warrants or any convertible instruments which is likely to have impact on the Company's equity during the period under review.

Share Transfer System

XL Softech Systems Pvt Ltd is the Registrar and Transfer Agent (RTA) of the Company. All shares transfers and related operations are processed by RTA and approved

by authorised officials of the Company.

The Company, as required under Clause 47(f) of the Listing Agreement, has designated the following e-mail IDs, namely shares@pittilam.com for the purpose of registering complaints, if any, by the investors and expeditious redressal of their grievances.

Shareholders are therefore requested to correspond with the Share Transfer Agents for transfer / transmission of shares, change of address and queries pertaining to their shareholding and dividend.

Address for investor correspondence

XL Softech Systems Limited
Plot No. 3, Sagar Society
Road No. 2, Banjara Hills
Hyderabad – 500034

Plant location (Plant I & II)

Nandigaon Village, Kottur Mandal
Mahaboobnagar District
Andhra Pradesh – 590233

12. Additional shareholder information**National Electronic Clearance Services (NECS) mandate**

NECS facility ensures timely remittance of dividend without possible loss / delay in postal transit or non-receipt of dividend warrant. Shareholders holding shares in electronic form are requested to register the details with the respective DPs. If the shares are held in physical form, shareholders may register their NECS details with Registrar and Share Transfer Agents for receiving dividend.

Consolidation of Multiple Holdings (in respect of physical holdings)

Members are requested to consolidate their shareholdings

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

Unclaimed dividend

Section 124 of the Companies Act, 2013 mandates companies to transfer dividend that remain unclaimed for a period of seven years to the Investor Education and Protection Fund (IEPF). Members are requested to note that after completion of seven years, they stand to lose the right to claim such dividends owing to transfer of unclaimed dividends beyond seven years to IEPF.

13. Request to shareholders

Shareholders are requested to follow the general safeguards / procedures as detailed hereunder in order to serve them efficiently and avoid risks while dealing in securities of the Company.

Demat of Shares

Shareholders are requested to convert their physical holding to demat/ electronic form through any of the DPs to avoid any possibility of loss, mutilation etc., of physical share certificates and also to ensure safe and speedy transaction in securities.

Registration of Electronic Clearing Service (ECS) mandate

The Securities Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the Depositories for payment of dividend through ECS to investors wherever ECS and bank details are available. The Company will not entertain any direct request from members holding shares in electronic mode for deletion of / change in such bank details. Members who wish to change such bank account details are therefore requested to advise their DPs about such change, with complete details of bank account.

ECS helps in quick remittance of dividend without possible loss/delay in postal transit. Shareholders, who have not earlier availed this facility, are requested to register their ECS details with the STA or their respective DPs.

Transfer of shares in physical mode

Shareholders should fill up complete and correct particulars in the transfer deed, for expeditious transfer of shares. Wherever applicable, registration number of power of attorney should also be quoted in the transfer deed at the appropriate place.

Shareholders, whose signatures have undergone any change over a period of time, are requested to lodge to the STA, their new specimen signature duly attested by a bank manager.

In terms of SEBI's circular no. MRD/DoP/Cir-05/1009 dated 20th May 2009, it has become mandatory for transferees to furnish a copy of Permanent Account Number (PAN) for registration of transfer of shares to be held in physical mode.

In case of loss / misplacement of share certificates, shareholders should immediately lodge a FIR / Complaint with the police and inform the Company / STA with original or certified copy of FIR / acknowledged copy of complaint for marking stop transfer of shares.

Registration of Nominations

Section 72 of the Companies Act 2013 provides facility for making nominations by shareholders in respect of their holding of shares. Such nomination greatly facilitates transmission of shares from the deceased shareholder to his / her nominee without having to go through the process of obtaining succession certificate / probate of the will, etc.

It would therefore be in the best interest of the shareholders holding shares in physical form registered as a sole holder to make such nominations. Shareholders, who have not availed nomination facility, are requested to avail the same by submitting the nomination in Form SH-13 to the Company or STA. This form will be made available on request. Investors holding shares in demat form are advised to contact their DPs for making nominations.

Updation of address

Shareholders are requested to update their addresses registered with the Company, directly through the STA, to receive all communications promptly.

Shareholders, holding shares in electronic form, are requested to deal only with their DPs in respect of change of address, furnishing bank account number, etc.

SMS Alerts

Shareholders are requested to note that NSDL and CDSL have announced the launch of SMS alert facility for demat account holders, whereby shareholders will receive alerts for debits / credits (transfers) to their demat accounts a day after the transaction. These alerts will be sent to those account holders who have provided their mobile numbers to their DPs. No charge will be levied by NSDL / CDSL on DPs providing this facility to investors. This facility will be

available to investors who request for the same and provide their mobile numbers to the DPs. Further information is available on the website of NSDL and CDSL namely www.nsd.co.in and www.cdslindia.com respectively.

Timely encashment of dividends:

Shareholders are requested to encash their dividends promptly to avoid hassles of revalidation / losing their right of claim owing to transfer of unclaimed dividends beyond seven years to Investor Education and Protection Fund (IEPF).

As required by SEBI, shareholders are requested to furnish details of their bank account number and name and address of the bank for incorporating the same in the warrants. This would avoid wrong credits being obtained by unauthorised persons.

Shareholders, who have not encashed their dividend warrants, in respect of dividends declared for the year ended 31st March 2007 and for any financial year thereafter may contact the Company and surrender their warrants for payment.

Shareholders are requested to note that the dividends, not claimed for a period of seven years from the date they first became due for payment, shall be transferred to IEPF in terms of Section 205C of the Companies Act, 1956.

Information in respect of unclaimed dividends due for remittance into IEPF is given below:

Particulars of unclaimed dividend of the Company

Financial Year	Date of declaration of dividend	Last date for claiming the dividend
2006-2007	24.08.2007	23.08.2014
2007-2008	01.09.2008	30.08.2015
2008-2009	23.09.2009	22.09.2016
2010-2011	11.08.2011	10.08.2018
2011-2012	06.08.2012	05.08.2019
2012-2013	16.09.2013	15.09.2020

Unclaimed share certificates

In terms of the provisions of Clause 5A of the Listing Agreement (introduced vide SEBI circular dated 16th December 2010), the unclaimed share certificates will be dematerialised and transferred to "Unclaimed Suspense Account". As required under this Clause of the Listing Agreement, during the year the Company sent the third and final reminder letters to the shareholders, whose share certificates were returned undelivered or unclaimed. Action is being taken to transfer the shares remaining unclaimed to 'Unclaimed Suspense Account' to comply with the requirement of this Clause of the Listing Agreement.

Green Initiative in Corporate Governance

Rule 11 of the Companies (Accounts) Rules, 2014, permits circulation of Annual Report through electronic means to such of the members whose e-mail addresses are registered with NSDL or CDSL or with the Company to receive the documents in electronic form and physical copies to those shareholders whose e-mail addresses have not been either registered with the Company or with the DPs.

To support this green initiative of the Government, members are requested to register their e-mail addresses and also intimate changes, if any, with the DPs, in case shares are held in dematerialised form and with the STA, in case the shares are held in physical form.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Pitti Laminations Limited,
Hyderabad.

We have examined the compliance of conditions of Corporate Governance by M/s.Pitti Laminations Limited, for the year ended 31st March 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

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

Dayaniwas Sharma

Partner

Membership No.216244

Place: Hyderabad
Date: 26th May 2014

CODE OF CONDUCT COMPLIANCE CERTIFICATION BY CHAIRMAN & MANAGING DIRECTOR

DECLARATION

I hereby declare that all the members of the Board and Senior Management personnel of the company have affirmed due observance of the said code of conduct in so far as it is applicable to them and there is no non-compliance thereof during the year ended 31st March 2014.

Sharad B Pitti

Chairman & Managing Director

Place: Hyderabad
Date: 26th May 2014

CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

To,
The Board of Directors,
Pitti Laminations Limited,
Hyderabad.

We, the undersigned, in our respective capacities as Chairman & Managing Director and Executive Director & CFO of Pitti Laminations Limited (“the Company”), to the best of our knowledge and belief certify that:

- a) We have reviewed the financial statements and the cash flow statements for the financial year ended 31st March 2014 and based on our knowledge and belief, we state that:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain any 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) We further state that to the best of our knowledge and belief, there are no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- d) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- e) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
 - i) significant changes, if any, in internal control over financial reporting during the year;
 - ii) significant changes, if any, in accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Place: Hyderabad
Date : 26th May 2014

Sharad B Pitti
Chairman & Managing Director

GVSN Kumar
Executive Director & CFO

Management discussion and analysis

MACROECONOMIC TRENDS

Global economy

The global economy continued to decelerate for the third consecutive year. Both developed as well as emerging economies undertook necessary measures to improve the business and consumer sentiments to drive overall economic activity. These measures have started showing some early signs of improvement which was reflected in the latter half of the year.

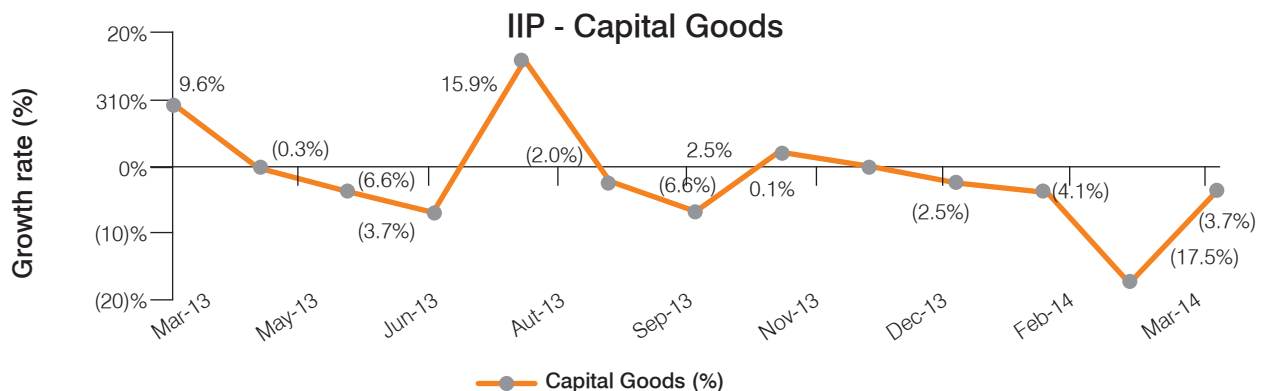
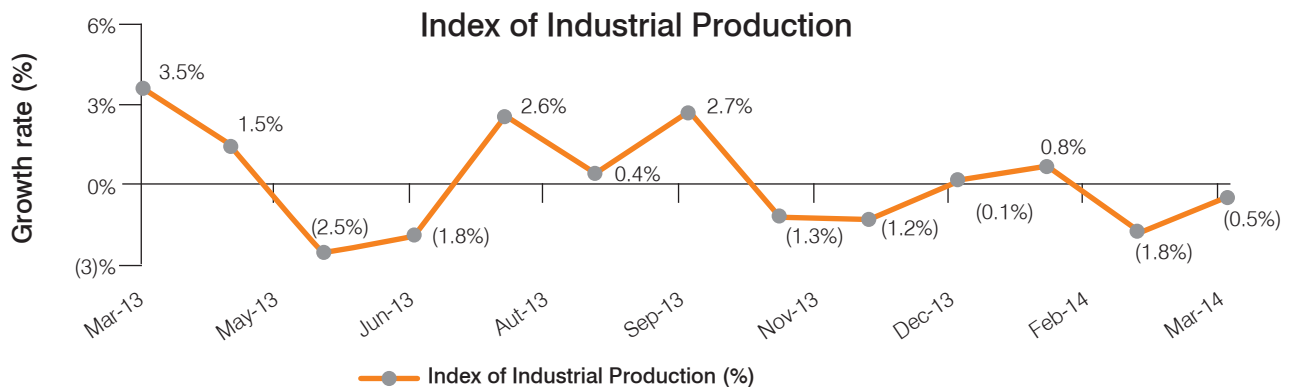
Indian economy

During FY 2014, the Indian economy growth slowed down to sub 5% levels due to general global slowdown and domestic factors, like high interest rate and inflation. Domestic demand was under pressure on account of higher import costs as a result of a weaker Indian Rupee. Manufacturing sector continued to de-grow affecting the overall economic growth. However, with the improvement with the twin deficit problem of

current account deficit (CAD) and fiscal deficit, some recovery was experienced towards the end of FY 2014.

The Index of Industrial Production (IIP) recorded a de-growth of 0.1% in FY 2014 compared to a growth of 1.1% in the same period last year. In terms of sectoral break-up, both mining and manufacturing sector declined by 0.8% due to weaker demand scenario resulting in lower industrial activity. However, electricity sector registered a growth of 6.1% compared to FY 2013. In the use based category, the capital goods output declined by 3.7% in FY 2014 compared to a decline of 6.0% in FY 2013, this was primarily due to inconsistent order execution.

Gross Fixed Capital Formation (GFCF), an indicator of investment, is estimated to be ₹32,20,000 crores for FY 2014 at current prices against ₹30,70,000 crores in FY 2013. In terms of GDP at market prices, the rates of GFCF during the year are estimated at 28.5% against 30.4% in the same period last year.

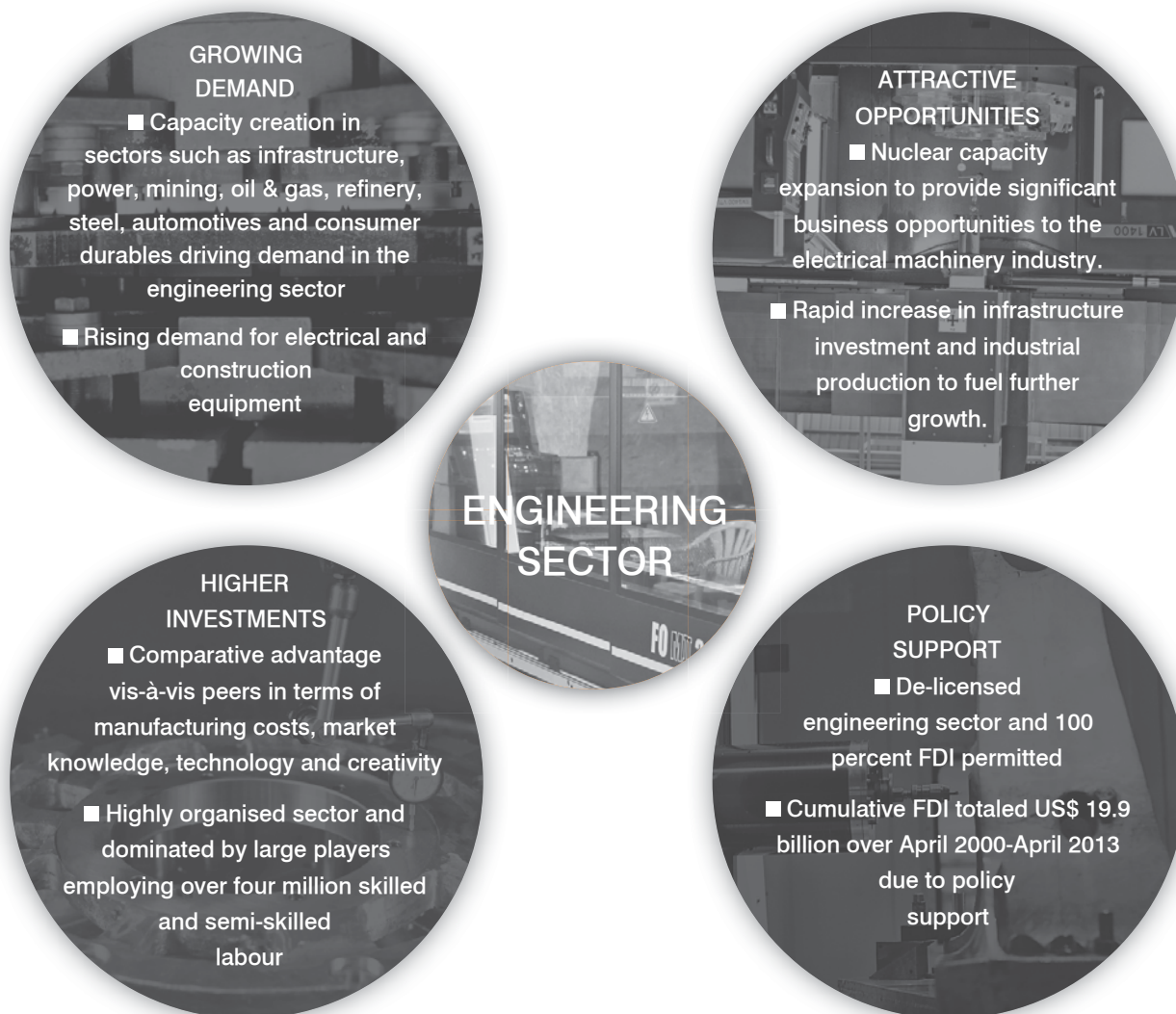


INDIAN INDUSTRY OVERVIEW

Engineering

The Indian engineering industry constitutes the largest segment of Indian Inc. This sector is broadly categorised into two sub-segments, heavy engineering and light engineering. The sector is among the top contributors to total Indian exports revenue. Engineering exports from the Country was \$61.61 billion in FY 2014, registering a growth of 8.5% compared to the same period last year. The export includes transport

equipment, capital goods, other machinery/equipment and light engineering products such as castings, forgings and fasteners. The sector accounts for about 20% of India's total exports and is also one of the largest foreign exchange earners for the country in terms of merchandised goods. Exports from the segment have recorded a compounded annual growth rate (CAGR) of 12.4% during the period FY 2008-13, of which transport equipment has been the leading contributor.



Power

India with a production of 1,006 TW of power, is the fifth largest producer and consumer of electricity in the world, after the US, China, Japan and Russia. India's power sector is one of the most diversified in the world. The Country's power generation

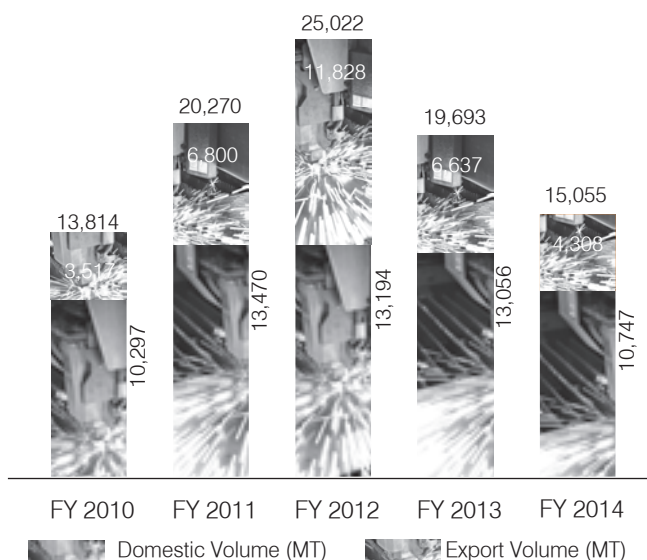
capability ranges across non-renewable sources such as coal, lignite, natural gas, oil, hydroelectricity and nuclear power. India also has a formidable presence in renewable sources such as wind, solar, agricultural and domestic waste. In FY 2014, power generation in India grew by 6% to 967.2 billion units, primarily driven by a remarkable performance by hydroelectricity power

sector. The 12th Five Year Plan projects that the total domestic energy production would reach 669.6 million tones of oil equivalent (MTOE) by FY 2017 and 844 MTOE by FY 2022. The power generation in FY 2014 fall short by nearly 8 billion units of the target of 975 billion units. This demand-supply mismatch clearly indicates the immense growth potential prevailing in the sector.

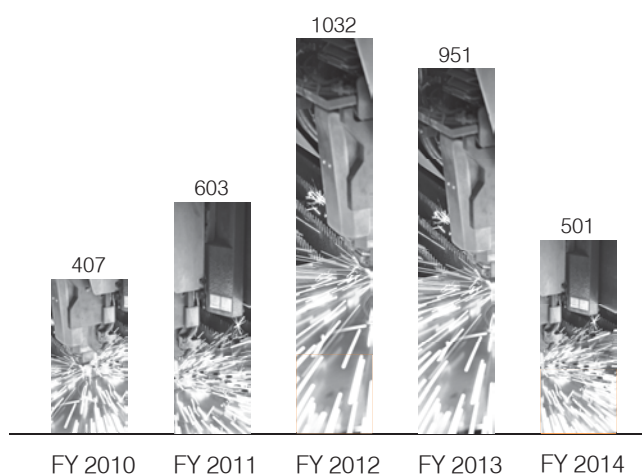
Operational and financial review

As the economic scenario remained difficult during the

year, PLL recorded sales volume of 15,055 MT compared to 19,693 MT in FY 2013, a decrease of nearly 23.5% primarily due to temporary postponement of orders from some of the international clients during the initial quarters of the fiscal year. In particular the export of stator frames sales declined by 450 units to 501 in FY 2014. The clients remained under pressure due to low levels of industrial activity and infrastructure investments during the period. The situation has now improved and steady volume growth is expected going forward.

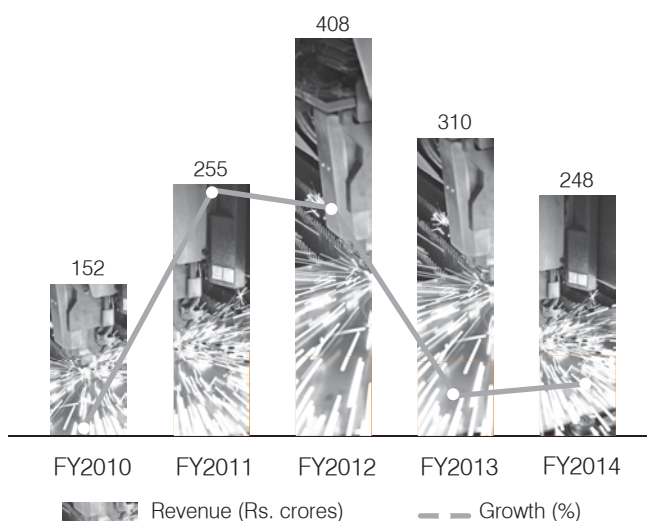


Export Stator Frames (Nos.)



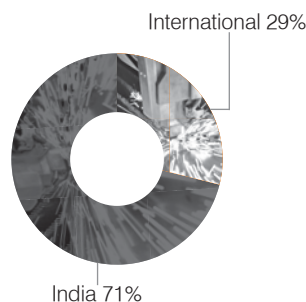
The Company's performance benefitted from some early signs of improvement in the key economic indicators, which improved the demand scenario primarily from the international clients. These benefits were reflected in the performance of Q4

FY 2014 results, which drove the net revenue for the fiscal year to ₹247.83 crores. The revenue for the year declined by 20.1% compared to the same period last year due to lower volumes.



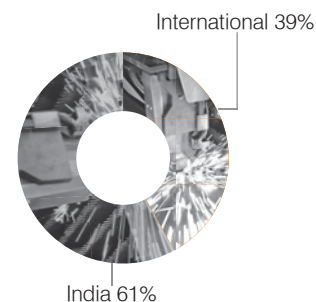
BREAK UP OF SALES (IN TERMS OF VOLUME), FY 2013-14

FY 2014 Volumes by Geography



BREAK UP OF SALES (IN TERMS OF VALUE), FY 2013-14

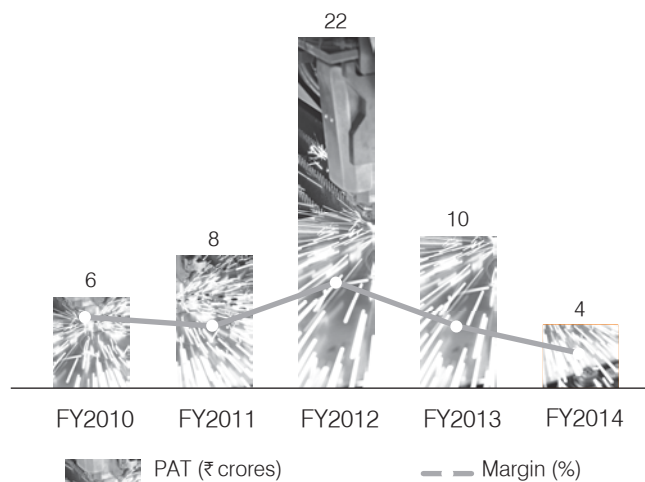
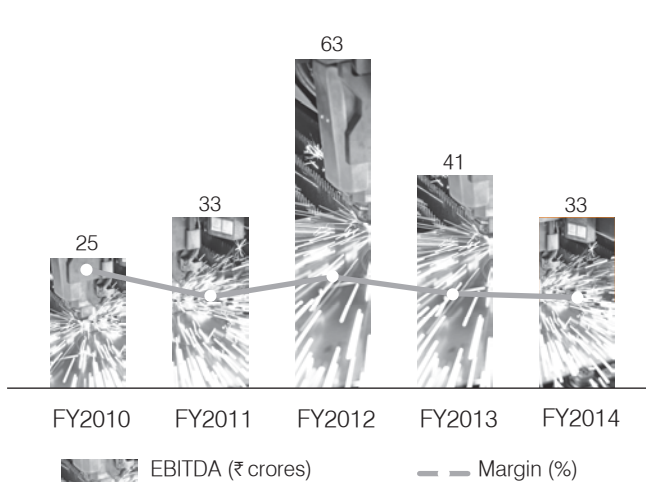
FY 2014 Sales by Geography





EBITDA for the year was ₹32.71 crores, a decrease of 19.9% compared to same period last year. This decline is attributed to lower revenues on account of temporary postponement of orders from the international clients. However, the management was able to retain the EBITDA margins at 13.2% levels. This stable margin was result of various ongoing operational efficiency measures undertaken by the management.

In FY 2014 PAT declined by 57.3% to ₹4.21 crores. PAT for the year was impacted by unfavorable foreign exchange fluctuations of ₹9.07 crores. Factoring the impact of foreign exchange variations adjusted PAT for the year increased by 19% to ₹13.27 crores. Adjusted PAT margin for the year was 5.4%, an increase of 177 basis points.





Balance Sheet

Capital employed: The capital employed in the business stood at ₹139.96 crores as on 31st March 2014 as compared to ₹129.90 crores as on 31st March 2013. This increase was primarily driven by increase in shareholders' funds and long-term borrowings. The return on capital employed for the Company was 10.98% in FY 2014 compared to 23.66% in FY 2013.

Shareholders' funds: The shareholders' fund increased from ₹108.94 crores for the year ended on 31st March 2013 to ₹111.57 crores as on 31st March 2014. This improvement was due to increase in reserves and surplus. The equity capital remained unchanged at ₹13.50 crores.

Total debt: As of 31st March 2014, the Company had a consolidated total debt of ₹115.24 crores. This included long term debt of ₹21.15 crores and short term debt of ₹94.09 crores.

OPPORTUNITIES AND STRENGTHS

Revival of the economy: The Indian government has undertaken various measures with objective to improve the overall economic activity of the Country. These measures have started showing some early signs of improvement. Industrial activity in the Country has started improving as indicated by growth in the IIP with 4.7% for the month of May 2014. This improving trend is expected to drive domestic demand. Furthermore, the positive outlook for global economy as predicted by International Monetary Fund (IMF) is anticipated to result in improvement in the export demand.

Presence in core sectors: The Company's products primarily cater to the core sectors of the economy such as power, capital goods, infrastructure and railways. Indian government renewed focus on improving these critical sectors will result in increased demand for the PLL's products, thus driving overall volume growth.

Strategic diversification: During the year, PLL diversified into smaller laminations segment to cater to demand of the consumer vertical. This diversification is expected to result in improvement in domestic volumes and will also reduce prevailing cyclicality in the demand profile. This also provides an opportunity to add new customers from consumer vertical.

Engineering solutions: In FY 2014, the Company expanded its machining capacity with the objective to provide "Single stop solution" to its clients. PLL also has an associate entity to support its casting requirement. This backward and forward integration provides it a competitive advantage in terms of





vendor from its clientele.

World-class manufacturing facilities: The Company has two world class manufacturing facilities located in Hyderabad, Telangana. These facilities have lamination capacity of more than 32,000 MT and machining capacity of 3,000. PLL also has plans to set-up new facility in Pune, Maharashtra with production capacity of around 15,000 MT. As most of the Company's domestic customers and suppliers are located nearby, this shifting of capacity will provide additional advantage in terms of saving time, logistics cost and improving inventory turnover. This project is also expected to result in increased volume from existing and new customers.

OUTLOOK

Global economy

The global economy has been experiencing some early indicators of recovery driven by better demand scenario and consumer sentiments. As per IMF, the global economy is expected to register a growth of 3.4% in FY 2014 and more than 4% in FY 2015. The emerging economies would be the growth drivers in the initial months of FY 2014. Developing economies such as the US economy is anticipated to record a weaker growth in first half of FY 2014 due to weather-related contraction. However, in the later half it is expected to rebound and grow at more than 3%.

Indian economy

The National Council of Applied Economic Research (NCAER) has projected that the India's GDP growth for FY 2015 would be between 5.2% - 5.7% driven by the recovery

quality, timing and cost. The initiative will result in better client experience and will ensure client retention as well as addition of new clients.

Longstanding customer relationships: Majority of the key clients has been associated with the Company for more than a decade. This long term arrangement is clear testament of PLL's focus on delivering superior quality of products to its customers. This trust and longstanding relationship provides the Company an opportunity to scale-up business opportunity from existing clientele.

Best-in-class operation: PLL is one of the few globally vertically integrated companies with tooling, lamination, casting and machining facilities. It is India's only indigenously developed tool room with a portfolio of over 3,400 tools. These capabilities have enabled the Company to enjoy the status of preferred





in the manufacturing sector. The IIP recorded one of the highest growth rates in past two years with 4.7% growth in May 2014. The rise in the output of manufacturing sector at 4.8% and improvement in electricity generation at 6.3% in May 2014 supported the IIP growth. The mining sector has also increased by 2.7% in May 2014. As per the use based classification, the output of capital goods improved 4.5% in May 2014. These macroeconomic factors are clear indicators of nascent signs of recovery in the overall industrial activity in India.

Engineering sector

The Indian engineering industry is transitioning from export of low-value goods to high-value goods. The engineering export is expected to reach \$120 billion by FY 2015 driven by the development in the related sectors such as automotive, industrial goods and infrastructure.

This industry manufactures various turbines in the range of 800–7000 MW and generators ranging from 0.5 KVA to 25,000 KVA. The total production of turbines and generators was \$2.2 billion in FY 2012 and is anticipated to reach \$6.6 billion by FY 2017. The industry is also engaged in manufacturing of power and distribution transformers, including special type of

transformers required for furnaces, electric tracts and rectifiers. This segment is expected to reach \$5.9 billion in FY 2017 from \$2.7 billion in FY 2011.

Power sector

Power consumption in India is expected to increase from 821.2 TWh in FY 2013 to 1,433.2 TWh in FY 2022. This strong demand will be driven by expansion in industrial activity. Furthermore, growing population and increase in per capita usage will also support the growth in demand. The demand for power generating machinery is expected to be driven by Indian government's plan to add 8.5GW of capacity by FY 2017 and 100 GW by FY 2022. Currently around 19 atomic reactors are operational in India with total capacity of 4,780 MW. The government has set a target of generating 63,000 MW nuclear power by FY 2032.

India offers a lot of growth potential for the solar photovoltaic (PV) industry and is steadily developing itself as a major manufacturing hub for solar power plants. According to the RNCOS report, India's annual PV-installed capacity is expected to reach 1,500 MW by the end of FY 2014, registering a CAGR of 49.5% during the period FY 2010-2014.

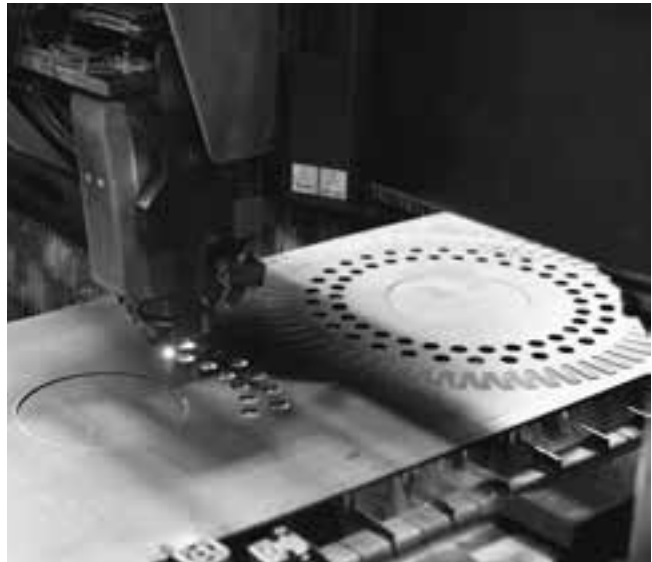
RISKS AND CONCERNS

All the businesses are susceptible to certain risks and concerns related to the industry or the macroeconomic parameters. PLL being no exception is also exposed to some risks and concerns. However, as a focused enterprise, Pitti lamination has had a system-based approach to risk management. A combination of centrally-issued policies and divisionally-evolved procedures brings robustness to the process of ensuring business risks being effectively addressed. The senior management periodically reviews the risk management framework to maintain contemporariness and address emerging challenges in a dynamic environment. This prudently balances risk and reward leading to shareholder value growth. Some of the risk that can potentially impact the performance of the Company are as follow:

Industry risk: The Company caters to industries such as engineering and capital goods, which has a positive correlation with the economic conditions. Therefore, any adverse economic situation may lead to a slowdown in the end market industries which could potentially impact the performance of the Company. To mitigate the risk from such situations the Company recently diversified into consumer vertical which is less prone to cyclicity related to the economy.

Raw material cost risk: The costs of raw materials are outside the Company's control and is related to key macro-economic indicators such as demand, supply and inflation. The management is focused on ensuring that such risks are minimised to the extent possible by entering into long-term sourcing contracts. Moreover this industry has an established practice of passing on the increase in the prices of raw materials to its customers which therefore reduces or may not have any impact of fluctuation in the raw material prices on the Company's profitability. However, the customers may not always absorb the full increase in raw material cost and that too with retrospective effect in all situations. As proactive organisation, the Company takes certain prudent measures like informing clients beforehand of the possible escalation in raw material prices and stays in constant contact with the suppliers as well.

Competition risk: Similar to other business entities the Company operates in a challenging and competitive business environment, where there is competition from both organised and unorganised players. To overcome any such risks the



Company has protected its multi-business presence through a wide portfolio of products. The Company introduces new products on a consistent basis and in a prudent manner to maintain competitive edge over peers. PLL has strategically decided to cater to customers with high potential but low competitor penetration resulting in higher margins for its products. Moreover, an established track record, longstanding relationships with customers, a dedicated workforce with professional expertise and cutting-edge technology has enabled the Company to offer diversified products to its clients and emerge as India's only end-to-end product and service provider in the electrical lamination segment. The Company is one of the few suppliers in the world providing tooling, laminations, casting and machining facilities under one roof. As a result the Company has retained its position as preferred supplier across businesses for its sheer reliability in terms of supply, quality and certifications.

Foreign currency risk: As the exports and import are integral part of Company's regular operations, it is prone to risk of unfavorable exchange rate fluctuations. Such exposures are mostly off-set by suitable pass-through clauses built in contracts with overseas clients. As part of the frame work of the Risk Management Policy, the Company undertakes hedging operations in respect of export receivables and import obligations in a judicious manner. Close monitoring is done to mitigate the risk factors arising out of the foreign exchange fluctuations.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Global operations, dynamic business structure and changing methods of operations with advancement of technology warrant adequate internal control mechanism and constant review of its efficacy.

The Company believes that a strong internal controls framework is one of the important pillars of Corporate Governance. The Company has in place an adequate system of internal controls commensurate with its size and the nature of its operations and has withstood the test of time. The system has been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information complying with applicable statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisations and ensuring compliance with corporate policies.

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 Company has an internal audit department that conducts audit of all units of the Company at regular intervals. The department is staffed adequately with qualified professionals in both technical and financial field. All significant observations and corrective actions taken are reviewed by the Management and Audit Committee of the Board.

The Audit Committee will review the internal audit reports, the remedial measures taken by the concerned departmental heads in the light of audit observations. The Statutory Auditors of the Company also scrutinise the internal audit reports as part of their statutory audit functions.

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

HUMAN RESOURCES DEVELOPMENT AND INDUSTRIAL RELATIONS

Talent acquisition and retention remain the focus areas to support the growth of the Company. PLL has proper framework in place to identify talented and committed employees and help them augment their key capabilities with appropriate domain competencies.

The Company has a strong committed work force nurtured and backed up by its professional culture coupled with innovative HR process aimed at strategic alignment with the business objectives. As of 31st March 2014 the Company had a workforce of 967 employees excluding contractually obligated labourers.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report section and elsewhere which seek to describe the Company's objectives, projections, estimates, expectations or predictions may be considered to be 'forward-looking statements' within the meaning of the applicable securities laws, or regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include demand-

supply conditions, availability of raw materials, pricing of products, changes in governmental regulations, tax regimes, economic developments within India and countries with which the Company conducts business besides other unforeseen factors, such as litigations and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events.

Financial section

Independent Auditors' Report

To the Members of
PITTI LAMINATIONS LIMITED

Report on Financial Statements

1. We have audited the accompanying financial statements of Pitti Laminations Limited ("the Company") which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the

manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (herein after referred as "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Companies Act, 1956 we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in subsection (3c) of section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the Directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the companies act, 1956.

For **LAXMINIWAS NEETH & CO**
Chartered Accountants
Firm Registration No: 002460S

Dayaniwas Sharma

Partner

Place: Hyderabad
Date: May 26, 2014

Membership No. 216244

Annexure to the Independent Auditors' Report

[Referred to in paragraph 7 under the heading of 'Report on Other Legal and Regulatory Requirements' of our report on even date to the Members of Pitti Laminations Limited on the Financial Statements as of and for the year ended 31st March, 2014]

- (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 phased 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 have been noticed on such verification.
- c. No major part of fixed assets was disposed off during the year hence do not affect the going concern assumption.
- (ii) a. The inventory has been physically verified by the management during the year except material lying with the third parties (which have substantially been confirmed). In our opinion, the frequency of verification is reasonable.
- b. In our opinion, and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. According to the information and explanation given to us, the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book/records were not material.
- (iii) a. According to the information and explanations given to us, the Company has granted unsecured loan to one party, a sum of ₹1,233 Lakhs covered in the register maintained under Section 301 of the Companies Act, 1956.
- Also, during the year the Company has taken unsecured loan from one party for a sum of ₹700 Lakhs and repaid entire loan along with interest amounting to ₹710 Lakhs. Thus, there is no amount outstanding as on 31.03.2014 to any party covered under the register maintained under Section 301.
- b. In our opinion, the rate of interest and other terms and conditions on which loans were taken from Companies, Firms, or other parties covered under the register maintained under Section 301 of the Companies Act, 1956, are not prima facie, prejudicial to the interest of the Company.
- c. According to the information and explanation given to us, the Company is regular in repayment of the principle and interest.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) a. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred in section 301 of Companies Act, 1956 have been entered in the register required to be maintained under that section.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.
- (vii) The Company has an internal audit system commensurate with its size and nature of its business.
- (viii) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (ix) a. According to the information and explanations given to us and the records of the company examined by us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues

including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues applicable to it.

b. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Wealth tax, Service tax, Sales tax, Customs duty, Excise duty, Investor Education and Protection Fund, Cess and other material statutory dues were in arrears, as at 31.03.2014 for a period of more than six months from the date of became payable.

c. According to the information and explanations given to us, there are no dues of Sales tax, Income Tax, Service tax, Municipal tax, Customs duty, Excise duty and Wealth tax which have not been deposited with the appropriate authorities on account of any dispute except as under:

Nature of Dues	Amount (₹ In lakhs)	Dispute pending at
Service Tax	139.01	CESTAT/H'ble AP High Court
Income Tax (Net off refunds)	122.18	CIT (Appeals)/ H'ble AP High Court

(x) In our opinion, the company has no accumulated losses as at 31.03.2014 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

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

(xii) In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly the provisions of clause 4(xii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

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

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

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

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

(xvii) According to the information and explanations given to us and on the overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long term investments.

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

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

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

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

For **LAXMINIWAS NEETH & CO**

Chartered Accountants

Firm Registration No: 002460S

Dayaniwas Sharma

Partner

Place: Hyderabad

Date: May 26, 2014

Membership No. 216244

Balance Sheet as at 31st March, 2014

₹ in lacs

Particulars	Note No	As at 31st March, 2014	As at 31st March, 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	2.1	1349.59	1349.59
Reserves and Surplus	2.2	9807.37	9544.70
		11156.96	10894.29
Non-current liabilities			
Long-term borrowings	2.3	2114.81	1421.56
Deferred tax liabilities (net)	2.4	724.31	674.33
Long-term provisions	2.5	70.92	64.39
		2910.04	2160.28
Current liabilities			
Short-term borrowings	2.6	9409.13	13053.52
Trade payables	2.7	5673.28	4386.18
Other current liabilities	2.8	1243.38	1060.42
Short-term provisions	2.9	458.26	687.15
		16784.05	19187.27
Total		30851.05	32241.84
ASSETS			
Non-current assets			
Fixed assets	2.10		
Tangible assets		8618.24	8342.24
Intangible Assets		117.24	81.67
Capital work-in-progress		585.13	80.77
Non-current investment	2.11	408.00	408.00
Long term loans and advances	2.12	66.89	66.22
Other non-current assets	2.13	--	101.59
		9795.50	9080.49
Current assets			
Current investments	2.14	0.10	0.10
Inventories	2.15	9678.83	10108.25
Trade receivables	2.16	6422.03	8882.23
Cash and bank balances	2.17	946.88	630.92
Short-term loans and advances	2.18	3868.89	3275.92
Other current assets	2.19	138.82	263.93
		21055.55	23161.35
Total		30851.05	32241.84
Significant accounting policies and notes on accounts	1 & 2		

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

As per report of even date

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

for and on behalf of the Board

Sharad B Pitti
Chairman & Managing Director

G.Narayana Rao
Director

Dayaniwas Sharma
Partner
M.No. 216244

Satyabrata Padhi
Company Secretary

G.V.S.N. Kumar
Executive Director & CFO

Place : Hyderabad
Date : 26th May, 2014

Statement of Profit and Loss for the year ended 31st March, 2014

₹ in lacs

Particulars	Note No	2013-14	2012-13
REVENUE			
Revenue from operations (Gross)		26431.36	33024.98
Less: Taxes & duties		(2089.14)	(2295.63)
Revenue from operations (Net)		24342.22	30729.35
Other Operating revenue		440.73	306.15
Total Revenue from Operations	2.20	24782.95	31035.50
Other income	2.21	196.37	129.23
Total Revenue		24979.32	31164.73
EXPENSES			
Cost of materials consumed	2.22	15950.53	20787.43
Changes in inventories of work-in-process, finished goods and scrap	2.23	(678.73)	(833.44)
Employee benefits expenses	2.24	2567.68	2783.77
Finance costs	2.25	1914.83	1791.39
Depreciation and amortization expense	2.10	875.22	837.47
Other expenses	2.26	3672.63	4212.07
Total Expenses		24302.16	29578.69
Profit before tax		677.15	1586.04
Tax expenses:			
(a) Current tax		206.64	482.53
(b) Deferred tax		49.98	118.81
Total Tax expenses	2.27	256.62	601.34
Profit for the period		420.53	984.70
Earnings per equity share:			
(a) Basic	2.28	3.12	7.30
(b) Diluted		3.12	7.30

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

As per report of even date

for **Laxminiwas Neeth & Co**

Firm Registration No. 002460S

Chartered Accountants

for and on behalf of the Board

Sharad B Pitti

Chairman & Managing Director

G.Narayana Rao

Director

Dayaniwas Sharma

Partner

M.No. 216244

Place : Hyderabad

Date : 26th May,2014

Satyabrata Padhi

Company Secretary

G.V.S.N. Kumar

Executive Director & CFO

Cash Flow Statement for the year ended 31st March, 2014

₹ in lacs

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	677.16	1586.04
Adjusted For		
Depreciation	875.23	837.47
Bad debts written off	0.17	7.71
Loss/(Profit) on sale of fixed assets	4.67	10.34
Finance Costs	1914.83	1791.39
Operating Profit before Working Capital changes	3472.06	4232.95
Working Capital Changes Adjusted For		
Trade & Other Receivables	2355.97	3179.57
Inventories	429.42	321.12
Trade Payables	1287.07	(3140.09)
Working Capital Borrowings	(3644.39)	661.69
	428.07	1022.29
Cash generated from operations	3900.13	5255.24
Taxes Paid	(522.82)	(903.45)
Cash Flow before extraordinary items	3377.31	4351.79
Net Cash Flow From Operating Activities - (A)	3377.31	4351.79
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1704.78)	(1246.20)
Proceeds from sale of fixed assets	8.95	19.81
Net Cash used in Investing Activities - (B)	(1695.83)	(1226.39)
C CASH FLOW FROM FINANCING ACTIVITIES		
Finance charges	(1914.83)	(1791.39)
Dividend Paid	(156.80)	(470.41)
Increase in investment	-	(408.00)
Term Loans	706.11	(891.99)
Other Loans	-	(70.00)
	(1365.52)	(3631.79)
Net Cash Used in Finance Activities - (C)	(1365.52)	(3631.79)
Net Increase(Decrease) in Cash & Cash Equivalents (A+B+C)	315.96	(506.39)
Opening Balance in Cash and Cash Equivalents (Cash and Bank balances)	630.92	1137.31
Closing Balance in Cash and Cash Equivalents (Cash and Bank balances)	946.88	630.92

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

As per report of even date

for **Laxmiwas Neeth & Co**

Firm Registration No. 002460S

Chartered Accountants

for and on behalf of the Board

Sharad B Pitti
Chairman & Managing Director

G.Narayana Rao
Director

Dayaniwas Sharma

Partner

M.No. 216244

Place : Hyderabad

Date : 26th May, 2014

Satyabrata Padhi
Company Secretary

G.V.S.N. Kumar
Executive Director & CFO

1. SIGNIFICANT ACCOUNTING POLICIES

Note 1.1 BASIS OF ACCOUNTING

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

Note 1.2 FIXED ASSETS

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

Note 1.3 REVENUE / EXPENDITURE RECOGNITION

Revenue is recognized when it can be reliably measured and when all significant risks and rewards/ownership are transferred to the customer.

Expenditure is accounted for on accrual basis and provision is made for all known losses and obligations.

Note 1.4 INVESTMENTS

Non-current investments are stated at cost, and provision is made when there is a decline other than temporary in the carrying value of such investments, determined separately in respect of each category of investment.

Note 1.5 INVENTORIES

Inventories are valued as under:

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

The cost of inventories comprises of all costs of purchases, cost of conversion and other costs incurred in bringing the inventories to their present conditions.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

1. SIGNIFICANT ACCOUNTING POLICIES (contd.)

Note 1.6 RETIREMENT BENEFITS

1.6.1 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.

1.6.2 Defined Benefit Plan:

a) **Gratuity:** In accordance with applicable Indian Laws, the company provides gratuity, a defined benefit retirement plan (the Gratuity Plan) covering all employees. The gratuity plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the company. Liability with regard to Gratuity Plan is accrued based on actuarial valuation at the Balance Sheet date.

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

Note 1.7 BORROWING COSTS

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

Note 1.8 FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are recorded at the exchange rates prevailing on the dates when the relevant transactions took place. Exchange difference arising settled foreign currency transactions during the year and translation of assets and liabilities at the yearend are recognized in the statement of profit and loss.

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

Note 1.9 LEASES

Assets acquired by way of finance lease are capitalized at the lower of the fair value and the present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between finance charge and reduction of the lease liability based on the implicit rate of return. Finance charges are recognized as finance costs in the Statement of Profit and Loss. Lease rentals paid in respect of operating leases are recognized as an expense in the statement of Profit and Loss.

Note 1.10 TAXATION

1.10.1 Income Tax

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

1.10.2 Deferred Tax

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

2. NOTES TO THE FINANCIAL STATEMENTS

		₹ in lacs	
		As at 31st March, 2014	As at 31st March, 2013
Note	2.1	SHARE CAPITAL	
Authorised Capital			
1,50,00,000 (Previous year 1,50,00,000) Equity Shares of ₹10/- each		1500.00	1500.00
Issued, Subscribed and Paid up 13491700 (Previous year 13491700) Equity shares of ₹10/- each		1349.17	1349.17
Shares forfeited (8300 Shares of ₹5/- each)		0.42	0.42
Total		1349.59	1349.59

		₹ in lacs			
Particulars	2013-14		2012-13		
	No of shares	Value (₹)	No of shares	Value (₹)	
Issued, subscribed and paid-up capital					
At the beginning of the period	13491700	1349.17	13491700	1349.17	
Issued during the period - (Shares on Preferential basis)	-	-	-	-	
At the closing of the period	13491700	1349.17	13491700	1349.17	

Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at 31st March, 2014		As at 31st March, 2013	
	%	No. of shares	%	No. of shares
Shri Sharad B Pitti	15.85	2137780	15.85	2137780
Shri Akshay S Pitti	11.70	1579100	11.70	1579100
Smt Madhuri S Pitti	5.79	781100	5.79	781100
Pitti Electrical Equipment Pvt Ltd	25.87	3490000	25.87	3490000

		₹ in lacs	
		As at 31st March, 2014	As at 31st March, 2013
Note	2.2	RESERVES AND SURPLUS	
Securities Premium Reserve			
At the beginning of the year		3799.79	3799.79
Add: During the period - (Shares on Preferential basis)		-	--
At the closing of the period		3799.79	3799.79
General Reserve			
At the beginning of the year		780.00	780.00
Add: Transferred from P&L Account during the year		25.00	--
Total		805.00	780.00
Surplus in the Statement of Profit and Loss			
At the beginning of the year		4964.90	4137.01
Add :Profit for the period		420.53	984.70
Less : Proposed dividend (inclusive of tax)		(157.85)	(156.80)
Less: Transferred to general reserve during the year		(25.00)	-
Net Surplus in the Statement of Profit and Loss		5202.58	4964.91
Total		9807.37	9544.70

2. NOTES TO THE FINANCIAL STATEMENTS (contd.)

			₹ in lacs	
			As at 31st March, 2014	As at 31st March, 2013
Note	2.3	LONG-TERM BORROWINGS		
A. Secured Loans				
		Term Loans from Banks (Refer Note a)	1378.46	532.71
		Term Loans from others (Refer Note b)	454.03	549.07
		Other loans from Bank (Refer Note c)	--	56.29
		Sub total	1832.49	1138.07
Vehicle Loans				
		Vehicle Loan from Banks (Refer Note d)	--	1.17
		Sub total	--	1.17
		Total- A	1832.49	1139.24
B. Un secured loans				
		Sales Tax Deferral (Refer Note e)	282.32	282.32
		Total- B	282.32	282.32
		Total - (A+B)	2114.81	1421.56

Notes:

- a) i) Term loans from scheduled bank, Oriental Bank of commerce is secured by equitable mortgage of movable and immovable properties and first charge on the present and future fixed assets of the company situated at Plant I and Plant II Nandigaon, Mahaboobnagar district. A.P Further these are secured by a second charge on the present and future current assets of the company and personal guarantee provided by the Chairman and Managing Director & Vice Chairman and Managing Director. (Refer Note 2.8 (a) for terms of repayment).
- ii) Term loans from scheduled bank, State Bank of India is secured by equitable mortgage of movable and immovable properties and first charge on the present and future fixed assets of the company situated at Plant I and Plant II Nandigaon, Mahaboobnagar district. A.P Further these are secured by a second charge on the present and future current assets of the company and personal guarantee provided by the Chairman and Managing Director & Vice Chairman and Managing Director and their relative.
- b) The above term loan from others is secured by exclusive charge on the machinery purchased to the extent funded and personal guarantee provided by the Chairman and Managing Director & Vice Chairman and Managing Director. (Refer Note 2.8 (a) for terms of repayment).
- c) Secured against lien on FDR from Agroha Co-operative Urban Bank. (Loan closed in September 2013).
- d) Secured against hypothecation of vehicles. Long term liability for previous year has been cleared during FY 2013-14 (Refer Note 2.8 (b) for terms of repayment for current year liability).
- e) Represents 14 years interest free sales tax deferment loan received from Government of Andhra Pradesh. Repayment commences from January 2018 based on the deferment availed in the respective years.

Note	2.4	DEFERRED TAX LIABILITIES (NET)		
		At the beginning of the year	674.33	555.52
		Provision for the year	49.98	118.81
		Closing balance	724.31	674.33

2. NOTES TO THE FINANCIAL STATEMENTS (contd.)

₹ in lacs

		As at 31st March, 2014	As at 31st March, 2013
Note	2.5	LONG-TERM PROVISIONS	
		70.92	64.39
Total		70.92	64.39

		As at 31st March, 2014	As at 31st March, 2013
Note	2.6	SHORT-TERM BORROWINGS	
		9409.13	13053.52
Total		9409.13	13053.52

Note:

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

		As at 31st March, 2014	As at 31st March, 2013
Note	2.7	TRADE PAYABLES	
		5673.28	4386.18
Total		5673.28	4386.18

Note:

Out of the said amount ₹28.67 lacs (Previous year ₹67.12 lacs) pertain to Micro, Small and Medium Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006. The information has been given in respect of such vendors to the extent they could be identified as Micro and Small enterprises on the basis of information available with the company on records.

		As at 31st March, 2014	As at 31st March, 2013
Note	2.8	OTHER CURRENT LIABILITIES	
		30.19	29.19
		8.46	8.55
		528.27	479.80
		1.34	36.96
		675.12	505.92
Total		1243.38	1060.42

Notes:

- a) Terms of repayment are given below:
- Loan taken from Oriental Bank of Commerce is repayable in quarterly instalments of ₹68.75 lacs each till January 2016.
 - Loan taken from TATA Capital Financial Service Ltd., is repayable in quarterly instalments of ₹18.89 lacs each till April, 2017
 - Loan taken from TATA Capital Financial Service Ltd., is repayable in quarterly instalments of ₹2.36 lacs each till April' 2017
 - Loan taken from TATA Capital Financial Service Ltd., is repayable in quarterly instalments of ₹12.82 lacs each inclusive of interest till April' 2017
 - Loan taken from L & T Finance Ltd., is repayable in quarterly instalments of ₹29.25 lacs each till June'2016
- b) Terms of repayment are given below:
- Loan taken from Axis Bank is repayable in monthly instalments of ₹0.17 lacs each inclusive of interest till November 2014

2. NOTES TO THE FINANCIAL STATEMENTS (contd.)

		₹ in lacs	
		As at 31st March, 2014	As at 31st March, 2013
Note	2.9	SHORT-TERM PROVISIONS	
Provision for employee benefits :			
	Provision for Gratuity	17.36	7.52
	Provision for Bonus	20.08	36.30
	Provision for Leave encashment	58.11	48.60
Other Provisions :			
	Proposed Dividend (Incl. Tax)	157.85	156.80
	Provision for taxation	204.86	437.93
Total		458.26	687.15

		₹ in lacs								
Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2013	Additions	Adjustments	As at 31.03.2014	As at 01.04.2013	For The Year	Adjustments	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
Tangible Assets:										
Land	233.27	0.00	0.00	233.27	0.00	0.00	0.00	0.00	233.27	233.27
Factory Building	1592.89	0.00	0.00	1592.89	305.63	53.20	0.00	358.83	1234.06	1287.26
Lease hold Property	821.05	0.00	0.00	821.05	313.06	43.19	0.00	356.26	464.79	507.98
Plant & Equipment	9154.30	1020.79	3.80	10171.29	3374.90	628.76	3.80	3999.86	6171.43	5779.40
Office Equipment	104.33	40.56	15.58	129.31	54.20	5.10	13.73	45.58	83.74	50.12
Furniture & Fixtures	164.94	22.57	1.60	185.91	71.30	19.72	1.07	89.94	95.97	93.64
Other -Computers	378.19	26.91	0.00	405.10	274.11	29.66		303.77	101.33	104.08
Vehicles	474.95	0.00	29.51	445.44	188.46	41.59	18.27	211.79	233.65	286.49
Sub Total	12923.92	1110.83	50.49	13984.26	4581.66	821.22	36.87	5366.03	8618.24	8342.24
Intangible Assets										
Computer Software	251.57	89.57	0.00	341.14	169.90	54.00	0.00	223.90	117.24	81.67
Sub Total	251.57	89.57	0.00	341.14	169.90	54.00	0.00	223.90	117.24	81.67
Total	13175.49	1200.40	50.49	14325.40	4751.56	875.22	36.87	5589.93	8735.47	8423.91
Previous Year	11681.59	1553.83	59.95	13175.48	3943.88	837.47	29.79	4751.56	8423.91	7737.71
Capital Work In Progress								-	585.13	80.77

		₹ in lacs	
		As at 31st March, 2014	As at 31st March, 2013
Note	2.11	NON-CURRENT INVESTMENT	
	Trade investment		
	Investment in associate		
	Investment with Pitti Castings Private Ltd (PCPL) (Unquoted)	408.00	408.00
	(No. of shares 3570000 at face value ₹10/- per share)	--	--
	(No. of share warrants 510000 at face value ₹10/- per share warrants)	--	--
Total		408.00	408.00

Note: The networth of PCPL shows negative balance as on 31st March 2014. It is expected to turn positive on conversion of unsecured loans into share capital.

2. NOTES TO THE FINANCIAL STATEMENTS (contd.)

₹ in lacs

	As at 31st March, 2014	As at 31st March, 2013
Note 2.12 LONG TERM LOANS AND ADVANCES		
Unsecured, considered good		
Deposits:		
Rent	20.46	20.46
With suppliers	0.70	3.04
With Govt., bodies	45.73	42.72
Total	66.89	66.22
Note 2.13 OTHER NON-CURRENT ASSETS		
FDR with Agroha Co-op. Urban bank Ltd	--	101.59
Total	--	101.59
Note 2.14 CURRENT INVESTMENTS		
1000 Equity Shares of Development Credit Bank Ltd., at ₹10/- each (Quoted) (Market Value ₹60950/-, previous year ₹42650/-)	0.10	0.10
	--	--
Total	0.10	0.10
Note 2.15 INVENTORIES		
(At lower of cost or Net realisable value)		
Raw material	3319.19	4418.48
Work in process	1473.10	1373.47
Finished goods	3082.06	2454.31
Stores and spares	269.80	249.84
Press tools & dies	1500.54	1529.36
Scrap	34.14	82.79
Total	9678.83	10108.25
Note 2.16 TRADE RECEIVABLES		
(Unsecured, considered good)		
Outstanding for a period exceeding six months	253.29	489.88
Others	6168.74	8392.35
Total	6422.03	8882.23

2. NOTES TO THE FINANCIAL STATEMENTS (contd.)

		₹ in lacs	
		As at 31st March, 2014	As at 31st March, 2013
Note	2.17	CASH AND BANK BALANCES	
Cash and cash equivalents			
Balances with banks			
		61.38	57.54
		30.19	29.49
		2.61	4.29
Other bank balances			
		852.70	539.60
Total		946.88	630.92

Notes:

- a) An amount of ₹194968/- for the year 2005-06 (final dividend) was transferred to Investor Education and Protection Fund (IEPF)
- b) Term Deposits are held as Margins for LC/BG

Note	2.18	SHORT-TERM LOANS AND ADVANCES	
(Unsecured and considered good)			
Advances to:			
		1311.15	53.22
		1233.00	1,233.00
		1054.45	1633.78
		196.72	227.21
		13.38	8.08
		60.19	120.63
Total		3868.89	3275.92

Note	2.19	OTHER CURRENT ASSETS	
		114.82	238.72
		24.00	25.21
Total		138.82	263.93

2. NOTES TO THE FINANCIAL STATEMENTS (contd.)

₹ in lacs

	2013-14	2012-13
Note 2.20 REVENUES FROM OPERATIONS		
A. Sales & Services		
Sale of Stampings	21968.44	28428.68
Sale of Scrap	3214.27	3902.65
Sale of Tools	487.42	187.41
Job work Income	761.23	506.24
Gross Sales & Services	26431.36	33024.98
Less: Taxes & Duties	(2089.14)	(2295.63)
Net Sales & Services	24342.22	30729.35
B. Other Operating revenue		
Export incentives and others	440.73	306.15
Total	440.73	306.15
Total Revenue from Operations A+B	24782.95	31035.50

Note 2.21 OTHER INCOME		
Interest on Deposits	187.63	83.73
Profit on Sale of Asset	1.26	2.34
Other Misc. Receipts	7.48	43.16
Total	196.37	129.23

Note 2.22 COST OF MATERIALS CONSUMED		
Opening stock	4418.48	5556.84
Add: Purchases	14851.23	19649.07
Less: Closing stock	(3319.18)	(4418.48)
Consumption	15950.53	20787.43

Note 2.23 CHANGES IN INVENTORIES OF WORK-IN-PROCESS FINISHED GOODS AND SCRAP		
A. Opening stocks:		
Work-in-process	1373.47	1464.86
Finished goods	2454.31	1160.07
Scrap	82.79	452.20
Total - A	3910.57	3077.13
B. Closing stocks:		
Work-in-process	1473.10	1373.47
Finished goods	3082.06	2454.31
Scrap	34.14	82.79
Total - B	4589.30	3910.57
C. Increase/(Decrease) in stocks (B-A)	678.73	833.44

2. NOTES TO THE FINANCIAL STATEMENTS (contd.)

		₹ in lacs	
		2013-14	2012-13
Note	2.24	EMPLOYEE BENEFIT EXPENSE	
	Employees remuneration and benefits	2067.59	2267.45
	Contribution to PF/ESI	139.35	148.65
	Gratuity expenses	56.58	71.92
	Remuneration to Managerial personnel	200.78	178.95
	Staff welfare expenses	103.38	116.80
	Total	2567.68	2783.77
Note	2.25	FINANCE COSTS	
	Interest on Term Loans	177.74	270.14
	Interest on Working Capital	676.28	1212.63
	Bank Charges	154.28	179.83
	Forex Loss/(Gain) (net)	906.53	128.79
	Total	1914.83	1791.39
Note	2.26	OTHER EXPENSES	
	Consumption of Stores, Spares, Tools & Dies	732.31	621.77
	Power & fuel	315.83	273.28
	Job Work Charges	180.07	146.31
	Repairs & Maintenance :		
	Plant	48.95	78.99
	Building	14.92	6.03
	Vehicles	43.42	35.27
	Other Assets	59.03	73.05
	Discounts to Customers	330.88	576.84
	Other selling & Distribution expenses	214.92	307.61
	Packing Cost	394.75	685.12
	Carriage outwards	245.77	265.30
	Travelling & Conveyance	382.83	321.96
	Insurance	53.61	60.92
	Rent	124.63	126.26
	Rates & Taxes (Excluding Taxes on Income)	59.16	111.08
	Board Meeting Expenses	2.37	3.32
	Remuneration to auditors :		
	Audit Fee	7.00	6.00
	Tax Audit Fee	1.00	1.00
	Certification Fee /Taxation matter	0.48	1.14
	Communication Expenses	45.15	43.60
	Professional consultancy	132.02	205.35
	Miscellaneous Expenses	283.53	261.87
	Total	3672.63	4212.06

2. NOTES TO THE FINANCIAL STATEMENTS (contd.)

		₹ in lacs	
		2013-14	2012-13
Note	2.27	TAX EXPENSES	
Current tax expenses			
Current tax		206.64	482.53
Deferred (credit)/expenses		49.98	118.81
Total		256.62	601.34

Note	2.28	EARNINGS PER SHARE (EPS)	
The computation of EPS is set out below:			
Earnings			
Net profit for the period (₹ In lakhs)		420.53	984.70
Shares			
Number of shares at the beginning of the period		13491700	13491700
Add: Shares issued during the period		-	-
Total number of equity shares outstanding at the end of the period		13491700	13491700
Weighted average number of equity shares outstanding during the period		13491700	13491700
Earnings per share of par value ₹10/- Basic & Diluted (₹)		3.12	7.30

		₹ in lacs	
Particulars		As at 31st March, 2014	As at 31st March, 2013
Note	2.29	CONTINGENT LIABILITIES NOT PROVIDED FOR	
A) Claims against the Company not acknowledged as debts:			
i) Income Tax Liability in respect of the appeals preferred by the company with CIT (Appeals) and appeals preferred by the Department in the High Court of Judicature of A.P. Hyderabad, pending disposal. (Net of refund receivable)		122.18*	173.50*
ii) Service Tax liability for which appeal is pending		139.02*	134.19*
B) Commitments / Contingent Liabilities:			
i) Liability against factoring of bills		-	-
ii) Estimated amount of contracts remaining to be executed on Capital accounts		290.23	21.17
iii) Bank guarantees		265.32	308.50

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

2. NOTES TO THE FINANCIAL STATEMENTS (contd.)

Note 2.30 EMPLOYEE BENEFIT PLANS

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

Assumptions:

	Gratuity Plan		Leave Encashment Plan	
	2013-14	2012-13	2013-14	2012-13
Discount Rate	9.15%	8.20%	9.15%	8.20%
Rate of increase in Compensation levels	2% p.a.	2% p.a.	2% p.a.	2% p.a.
Rate of Return on Plan Assets	8%	9%	0%	0%
Expected Average remaining working lives of employees (years)	22 Yrs	22 Yrs	22 Yrs	22 Yrs

Table Showing Changes in Present Value of Obligations

₹

	2013-14	2012-13	2013-14	2012-13
Present Value of Obligation as at the beginning of the year	2,00,94,505	2,12,31,083	48,60,306	58,88,880
Interest Cost	16,47,749	18,25,873	3,98,545	5,06,444
Current Service Cost	32,89,791	26,33,230	9,50,881	(10,28,574)
Benefits paid	(22,18,773)	(95,19,502)	(35,51,622)	(74,96,655)
Actuarial (gain)/ loss on obligations	19,53,850	39,23,821	31,53,077	69,90,211
Present Value of Obligation as at the end of the year	2,47,67,122	2,00,94,505	58,11,187	48,60,306

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

₹

	2013-14	2012-13	2013-14	2012-13
Present Value of Obligation as at the end of the year	2,47,67,122	2,00,94,505	58,11,187	48,60,306
Fair Value of Plan Assets as at the end of the year	1,59,39,280	1,29,02,308	-	-
Funded Status	(88,27,842)	(71,92,197)	(58,11,187)	(48,60,306)
Net Asset / (Liability) Recognized in Balance Sheet	(88,27,842)	(71,92,197)	(58,11,187)	(48,60,306)

Expenses Recognized in the statement of Profit and Loss

₹

	2013-14	2012-13	2013-14	2012-13
Current Service Cost	32,89,791	26,33,230	9,50,881	(10,28,574)
Past Service Cost	-	-	-	-
Interest Cost	16,47,749	18,25,873	3,98,545	5,06,444
Expected Return on Plan Assets	(12,33,129)	(10,85,221)	-	-
Net actuarial (gain)/ loss recognized in the year	19,53,850	38,18,315	31,53,077	69,90,211
Expenses Recognized in the Statement of Profit & Loss	56,58,261	71,92,197	45,02,503	64,68,081

2. NOTES TO THE FINANCIAL STATEMENTS (contd.)

		₹ in lacs
Description		Value
Note	2.31	DETAILS OF CONSUMPTION OF RAW MATERIALS
Imported (Silicon Steel)		6179.31 (7106.24)
Indigenous (Silicon Steel)		8258.48 (10682.43)
Others		1512.74 (2998.76)
Total		15950.53 (20787.43)

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

		₹ in lacs		
Description		Sales Values	Closing Inventory	Opening Inventory
Note	2.32	DETAILS OF MANUFACTURED GOODS		
Stampings		21968.44 (28428.69)	3082.06 (2454.31)	2454.31 (1160.06)
Others		4462.92 (4596.30)	-	-
Total		26431.36 (33024.99)	3082.06 (2454.31)	2454.31 (1160.06)

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

		₹ in lacs
Description		WIP
Note	2.33	DETAILS OF WORK IN PROCESS
Stampings		1473.10 (1373.47)
Total		1473.10 (1373.47)

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

		₹ in lacs	
Particulars		2013-14	2012-13
Note	2.34	CIF VALUE OF IMPORTS	
Raw Materials		4,989.84	5,908.78
Stores and Spares		43.59	38.03
Capital goods		1,123.81	711.23
Total		6,157.24	6,658.04

Note	2.35	EARNINGS IN FOREIGN CURRENCY	
FOB value of Exports		10,111.39	15,803.47

2. NOTES TO THE FINANCIAL STATEMENTS (contd.)

		₹ in lacs	
Particulars		2013-14	2012-13
Note	2.36	EXPENDITURE IN FOREIGN CURRENCY	
	Travelling and others	163.81	216.69

Note 2.37 **SEGMENT REPORTING:**

a) Primary Segment Reporting –

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

b) Secondary Segment (by Geographical Segment)

		₹ in lacs	
Particulars		Year Ended	
		2013-14	2012-13
Segment Revenue:			
a)	India	16,134.40	17,232.33
b)	Outside India	10,296.96	15,792.66
TOTAL		26,431.36	33,024.99

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.

		₹ in lacs					
Sl. No.	Segment Assets	Carrying amount of assets as on		Additions to Fixed Assets during the year			
		31.03.2014	31.03.2013	2013-14		2012-13	
				Put to use	CWIP	Put to use	CWIP
a)	India	27,789.05	26,367.75	1,200.42	585.13	1,553.83	80.77
b)	Outside India	3,062.01	5,874.08	-	-	-	-
TOTAL		30,851.06	32,241.83	1,200.42	585.13	1,553.83	80.77

Note 2.38 **RELATED PARTY DISCLOSURES:**

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

A. List of Related parties:**I) Directors / Relatives**

- 1) Shri Sharad B Pitti
- 2) Shri Akshay S Pitti
- 3) Smt Shanti B Pitti
- 4) Smt Madhuri S Pitti
- 5) Smt Radhika A Pitti
- 6) Shri Y B Sahgal
- 7) Shri Sanjay Srivastava
- 8) Shri GVSN Kumar

II) Directors' interest

- 1) Pitti Castings Private Limited
- 2) Pitti Electrical Equipment Pvt. Ltd.
- 3) Pitti Components Limited
- 4) Vaksh Steels Private Limited
- 5) Pitti Holdings Private Limited
- 6) Badrivishal Pannalal Pitti Trust
- 7) Akshva Ispat Private Limited

2. NOTES TO THE FINANCIAL STATEMENTS (contd.)

Note 2.38 RELATED PARTY DISCLOSURES (contd.)

B. Transactions/balances outstanding with related parties				₹ in lacs
SL No	Transactions/ Outstanding Balances	Directors/ Relatives	Director's interest in firm / company	Total
1	Remuneration	213.98	-	213.98
2	Rent /Lease	85.20	-	85.20
3	Interest paid	-	9.72	9.72
4	Interest received	-	119.36	119.36
5	Purchases	-	968.13	968.13
6	Sales	-	93.99	93.99
7	ICDs - accepted	-	700.00	700.00
8	ICDs - refunded	-	700.00	700.00
9	ICDs - given	-	525.00	525.00
10	Donations paid	-	55.25	55.25
11	Job work charges incurred	-	41.01	41.01
12	Job work charges earned	-	210.65	210.65
13	Amount payable at the year end	20.05	-	20.05
14	Amount receivable at the year end	13.41	686.69	700.10

Particulars	₹ in lacs	
	FUTURE PAYMENTS	
	As at 31.03.2014	As at 31.03.2013
Note 2.39 OPERATING LEASE: (As a Lessee)		
Within one year	112.20	112.20
Between one year and five years.	84.56	111.56
Above five years	194.50	223.48

Particulars	₹ in lacs		
	Deferred Tax (Liability)/ Asset as at 01.04.2013	Current Year charge (Credit)	Deferred Tax (Liability)/ Asset as at 31.03.2014
Note 2.40 DEFERRED TAX			
Difference between Depreciation as per Co's Act. & as per IT Act.	(725.21)	(53.12)	(778.33)
Others	50.88	3.14	54.02
Deferred Tax Net	(674.33)	(49.98)	(724.31)

Note 2.41

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

Note 2.42

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

2. NOTES TO THE FINANCIAL STATEMENTS (contd.)

Note 2.43

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

Disclosure required as per section 22 of the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act.) as at 31.03.2014.

		₹ in lacs	
SL No	Description	2013-14	2012-13
1	Principal amount due to suppliers under MSMED	28.67	67.12
2	Interest accrued and due to suppliers covered under MSMED on the above amount ,unpaid	0.66	2.26
3	Payment made to suppliers (With Interest) beyond the appointed day during the year.	204.78	32.67
4	Payment made to suppliers (Other than interest) beyond the appointed day during the previous year	-	-
5	Interest paid to suppliers covered under MSMED	8.40	0.90
6	Interest due & Payable to suppliers covered under MSMED Act., towards payments already made.	-	-

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

Note 2.44

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

		₹ in lacs	
		As on 31st March, 2014	As on 31st March, 2013
Note 2.45	FINANCIAL AND DERIVATIVE INSTRUMENTS:		
	Forward contracts	1,364.86	6,333.09

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

Note 2.46

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

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

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

Dayaniwas Sharma
Partner
M.No. 216244

Place : Hyderabad
Date : 26th May,2014

for and on behalf of the Board

Sharad B Pitti
Chairman & Managing Director

G.Narayana Rao
Director

Satyabrata Padhi
Company Secretary

G.V.S.N. Kumar
Executive Director & CFO



PITTI LAMINATIONS LIMITED

CIN: L29253TG1983PLC004141

Registered Office: 6-3-648/401, IV Floor, Padmaja Landmark, Somajiguda, Hyderabad-500 082, Telangana, INDIA

Ph: 040 - 23312774, Fax No. : 040 - 23393985 • Email: info@pittilam.com, website: www.pittielectriclam.com

Please fill up this Attendance slip and hand it over at the entrance of the Meeting hall. Please also bring your copy of the enclosed annual report.

ATTENDANCE SLIP

I hereby record my presence at the 30th Annual General Meeting of the Company held at 4.00 p.m on Monday, 22nd September 2014 at the West Minister Hall, The Central Court Hotel, 6-1-71, Lakdikapool, Hyderabad – 500082.

REGD. FOLIO NO. / CLIENT ID

NO. OF SHARES

Name of the Member / Proxy

Signature of the Member / Proxy

Note: Member / Proxy who wish to attend the Meeting must bring this attendance slip to the Meeting and handover at the entrance at the Meeting hall duly signed.





PITTI LAMINATIONS LIMITED

CIN: L29253TG1983PLC004141

Registered Office: 6-3-648/401, IV Floor, Padmaja Landmark, Somajiguda, Hyderabad-500 082, Telangana, INDIA

Ph: 040 - 23312774, Fax No. : 040 - 23393985 • Email: info@pittilam.com, website: www.pittieletriclam.com

PROXY FORM

Name of the Member (s):	
Registered address:	
E-mail ID:	
Folio No / DP ID – Client ID:	
I/we, being the Member(s) of PITTI LAMINATIONS LIMITED holding _____ shares of the above named company, hereby appoint	
1.	Name: Adress: E-mail ID: Signature: _____ or failing him
2.	Name: Adress: E-mail ID: Signature: _____ or failing him
3.	Name: Adress: E-mail ID: Signature:

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 30th Annual General Meeting of the Company, to be held on Monday, the 22nd September 2014 at 4.00 P.M at the West Minister Hall, The Central Court Hotel, 6-1-71, Lakdikapool, Hyderabad – 500082 and at any adjournment thereof in respect of such Resolutions as are indicated below:

Resolution No.	Resolutions
Ordinary Business:	
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31 st March, 2014 including the Audited Balance Sheet as at 31 st March, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and Auditors thereon.
2.	To declare dividend on equity shares for the financial year ended 31 st March 2014.
3.	Appointment of Shri Akshay S Pitti as Director of the Company.
4.	Appointment of M/s. Laxminiwas & Co, Chartered Accountants as Auditors and fix their remuneration.
Special Business:	
5.	To appoint Shri G Narayana Rao as an Independent Director of the Company.
6.	To appoint Shri Kanti Kumar R Podar as an Independent Director of the Company.
7.	To appoint Shri N R Ganti as an Independent Director of the Company.
8.	To appoint Shri G Vijaya Kumar as an Independent Director of the Company.
9.	To appoint Shri M Gopalakrishna, IAS (Retd) as an Independent Director of the Company.
10.	To appoint Shri TSSN Murthy as an Independent Director of the Company.
11.	To appoint Ms. Gayathri Ramachandran, IAS (Retd) as an Independent Director of the Company.
12.	To approve the appointment of Shri GVSN Kumar as an Executive Director & CFO of the Company for a period of three years w.e.f 04 th November 2013.
13.	To approve borrowing powers of the Board pursuant to section 180(1)(c) of the Companies Act, 2013.
14.	To approve creation of security on the assets of the Company pursuant to section 180(1)(a) of the Companies Act, 2013.

Signed thisday of2014

Signature of Shareholder

Signature of the Proxy holder(s)

Affix Revenue Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



Pitti Laminations Limited

6-3-648/401, 4th Floor

Padmaja Landmark, Somajiguda

Hyderabad 500082

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