



PITTI LAMINATIONS LIMITED



BOARD OF DIRECTORS

SHARAD B. PITTI	CHAIRMAN & MANAGING DIRECTOR
KANTIKUMAR R. PODAR	DIRECTOR
G. NARAYANA RAO	DIRECTOR
ARUN GARODIA	DIRECTOR

SECRETARY & DGM (FINANCE)

B.K. PRASAD

BANKERS

STATE BANK OF INDIA

Industrial Finance Branch,
Hyderabad - 500 082.

DEVELOPMENT CREDIT BANK LTD.,

Hyderabad - 500 001.

BANK OF BAHRAIN & KUWAIT BSC

Hyderabad - 500 082.

AUDITORS

LAKSHMINIWAS & JAIN

Chartered Accountants
Hyderabad - 500 001.

SHARE TRANSFER AGENTS

IKON VISIONS (P) LTD.

33, Sanali Heavens, 8-3-948,
Ameerpet, Hyderabad - 500 073.

REGD. OFFICE

6-3-648/2, Somajiguda

Hyderabad - 500 082.

FACTORY

Nandigaon

Mahaboobnagar District,

A.P. - 590 233.



NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of the Company will be held on Friday, the 29th September, 2000 at 2.30 p.m. at Surana Udyog Auditorium, The Federation of Andhra Pradesh Chamber of Commerce & Industry, 11-6-841, Red Hills, PB No.14, Hyderabad - 500 004 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March, 2000 and the Balance Sheet as at the date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri G.Narayana Rao who retires by rotation and who being eligible offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting upto the conclusion of next Annual General Meeting and to fix their remuneration.

NOTE :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. A proxy is not entitled to speak at the meeting or vote except on a poll.
2. The instrument of proxy duly stamped and executed should be deposited at the Registered office of the Company atleast forty eight hours before the time fixed for commencement of the meeting.
3. Members seeking any information with regard to accounts are requested to write to the Company atleast 10 days in advance of the meeting to enable the management to keep the information ready.
4. The Register of Members and Share transfer books of the Company will remain closed from 28th September, 2000 to 29th September, 2000 both days inclusive.

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

B. Kameswara Prasad
Secretary & DGM (Finance)

Place : Hyderabad
Date : 22nd April, 2000



DIRECTORS' REPORT

Dear Shareholders,

The Directors have pleasure in presenting their Sixteenth Annual Report on the business and operations of the company and the Audited Accounts for the Financial year ended 31st March, 2000.

FINANCIAL RESULTS

The Financial results for the year 1999-2000 in comparison with 1998-99 are presented herein below:

	(Rs.in lacs)	
	1999-2000	1998-99
Gross Sales &		
Other Income	2252.85	2053.15
Taxes & Duties	340.38	336.03
Net Sales &		
Other income	1912.47	1717.12
Total Expenditure	1823.53	2034.78
Profit/(Loss)before depreciation and Finance charges	88.94	(317.66)
Depreciation	78.89	78.26
Finance charges	401.85	381.87
Profit/(Loss)before tax	391.80	(777.79)
Provision for taxation	—	—
Net Profit/(Loss)	(391.80)	(777.79)
Profit/(Loss)brought forward from		
from Previous year	(697.98)	(168.22)
Prior period adjustments	6.13	(26.37)
General Reserve written back	—	274.40
Profit/(Loss) available for appropriation	(1083.65)	(697.98)

REVIEW OF OPERATIONS : 1999-2000

For the Electrical and Engineering industry, in general, it was yet another year of sluggish demand. However signals of improvement in the market started emanating in the second half of the year under review.

Consequent to the improvement in the demand, as against 2339 MT achieved in 1998-1999 the sales stood at 2778 MT registering a growth of 18.76%. It may be recalled that your Directors had projected a sales level of 2600 MT in 1999-2000. However the turnover stands at Rs.2250.42 lacs registering an increase of Rs.201.18 lacs, a rise of 9.81% only over the previous year due to higher quantity of job work done during the year under review as compared to the job work done in last year.

The operational loss for 1999-2000 is down to Rs.60.42 lacs from Rs.201 lacs incurred in 1998-1999. This is because of higher volumes attained by the company, stringent cost reduction and control and higher exports.

The operational loss of Rs.60.42 lacs would have been lower but for the write-off of debtors amounting to Rs.6.95 lacs. These bad debts represent the sales made in earlier years for which payments were not forthcoming. Members may note that due to improved working, the company could earn a cash profit of Rs.30.60 lacs.

The company has written-off tools which are more than three years old (made/procured on or before 01.04.97) the value of which comes to Rs.331.38 lacs. After inclusion of loss resulting from write-off of tools, the total loss for 1999-2000 comes to Rs.391.80 lacs. The company will be retaining tools made or procured during the preceding three years (97-98 to 99-2000) amounting to Rs.373.98 lacs.



DECLARATION BY BIFR

Members are aware that the company made a reference to BIFR under the proviso to sub section (1) of section 15 of SICA. In its first hearing held on 28th March, 2000, BIFR has declared the company as a sick company in terms of section 3(1) (o) of the Act.

State Bank of India, Industrial Finance Branch, Hyderabad, the leader of the consortium of bankers, has been appointed as Operating Agency and a comprehensive rehabilitation package is being worked out by the company and will be submitted to Industrial Development Bank of India and consortium bankers for their approval.

DIVIDEND

In view of the losses incurred by the company, your Directors express their inability to recommend dividend for 1999-2000.

CURRENT YEAR'S PERFORMANCE & FUTURE PROSPECTS

Considering the improvement in the market which is expected to sustain and based on the interaction with the customers, your Directors have set a sales target of 3100 MT which would mean a growth rate of 11.59% over the sales of 1999-2000. This would also result in improved financials and possibly even a nominal profit provided the revival scheme is in place for a major part of the year.

EXPORTS

Your Directors are happy to inform you that the company has increased its exports notching a turnover of Rs.81.19 lacs as against Rs.19.23 lacs in 1998-1999. Every endeavour will be made to further step up exports during the current year.

LISTING OF SECURITIES

Your company's securities are listed at the stock exchanges of Mumbai and Hyderabad and the company is regular in paying the annual listing fee to the exchanges.

Y2K COMPLIANCE

The Company has achieved the Y2K transition without any disruption. The cost for Y2K compliance being minimal has not been separately shown in the financial statements.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Shri G. Narayana Rao, Director retires by rotation and being eligible offers himself for reappointment.

AUDITORS

The present Auditors M/s. Lakshminiwas & Jain Chartered Accountants, Hyderabad, retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

INDUSTRIAL RELATIONS

Industrial relations have been very cordial inspite of the adverse circumstances during the year under review. The management will always value and cherish the untiring efforts and the commitment of employees at all levels.

The Directors take this opportunity to place on record their appreciation of the human resources of the company.

PARTICULARS OF EMPLOYEES

Information pursuant to Section 217(2A) of the



Companies Act, 1956 read with Companies (Particulars of Employees) (Amendment) Rules 1994 are not applicable as none of the employees was entitled to a remuneration of Rs.6,00,000/- or more per year or Rs.50,000 or more per month.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

Additional information to the extent applicable, on conservation of energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed in terms of section 217(1) (e) of the Companies Act, 1956 and the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto and forms part of the Report.

ACKNOWLEDGEMENT

The Company places on record its gratitude to State Bank of India, Industrial Finance Branch, Hyderabad and other consortium Bankers for formulating an arrangement for holding-on measures which has ensured near normal

operations. The company is grateful to the Bankers for adopting a positive role at the proceedings held at BIFR, New Delhi.

The Company is grateful to Industrial Development Bank of India, Chennai for the key role played in the growth and development of the Company and for its decision to support the company in the revival plan.

Your Directors thank all the customers, suppliers, business associates and government bodies and agencies for the patronage, support and co-operation extended to the company.

The Directors take this opportunity to thank the shareholders who have stood by the company at this critical juncture.

For and on behalf of the Board

SHARAD B PITTI

Chairman & Managing Director

Place : Hyderabad

Date : 22nd April, 2000

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