



**17th
Annual Report
2000-2001**



PITTI LAMINATIONS LIMITED



BOARD OF DIRECTORS

SHARAD B. PITTI

CHAIRMAN & MANAGING DIRECTOR

KANTI KUMAR 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

BANK OF BAHRAIN & KUWAIT BSC

Hyderabad - 500 082

DEVELOPMENT CREDIT BANK LIMITED

Hyderabad – 500 001

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 Village

Mahaboobnagar District

AP – 590 233

**NOTICE**

Notice is hereby given that the Seventeenth Annual General Meeting of the Company will be held on Wednesday, the 1st August, 2001 at 2.00 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, 2001 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 Kanti Kumar R Podar 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 31st July, 2001 to 1st August, 2001 both days inclusive.

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

(B.Kameswara Prasad)
Secretary and DGM (Finance)

Place: Hyderabad
Date : 5th June, 2001



DIRECTORS' REPORT

Dear Shareholders,

The Directors have pleasure in presenting their Seventeenth Annual Report on the business and operations of the company and the Audited Accounts for the Financial year ended 31st March, 2001.

FINANCIAL RESULTS

The Financial results for the year 2000-2001 in comparison with 1999-2000 are presented herein below:

	(Rs. in lacs)	
	2000-2001	1999-2000
Gross Sales & Other Income	2535.14	2252.85
Taxes & Duties	384.08	340.38
Net Sales & Other Income	2151.06	1912.47
Total Expenditure	1865.52	1823.53
Profit/(Loss) before depreciation and		
Finance Charges	285.55	88.94
Depreciation	77.18	78.89
Finance charges	375.67	401.85
Profit/(Loss) before tax	(167.30)	(391.80)
Provision for taxation	---	---
Net Profit/(Loss)	(167.30)	(391.80)
Profit/(Loss) brought forward from the previous year	(1083.65)	(697.98)
Prior Period adjustments	(15.33)	6.13
Profit/(Loss) carried to Balance Sheet	(1266.28)	(1083.65)

REVIEW OF OPERATIONS: 2000-2001

Your Directors have pleasure in informing you that due to a slight improvement in the market, the sales level went upto 3004 MT during the year under review as against 2778 MT in 1999-2000 thereby registering a growth of 8.11%.

The improvement in sales volume, though nominal, larger revenues from commercialization of tool room and relatively higher exports have boosted the turnover to Rs.2520.09 lacs as compared to Rs.2250.42 lacs in 1999-2000 thus achieving a growth of 11.98% in the turnover.

Due to the above factors, the operational loss came down to Rs.42.20 lacs from Rs.53.47 lacs reported last year even though the capitalization of tool room expenses has been only Rs.41.38 lacs in the year under review against Rs.147.90 lacs in 1999-2000. The improvement in performance independent of capitalization of tool room expenses will work out to Rs.117.79 lacs compared to the previous year. It is gratifying to note that due to improved workings the company could earn a cash profit of Rs.40.16 lacs.

During the year under review the company had written-off approximately 35 Mt of obsolete stocks of finished goods valued at Rs.23.64 lacs net of salvage value. Further, bad debts amounting to Rs.2.04 lacs have been written-off which represented the sales made in earlier years for which payments were not forthcoming.

In accordance with the policy, the company has written-off tools which are more than three years old valued at Rs.99.42 Lacs net of salvage value. After considering various write-offs, the total loss for 2000-2001 comes to Rs.167.30 lacs.



DETERMINATION AND REHABILITATION OF THE SICKNESS

You are all aware that the company was declared a sick company in terms of section 3(1) (i) of SICA vide the order dated 05.04.2000 issued by BIFR. However on an appeal made by Development Credit Bank Limited, one of the consortium Bankers, the AAIFR has remanded the case to BIFR for fresh consideration and the matter is now pending with BIFR.

The comprehensive rehabilitation package already prepared by the then operating agency, State Bank of India could not be put in place as the matter is remanded to BIFR and the sickness of the company is to be determined afresh.

DIVIDEND

In view of the continuous losses incurred by the company, your Directors express their inability to recommend dividend for 2000-2001.

EXPORTS

Your Directors are happy to report of the further improvement on the export front during the year under review. The company's export income went upto Rs.127.66 lacs in 2000-2001 from Rs.81.19 lacs earned during the preceding year thereby registering a growth of 57.23%. The company will continue its efforts to further step up its exports.

CURRENT YEAR'S PERFORMANCE

While the performance during the year under review has been encouraging, the outlook for the current year can not be predicted at this stage. The company will show still better results if the improvement in demand continues. If not the company will consolidate on the gains of the previous two years. However the company shall

endeavour to retain and further improve its operations during the current year.

LISTING OF SECURITIES AND DEMATERIALISATION OF SHARES

The company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to enable shareholders to hold shares in the dematerialized form. M/s.Ikon Visions (P) Ltd, 33, Sanali Heavens, 8-3-948, Ameerpet, Hyderabad - 500 073 who is a Depository Participant having connectivity with NSDL and CDSL, is the connectivity provider for the company. M/s. Ikon Visions (P) Ltd is also the Registrar and share transfer agent of your company.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Shri Kanti Kumar R Podar, 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 extremely cordial during the year under review. The Management will always value and cherish the unquestionable devotion and commitment demonstrated by the 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.12,00,000/- or more per year or Rs.1,00,000/- or more per month.

ENERGY, TECHNOLOGY AN 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.

DIRECTORS' RESPONSIBILITY

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

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.

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

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

ACKNOWLEDGMENT

The company is extremely grateful to IDBI, SBI and BBK for the support and co-operation extended to the company and for standing by it even in the most testing and challenging circumstances.

The management is of the firm opinion that it is with the positive attitude of IDBI, SBI and BBK, the company could not only ensure near normal operations but in fact could achieve a higher sales level in the year under review.

Your Board takes this opportunity to thank its clients, vendors, 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 during these difficult years.

For and on behalf of the Board

Sharad B Pitti
Chairman & Managing Director

Place: Hyderabad
Date : 5th June, 200