



PITTI LAMINATIONS LIMITED

26th

ANNUAL REPORT

2009 - 2010



BOARD OF DIRECTORS

SHRI SHARAD B PITTI

SHRI AKSHAY S PITTI

SHRI Y B SAHGAL

SHRI SANJAY SRIVASTAVA

SHRI G NARAYANA RAO

SHRI ARUN GARODIA

SHRI KANTI KUMAR R PODAR

SHRI N R GANTI

SHRI G VIJAYA KUMAR

SHRI M GOPALA KRISHNA, IAS (Retd)

SHRI T S S N MURTHY

CHAIRMAN AND MANAGING DIRECTOR

VICE-CHAIRMAN AND
JOINT MANAGING DIRECTOR

EXECUTIVE DIRECTOR

EXECUTIVE DIRECTOR

DIRECTOR

DIRECTOR

DIRECTOR

DIRECTOR

DIRECTOR

DIRECTOR

DIRECTOR

SECRETARY & GM (COMMERCIAL)

SHRI B.K. PRASAD

BANKERS

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

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

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

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

AUDITORS

LAXMINIWAS & JAIN
Chartered Accountants,
Hyderabad - 500 001.

REGD. OFFICE

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

FACTORY (Plant-I and Plant-II)

Nandigaon Village,
Mahaboobnagar District,
Andhra Pradesh - 590 233.

SHARE TRANSFER AGENTS

XL Softech Systems Limited
Plot No.3, Sagar Society,
Road No.2, Banjara Hills,
Hyderabad - 500 034.



NOTICE

Notice is hereby given that the Twenty Sixth Annual General Meeting of the Company will be held on Monday, the 20th September, 2010 at 4.00 p.m at West Minister Hall, The Central Court Hotel, 6-1-71, Lakdikapool, Hyderabad - 500 004 to transact the following business.

ORDINARY BUSINESS

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

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of sections 198, 269, 309, 310 and other applicable provisions, if any of the Companies Act, 1956 read with Schedule XIII thereto, the approval of Company be and is hereby accorded to the re-appointment of Shri Akshay S Pitti as Director (Exports & Business Development) for a period of five years with effect from 14th October, 2009 on the terms and

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

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

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

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



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

"RESOLVED THAT pursuant to the provisions of sections 198, 269, 309, 310 and other applicable provisions, if any of the Companies Act, 1956 read with Schedule XIII thereto, the approval of the Company be and is hereby accorded to the re-appointment of Shri Y B Sahgal as Executive Director for a period of three years with effect from 28th June, 2010 on the terms and conditions decided by the Remuneration Committee and taken on record by the Board as detailed herein below.

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

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

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

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

"RESOLVED THAT pursuant to the provisions of sections 198, 269, 309, 310 and other applicable provisions, if any of the Companies Act, 1956 read with Schedule XIII thereto, the approval of the Company be and is hereby accorded to the appointment of Shri Sanjay Srivastava as Executive Director for a period of three years with effect from 30th June, 2010 on the terms and conditions decided by the Remuneration Committee and taken on record by the Board as detailed herein below.

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



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

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

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

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

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

"RESOLVED THAT pursuant to the

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

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

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

Place : Hyderabad

Date : 06th August, 2010.



NOTES :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. A proxy is not entitled to speak at the meeting or vote except on a poll.
2. The instrument of proxy duly stamped and executed should be deposited at the Registered office of the Company atleast forty eight hours before the time fixed for commencement of the meeting.
3. Members seeking any information with regard to accounts and any other information relating to this Annual report are requested to write to the Company atleast 10 days in advance of the meeting to enable the management to keep the information ready.
4. The Register of Members and transfer books of the Company will be closed from 17/09/2010 to 20/09/2010 (both days inclusive) for the purpose of this Annual General Meeting.
5. The shares of the Company are listed on the National Stock Exchange and Bombay Stock Exchange and the Company has paid listing fees for 2010-2011 to the Stock Exchanges.
6. Explanatory statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956 is annexed hereto and forms part of the notice.

All documents referred to in the notice and the explanatory statements are open for inspection at the Registered office of the company during office hours on all working days up to the date of Annual General Meeting.

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

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

Place : Hyderabad
Date : 06th August, 2010



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

Item No.5

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

I. General Information

1) Nature of industry:

Manufacture of electrical stampings & laminations

2) Financial indicators

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

3) Export performance :

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

II. Information about the appointee:

1. Background details:

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

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

2. Past remuneration:

Rs.2.00 lacs per month (effective from 14.10.2007)

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

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

3. Job profile and suitability of the appointee:

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

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

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

4. Remuneration proposed

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

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

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

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



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

III. Other information

1) Reasons for loss or inadequate profits

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

2) Steps taken or proposed to be taken for improvement

Hedging operations are being done in a judicious manner.

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

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

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

Cost control measures are being implemented on a constant basis.

IV. Disclosures

Remuneration package

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

computation of the ceiling on perquisites.

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

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

The Board commends the Resolution for approval of members.

Item No.6

I. Information about the appointee:

1. Background details

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

2. Past remuneration

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

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

3. Job profile and suitability of the appointee.

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



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

4. Remuneration proposed

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

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

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

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

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

II. Disclosures

Remuneration package

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

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

The Board commends the Resolution for approval of members.

Item No.7

I Information about the appointee:

1. Background details

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

2. Past remuneration

Rs.1.92 lacs per month.

3. Job profile and suitability of the appointee.

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

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

4. Remuneration proposed

Rs.2.25 lacs per month.

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