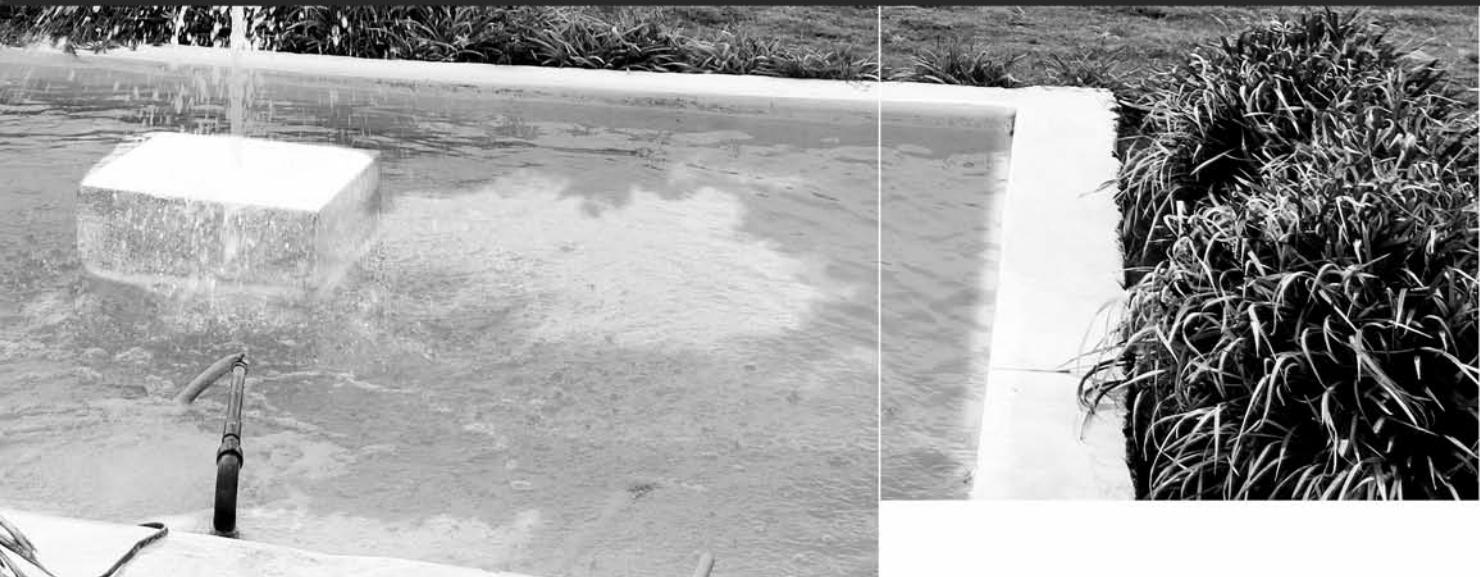




UNIQUE GLOBALLY

PITTI LAMINATIONS LIMITED | ANNUAL REPORT, FY 2011-12



Pitti's story is one of proactive change.

- From one business to three.
- From commodity to niche.
- From standalone manufacture to integration.
- From India to the world.
- From transaction to relationships.

UNIQUE

Members are aware that the Company has requested them last year to update their email ID in the records of their Depository participants or intimate their email ID and send the same to the Company's Registrars and Transfer Agents at the address given below.

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

Trust members will participate in this environment-friendly initiative.

XL SOFTECH SYSTEMS LTD

3 Sagar Society, Road No.2

Banjara Hills, Hyderabad – 500 034

Phone: 040 23545913/14/15

Email: xlfield@rediffmail.com





GLOBALLY

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STARTING FY 2012-13, PITTI LAMINATIONS WILL POSSESS TOOLING, LAMINATION, CASTINGS AND MACHINING CAPABILITIES UNDER ONE ROOF BECOMING POSSIBLY ONE OF THE FEW COMPANIES GLOBALLY WITH VERTICALLY INTEGRATED FACILITIES.

KEY FINANCIAL HIGHLIGHTS

Operating income

RS. 403.85 CR

FY: 2011-12

RS. 251.77 CR

FY: 2010-11

Total assets

RS. 357.60 CR

FY: 2011-12

RS. 249.60 CR

FY: 2010-11

Return on capital employed

16.42%

FY: 2011-12

12.52%

FY: 2010-11

Competitive advantage

Pitti Laminations possesses India's only indigenously developed tool room with a portfolio of over 3,400 tools. Extensively integrated capacities leading to cost advantages and customer convenience.

Business

Manufactures loose laminations, assembled laminations (stator core and rotor core), machined lamination assemblies, die-cast rotors, machined castings and stator core dropped machined castings.

Location

The Company has two plants located about 3 km away from each other and about 50 km from its headquarters in Hyderabad.

Equity

Listed on the BSE and NSE; market capitalisation of Rs. 105 cr as on 31 March 2012

Promoters

Promoted by Mr Sharad B. Pitti (Chairman & Managing Director) and Mr Akshay S. Pitti (Vice Chairman and Managing Director)

Profit after tax

RS. 22.42 CR

FY: 2011-12

RS. 8.49 CR

FY: 2010-11

Earnings per share (basic)

RS. 19.12

FY: 2011-12

RS. 8.99

FY: 2010-11

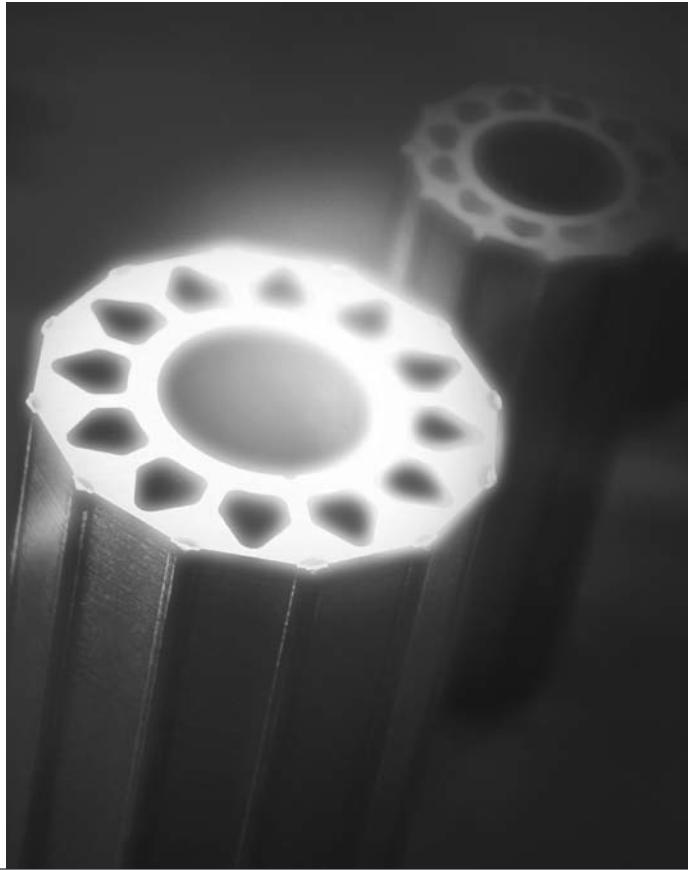
Dividend per share

RS. 3

FY: 2011-12

RS. 1

FY: 2010-11



STRATEGIC REVIEW BY THE CHAIRMAN

Pitti Laminations Limited delivered a superior financial performance with improvements across key parameters and was able to demonstrate the full potential of its assets, its deep talent pool, high quality products and strong access to domestic and export markets.

Dear Shareholders,

THE TURNOVER ACHIEVED FOR THE YEAR ENDED 31 MARCH, 2012 WAS Rs. 423.91 cr, a growth of 59.07% over the previous year. Export turnover recorded a 94.44% growth at Rs. 256.08 cr during the year under review. The profit before tax (PBT) stood at Rs. 33.47 cr, an impressive growth of 150.66%. Profit after tax (PAT) registered a smart rise of 164.19% at Rs. 22.42 cr.

This landmark performance was a cumulative result of strong export demand, economies-of-scale, efficient

working capital management and the collective efforts of the Company in anchoring its operations and adequately responding to the buoyant market.

It gives me pleasure to mention that the Board has recommended a dividend of Rs. 3 per share on a face value of Rs. 10 per share for the year under review while the corresponding dividend for the previous fiscal stood at Rs. 1 per share and this is the highest-ever dividend proposed by the Company.

The Company attained an all-time high production, sales, turnover and profitability for the year under review.



Pitti Laminations caters to capital goods industries, which stimulate the industrial growth of any country. Therefore, the Company does not envisage any difficulty in marketing its products, as it has a prestigious clientele engaged in manufacturing various products catering to numerous segments of the development process. Another significant advantage is that the Company has been servicing some of its domestic clients from inception, which is a testament to their confidence and satisfaction in our business model and quality deliverables.

The Company is embarking upon a new line of business (through a subsidiary) comprising the manufacture and sale of castings, the operations of which will be commissioned in the current year. Your

Company believes that this integrated business model will provide strong access to markets as it can offer several products to the requirement and satisfaction of the clients and thereby provide 'one-stop solutions'.

Extending our footprint by foraying into the castings business is viewed as a strategic initiative in perfecting an integrated business model which provides a competitive edge of an enduring nature across products, market cycles and geographies.

We are therefore gearing up for the next phase of growth in the current year by commissioning operations related to castings and I am sure that this integrated business model will further cement our bond with clients and we will continue to be their preferred vendor.

I am confident that the long-term arrangements being drawn up in the current year with the principal overseas clients will ensure good business volumes and that the domestic market will emerge stronger in the current year.

I am grateful to my colleagues on the Board for their valuable support and guidance. I take this opportunity to express my gratitude to all our stakeholders who have reposed trust in us and extended their support.

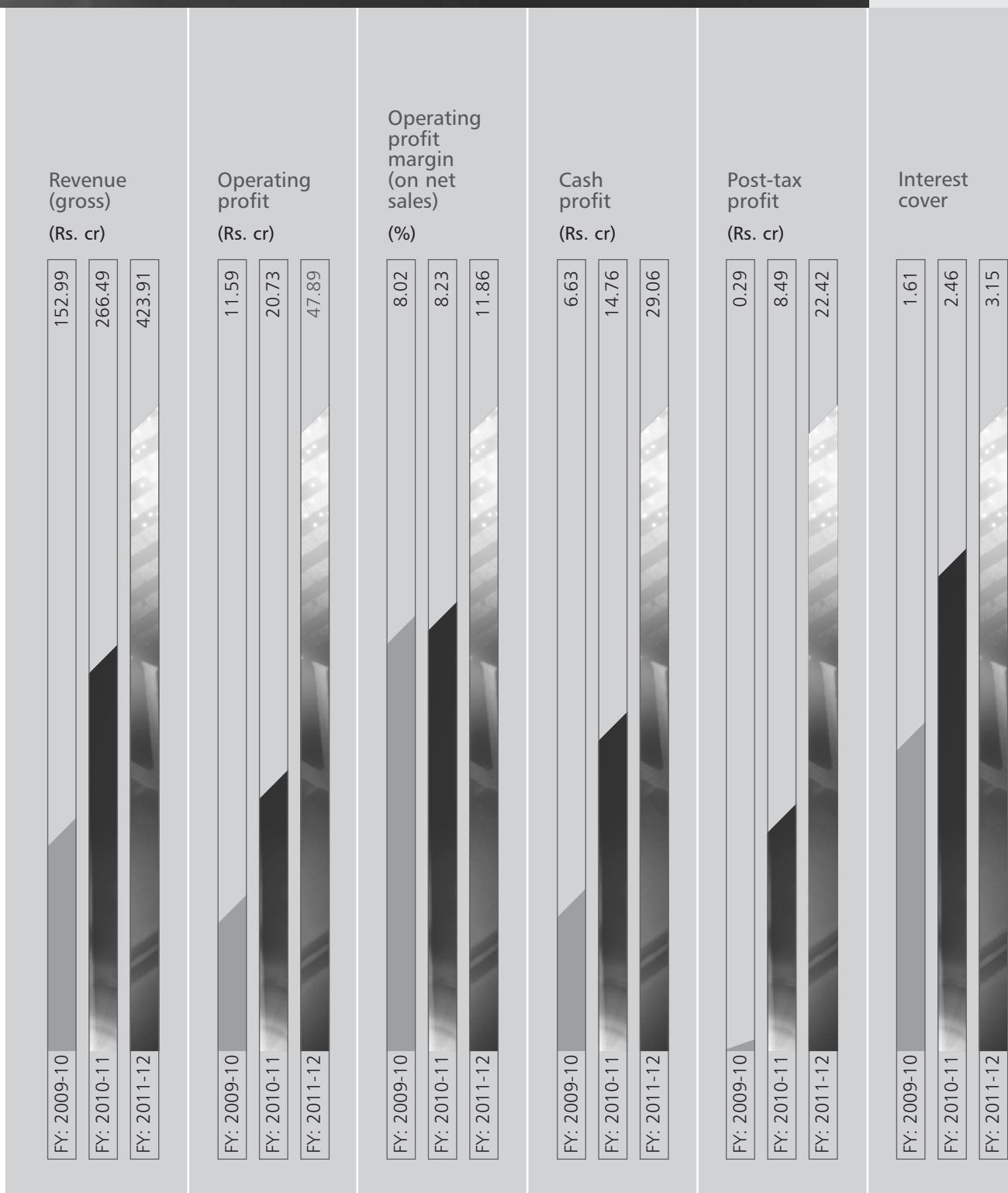
With best wishes,

Sincerely,

Sharad B Pitti

Chairman & Managing Director

THE POWER OF POSSIBILITY



Long-term debt-equity ratio	RoCE (average) (%)	Gross block (Rs. cr)	EPS, basic (Rs.)	Book value per share (Rs.)	Dividend per share (Rs.)
FY: 2009-10	8.91	98.91	0.31	63.23	-
FY: 2010-11	12.52	100.84	8.99	71.06	1
FY: 2011-12	16.42	120.70	19.12	74.61	3

* Recommended by the Board

AT PITTI, OUR REVENUES INCREASED MORE THAN 60% IN THE LAST TWO YEARS COMPOUNDED.

- At Pitti, we cater to the demand coming out of core sector industries like railways, oil and gas, mining, earthmoving, power, industrial motors and infrastructure, among others
- Our products are used in critical components used in these sectors, making them non-substitutable and making us indispensable to our customers' growth.

AT PITTI, OUR NET PROFIT INCREASED 164% IN A TOUGH FY 2011-12.

- At Pitti, we transform an electrical steel strip into a specialised ready-to-fit component used in induction or traction motors (powering locomotives, turbines, aerospace, off-highway vehicles or industrial motors).
- We evolved our product mix, selecting to manufacture larger and more sophisticated laminations; more than half our laminations product mix comprises sizes in excess of 750mm (one of the largest in the business)
- We increased our value-added mix from 20% of our revenues to 80%
- This focus strengthened our average per tonne realisations in FY 2011-12

