



EVOLVE
ADAPT.
ENDURE.

FORWARD-LOOKING STATEMENTS

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take 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 'anticipate', 'estimate', '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 our assumptions. The achievements of results are 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. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

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19,654_{MT}


Total Volume

₹ 311.49_{CR.}

Net Revenue

₹ 18.70_{CR.}

EBITDA



Significant change is underway across the world. Conventional norms are being disrupted and a new economic order is taking shape. Naturally, this brings in its wake turbulence and surprises. FY 2015-16 was a year in which the world witnessed unprecedented volatility amidst crashing commodity prices and geo political crises.

At Pitti Laminations, our business too, felt the impact of these events. Subdued international demand, a high-cost inventory and low metal prices meant that our operations were affected. However, the sagacity with which we have built our business, and our nimble-footedness acted as a bulwark, enabling us to respond with flexibility and maturity.

We turned a contraction in exports into a home-advantage by focusing more on domestic sales and leveraging emerging opportunities. We focused on cost rationalisation and brought down our operating costs further to generate higher contribution. We have recalibrated our capital expenditure and put in place a strategy to consolidate our manufacturing.

We have worked closely with our customers to remain relevant to their requirements. At the same time, our strategy is to enrich our product portfolio and build a diversified customer base to optimise risk and create a more value-accretive business.

As India's economy gains momentum, the capital goods sector will be the first to benefit. Such a scenario will augur well for our business, as we remain India's only end-to-end product and service provider in the electrical laminations segment. Together with this, we are evaluating the plans for consolidating our castings operations and upgrading our machining capabilities to be more of a solution provider.

FY 2015-16 was a year that tested our resolve. We responded by evolving our business model, adapting to newer realities, and ensuring that we continue to strive to create enduring value.

We are confident that these strategies will translate into encouraging outcomes in the ensuing fiscal, and allow us to remain on-track to achieve our larger vision.

PITTI LAMINATIONS AT A GLANCE

Pitti Laminations Limited (PLL) is India's leading manufacturer of electrical steel laminations, motor cores, sub-assemblies, die-cast rotors and press tools.

The application of these products are found in basic capital goods products, viz. motors and alternators, which are ideally used in any process engineering. We cater to the needs of the power generation, transportation, industrial motors, locomotives, aerospace, automobile, earth moving and mining, oil and gas and infrastructure industries.

Key strengths

- India's only end-to-end product and service provider in the electrical lamination segment
- Eminent and one of the most competitive lamination manufacturers worldwide
- Market leader in the special purpose motors segment in India
- Pioneer in the manufacture of traction motor sub-assemblies in India
- One of the few suppliers in the world with tooling, laminations, casting and machining under one roof
- One of the few vertically integrated companies with tooling, lamination, casting and machining facilities the world over
- First commercial manufacturer of laminations in India certified by BVQI of UK for ISO 9002
- India's only locally developed tool room with a portfolio of over 3,400 tools

Facilities

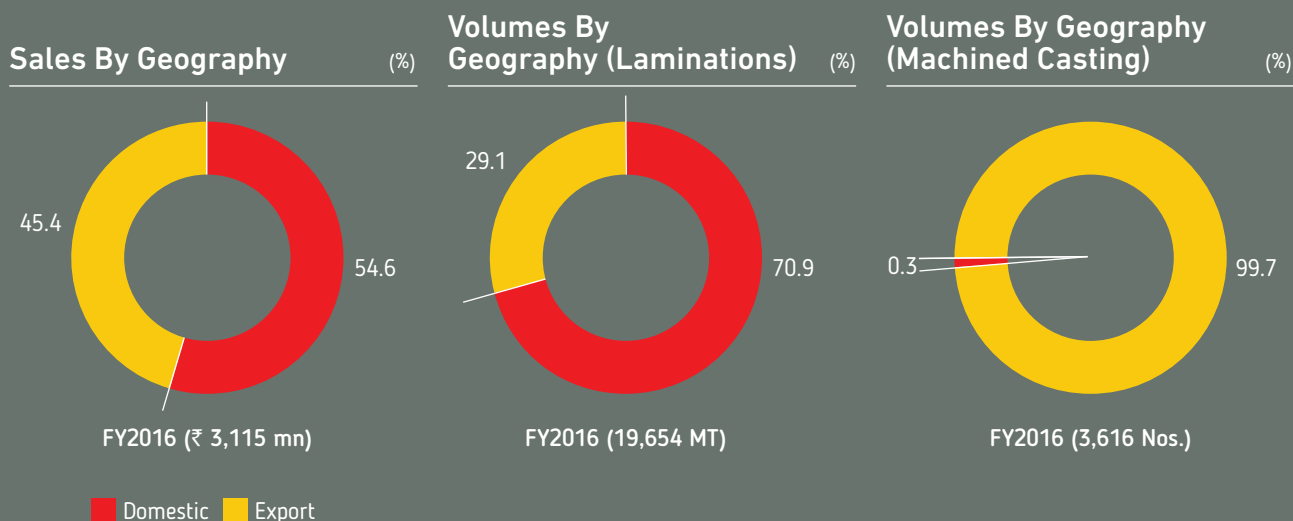
Lamination

Capacity

32,000 MT

Machined Casting

1,13,400 no. of available hours



5,717 MT

Export Volume

13,937 MT

Domestic Volume

33

Years of industry experience

3




Manufacturing plants

COMPANY OVERVIEW




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KEY PRODUCTS AND SERVICES

Product	Description	Application / End-market
Electrical Steel Laminations 	<p>Produces laminations from 50 mm to 1,250 mm outer diameter</p> <p>Spacer / vent and glued laminations for hydro / thermal generators</p>	<p>Power Generation</p> <p>Transportation</p> <p>Mining</p> <p>Industrial Motors</p> <p>Locomotives</p> <p>Aerospace</p> <p>Automobile</p> <p>Oil & Gas</p>
Die Cast Rotors & Assemblies 	<p>Skew angle rotors up to 540 mm OD & 1,000 mm height including end rings & fins</p> <p>Riveting or bolting the rotor stacks under hydraulic pressure</p>	
Stator Core Assemblies 	<p>Assemblies up to a diameter of 2,000 mm with circular and segmental laminations and cleating / welding / riveting of assemblies</p>	

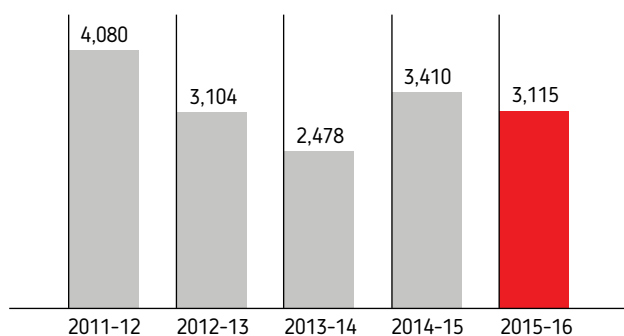


Product	Description	Application / End-market
<div>Rotor Core Assemblies</div> <div></div>	Supplies ready to use assembled rotor cores with stacking under hydraulic pressure	Power Generation Transportation Mining Industrial Motors Locomotives Aerospace Automobile Oil & Gas
<div>Pole Assemblies</div> <div></div>	Assembled pole bricks with stacking under hydraulic pressure and welding / core bolting with end castings	
<div>Casting & Machine Components</div> <div></div>	Machine shop that can handle a range of precision-machined components for different applications	Earth Moving and Mining

KEY PERFORMANCE INDICATORS

Revenue*

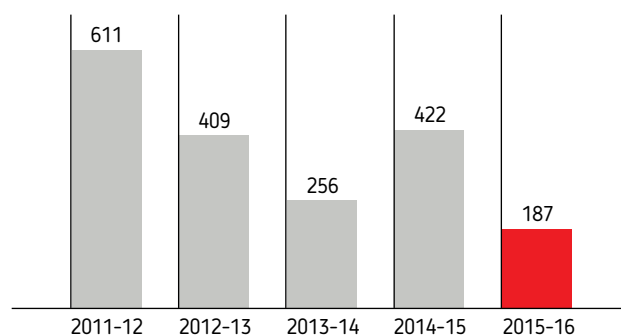
(₹ in million)



* Including other operating Income

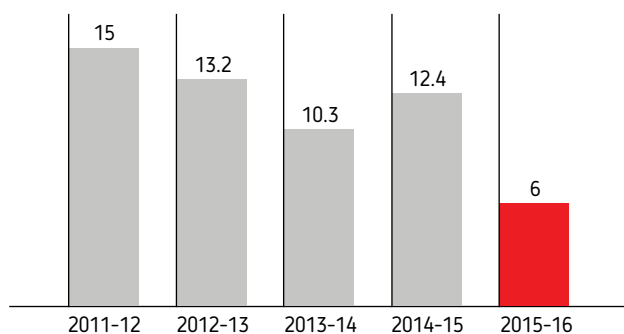
EBITDA

(₹ in million)



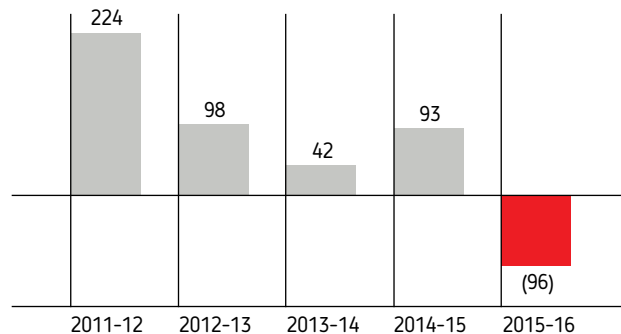
EBITDA Margin

(%)



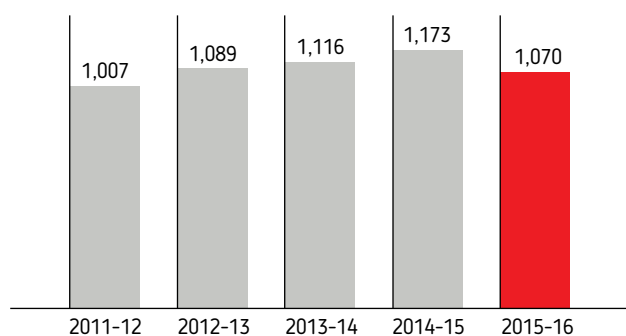
Profit After Tax

(₹ in million)

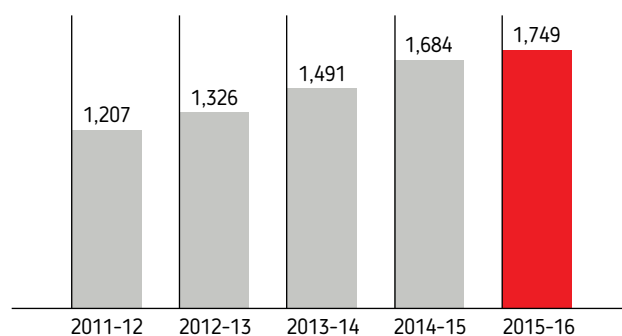


Networth

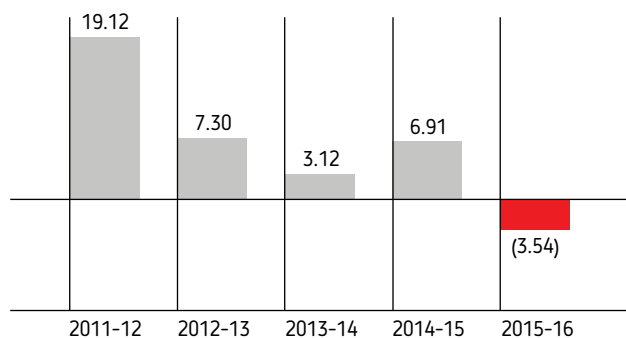
(₹ in million)

**Gross Block**

(₹ in million)

**EPS**

(₹)



CHAIRMAN'S STATEMENT

Dear Shareholders,

In my last communication to you, I had shared my thoughts on how we are creating a culture of dynamism to strengthen our position, as a sustainable value-creating enterprise. Let me reassure you that despite global industry volatilities during the year, we reinforced focus on value creation by adopting certain key strategies.

I am happy to report that our initiatives are translating into measurable outcomes. We improved our operational efficiency, enhanced the product mix and put more emphasis on domestic sales. From an uninspiring performance in FY 2015-16, we improved our profitability in the first quarter of FY 2016-17. This performance becomes all the more significant, when we take into consideration the productivity loss of 20 days on account of labour unrest. Going forward, we expect our performance to build on the initial momentum generated, and show marked improvement in the second half of the current fiscal.

During FY 2015-16, we operated in a largely sluggish and unpredictable global economic landscape. In advanced economies, the recovery was modest during the year and largely uneven. The US economy was supported by relatively favourable financial conditions with strengthening housing and labour markets. In the Euro area, robust private consumption, supported by low oil prices and easy financial conditions outweighed a weakening in net exports. On the other hand, low commodity prices, geopolitical tensions in West Asia and most importantly China's rebalancing efforts impacted the growth prospects of emerging market and developing economies.

Amid a challenging global scenario, India remains an outlier. The GDP grew by 7.6% in FY 2015-16, despite two consecutive years of drought in large parts of the country and contraction in exports. The government has been largely successful in meeting its fiscal deficit target. The softening of crude and commodity prices further contributed to a significantly low current account deficit. There are other bright spots as well. Forex reserves are at an all-time high, investor confidence is robust and the Government's 'Make in India' initiative has been hugely successful in encouraging domestic entrepreneurship and attracting FDI. The recent passing of the GST Bill is another landmark initiative, which will pave the way for what is popularly referred to as the concept of "one nation, one tax".

LEVERAGING OPPORTUNITIES

As the Indian economy grows from strength to strength, the capital goods sector will benefit significantly; and Pitti will reap the benefits of such a scenario, as we are India's only end-to-end product and service provider in the electrical lamination segment. We have long-standing customer relationships with some very prominent brands, such as Crompton Greaves, Siemens and GE. I am happy to report that Pitti Laminations was awarded the 'Certificate of Excellence' by GE. This certificate was awarded to the Company for being the 'Best Supplier - Lean & Fast 2015'. This award validates our commitment to adhering high quality standards in line with global standards.



AS THE INDIAN ECONOMY GROWS FROM STRENGTH TO STRENGTH, THE CAPITAL GOODS SECTOR WILL BENEFIT SIGNIFICANTLY AND PITTI WILL REAP THE BENEFITS OF SUCH A SCENARIO, AS WE ARE INDIA'S ONLY END-TO-END PRODUCT AND SERVICE PROVIDER IN THE ELECTRICAL LAMINATION SEGMENT.