



PITTI

ENGINEERING SOLUTIONS

— Since 1983 —

Annual Report 2016-17



A
Giant
Leap

Forward-Looking Statement

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.

Read between the pages...

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Clarity purveys focus. It eases growth.

Because when there is clarity,
there is always a way of doing
things better.

Two years back, we targeted to achieve a top-line of ₹ 1000 crore by 2018. However, the unanticipated and challenging global economic situations in 2015-16 impacted our performance and profitability.

But, that could not hold us back! Because, a clear vision makes every challenge irrelevant.

The tough encounters made us explore new possibilities and the underlying potential in the domestic market. This is how we responded:

- ⚙ Reorganised and realigned business priorities
- ⚙ Adapted smarter growth strategies
- ⚙ Redefined process parameters
- ⚙ Undertook cost rationalisation measures
- ⚙ Enhanced efficiencies

And what did we achieve?

15% increase in domestic volumes (15,985 MT)
70% increase in operational profitability ₹ 35.81 crore
Turned losses into profits: ₹ 6.28 crore post-tax profit, against ₹ 9.56 crore loss in the previous year.

And in the process, we grew even stronger.

The journey of making our vision a reality helped us discover a new identity. It emerged from the courage within and allowed us to position ourselves for a **giant leap** ahead.



Years of industry presence



BSE Code



NSE Symbol



Market Capitalisation as on March 31, 2017





A sneak-peek into our business

India's largest Electrical Steel Laminations, Motor Cores, Sub-Assemblies, Die-Cast Rotors and Press Tools manufacturer.

India's only end-to-end product and service provider in the electrical lamination segment.

India's pioneer traction motor subassemblies manufacturer.

Possess India's only indigenously developed tool room with a portfolio of over 3,400 tools.

India's first commercial laminations manufacturer certified by BVQI of UK for ISO 9002 and in process of being certified to ISO-14001.

India's largest laminations exporter.

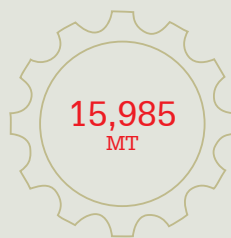
Possesses diversified manufacturing forte within the group comprising Castings, Steel Fabricated Parts and Machined Components, Stator and Rotor assemblies with a possibility of venturing into forgings.

Offers products that find application in capital goods products like motors and alternators, used in any process engineering.

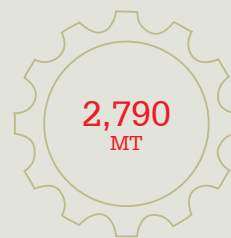
Equipped with world-class lamination and machining combined with stringent quality systems that have helped building long-term customer relationships with reputed clienteles like Crompton Greaves, Siemens, GE, ABB and Suzlon, among others.



Manufacturing
Facilities



Domestic Volumes



Export Volumes



Revenue as on
March 31, 2017



In diversity lies true strength

Diversified product mix for varied applications.

What is lamination in our business?

Laminations are the steel elements/parts of the stator and rotor comprising thin electrical steel sheets stacked together. These laminations can be stacked, kept loose, welded, or bonded together depending upon application.

Given below is a pictorial presentation of how these stators and rotors find its application in a basic motor:



Stator

Stator is one of the most critical motor components manufactured by the Company. The electrical field is generated around this stator and copper coil is wound on the laminated stack. The stack is made of electrical steel across various forms – this is the key product manufactured by the Company, sold in the form of single sheet or assembled.

Rotor is a moving component of an electromagnetic system in the electric motor, electric generator or alternator. It consists of a multi-pole electromagnet which induces output voltage in the stator of the generator when it is rotated by the engine.



Basic Motor



Single Sheet



Welded Together





Electrical Steel Laminations

- ⚙ Laminations from 50 mm to 1,250 mm outer diameter
- ⚙ Pacer/vent and glued laminations for hydro / thermal power equipment

Die Cast Rotors and Assemblies

- ⚙ Skew angle rotors upto 540 mm OD & 1,000 mm height including end rings and fins
- ⚙ Riveting or bolting the rotor stacks under hydraulic pressure

Stator Core Assemblies

- ⚙ Assemblies upto a diameter of 2,000 mm with circular and segmental laminations and cleating / welding / riveting of assemblies

Rotor Core Assemblies

- ⚙ Supplies ready-to-use assembled rotor cores

Pole Assemblies

- ⚙ Assembled pole bricks with stacking under hydraulic pressure and welding / core bolting with end castings.

Casting and Machine Components

- ⚙ Machine shop that can handle range of precision machined components for different applications



Chairman's message

Dear Shareholders,

Our most significant opportunities are often found in times of greatest challenge. Because, we don't grow when things are easy, we grow when we face challenges. It is true that every challenge comes with an opportunity. The unfavourable economic situations of 2015-16 made us reorganise our strategic priorities for 2016-17. We were clear about our end goals and made strategic changes in our key business areas. This has helped the company emerge stronger and has positioned itself for a giant leap in the coming years.

Economic and industrial activities

The global economy witnessed a 3.1% annual growth. The modest recovery in the developed countries got largely overshadowed by deceleration in key emerging markets and developing economies (EMDEs). This was accompanied by a moderate increase in commodity prices, subdued global trade, financial market volatility and weakening capital flows.

India emerged amongst the fastest growing economy in the G-20 nations. Even though the demonetisation exercise temporarily threw a challenge, the medium-term growth prospects were favourable. The growth momentum is expected to rise with Government's policy initiatives such as taxation (GST), foreign direct investment (FDI) and the ease of doing business, among others. The coming fiscal is anticipated to drive an economic growth with the implementation of key reforms, loosening of supply-side bottlenecks and appropriate fiscal and monetary policies.

During FY2017, the index of industrial production rose by 5% while the capital goods sector rose by 3% annually. The industrial activities is projected to experience an expansion in FY2018. This will mainly be due to improvement in demand across various segments. Increased government expenditure with improvement in private sector investment will give an impetus to the industrial sector.

Performance

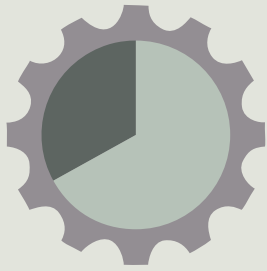
Last fiscal, our Company achieved impressive numbers:

- 18,775 MT of sales volume
- YoY domestic volume growth of 15% to 15,985 MT
- YoY EBIDTA growth of 72% to ₹ 32.78 crore
- Recorded PAT of ₹ 6.28 crore as against a loss of ₹ 9.56 crore in the previous year

We are happy that our performance was in sync with our strategy of focusing on domestic markets. Better product mix and improved price realisations resulted in strengthening the margins. Moreover, facility reorganisation and higher operational efficiencies aided cost rationalisation. We also started our commercial delivery to GE India for the Indian Railways project. It is noteworthy to mention that this delivery was a year ahead of its expected schedule.

Expansions and relocation

The expansion at Hyderabad (plant IV) for machining of castings for GE Locomotives, Gamesa and Siemens orders, are going as per the



67%
Domestic
Revenues

33%
Exports



FOR STRENGTHENING
OPERATIONAL EFFICIENCIES,
THE COMPANY IS
TAKING INITIATIVES FOR
MODERNISATION AND
TECHNOLOGY UPGRADATION
ACROSS FACILITIES.

schedule. The commercial production is expected to commence by the first half of FY2018. We are also in the process of shifting our Pune facility to Aurangabad and expect to start operations from FY2018. The results from our Pune operations were quite satisfactory. However, the cost of setting up a facility in Pune was significantly higher than Aurangabad. Hence, we took the conscious step of creating our own facility at Aurangabad. Our Aurangabad facility has been granted the 'Mega Project' status by Government of Maharashtra.

Strategic priorities

We are taking cautious-yet-proactive measures to leverage upon the industrial opportunities. I would also like to highlight the key strategic priorities for the next fiscal:

- ⚙ Stabilise the investments in capex through timely commencement of production and consolidation of capacities
- ⚙ Explore inorganic growth opportunities by merging our foundry unit into our main business
- ⚙ Enhance our focus on value-added machine casting and assemblies to leverage the domestic market opportunities
- ⚙ Include additional products to portfolio, identify new growth engines – fabricated and forged – for cross-selling opportunities and broadening our customer base
- ⚙ Leverage domestic opportunities in infrastructure and capital goods sector, specially from the railways and wind energy segment

Where are we heading?

Two years back, we had committed ₹ 1000 crore revenue mark. The same holds good even today. With a unique mix of talent, innovation, experience and a long-standing clientele, we believe nothing should hold us back. With an optimistic environment around, our business outlook for the next fiscal looks positive. Our robust order book further projects an impressive performance over the coming years. With the beginning of consolidated entities contribution, we are anticipating a quantum growth leap in business.

Acknowledgements

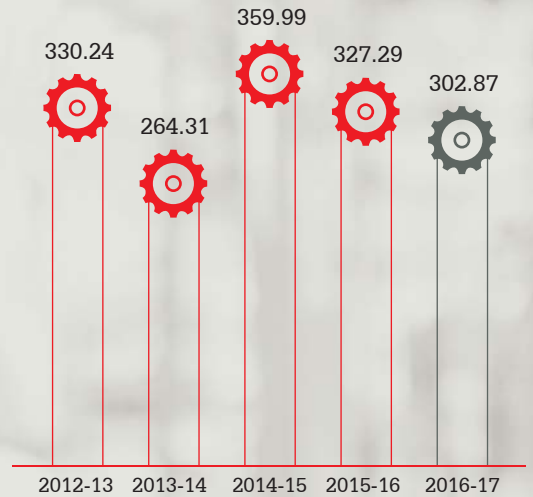
I would like to express my gratitude and extend my sincere appreciation for the sound guidance and contribution of my fellow Directors. I would like to commend the efforts of our employees, their commitment, dedication and sheer hard work that has contributed to the Company's growth. I would further like to thank our investors, bankers, customers and all our stakeholders for their continued support. As we continue to navigate our journey, we are certain of overcoming every challenge, create shareholder's value and take the Company to the next level of growth.

Regards,
Sharad B Pitti
Chairman and Managing Director



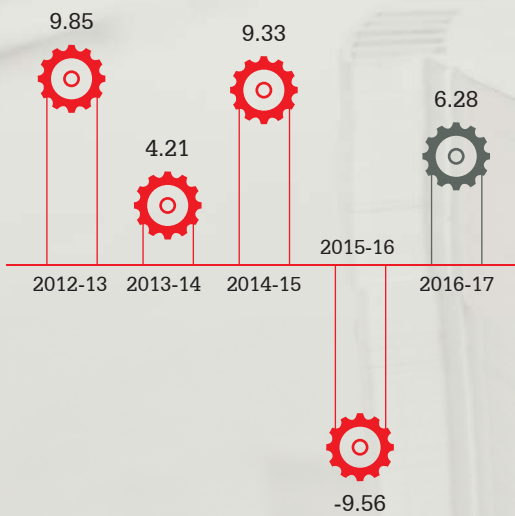
Our performance trend

Revenues* (₹ in crores)



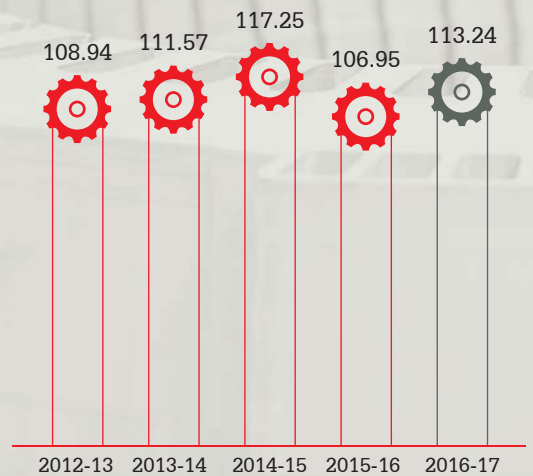
* Gross revenue from operations

PAT* (₹ in crores)



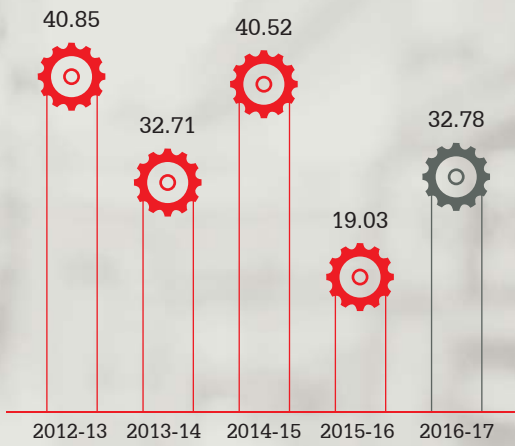
* Profit After Taxes

Networth (₹ in crores)



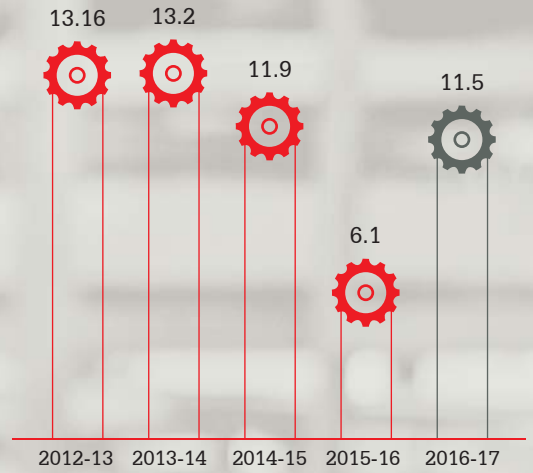


EBITDA* (₹ in crores)

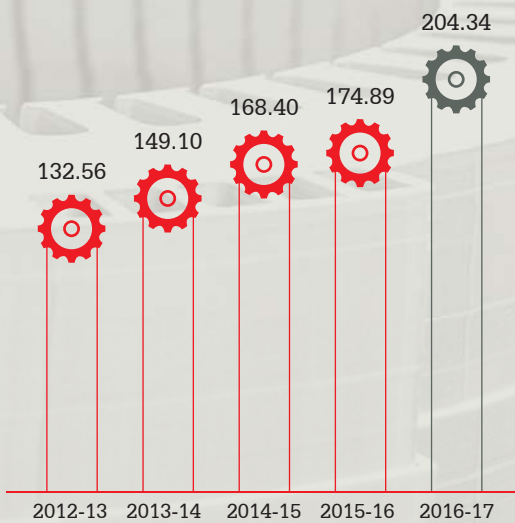


* Earnings before Interest Depreciation and Taxes

EBITDA margin (%)

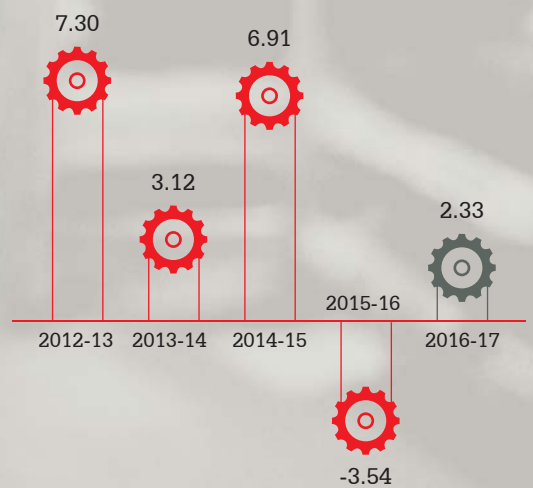


Fixed Assets* (₹ in crores)



* Gross block + Capital work-in-progress

EPS* (₹)



* Earnings per Equity Share of Face Value of ₹ 5 each



It all seems impossible until it is done.

with a good strategy, you can maintain your momentum but a GIANT LEAP is needed to reach the goal. And we have taken one.

Re-organisation of manufacturing facilities

We realised that our complete potential can be unleashed by taking a Giant Leap to re-organise, enhance and diversify our business, our facilities and provide value-added engineering solutions to reach our Goal of Rs. 1000 Crore revenue mark. Presently, the Company is having two Plants in Hyderabad as Plant – I and Plant – II and one plant in Pune called Plant - III.

New facility at Aurangabad

As you are aware that we had set up a new facility for lamination manufacturing in Pune, Maharashtra, about 2 years back on a leased premise, primarily on an experimental basis to explore our capabilities of handling an offshore facility coupled with logistical advantages. We are happy to say that we have been able to utilise the 100% capacity successfully and therefore strategically decided for setting up our own facility at Aurangabad, Maharashtra.

The unit is under construction and is expected to start the commercial production during the FY 2018. We further would like to share that the unit has been registered as a 'Mega Project' by the Government of Maharashtra.

Capacity rationalisation and new facility at Hyderabad

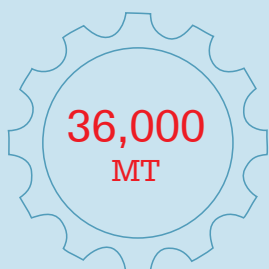
We are rationalising our capacities in Hyderabad. Presently, we operate from Plant – I & Plant – II having Lamination, Toolroom & Machine Shop. During the year Plant – I assets will be monetised and Toolroom will be moved to Plant – II. This Plant will cater to export of Laminations and Machined Components.

A new Plant – IV is set up for machining of Large Metal Components in Hyderabad. This new plant will start the commercial production during Q2 FY'18.

Structure post re-organisation

PLANT – II, HYDERABAD	MANUFACTURE OF TOOLS, LAMINATIONS FOR EXPORT AND MACHINED COMPONENTS
PLANT – IV, HYDERABAD	HIGH PRECISION MACHINING OF LARGE METAL COMPONENTS
AURANGABAD PLANT	MANUFACTURE OF LAMINATION FOR DOMESTIC, EXCITER MOTORS AND MACHINED COMPONENTS

The combined annual capacities for the Company shall be:



Lamination Manufacturing



Toolroom



Machine Shop



Our upcoming facility at Aurangabad

THE NEW SET UP WILL BE EQUIPPED WITH COMPLETE STATE-OF-THE-ART MACHINERY AND AUTOMATION, THAT WILL FURTHER DRIVE EFFICIENCY.



Start where you are, do what you can with all that you have – that's strength!

Re-organisation of product mix

We understand that apart from manufacturing and product distribution, profitability and growth also heavily relies on how you manage your product mix and broaden your customer base. The Make-in-India initiative is driving our optimism. We are aware of the resultant positive spin-off it will give to the offtake of capital goods.

Small appliance laminations

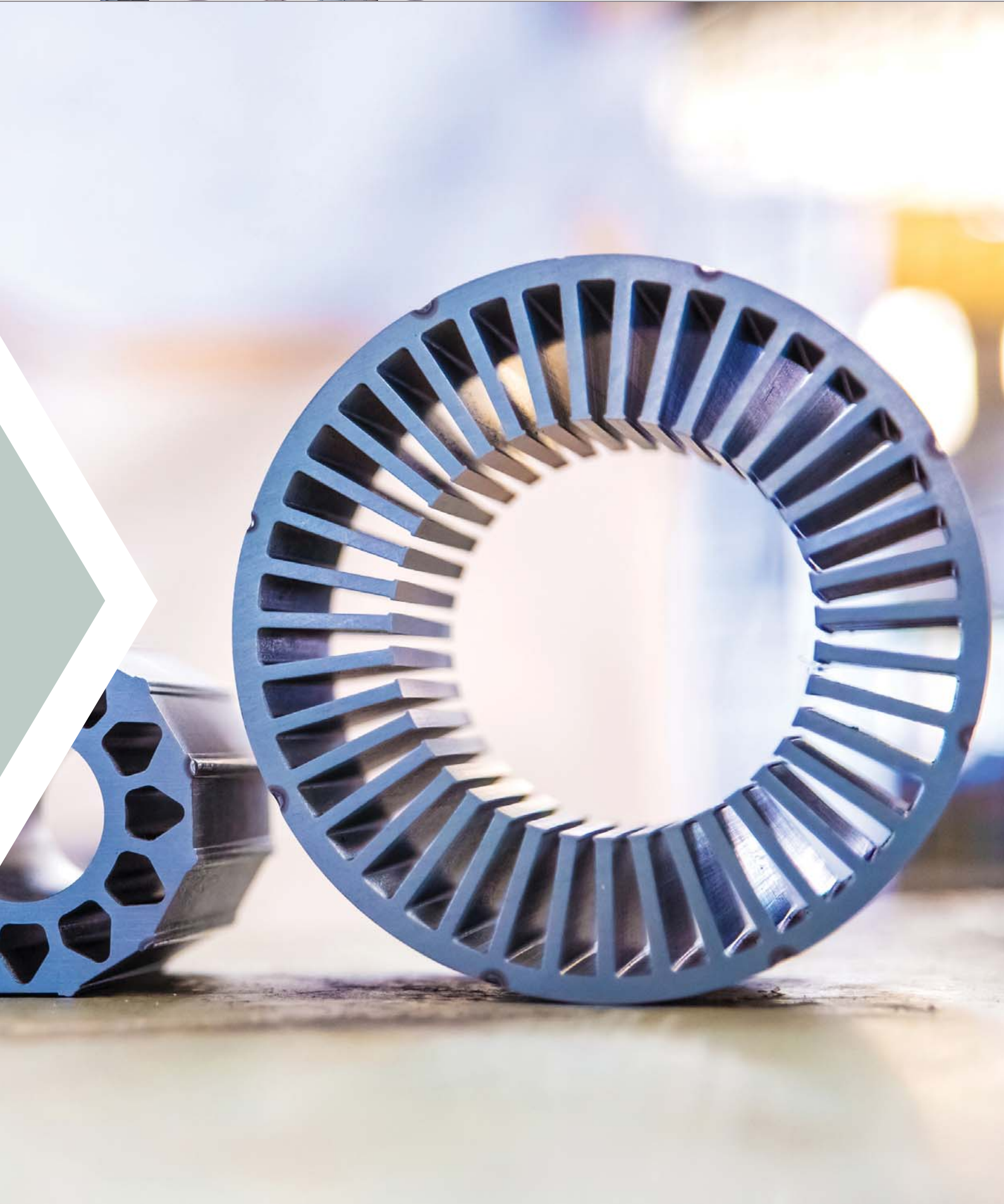
Laminations is our traditional business. It has given us a steady cash flow over the years. We are now venturing and exploring newer avenues in small appliances.

Machine castings

We are contemplating the possibilities of merging/acquiring casting business with the main business. This would be in line with the Company's strategy of exploring the opportunities arising out of the power segment, renewable energy and railways. We have already started working on the machine casting systems for GAMESA. We have further procured machine casting orders from SIEMENS (our existing client for laminations).

Our diverse product mix has helped us reduce single-customer dependency. It has helped us generate new business and drive market share with existing customers.





Board of Directors

Shri Sharad B. Pitti

Shri Sharad B. Pitti is the promoter of Pitti Laminations Ltd.(PLL). He has over 34 years of experience in the laminations industry.

- Presently the Chairman and Managing Director of PLL
- Played a critical role in the formative years of PLL
- Nurtured the organisation and contributed to its growth and development
- Chairman of Pitti Castings Pvt. Ltd., Pitti Electrical Equipment Pvt. Ltd., Pitti Holdings Pvt. Ltd. and Pitti Components Ltd.

Shri Akshay S. Pitti

Shri Akshay S. Pitti was inducted as the Director (Exports and Business Development) of PLL on October 14, 2004.

- Added various reputed companies to the organisation's prestigious list of clients under his direction and supervision
- Primarily responsible for the surge in domestic and export sales
- Became the Vice-Chairman and Joint Managing Director, effective from March 22, 2010,
- Became the Vice-Chairman and Managing Director subsequently
- Also on the Board of Pitti Castings Pvt. Ltd., Pitti Electrical Equipment Pvt. Ltd., Pitti Holdings Pvt. Ltd. and Pitti Components Ltd

Shri N. R. Ganti

Shri N. R. Ganti has been an Independent Director since October 16, 2002.

- Chairman of the Company's Nomination & Remuneration Committee
- Post-graduate in business administration
- Started his career in the field of banking with the State Bank of India
- Took up management consultancy services after quitting State Bank of India
- Corporate investment advisor to a number of companies and gave productive advice to the companies in organising funds through private placements and preferential issues
- Established a software company, which was later divested to a large industrial group
- Also on the Board of Pitti Castings Pvt. Ltd.

Shri Gummalla Vijaya Kumar

Shri Gummalla Vijaya Kumar, a Bachelor of Law (LLB), was inducted as an Independent Director on August 28, 2006.

- One of the senior advocate of the High Court of Andhra Pradesh
- Formerly a Government Pleader for revenue (Assignment, ULC and land grabbing)
- Also the Chairman of the Company's Stakeholders Relationship Committee



Shri M. Gopalakrishna, IAS (Retd)

Shri M. Gopalakrishna, IAS (Retd), joined the Board as an Independent Director on June 28, 2007.

- Held prestigious positions in the states of Assam and Andhra Pradesh as well as with the Government of India
- A graduate in science and law
- Presented several papers at International conferences on energy, minerals, corporate governance and rural development
- In-depth experience of the corporate world
- Served as the Founder Managing Director of Godavari Fertilisers and Chemicals Ltd.
- Wide and varied administrative and managerial experience spanning over four decades in the government and public sector including the promotion, development and regulation of industry and power utilities
- Director of several industrial promotion, development corporations and manufacturing companies in the Government of India and Governments of Andhra Pradesh and Assam
- Also a Director on the Board of NSL Textiles Ltd., JOCIL Ltd., Goldstone Infratech Ltd., Kernex Micro Systems (I) Ltd., Suven Life Sciences Ltd., Prabhat Agri Biotech Ltd., NSL Renewable Power Ltd. and Nuziveedu Seeds Ltd.

Ms. Gayathri Ramachandran, IAS (Retd)

Ms. Gayathri Ramachandran, IAS (Retd) joined the Board as an Independent Director on September 22, 2014.

- A career spanning over 37 years
- Has held various national and international positions with the Government of India in the Ministries of Power, Petroleum, Chemical & Fertilisers and Civil Aviation
- Served as a Special Secretary to the Government of Andhra Pradesh
- Director on the Board of SKIL Infrastructure Ltd., KLG Capital Services Ltd., JPT Securities Ltd., Reliance Defence and Engineering Ltd. (Erstwhile Pipavav Defence and Offshore Engg Company Ltd.), Gujarat Dwarka Port West Ltd. (Erstwhile Gujarat Positra Port Company Ltd.), SKIL-Himachal Infrastructure and Tourism Ltd., Chiplun FTWZ Pvt. Ltd. and Navi Mumbai Smart City Infrastructure Ltd. (Erstwhile Mahakaleshwar Knowledge Infrastructure Pvt. Ltd.) Karanja Logistics Pvt Ltd., SEMCORP Gayatri Power Ltd., Thermal Powertech Corporation India Ltd.

Shri S. Thiagarajan

Shri S. Thiagarajan joined the Board as an Independent Director on April 24, 2015.

- A Chartered Accountant with rich expertise in financial and management accounting
- Hands-on experience in corporate financial roles in local and global context
- Held various prestigious positions in NMDC during the preceding 15 years, and served as a Board member on various associates of NMDC
- Also the Chairman of the Company's Audit Committee
- Partner of Ramamoorthy (N) & Co, Chartered Accountants

Long-standing customer relationship across business and geographies

Every business finds purpose and fulfilment in expansion

Laminations

 ABB	 Andritz Hydro	 Bharat Bijlee	 Crompton Greaves	 Cummins
 DOL Group	 Emerson	 GE	 Marathon	 Regen Powertech
 Siemens	 Suzlon	 Voith		

Machining

 Caterpillar	 Emerson	 Gamesha	 GE	 Siemens	 Windworld
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Global Presence



NOTE: Capterpillar, Gamesha, GE, Simens and Wind World are end customers of Pitti Castings for whom work is executed by Pitti Laminations' machining division; GE and Emerson are also direct customer of Pitti Laminations' machining Division



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Management Discussion & Analysis

ECONOMIC REVIEW

Global Economy

After a sluggish start to 2016, the global economic activity firmed up in the latter half of the year and increased by 3.1% during the year. A long-awaited cyclical recovery was witnessed in investment, manufacturing and trade, especially in the advanced economies. With the decline in unemployment and improvement in consumer demand, growth picked up in the US. Despite the Brexit vote, UK grew at a brisk pace, marking a strong finish to the year. Japan's performance was also strong, driven by healthy exports.

Emerging markets account for more than 75% of global growth in output and consumption, almost double the share from two decades ago. During 2016, there was a decline in the growth across most of the emerging economies, thus overshadowing the improved show put up by the developed economies. China fared better than expected on the back of policy stimulus. India recorded the highest growth among the emerging economies. Geopolitical factors and recessionary slowdown held back growth in parts of Middle East, Turkey and Brazil.

Outlook

Going ahead, the global economic growth is projected at 3.5% in 2017 and 3.6% in 2018. The coming years envision a rebound in activities across advanced as well as emerging economies. Marginal recovery in manufacturing output, strong global demand coupled with stable commodity prices and reduced deflationary pressures, implementation of structural changes in India and rebalancing in China will reflect in the growth momentum over the medium to long term.

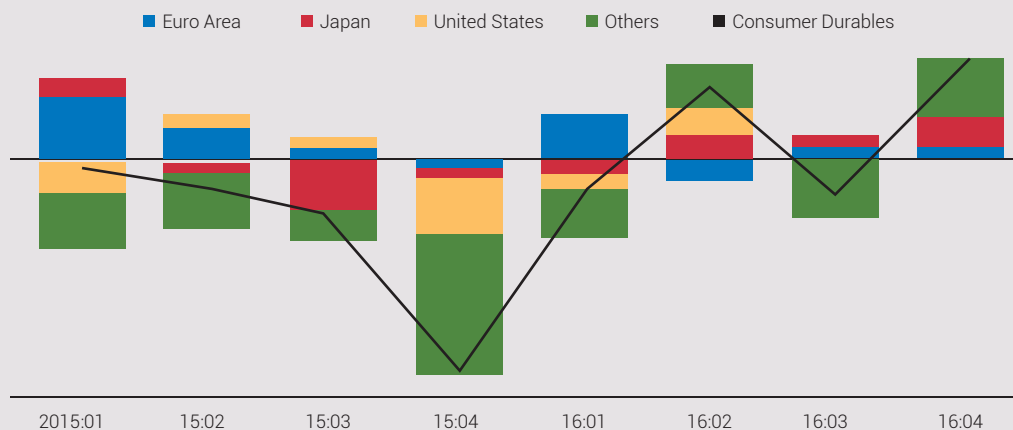
Global Growth

Particulars	Actual (%)		Projections(%)	
	2015	2016	2017	2018
World Output	3.1	3.1	3.5	3.6
Advanced Economies	1.9	1.7	2	2
United States	2.4	1.6	2.3	2.5
Euro Area	1.6	1.7	1.7	1.6
Japan	0.5	1.2	1.2	0.6
United Kingdom	2.2	1.8	2	1.5
Other Advanced Economies*	2	2.2	2.3	2.4
Emerging Market and Developing Economies	4	4.1	4.5	4.8
China	6.9	6.7	6.6	6.2

*Excludes the G7 (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries.

(Source – IMF)

The quarterly chart of last two years depicts how production of both consumer durables and capital goods recovered in late 2016, after several quarters of muted growth
Global Production of Capital Goods (Quarter over quarter annualized percent change)



Note: Euro area data are through November 2016. Other- Brazil, India, Korea, Norway, Sweden, Switzerland, Taiwan Province of China, Turkey, United Kingdom.

Source: IMF staff estimates.



INDIAN ECONOMY

The Indian economy is in a sweet spot as the prospects look promising. The country emerged amongst the fastest growing economies in recent times. The GDP accelerated from 5.7% in 2013 to 7.1% in 2017. However, there was a slight decline in the growth rate as compared to the previous year, owing to a temporary slowdown because of demonetisation.

The fundamentals supporting the economic growth remained intact, with timely execution of favourable structural policy and reforms by the government. Prudent fiscal regime and calibrated monetary easing that reigned in inflation, helped to strengthen macroeconomic stability. The rollout of GST will prove beneficial in the long term. This in turn will lead to better transparency, higher revenue generation, a wider tax base, collection efficiency, economy formalisation and limiting tax evasion.

In 2017, the base year of index of industrial production (IIP) was changed to 2011-12. The new series is a marked improvement over the old series, in terms of items baskets and weights of each. As per the new series, the IIP grew by 5.0%, demonstrating a rebound of industrial output in 2016-17.

INDIA IS ON THE THRESHOLD OF MAJOR REFORMS

INDUSTRIAL DEVELOPMENTS

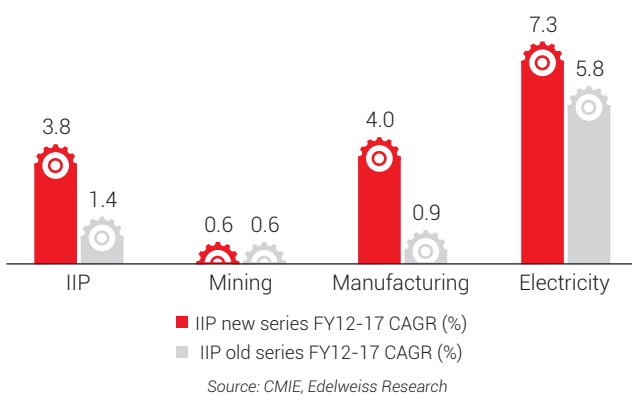
Power Sector

India's power sector is at an inflection point. The sector that was plagued with issues of continuous power shortages and lack of quality, has witnessed an unprecedented turnaround over the past three years. Thanks to government's policy initiatives in 2014-15, the sector is now transforming in terms of reliability and affordability. More importantly, India turned around from a net importer of electricity to net exporter of electricity, for the first time in the history. Notably, India jumped 73 spots to rank 26 in the World Bank's power list this year.

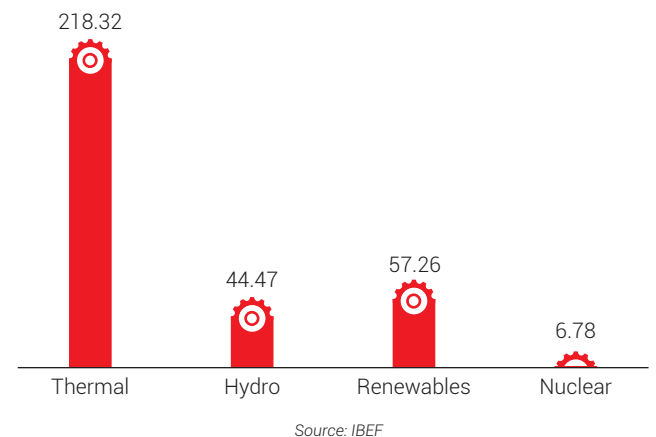
The Ministry of New and Renewable Energy (MNRE) took several steps to develop clean energy. India undertook the largest renewable capacity expansion programme globally. The power sector took huge strides under the new government's simultaneous policy, processes and reforms which continue to be unabated.

The total installed capacity for the fiscal ended 2017 stood at 329 GW. Of this the total thermal installed capacity stood at 218.32 GW, while hydro and renewable energy installed capacity totalled to 44.47 GW and 57.26 GW, respectively. India's power generation grew by 4.7% and total units generated grew from 1,107 billion units to 1,160 billion units in FY 2016-17.

Growth in new series is ~240bps higher on average than previous one



Installed capacity for different sources of power FY17 (GW)

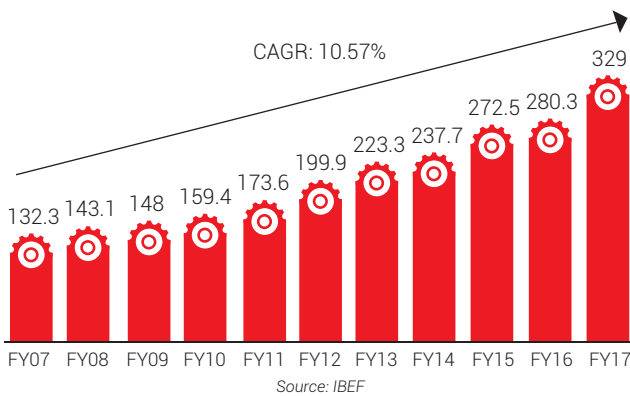


Outlook

The Indian economy is likely to embark on a higher growth trajectory. This growth will mainly be driven by increased government spending in infrastructure, good monsoons, pick-up in private investments and rising consumer demand.



Installed electricity generation capacity (GW)



Last year, the Union Ministry of Power, unveiled UDAY (Ujwal Discom Assurance Yojana), to help the sector tide over issues posed by the weakness in financial position of the power distribution companies (Discoms). There has been a significant impact of this scheme mentioned as follows:

- ⚙️ Twenty-two states signed UDAY MoUs
- ⚙️ Debt worth ₹ 3 trillion covered under the ambit of UDAY
- ⚙️ States and discoms issued UDAY bonds worth ₹ 2.1 trillion till date, leading to sharp reduction in interest costs

Outlook

Generation	2015-16 (BU)	2016-17 (BU)	% change
Thermal	943.78	994.21	5.3%
Hydro	121.38	122.32	0.8%
Nuclear	37.41	37.66	0.7%
Bhutan Import	5.24	5.64	7.6%
All India	1107.82	1159.83	4.7%

(Source – CEA)

The power sector is expected to play a crucial role in India's growth story. The government plans to make investments worth rupees six trillion in solar power sector by 2020. Further investments are to be made in thermal power upgradation. Government's continuous thrust on this segment will pave way for a better and brighter prospect for the power sector.

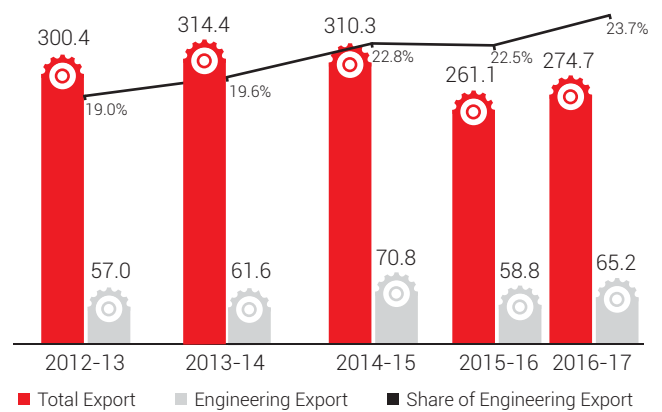
Capital Goods/Engineering sector overview

India is on the threshold of major reforms and is poised to rise as the fifth largest manufacturing economy globally by 2020. Growth in the engineering segment is driven by various sub-segments such as infrastructure, power, steel, automotive, oil & gas and consumer durables. All these sectors have started

witnessing traction. Hence, paving way for strong sector growth. Engineering segment, being strategically important to India's growth story, witnessed increased investments in infrastructure and industrial production. Several interventions and policy measures were positively embraced by the manufacturing industry. Moreover, the government's focus on 'Make in India' is expected to take the manufacturing sector to the next level of growth.

The global headwinds that led to significant decline in Indian exports, have started easing gradually. There are renewed hopes and cautious upliftment in the engineering exports. For the year 2016-17, engineering goods exports aggregated at about US\$ 65.2 billion, registering an increase of 11.3%. This can be accredited to the revival in the US.

Trend in India's overall merchandise exports and engineering exports US\$ Billion



Outlook

The sector is expecting a turnaround with progressive public sector spending and private sector investments in the near future. The government is backing major part of the ongoing projects through a thrust on the infrastructural spending. Going ahead, improvement in engineering exports further encouraged the industry to develop a mega strategy.

OPERATIONAL AND FINANCIAL REVIEW

The Company reported volumes of 18,775 metric tonnes in 2016-17, largely contributed through domestic segment. During the year, the Company commenced with the commercial delivery to GE India for Indian Railway Project, way ahead of schedule. Hence the orders received from them are a part of our domestic delivery.






The Company's revenues declined 8% from ₹ 327.30 crore in 2015-16 to ₹ 302.87 crore in 2016-17. The marginal decline in revenues was mainly due to fall in export on account of subdued overseas market demand. The domestic sales accounted to 67% of total sales, while the rest was contributed by exports. The exports declined by 29% owing to Company's conscious decision to focus on domestic markets.

Our EBITDA (profit from ordinary activities before finance cost, depreciation and exceptional items and includes foreign exchange loss or gain) during the year strengthened by 72% from ₹ 19.03 crore in 2015-16 to ₹ 32.78 crore in 2016-17. The margins strengthened by 121 bps. The reason for growth was highly attributable to better product mix. This resulted in improved price realisation of the domestic business, reduction in employee cost and significant improvement in operational efficiency. We recorded a PAT of ₹ 6.28 crore in 2016-17, significantly recovering from the loss of ₹ 9.56 crore in 2015-16. The increase in profitability resulted in strengthening our shareholder's fund from ₹ 106.95 crore in 2015-16 to ₹ 113.24 crore in 2016-17.

OPPORTUNITIES AND STRENGTHS

Economic Optimism: A number of factors will act as a catalyst towards the core sector's growth:

-  Favourable economic environment
-  Government's focus towards ease of doing business.
-  Initiatives like 'Make in India'

The Company's products are largely driven by these sectors. With a positive investment climate, the core sectors will deliver strong demand over the medium to long term.

Geographical Relocation: After a successful stint with the Pune facility, the Company is setting up its own facility at Aurangabad. The presence in Maharashtra brings the Company in proximity to its customers as well as raw material sources. This will significantly reduce the Company's logistics and operational cost.

Quality: The Company is India's first commercial manufacturer of laminations to be certified by BVQI of UK for ISO 9002. The long-standing customer relationship testifies the Company's high product quality and stringent systems.

Value Creation: The Company creates value across all stages of production of the electrical laminations. Be it tooling, castings, lamination and machining, the integrated presence creates a competitive edge and provides client comfort.

Product Mix: Pitti Laminations offers over 3,000 different

models of laminations to meet diverse application needs of its clients. The Company constantly explores opportunity to introduce value-added product lines and provide cutting-edge solutions to the client, thus improving revenues streams.

Experienced Leadership: The Company is guided under an able leadership team, having hands-on industry experience. Proactiveness and thoughtful decision-making has enabled the Company to scale sustainable heights.

THREATS

While the Company is strategically positioned to utilise its strengths in leveraging the underlying industrial opportunities, it also takes on into account certain potential threats, which may impact the smooth business operations. These include changing industrial trends, competition scenario, emerging customer preferences, potential disruptions in supplies and regulatory changes, among others.

RISK MANAGEMENT

The Company drives growth through a strong balance of risk-reward proposition. During a corporate's journey, the risk profile changes – from one of surviving the day-to-day challenges to one of sustaining growth momentum. The same holds true for Pitti Laminations. The Company has its operations spanning across multiple locations while serving marquee clients globally.

Risk management at Pitti Laminations, is an integral part of the business model, focusing to mitigate the adverse impact of risks on business objectives. The Company leverages its rich experience to align its growth prospects with shareholder's expectations. The risks are divided as external and internal risks. Some of the important risks and mitigation measures identified by the Company are as follows:

External Risk Factors

Economic Environment & Market Conditions

Risk Identification: The Company operates its business in a volatile, uncertain, complex and competitive global environment. To expand globally, the Company continuously searches for new markets, new products, resources, lower production costs, new customers and other opportunities. It also faces increases complexity in terms of the varied business practices and additional risks due to new political and economic environments. Such risk management can ensure new markets and better profits. The Company's economic environment keeps changing and it must move in tandem.





Inherent risk of doing business in international market must take into account, the economic, environmental, exchange control, tariffs, trade barriers, longer payment cycles, growing technological issues and increased competition.

Risk Mitigation: Pitti Laminations markets its products primarily to domestic customers besides exports to USA, Mexico, Canada, Brazil, France, Germany and Australia.

Considering the continuous patronage enjoyed by the Company from GE group, a long-term agreement has been entered into by the Company with GE. The order book suggests that there are no significant risk factors involved in the business with GE group, in the near future. While a significant proportion of the revenues are derived from a limited number of customers, Pitti Laminations' strategy is to seek new customers through broad basing of products and customers. This can be done by an appropriate mix of domestic and overseas customers. On the purchasing front, the Company has also broad-based its vendors overseas and domestic purchases for raw material in order to maintain a good balance. Historically, the strength of its relationship with its vendors and customers has resulted in significant recurring revenue from existing customers.

The Company puts continuous efforts towards broadening its overseas customers and increase domestic sales. This is expected to off-set the potential diminution if any, in the business with GE group.

Political Environment

Risk Identification: Any adverse change in the political environment of the customer countries will impact the Company's growth strategies.

Risk Mitigation: Prospective risks are managed by in a number of ways:

- ⚙ Constant engagement with the government
- ⚙ Reviewing and monitoring the country's industrial, labour and related policies
- ⚙ Involvement in representative industry-bodies

Competition

Risk Identification: In an increasingly global market, the Company faces rising levels of competition. Risk of competition is inherent to all business activities. The Company faces competition from the existing players operating in the segment. Considering the Company's high growth phase of business, an inherent risk of existing competition getting accentuated with the advent of new players is always present.

Risk Mitigation: Significant entry barriers will help Pitti Laminations to retain its market share. Otherwise, it would have been a long drawn out process to establish a new enterprise by investing huge resources.

Most of the customers have been with the Company since its inception. This demonstrates the Company's values and the commitment to quality deliverables. It also speaks of good relationships that have enabled Pitti Laminations to retain its market share.

Pitti Laminations believes that it is strongly placed to consolidate its market position as a leading supplier of laminations due to its competitive strength which include:

- ⚙ One-stop engineering solutions provider: End-to-end value-added products under one roof
- ⚙ Customer-centric approach
- ⚙ Track record of high quality products and order execution
- ⚙ Specialised industry expertise
- ⚙ Ethical values

Revenue Concentration and Liquidity Aspects

Risk Identification: Each business area such as laminations, castings, stampings, jobwork has specific risk with aspect to profitability and liquidity. The risks are therefore identified for each business segment. This helps mitigate risks and contribute to total revenue, profitability and liquidity.

Risk Mitigation: However, the Company has identified revenue contribution by each segment of business such as laminations, stampings, castings and machining. It approximately balances the risk associated with revenue concentration and liquidity aspects.

Technology Obsolescence

Risk Identification: The Company strongly believes that technological obsolescence is a practical reality. Pro-active technology upgradation in tune with the changing times has always been receiving focussed management attention.

Risk Mitigation: Technological obsolescence is evaluated on a continual basis and the necessary investments are made to bring in the best proven technology. A constant endeavour is being made to ensure that its plants are equipped with state-of-the-art technologies. This is to maintain its commitment to quality deliverables in time with least cost and best service to secure cost competitiveness. The Company has developed excellent in-house technical expertise in the production team. It is constantly on the lookout for latest state-of-art technologies to increase the productivity and reduce cost.



The Company's products are made to order and are critical inputs in the electrical and engineering industries as per customer design. The management does not perceive any risk on account of product obsolescence.

Legal and Contractual Compliance

Risk Identification: Legal risk exposes the Company to legal action. Governed by various laws, the Company does its business within the framework of law and is hence exposed to legal risk.

Risk Mitigation: The Company operates its exports business primarily in the US, Germany and Mexico. The investment flows are free in these countries and they enjoy well-established business and legal framework.

In the event of the Company exploring business prospects in countries where the political systems are still evolving, it would recognize the possible frequent changes in investment and economic policies that might occur. It would then finalise the business plans with the enterprises located therein only after carefully considering the pros and cons of the business decisions.

For the business on the domestic front, the Company makes representations to the government at the centre and state (as the case may be). This is done as a part of the collective effort of the business fraternity through trade associations, chambers and federations in case policies announced are likely to cause impediments to the business.

The Company will also examine and explore ways and means to minimize the tax risks. It intends to do this through consultations and deliberations with experts in the relevant field. This will ensure a proper tax frame work in place.

Pitti Laminations has established proper internal financial controls through periodic internal audit, statutory audit, tax audit, ISO audit/transfer pricing audit and customer quality audit. The Company has also framed proper system to ensure compliance with provisions of all applicable laws through periodic secretarial audit.

Contracts with customers typically contain clauses, restrictions and measures. Non-adherence of these can result in litigation. Additionally, there are other obligations and general corporate legal risks.

Pitti Laminations has an experienced team of professionals. The team focusses on evaluating risks involved in a contract. It ascertains responsibilities under the applicable law of

contract, restricts liabilities under the contract and cover risks involved. This way they ensure adherence to all contractual commitments.

The Company has developed proper system. This system ensures proper contract drafting. Adequate indemnity clauses are also incorporated in the contracts entered into with one or more parties. Additionally, internal controls from technical team and strict supervisions and checks on execution of contracts and delivery are also undertaken.






Fluctuations in Foreign Exchange

Risk Identification: The Company is exposed to substantial risk on account of currency movements in global foreign exchange market. The exchange rate between the rupee and the currency in other countries has changed substantially in recent years and is always fluctuating. The objective of foreign currency risk management is to protect cash flows and profit. The policy for foreign currency risk management ensures the finance department a continuous track movement of foreign currencies. It also avails the services of experts and hedges the risk through appropriate mechanisms such as forward contracts/derivatives and margins from volatility, on account of fluctuations in exchange rates.

Risk Mitigation: The Company's functional currency is the Indian rupee. However, a major portion of the business is transacted in US Dollars and accordingly, faces foreign currency exposure for export sales and purchases from overseas suppliers in US Dollars.

The Company has limited currency exposure in case of sales, purchases and other expenses on the revenue side as it has a natural hedge to a major extent. However, beyond the natural hedge, the risk can be measured through the net open position i.e. the difference between un-hedged outstanding receipt and payments. The Company goes for hedging (forward booking) on open position when actual exchange rate reaches a particular level as compared to transacted rate.

The risk on account of foreign currency is managed through hedging. Pitti Laminations' risk management strategy is to:

-  Identify risks it is exposed to
-  Evaluate and measure those risks
-  Decide on managing the same risks
-  Regular monitoring
-  Reporting to management

**PITTI LAMINATIONS
HAS AN EXPERIENCED
TEAM OF
PROFESSIONALS**





The risk management policies with regard to foreign exchange fluctuation is approved by senior management and include

- ⚙️ Implementing hedging strategies for foreign currency exposure
- ⚙️ Specification of transaction limits
- ⚙️ Identification of personnel involved in execution
- ⚙️ Monitoring and controlling such transactions

Further the Company is protected on its export pricing with its customer, specifically GE, as the unit cost of the product gets adjusted to the exchange fluctuation of the previous quarter. Therefore, there is open exchange risk only for one quarter volume.

Internal Risk Factors

Operational Efficiency

Risk Identification: Operational efficiency is an integral part of an organisation. Continuous productivity increases the competitiveness of the organisation. If not attended to, the inevitable consequences include increased cost, undermined profitability and pressure on growth. The risk is assessed by evaluating the potential for incidents along with the degree of impact that it could have on an organisation should they occur.

Risk Mitigation: The Company is constantly working to limit the operational risks. This requires the combined efforts of all business and support functions, and the tools required, to be developed. Apparent trends are analysed, and various operating groups combine into task forces to address these. The business continuity plan is reviewed annually by each unit.

Safety, Health and Environment

Risk Identification: Safety, health and environment constitutes an important aspect in an organisation's growth. It can ensure:

- ⚙️ Increased safety and environmental performance
- ⚙️ Ensure sustainable development
- ⚙️ Improve financial performance
- ⚙️ Enhance reputation

Risk Mitigation: Pitti Laminations endeavours to protect the environment in all its activities, as a social responsibility. Extensive plantations of trees around manufacturing facilities are undertaken for green belt development to keep the pollution at lowest level.

SAFETY, HEALTH AND ENVIRONMENT CONSTITUTES AN IMPORTANT ASPECT IN AN ORGANISATION'S GROWTH

The Company values the safety, health and environment as an apex legal committee monitors the same. Pitti Laminations is also in the process of obtaining EMS 14000.

Human Resource Management

Risk Identification: The Human Resource constitutes the Company's most important asset and strength. The risk management measures relating to human resource is therefore necessary to cover all risks related to employees. These include competence enhancement, growth, career, succession planning and reduce attrition in key result areas and among key managerial personnel. The measures deal with the nature of risk involved in relation to employees, objectives of risk management and measures to manage risk.

Risk Mitigation: Pitti Laminations ensures that right person is assigned to the right job. The Company ensures that the employees grow and contribute towards organisational excellence at all levels. Risks in matters of human resources are sought to be minimised and contained by following a policy which:

- ⚙️ Provides equal opportunity to every employee
- ⚙️ Inculcates a sense of belonging and commitment in them
- ⚙️ Effectively train them in spheres other than their own specialisation

The Company's ability to execute projects and to develop new customers depends largely on its ability to:

- ⚙️ Attract
- ⚙️ Train
- ⚙️ Motivate
- ⚙️ Develop a talent pool

- ⚙️ Retain highly-skilled professionals - particularly key managerial personnel in manufacturing side such as technical personnel, plant managers and marketing officers.




The Company's growth has been driven by its pool of talented human resources and the ability to engage them. To attract, retain and motivate the entire team, Pitti Laminations seeks to provide an environment that rewards entrepreneurial initiative and continuous learning to employees. This helps fosters collaboration and performance. Employees are encouraged to make suggestions on innovations, cost-saving procedures and exchange of ideas related to manufacturing procedures, among others.



Culture and Values

Risk Identification: Pitti Laminations has various manufacturing facilities located in different geographical locations. People from different cultures and values are employed at these manufacturing facilities. Managing risk of misunderstanding among multi-cultural workforce is very critical.

Risk Mitigation: The Company has implemented a code of conduct for directors, senior management personnel and employees. These policies are disseminated on its website and affirmations have been obtained from all concerned to ensure compliance. The organisation also ensures timely flow of right information to keep everyone aware of the same. The core values comprise Truth, Trust, Transparency, Fairness, Nurturing Relationships, Passion to excel and Respect to fellow workers. These core values are the organisation's guiding parameters.

-  Embody principles and policies in orders, manuals
-  Encode in the logo, name and symbols, among others
-  Embed the systems, processes, practices

Enculture the feeling of customer is king and it is he who provides us an opportunity to serve him and enables the Company to grow. It is envisaged that PLL will become a global brand for Laminations.

BUSINESS OUTLOOK

The Company has a very well articulated plan for transition into the next phase of growth. There are a number of initiatives undergoing which will support the growth endeavours of the Company and will create value for shareholders. Some of the initiatives are as follows:

-  Received a contract from GE India amounting to ₹ 500 Crore to be delivered over a period of 10 years. The Company will supply traction motor related products along with some other products to be used in locomotives for catering to the requirements of Indian Railways. The commercial delivery started in last quarter of the fiscal year
-  Machined casting business generated significant interest from customers such as GE India, Gamesa and Siemens. The management is in process to expand the capacity in Hyderabad facility to cater to increased

requirements of the customers. This plant is expected to start commercial production by July, 2017.

The Company is also focused on improving product mix by supplying more value added products and has also been undertaking technology upgradation to enhance operational efficiencies

Human Resources Development and Industrial Relations

Pitti Laminations enjoys an excellent track record of cordial and harmonious industrial relations. The Company has a strong and committed work force. This work force is nurtured and backed by its professional culture and coupled with innovative human resource process aimed at strategic alignment with business objectives. The Company strives to create a performance driven environment where innovation is encouraged, performance is recognised and employees are motivated to realise their potential. Pitti Laminations lays great emphasis on continuous transformation and alignment with the change in business requirements. This focus enables them to respond better to the needs of their customers and gain strategic advantage over its competitors. There are 559 employees in the Company payroll as on March 31, 2017.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

As a business philosophy, management believes in growth with an effective governance system. The Company's proper and adequate system of internal controls commensurate with its size and business operation. This ensures timely and accurate financial reporting in accordance with applicable accounting standards, safeguarding of assets against unauthorised use or disposition and compliance with all applicable regulatory laws and Company policies. Internal

Auditors of the Company review the internal control systems on a regular basis for its effectiveness and necessary changes. The suggestions made thereon are duly incorporated into the system. Internal audit reports are also reviewed by the Audit Committee of the Board. The Audit Committee reviews the internal audit reports and the remedial measures taken by the concerned departmental heads in the light of audit observations. The Statutory Auditors of the Company also scrutinise the internal audit report as part of their statutory audit functions.

THE COMPANY HAS A VERY WELL ARTICULATED PLAN FOR TRANSITION INTO THE NEXT PHASE OF GROWTH





The Statutory Auditors also conduct the limited review as part of the listing obligations and the reports are placed before the Audit Committee and Board and forwarded to the regulatory authorities. The observations of the Audit Committee with regard to the efficacy of audit report and the effective remedial measures that have been taken by the Company are placed before the Board for its consideration.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report section and elsewhere which seek to describe the Company's objectives, projections, estimates, expectations or predictions may be considered to be 'forward-looking

statements' within the meaning of the applicable securities laws, or regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include demand supply conditions, availability of raw materials, pricing of products, changes in governmental regulations, tax regimes, economic developments within India and countries with which the Company conducts business besides other unforeseen factors, such as litigations and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any such statements based on subsequent developments, information or events.



Directors' Report

Dear Members,

Your Directors are pleased to present the 33rd Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended 31st March, 2017.

BUSINESS OVERVIEW

Pitti Laminations Ltd (PLL) is one of the largest global manufacturers of special purpose laminations for all types of rotating electrical machinery. PLL is also India's largest manufacturer of Electrical Steel Laminations, Motor Cores, Sub-Assemblies, Die-Cast Rotors and Press Tools. The Company's products have application in industrial motors, alternators, hydro-electric and thermal power generators, wind power generators, DC machines, railway traction motors, pumps, medical diagnostic equipment and aeronautic wing control motors. PLL has a fully integrated manufacturing facility to cater to specific customer requirements and provides end-to-end solutions at one location. The Company has diversified into manufacturing of castings, steel fabricated parts and machined components stator and rotor assemblies with plans of diversifying into forgings.

The Company has a state of the art tool room for the manufacture of dies, jigs, fixtures and press tools. The present installed capacity of the Company is 32,000 TPA

of laminations and is being expanded further, in stages to 50,000 TPA. It also has a modern press shop with high speed presses, coil feeds, CNC notching and machine shop for assembly and finished machining of lamination housings as a ready to use product.

FINANCIAL RESULTS

The financial performance of your Company for the year ended 31st March, 2017 is summarised below:

	Rs. in crores	
	FY 2017	FY 2016
Net sales & other income	288.92	313.50
Total expenditure	253.11	292.46
Profit / loss before depreciation and finance charges	35.81	21.04
Depreciation and amortization expenses	13.70	15.42
Finance charges	15.30	17.04
Profit / loss before tax	6.81	(11.42)
Tax expenses	0.53	(1.86)
Net profit / loss	6.28	(9.56)
Profit / loss brought forward from the previous year	47.95	57.51
Dividend	-	-
Transferred to General reserve	-	-
Profit / loss carried to Balance sheet	54.23	47.95



OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

Performance of the Company during the year under review was satisfactory. While the top line remained subdued, profitability improved significantly supported by a combination of factors such as better product mix, improved price realization, reduction in employee cost and significant improvement in operational efficiency. The Company reported revenue of ₹ 289 crores during 2016-17 as against ₹ 314 crores during the previous year 2015-16 which is lower by 8% mainly due to fall in exports on account of subdued overseas market demand. However, the Company's continuous efforts to increase its presence in domestic market was able to make up the loss of exports to a greater extent. Further, the commercial delivery to GE India for Indian Railway project commenced during the year which is much ahead of the projected schedule. The domestic sales accounted to 67% of total sales, while the rest was contributed by exports which are in line with the Company's changed strategy of broad basing its customers and markets.

The EBIDTA (profit from ordinary activities before finance cost, depreciation and exceptional items and includes foreign exchange loss or gain) during the year strengthened by 72% to ₹ 32.78 crores in 2016-17 from ₹ 19 crores in 2015-16.

The Company recorded a Net Profit of ₹ 6 crores in 2016-17, significantly recovering from the loss of ₹ 10 crores in 2015-16. Improvement in profitability resulted in strengthening our shareholder's fund to ₹ 113 crores in 2016-17 from ₹ 107 crores in 2015-16.

The total debt as on March 31, 2017, was ₹ 195 crores which included ₹ 58 crores of long-term debt and ₹ 137 crores of short-term debt. Cash and cash equivalents for the quarter was ₹ 11 crores resulting in a net debt position of ₹ 184 crores. We continued to maintain a conservative leverage profile with a total debt to equity ratio of 1.6x.

No material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year 2016-17 and the date of this report. As mandated by the Ministry of Corporate Affairs, the Company has adopted the IND AS for the financial year commencing from 01st April, 2017.

TRANSFER TO RESERVES

The Company does not propose to transfer any amount to the General reserve out of the amount available for appropriation.

DIVIDEND

In view of proposed expansion plans which require higher capital allocation, your Directors express their inability to recommend dividend for the financial year 2016-17. The Board of Directors of the Company has adopted a dividend distribution policy. The policy is also available on the website of the company under the "Investors Relations" section.

SHARE CAPITAL

The Authorised Share Capital of the Company as on 31st March, 2017 is ₹ 15 crores. The total equity shares as on 31st March, 2017 is 2,69,83,400 equity shares of ₹ 5 each and the Paid-up Equity Share Capital is ₹ 13.49 crores. The Authorised Share Capital of the Company is further increased from ₹ 15 crores to ₹ 30 crores with effect from 6th April, 2017.

Further the Company is planning to increase its Paid-up Equity Share Capital by way of allotment of equity shares to the promoters and promoters group on preferential basis. The necessary Special Resolution was approved by the shareholders by way of a postal ballot.

The Company had applied for the in-principle approval with the stock exchanges. Upon the advice of the stock exchanges, the Company is ratifying the Resolutions for members' approval in the ensuing Annual General Meeting (AGM).

Your Directors recommend the Resolution for members' approval.

PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposit within the meaning of Section 73 and 74 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment for the time being in force).



MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report on the operations of the Company as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is provided in a separate section and forms an integral part of this Report.

CORPORATE GOVERNANCE

As per Regulation 34(3) read with Schedule V of the Listing Regulations, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this report.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9, as required under section 92 of the Companies Act, 2013 is annexed as **Annexure** and forms an integral part of this Report.

INDUSTRIAL RELATIONS

Your Company has always considered its workforce and their skills as its valuable asset and continues to enhance the performance driven environment with emphasis on aligning it with the changing business requirements.

PREVENTION OF SEXUAL HARRASSMENT

Your Company has formulated a policy for the prevention of sexual harassment at the workplace. It ensures prevention and deterrence of acts of sexual harassment and communicates procedures for their resolution and settlement. PLL is committed to creating and maintaining a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The Company believes that all employees have a right to be treated with respect and dignity and has zero tolerance towards violations of its code of conduct, in general, and its sexual harassment policy, in particular. During the year, no complaint under the sexual harassment policy has been received by the Company.

DIRECTORS & KEY MANAGERIAL PERSONNEL

During the year, Shri Y B Sahgal, Director retired as Whole-time Director of the Company with effect from 30th September, 2016. The Board has placed on record its sincere appreciation and gratitude for contributions made by him during his tenure as Whole-time Director.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Shri Akshay S Pitti, Vice-Chairman & Managing Director retires by rotation and being eligible offers himself for reappointment.

The Board of Directors at its meeting held on 28th April, 2017, subject to approval of the members at the Annual General Meeting (AGM) re-appointed Shri Sharad B Pitti as the Chairman & Managing Director of the Company for a further term of five years w.e.f 01st May, 2017 upto 30th April, 2022. Members are requested to refer item no.6 of the notice of the AGM and explanatory statement for the terms of re-appointment and remuneration of Shri Sharad B Pitti.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of the Listing Regulations.

Key Managerial Personnel

In terms of section 203 of the Companies Act, 2013, the following are the Key Managerial Personnel of the Company:

1. Shri Sharad B Pitti: Chairman & Managing Director
2. Shri Akshay S Pitti: Vice-Chairman & Managing Director
3. Shri Nand Kishore Khandelwal: Chief Financial Officer
4. Shri Satyabrata Padhi: Company Secretary

Board and Committee Meetings

The Board of Directors met four (4) times during the financial year 2016-17. Details of composition of the Board and its committees and of the meetings held and attendance of the Directors at such meetings are provided in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under Companies Act, 2013 and the Listing Regulations.

Committees of the Board

The Board of Directors has the following Committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility Committee

The details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report.



Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Director was completed. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY

During the year under review, the Company has not given any loans, provided any guarantees nor made any investments.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a whistle blower policy that encourages all employees to bring to the Company's attention, instances of unethical behaviour, actual or suspected incidents of fraud or violation of the code of conduct that could adversely impact the Company's operations, business performance and/or reputation. The policy provides that the Company investigates such incidents, when reported, in an impartial manner and takes appropriate action to ensure highest standards of professional and ethical conduct. The practice of the whistleblower policy is reviewed and monitored by the Audit Committee and no employee has been denied access to the Audit Committee. The whistle blower policy has been posted on the website of the Company www.pitti.in.

REMUNERATION AND NOMINATION POLICY

The Board of Directors has framed a policy which lays down a framework in relation to the remuneration of Directors, key managerial personnel and senior management of the Company. This policy also lays down criteria for selection and appointment of Board members. The information required under section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Director / employees of your Company are set out as an Annexure to this report. The detailed policy is available on Company's website www.pitti.in.

RELATED PARTY TRANSACTIONS

All transactions entered into with related parties for the year under review were on arm's length basis and in the ordinary course of business and is in accordance with the provisions of the Companies Act, 2013, read with the Rules issued thereunder and the Listing Regulations. Further there were transactions with related parties which qualify as material transactions under the Listing Regulations for which approval of members is being sought in the forthcoming Annual General Meeting.

All related party transactions are placed before the Audit Committee and omnibus approval is obtained for transactions which are of repetitive nature.

The policy on related party transactions as approved by the Board of Directors has been uploaded on the website of the Company www.pitti.in. None of the Directors has any pecuniary relationship or transactions vis-a-vis the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the regulators / courts that would impact the going concern status of the Company and its future operations.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force), the Directors of your company confirm that:

- a) in the preparation of the annual accounts for the financial year ended 31st March, 2017, the applicable Accounting Standards and Schedule III of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force), have been followed and there are no material departures from the same;
- b) for the financial year ended 31st March, 2017 such accounting policies as mentioned in the notes to the financial statements have been applied consistently and judgements and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company and of the profit and loss for the year ended 31st March, 2017;



- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force) for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a 'going concern' basis;
- e) proper internal financial controls laid down by the Directors were followed by your Company and that such internal financial controls are adequate and operating effectively; and
- f) proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

AUDITORS AND AUDITORS REPORT

Statutory Auditors

Pursuant to the provisions of section 139 of the Companies Act, 2013 and Rules made thereunder, the term of office of M/s. Laxminiwas & Co, Chartered Accountants, as the Statutory Auditors of the Company will conclude from the close of ensuing Annual General Meeting (AGM) of the Company.

Keeping in view the requirements set out in the Companies Act, 2013, M/s. Laxminiwas & Co, Chartered Accountants, have confirmed their willingness, as one of the prospective auditors to conduct audit of the Company's financial statement from the financial year 2017-18.

M/s.Laxminiwas & Co, Chartered Accountants, have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Companies Act, 2013, and that they are not disqualified for re-appointment.

M/s. Laxminiwas & Co, Chartered Accountants, have provided their consent that they are duly qualified and eligible for this appointment as per provisions of section 139 and section 141 of the Companies Act, 2013 and rules made thereunder.

Accordingly, the Board of Directors based on the recommendation of the audit committee have recommended

the Resolution in relation to the appointment of M/s. Laxminiwas & Co, Chartered Accountants as Statutory Auditors of the Company. The appointment shall be subject to the approval of the members at forthcoming AGM.

M/s. Laxminiwas & Co, Chartered Accountants, upon their re-appointment at the ensuing AGM will hold office for a period of five years till the conclusion of the 38th AGM to be held in the year 2022.

The Auditors' Report for the financial year 2016-17 does not contain any qualification, reservation, adverse remark or disclaimer.

Cost Auditors

As per the requirements of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company has been carrying out audit of cost records.

The Board of Directors, on the recommendation of Audit Committee has appointed M/s. S S Zanwar & Associates, Cost Accountants (Firm Registration No.100283) as the Cost Auditors to audit the cost accounts of the Company for the financial year 2017-18. As required under the Companies Act, 2013 a Resolution seeking member's approval for the remuneration payable to the cost auditor forms part of the notice convening the Annual General Meeting for their ratification.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed Shri Ajay Kishen, Practicing Company Secretary (C.P.No.5146) to undertake the secretarial audit of the Company. The Secretarial Audit report is annexed as an Annexure and forms an integral part of this report. There is no secretarial audit qualification for the year under review.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened with new / revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal and operational audit is entrusted to M/s. SVD & Associates,





Chartered Accountants. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism.

RISK MANAGEMENT

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks help in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is periodically reviewed by the Board and the Audit Committee.

However, some of the risks which may pose challenges are set out in the Management and Discussion Analysis which forms an integral part of this report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As a part of its initiative under the Corporate Social Responsibility (CSR) drive, the Company has undertaken projects in the area of urban and rural development, eradicating hunger, promoting health care and education. These projects are in accordance with Schedule VII of the Companies Act, 2013 and the Company's CSR policy. The report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as an Annexure and forms an integral part of this report.

STATUTORY INFORMATION

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed as an Annexure and forms an integral part of this report.

The disclosure required under Section 197(12) of the Companies Act, 2013 read with the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as an Annexure and forms an integral part of this report.

CAUTIONARY STATEMENT

Statements in this Directors' Report and Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied.

APPRECIATION

Your Directors wish to place on record their appreciation, for the contribution made by the employees at all levels but for whose hard work and support, your Company's achievements would not have been possible. Your Directors also wish to thank its customers, suppliers, investors, bankers, business associates, regulatory and government authorities for their continuous support and faith reposed in the Company.

For and on behalf of the Board

Sharad B Pitti

Chairman & Managing Director
DIN: 00078716

Place: Hyderabad
Date: 17th July, 2017



Annexure to the Directors' Report

[Pursuant to Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

(A) CONSERVATION OF ENERGY

- (i) Steps taken or impact on conservation of energy:

NIL

- (ii) Steps taken by the Company for utilising alternate sources of energy:

NIL

- (iii) Capital investment on energy conservation equipments:

NIL

(B) TECHNOLOGY ABSORPTION

- (i) Efforts made towards technology absorption:

NIL

- (ii) Benefits derived like product improvement, cost reduction, product development or import substitution:

NIL

- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

- (a) the details of technology imported :

NIL

- (b) the year of import : **NIL**

- (c) whether the technology been fully absorbed : **NIL**

- (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof and : **NIL**

- (iv) the expenditure incurred on Research and Development: **NIL**

(C) Foreign exchange earnings and Outgo

Foreign exchange spent

Foreign currency (FC)	FC Value	₹ in crores
USD	2956480	20.08
EURO	574423	4.19
JPY	1870484	0.11

Foreign exchange earnings

Foreign currency (FC)	FC Value	₹ in crores
USD	13631097	90.44
EURO	50030	0.37
GBP	10655	0.09

For and on behalf of the Board of Directors

Sharad B Pitti

Chairman & Managing Director
DIN: 00078716

Nand Kishore Khandelwal

Chief Financial Officer
M.No. 074967

Place: Hyderabad
Date: 17th July, 2017



Annexure to the Directors' Report

Annexure To The Director's Report Annual Report On Corporate Social Responsibility (Csr) Activities

<p>1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs</p>	<p>Social and environmental responsibility has always been at the forefront of our operating philosophy and the Company has consistently contributed to socially responsible activities. CSR portrays the deep symbiotic relationship that the company enjoys with the communities it is engaged with.</p> <p>As a responsible corporate citizen it tries to contribute to social and environmental causes on a consistent basis. We believe that to succeed an organization must maintain high standards of corporate behavior towards its stakeholders i.e. employees, consumers and society in which it operates. We are of the opinion that CSR underlines the objective of bringing about a difference and adding value to our stakeholders' lives.</p> <p>The CSR policy is rooted in the Company's philosophy and imbued with the values of quality, reliability, best practices and driven by our aspiration for excellence in the overall performance of our business.</p> <p>The Company has framed its CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website www.pitti.in.</p>
<p>2. The Composition of the CSR Committee.</p>	<p>Shri Sharad B Pitti (Chairman) Shri Akshay S Pitti Shri Gummalla Vijaya Kumar</p>
<p>3. Average net profit of the Company for last three financial years</p>	<p>₹ 8.85 lakhs</p>
<p>4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above)</p>	<p>₹ 8.87 lakhs</p>
<p>5. Details of CSR spent for the financial year:</p>	
<p>(a) Total amount to be spent for the financial year</p>	<p>₹ 8.87 lakhs</p>
<p>(b) Amount unspent, if any:</p>	<p>NIL</p>
<p>(c) Manner in which the amount spent during the financial year is detailed below:</p>	<p>The manner in which the amount is spent is annexed</p>
<p>6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof the Company shall provide the reasons for not spending the amount in its Board report.</p>	<p>N.A.</p>
<p>7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR Objectives and Policy of the Company.</p>	<p>The implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company</p>

on behalf of the Board of Directors

Sharad B Pitti
Chairman & Managing Director
DIN: 00078716

Akshay S Pitti
Member – CSR Committee
DIN: 00078760

Gummalla Vijaya Kumar
Member – CSR Committee
DIN: 00780356

Place: Hyderabad
Date: 17th July, 2017



Annexure to the Directors' Report

Annexure to CSR Report (Point 5(c) of the CSR Report)								
Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads (1) Direct expenditure on projects or programs (2) overheads	Cumulative expenditure upto the reporting period	Amount spent: Director or through implementing agency	Details of implementing agency if engaged
				Rs.	Rs.	Rs.		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Providing scholarship and distribution of notebooks	Promotion of Education	Hyderabad, Telangana	5,20,000	5,16,000	5,16,000	Through implementing agency	Badrivishal Pannalal Pitti Trust
2	Providing financial assistance to widows	Women empowerment	Hyderabad, Telangana	1,15,000	1,11,000	1,11,000	Through implementing agency	Badrivishal Pannalal Pitti Trust
3	Promoting healthcare including preventive healthcare	Medical Assistance	Hyderabad, Telangana	2,60,000	2,60,000	2,60,000	Through implementing agency	Badrivishal Pannalal Pitti Trust
			TOTAL	8,95,000	8,87,000	8,87,000		





Annexure to the Directors' Report

Form No. MGT-9

Extract of Annual Return

As on the financial year ended on 31st March, 2017

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I REGISTRATION AND OTHER DETAILS

CIN	:	L29253TG1983PLC004141
Registration Date	:	17th September, 1983
Name of the Company	:	Pitti Laminations Limited
Category / Sub-category of the Company	:	Company limited by shares /Indian-non Government Company
Address of the Registered office and Contact details	:	6-3-648/401, IV Floor, Padmaja Landmark, Somajiguda, Hyderabad – 500 082
Whether listed Company Yes / No	:	Yes

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sl. No.	Name and Description of main products / services	NIC code of the product / service	% to total turnover of the company
01.	Electrical laminations & Stampings	3440	100%

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name of the Company	Address of the Company	CIN	Holding / Subsidiary / Associate Company	% of shares held	Applicable Section under Companies Act, 2013
						NIL

IV SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoter									
(1) Indian									
a) Individual / HUF	9209380	-	9209380	34.13	9209380	-	9209380	34.13	0.00
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt	-	-	-	-	-	-	-	-	-
d) Bodies Corp	6980000	-	6980000	25.87	6980000	-	6980000	25.87	0.00
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	16189380	-	16189380	60.00	16189380	-	16189380	60.00	0.00

Annexure to the Directors' Report

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(2) Foreign									
a) NRIs -									
Individuals	-	-	-	-	-	-	-	-	-
b) Other -									
Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp	-	-	-	-	-	-	-	-	-
d) Banks / FII	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A) (1) + (A) (2)	16189380	-	16189380	60.00	16189380	-	16189380	60.00	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FII	-	200	200	0	9026	200	9226	0.03	0.00
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	773998	-	773998	2.87	868998	-	868998	3.22	12.27
h) Foreign Venture Capital	-	-	-	-	-	-	-	-	-
Sub-total (B) (1)	773998	200	774198	2.87	878024	200	878224	3.25	13.44
2. Non-Institutions									
a) Bodies Corporate	1583944	1600	1585544	5.88	1625392	1600	1626992	6.03	2.61
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	4887486	475058	5362544	19.87	6276339	459858	6736197	24.96	25.62
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2770852	0	2770852	10.27	1236515	0	1236515	4.58	-55.37
c) NRI	298882	2000	300882	1.11	314092	2000	316092	1.17	5.06
Sub-total (B) (2)	9541164	478658	10019822	37.13	9452338	463458	9915796	36.74	-1.04
Total Public Shareholding (B) = (B) (1) + (B) (2)	10315162	478858	10794020	40.00	10330362	463658	10794020	40.00	0.00
C. Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	26504542	478858	26983400	100.00	26519742	463658	26983400	100.00	0.00



Annexure to the Directors' Report

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year				
		No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	Total	% change in shareholding during the year
01.	Shri Sharad B Pitti	4275560	15.85	-	4275560	15.85	-	-	
02.	Shri Akshay S Pitti	3158200	11.70	-	3158200	11.70	-	-	
03.	Smt Madhuri S Pitti	1562200	5.79	-	1758620*	6.52	-	-	-
05.	Sharad B Pitti (HUF)	8500	0.06	-	17000	0.06	-	-	
06.	Pitti Electrical Equipment Pvt Ltd	3490000	25.87	-	6980000	25.87	-	-	-

*change in shareholding due to transmission of shares

(iii) Change in Promoters' Shareholding

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	16189380	60.00	16189380	60.00
2.	Date wise increase / decrease in promoters shareholding during the year specifying the reasons for increase / decrease (e.g allotment / transfer / bonus / sweat equity etc)	-	-	-	-
3	At the end of the year	16189380	60.00	16189380	60.00

(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No	For each of the top 10 shareholders	Shareholding at the beginning of the year		Date	Reason	Increase / Decrease in shareholding 60.00		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Passage to India Master Fund Ltd	773998	2.87	16.04.2016	Purchase of shares	10000	0.04	783998	2.91
				23.04.2016	Purchase of shares	50000	0.19	833998	3.09
				16.09.2016	Purchase of shares	20000	0.07	853998	3.16
				24.09.2016	Purchase of shares	15000	0.06	868998	3.22
2	Barclays Wealth Trustees India Pvt Ltd	446130	1.65	-	-	-	-	446130	1.65

Annexure to the Directors' Report

Sl. No	For each of the top 10 shareholders	Shareholding at the beginning of the year		Date	Reason	Increase / Decrease in shareholding 60.00		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
3	Dhiren Shevantilal Shah	400000	1.48	28.05.2016	Sale of shares	3313	0.01	396687	1.47
				04.06.2016	Sale of shares	14819	0.05	381868	1.42
				17.06.2016	Purchase of shares	268132	0.99	650000	2.41
				09.07.2016	Sale of shares	110158	0.41	539842	2.00
				26.08.2016	Sale of shares	114050	0.42	425792	1.58
				09.09.2016	Sale of shares	65000	0.24	360792	1.34
				16.09.2016	Sale of shares	30938	0.11	329854	1.22
				30.09.2016	Sale of shares	29854	0.11	300000	1.11
				07.10.2016	Sale of shares	90000	0.33	210000	0.78
				22.10.2016	Sale of shares	40000	0.15	170000	0.63
				28.10.2016	Sale of shares	5665	0.02	164335	0.61
				05.11.2016	Sale of shares	681	0.00	163654	0.61
				16.12.2016	Sale of shares	3654	0.01	160000	0.59
				23.12.2016	Sale of shares	5000	0.02	155000	0.57
4	Tejal Merchantile Pvt Ltd	200000	0.74	-	-	-	-	200000	0.74
5	Nitin Tandon	138000	0.51	-	-	-	-	138000	0.51
6	Nisha Manoj Shah	110000	0.41	-	-	-	-	110000	0.41
7	Chandrakant Janardan Nagarkar	110000	0.41	09.09.2016	Sale of shares	5000	0.02	105000	0.39
				07.10.2016	Sale of shares	10500	0.04	94500	0.35
				09.12.2016	Purchase of shares	5500	0.02	100000	0.37
				28.01.2017	Sale of shares	2750	0.01	97250	0.36
					Purchase of shares	2750	0.01	100000	0.37
8	Krishna Kishore Maheshwari	100000	0.37	-	-	-	-	100000	0.37
9	Sandhya Nahoos Jariwala	85000	0.32	09.09.2016	Sale of shares	8500	0.03	76500	0.28
				07.10.2016	Sale of shares	7500	0.03	69000	0.26
				13.01.2017	Purchase of shares	1578	0.01	70578	0.26
					Sale of shares	778	0.00	69800	0.26
10	Kanchan Tandon	78600	0.29	-	-	-	-	78600	0.29



Annexure to the Directors' Report

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares*	% of total shares of the Company
For each of the Directors and KMP					
Directors					
1	Shri Sharad B Pitti				
	At the beginning of the year	4275560	15.85	4275560	15.85
	Date wise increase / decrease in shareholding during the year	-	-	-	-
	At the end of the year	4275560	15.85	4275560	15.85
2	Shri Akshay S Pitti				
	At the beginning of the year	3158200	11.70	3158200	11.70
	Date wise increase / decrease in shareholding during the year	-	-	-	-
	At the end of the year	3158200	11.70	3158200	11.70
3	Shri N R Ganti				
	At the beginning of the year	1600	0.01	1600	0.01
	Date wise increase / decrease in shareholding during the year	-	-	-	-
	At the end of the year	1600	0.01	1600	0.01
4	Shri Gummalla Vijaya Kumar				
	At the beginning of the year	20	0.00	20	0.00
	Date wise increase / decrease in shareholding during the year	-	-	-	-
	At the end of the year	20	0.00	20	0.00
5	Shri M Gopalakrishna IAS (Retd)				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
6	Ms. Gayathri Ramachandran IAS (Retd)				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
7	Shri S Thiagarajan				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
Other KMPs					
1.	Shri Nand Kishore Khandelwal Chief Financial Officer				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in shareholding during the year	-	-	-	-
	30.12.16	-	-	2000	0.01
	24.01.17	-	-	2000	0.01
	02.02.17	-	-	3000	0.01
	At the end of the year	-	-	7000	0.03
2.	Shri Satyabrata Padhi, Company Secretary				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-

Annexure to the Directors' Report

V Indebtedness

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(₹ in Lacs)

	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	17,124.08	282.32	-	17,406.40
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	12.01	-	-	12.01
Total (i + ii + iii)	17,136.09	282.32	-	17,418.41
Change in indebtedness during the financial year				
• Addition	1,928.83	3,710.00	-	5,638.83
• Reduction	(3,577.20)	-	-	(3,577.20)
Net Change	(1,648.37)	3,710.00	-	2,061.63
Indebtedness at the end of the financial year				
i) Principal Amount	15,466.19	3,992.32	-	19,458.51
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	21.53	-	-	21.53
Total (i + ii + iii)	15,487.72	3,992.32	-	19,480.04

VI Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Name of Managing Director / Whole-time Directors			Total Amount
i)	Principal Amount	Shri Sharad B Pitti Chairman & Managing Director	Shri Akshay S Pitti Vice-Chairman & Managing Director	Shri Y B Sahgal** Executive Director	
01.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	47.74	47.74	26.41	121.89
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
02.	Others	-	-	-	-
	Total (A)				
	Ceiling as per the Act	48	48	48	144

** Shri Y B Sahgal, Executive Director retired from the services of the Company w.e.f 30th September, 2016 and the remuneration includes full and final settlement.



Annexure to the Directors' Report

B. Remuneration to other Directors:

Independent

Particulars of Remuneration	Shri N R Ganti	Shri Gummalla Vijaya Kumar	Shri M Gopalakrishna, IAS (Retd)	Ms. Gayathri Ramachandran, IAS (Retd)	Shri S Thiagarajan	Directors
						(₹ in Lacs)
						Total Amount
Fee for attending Board / committee meetings	2.30	2.10	0.95	1.50	1.85	8.70
Commission	-	-	-	-	-	-
Others, please specify	-	-	-	-	-	-
Total (1)	2.30	2.10	0.95	1.50	1.85	8.70

C. Remuneration to Key Managerial Personnel

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer	Company Secretary	Total
1.	Gross salary	-	-	-
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	45.62	8.77	54.39
	b. Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-
	c. Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2.	Others, please specify	-	-	-
Total		45.62	8.77	54.39

VII. Penalties / punishment / compounding of offences:

Type	Section of the Companies Act	Brief description	Details of penalty / punishment / compounding fees imposed	Authority [RD / NCLT/COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

For and on behalf of the Board of Directors

Place: Hyderabad
Date: 17th July, 2017

Sharad B Pitti
Chairman & Managing Director
DIN: 00078716

Nand Kishore Khandelwal
Chief Financial Officer
M. No. 074967

Annexure to the Directors' Report

[Pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

Sl. No.	Requirements	Disclosure				
1	The ratio of the remuneration of each Director to the median remuneration of the Employees of the company for the financial year:	Name of the Director		Ratio		
		Shri Sharad B Pitti, Chairman & Managing Director		25.40		
		Shri Akshay S Pitti, Vice-Chairman & Managing Director		25.40		
		**Shri Y B Sahgal, Executive Director		22.60		
2	The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary, or Manager, if any, in the financial year:	Shri Sharad B Pitti, Chairman & Managing Director		0		
		Shri Akshay S Pitti, Vice-Chairman & Managing Director		0		
		**Shri Y B Sahgal, Executive Director		0		
		Shri Nand Kishore Khandelwal, Chief Financial Officer		0		
		Shri Satyabrata Padhi, Company Secretary		0		
3	The percentage increase in the median remuneration of employees in the financial year:	There is no increase in remuneration during the Financial year 2016-17				
4	The number of permanent employees on the rolls of the Company:	There were 559 employees on the rolls as on 31st March, 2017				
5	The explanation on the relationship between average increase in remuneration and Company performance:	Increase in remuneration has direct link with financial performance of the Company, industry benchmarking and increase given in Comparable organisations				
6	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:	For the FY 2016-17, keymanagerial personnel were paid remuneration of about 0.62% of the total revenue of the Company.				
7	Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the share of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed Companies:	Sl. No.	Particulars	As on 31.03.2017 (₹ in crores)	As on 31.03.2016 (₹ in crores)	
		1	Market Capitalisation	BSE	166.08	73.13
				NSE	166.89	72.32
		2	Price earnings ratio		26.55	(7.66)
		3	EPS		2.33	(3.54)
		4	Net worth of the Company		113.25	106.96
The last public offer for the shares of the Company was an initial public offer in the year 1994, for 19,00,000 shares of ₹ 20/- each. The market quotation of the equity shares of the Company as on 31st March, 2017 was ₹ 61.85 for share of face value of ₹ 5/- each.						

** Shri Y B Sahgal, Executive Director retired from the services of the Company w.e.f 30th September, 2016



Annexure to the Directors' Report

[Pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

Sl. No.	Requirements	Disclosure	
8	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:	Due to subdued performance of the Company no increase was made in the salaries of Directors, Managerial Personnel and Employees during the financial year 2016-17.	
9	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:	Name of the Director & KMP	Remuneration as % against performance of the Company
		Shri Sharad B Pitti	0.17
		Shri Akshay S Pitti	0.17
		**Shri Y B Sahgal, Executive Director	0.09
		Shri Nand Kishore Khandelwal	0.16
		Shri Satyabrata Padhi	0.03
10	The key parameters for any variable components of remuneration availed by the Directors:	The salary and allowances drawn by the Directors are in accordance with approval of shareholders	
11	The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year:	No employee received remuneration in excess of the highest paid Director.	
12	Affirmation that the remuneration is as per the Remuneration Policy of the Company:	It is affirmed that the remuneration paid is as per the remuneration policy for Directors, Key Managerial Personnel and other employees, adopted by the Company.	

** Shri Y B Sahgal, Executive Director retired from the services of the Company w.e.f 30th September, 2016

For and on behalf of the Board of Directors

Place: Hyderabad
Date: 17th July, 2017

Sharad B Pitti
Chairman & Managing Director
DIN: 00078716

Nand Kishore Khandelwal
Chief Financial Officer
Membership No.: 074967

Annexure to the Directors' Report

FORM NO. AOC-2

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis.

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2017 which were not at arm's length basis.

2. Details of material contracts or arrangements or transactions at arm's length basis.

The details of material contracts or arrangements or transactions at arm's length basis for the year ended 31st March, 2017 are as follows:-

Name of related party	Nature of relationship	Duration of contract	Salient terms	(₹ in Lacs)
Nature of contract				
Rent	Promoters	Ongoing	Based on transfer pricing guidelines	158.59
Shri Sharad B Pitti Smt Madhuri S Pitti				
Purchases	Group company	23.08.2012 to 31.03.2017	Based on transfer pricing guidelines	3397.69
Pitti Castings Pvt Ltd Pitti Electrical Equipment Pvt Ltd				
Sales	Group company	01.04.2016 to 31.03.2017	Based on transfer pricing guidelines	193.48
Pitti Castings Pvt Ltd				
Unsecured loan - received	Promoters	Not applicable	Not applicable	3160
Shri Sharad B Pitti Shri Akshay S Pitti				
Unsecured loan – repaid	Promoters	Not applicable	Not applicable	600
Shri Sharad B Pitti Shri Akshay S Pitti				
Inter corporate deposits - received	Group company	Not applicable	Not applicable	850
Pitti Electrical Equipment Pvt Ltd				
Interest Paid	Group company	Not applicable	Not applicable	1.18
Pitti Electrical Equipment Pvt Ltd				
Jobwork charges earned	Group company	Ongoing	Based on transfer pricing guidelines	96.63
Pitti Castings Pvt Ltd				
Jobwork charges incurred	Group company	23.08.2012 to 31.03.2017	Based on transfer pricing guidelines	0.6
Pitti Castings Pvt Ltd				

For and on behalf of the Board of Directors

Place: Hyderabad
Date: 17th July, 2017

Sharad B Pitti
Chairman & Managing Director
DIN: 00078716

Nand Kishore Khandelwal
Chief Financial Officer
M. No. 074967



Secretarial Audit Report

For The Financial Year Ended On 31st March, 2017

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)

To,
The Members,
Pitti Laminations Limited
Hyderabad

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Pitti Laminations Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Pitti Laminations Limited for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of

Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; [Not applicable to the company during the Audit period].

- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; [Not applicable to the company during the Audit period]
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; [Not applicable to the company during the Audit period].
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; [Not applicable to the company during the Audit period].
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. [Not applicable to the company during the Audit period].
- (vi) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company are:



Secretarial Audit Report

1. Factories Act, 1948
2. Payment Of Wages Act, 1936, and rules made thereunder,
3. The Minimum Wages Act, 1948, and rules made thereunder,
4. Employees' State Insurance Act, 1948, and rules made thereunder,
5. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made thereunder,
6. The Payment of Bonus Act, 1965, and rules made thereunder,
7. Payment of Gratuity Act, 1972, and rules made thereunder,
8. The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975,
9. Industrial Disputes Act, 1947
10. The Air (Prevention and Control of Pollution) Act, 1981
11. The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975,
12. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
13. Contract Labour (Regulation and Abolition Act), 1970.
14. Maternity Benefit Act, 1961.
15. Child Labour (Prohibition and Regulation) Act, 1986.
16. Industrial Employment (Standing Orders) Act, 1946.
17. Employees Compensation Act, 1976.
18. Equal Remuneration Act, 1976.
19. Employment Exchange (Compulsory Notification of Vacancies) Act, 1959.

I / We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above.

I further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Ajay Kishen

Practicing Company Secretary

FCS: 6298 CP: 5146

Place: Hyderabad

Date: 17th July, 2017

Note : This report is to be read with my letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.



ANNEXURE 'A'

To,
The Members,
Pitti Laminations Limited
Hyderabad

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Hyderabad
Date: 17th July, 2017

Ajay Kishen
Practicing Company Secretary
FCS: 6298 CP: 5146



Report on Corporate Governance

In accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the report containing the details of Corporate Governance systems and processes at Pitti Laminations Ltd (PLL) is as follows:

At PLL, Corporate Governance is all about ethical conduct, openness, integrity and accountability of an enterprise. Our corporate governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as disclosures related to the leadership and governance of PLL. We believe that an active, well-informed and independent board is necessary to ensure the highest standards of corporate governance.

STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense.

The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons. A right balance has to be maintained between the complex inter-relationship among the Board of Directors, Audit Committee, other governance committees, Corporate Social Responsibility, auditors and the senior management.

GOVERNANCE STRUCTURE

The Company has put in place an internal governance structure with defined roles and responsibilities of every constituent of the system. The company's shareholders appoint the Board of Directors, which in turn governs the Company. The Board has established four committees to discharge its responsibilities in an effective manner. The Company Secretary acts as the Secretary to all the committees of the Board. The Chairman and Managing Director (CMD) provides overall direction and guidance to the Board. In the operations and functioning of the Company, the CMD is assisted by the Vice-Chairman & Managing Director and a core group of senior level executives.

The Chairman of the Board is the leader of the Board. He

is responsible for fostering and promoting the integrity of the Board while nurturing a culture where the Board works harmoniously for the long-term benefit of the Company and its stakeholders. The Chairman guides the Board for effective governance structure in the Company. In doing so, the Chairman presides at the meetings of the Board and the shareholders of the Company.

The Chairman takes a lead role in managing the Board and facilitating effective communication among Directors. The Chairman is responsible for matters pertaining to governance, including the organisation and composition of the Board, conduct of Board meetings, effectiveness of the Board, Board Committees and individual Directors in fulfilling their responsibilities. The Company Secretary assists the Chairman in management of the Board's administrative activities such as meetings, schedules, agendas, communication and documentation.

The Chairman actively works with the Nomination and Remuneration Committee to plan the Board and Board committees composition, induction of Directors to the Board, plan for Director succession, participate in the Board effectiveness evaluation process and meet with individual Directors to provide constructive feedback and advice.

BOARD OF DIRECTORS

Composition of Board

As on 31st March, 2017, Pitti Laminations Ltd (PLL) consists of 7 (seven) Board members, a majority 5 out of 7 are Independent Directors (including a woman Director). The composition of the Board is in conformity with the Listing Regulations enjoining specified combination of Executive and Non-Executive Directors.

Number of Board meetings

Minimum four prescribed Board meetings are held every year. Additional meetings are held to address specific needs of the Company. In case of any exigency, emergency Resolutions are passed by circulation. During the financial year 2016-17 the Board of Directors met four times on 20th May 2016, 10th August 2016, 07th November 2016 and 13th February 2017.

The maximum gap between any two meetings was less than one hundred and twenty days as stipulated under Regulation 17 of the Listing Regulations and Secretarial Standards.





Directors Attendance Record and their other Directorships / committee memberships

As mandated by Regulation 26 of the Listing Regulations, none of the Directors is a member of more than ten Board level committees (considering only Audit committee and Stakeholders Relationship Committee) or Chairman of more than five committees across all public limited companies (listed or unlisted) in which he / she is a Director. Further all Directors have informed about their Directorships, Committee Memberships / Chairmanships including any changes in their positions. Relevant details of the Board of Directors as on 31st March, 2017 are as given below:

Name of the Director	Category#	Attendance particulars			No of other Directorships and Committee Memberships / Chairmanships held*		
		Number of Board meetings		Last AGM held on 28.09.2016	Other Directorships	Committee Memberships	Committee Chairmanships
		Held	Attended				
Shri Sharad B Pitti	Chairman & Managing Director / PD / ED	4	3	Yes	4	-	-
Shri Akshay S Pitti	Vice-Chairman & Managing Director / PD / ED	4	4	Yes	4	-	-
Shri Y B Sahgal**	Executive Director	4	2	Yes	1	-	-
Shri N R Ganti	Director / NED	4	4	Yes	1	-	-
Shri Gummalla Vijaya Kumar	Director / NED	4	3	Yes	-	-	-
Shri M Gopalakrishna, IAS (Retd)	Director / NED	4	3	Yes	11	8	-
Ms.Gayathri Ramachandaran, IAS (Retd)	Director / NED	4	4	Yes	11	5	3
Shri S Thiagarajan	Director / NED	4	4	Yes	-	-	-

PD – Promoter Director, ED – Executive Director, NED – Non-Executive Director

* Only two Committee i.e. Audit Committee and the Stakeholders Relationship Committee are only considered

**Shri Y B Sahgal, Executive Director retired from the services of the Company w.e.f 30th September, 2016

None of the Directors are related to each other, except Shri Sharad B Pitti and Shri Akshay S Pitti.

Board leadership

The Board critically evaluates the Company's strategic direction, management policies and their effectiveness. The agenda for the Board reviews include strategic review from each of the committees, a detailed analysis and review of annual strategic and operating plans, capital allocation and budgets. Additionally the Board reviews related party transactions, possible risks and risk mitigation measures, financial reports. Frequent and detailed interaction sets the agenda and provides the strategic roadmap for the Company's future growth.

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of the Listing Regulations to the Board and the Board committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective meetings or by way of presentations and discussions during the meetings.

Independent Directors

The Non-Executive Independent Directors fulfil the conditions of independence specified in Section 149 of the Companies Act, 2013 and Regulation 16(b) of the Listing Regulations. A formal letter of appointment to Independent Directors as provided in Companies Act, 2013 has been issued and disclosed on website of the Company i.e. www.pitti.in.



Performance evaluation of Independent Directors

The Board of Directors upon recommendation of Nomination and Remuneration Committee have laid down the criteria for performance evaluation of Board of the Company, its Committees and the individual Board members, including Independent Directors.

The performance evaluation of Independent Directors was done by the entire Board and in the evaluation the Director who was subject to evaluation did not participate. On the basis of performance evaluation done by the Board, it shall be determined whether to extend or continue their term of appointment as and when their respective term expires.

Separate meeting of the Independent Directors

All Independent Directors of the Company met separately on 17th July, 2017 without the presence of Non-Independent Directors and Members of Management. In accordance with the Listing Regulations, following matters were inter-alia reviewed and discussed in the meeting.

- ⚙ Performance of Non-Independent Directors and the Board as a whole
- ⚙ Performance of the Chairman of the Company taking into consideration the views of Executive and Non-Executive Directors
- ⚙ Assess the quality, quantity and timelines of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties

Familiarisation programme for the Independent Directors

The Company conducts familiarisation programme for the Independent Directors to provide them an opportunity to familiarize with the Company, its management and its operations so as to gain a clear understanding of their roles, rights and responsibilities and contribute significantly towards the growth of the Company. They have full opportunity to interact with Senior Management Personnel and are provided all the documents required and sought by them for enabling them to have a good understanding of the Company, its business model and various operations and the industry of which it is a part. The details of familiarisation programme of the Independent Directors are available on the website of the Company i.e. www.pitti.in.

Ethics / Governance policies

The Company in order to adhere to the ethical standards have adopted various codes and policies to carry out the duties in an ethical manner. Some of these codes and policies are:

- ⚙ Code of Conduct
- ⚙ Code of Conduct for Prohibition of Insider Trading
- ⚙ Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- ⚙ Whistle Blower Policy
- ⚙ Policy on materiality of related party transactions
- ⚙ Corporate Social Responsibility Policy
- ⚙ Policy on Board diversity
- ⚙ Remuneration policy for Directors
- ⚙ Policy for determining Material subsidiaries
- ⚙ Policy for preservation of documents
- ⚙ Policy on determination and disclosure of materiality of events and information
- ⚙ Dividend Distribution Policy

Details of equity shares of the Company held by the Directors as on 31st March, 2017 are given below:

Name	Category	No of equity shares
Shri Sharad B Pitti	Promoter / Whole-time Director	4275560
Shri Akshay S Pitti	Promoter / Whole-time Director	3158200
Shri N R Ganti	Non-Executive / Independent Director	1600
Shir Gummalla Vijaya Kumar	Non-Executive / Independent Director	20
Shri M Gopalakrishna, IAS (Retd)	Non-Executive / Independent Director	NIL
Ms. Gayathri Ramachandran, IAS (Retd)	Non-Executive / Independent Director	NIL
Shri S Thiagarajan	Non-Executive / Independent Director	NIL

Committees of the Board

Pitti Laminations Ltd (PLL) has four Board level committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Corporate Social Responsibility Committee
4. Stakeholders Relationship Committee





The Board is responsible for constituting, assigning, co-opting and fixing the terms of reference of various committees. Details on the role and composition of these committees, including the number of meetings held during the financial year and the related attendance are provided herein below:

1. AUDIT COMMITTEE

As on 31st March 2017, the Audit Committee comprises of members as stated below, the composition of the committee is in conformity with the Listing Regulations.

Terms of reference

The terms of reference of the Audit Committee cover all areas mentioned under section 177 of the Companies Act, 2013 and Regulation 18 read with Part C of Schedule II of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The Broad terms of reference of the Audit Committee include:-

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report;
5. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report;
6. Changes, if any, in accounting policies and practices and reasons for the same;
7. Major accounting entries involving estimates based on the exercise of judgment by management;
8. Significant adjustments made in the financial statements arising out of audit findings Compliance with listing and other legal requirements relating to financial statements;
9. Approval of Related party transactions as per policy of the Company;
10. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
11. Approval or any subsequent modification of transactions of the Company with related parties;
12. Scrutiny of inter-corporate loans and investments;
13. Evaluation of internal financial controls and risk management systems;
14. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
15. Reviewing the adequacy of internal audit function, if any, including frequency of internal audit;
16. Discussion with internal auditors of any significant findings and follow up there on;
17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18. To review the functioning of the Whistle Blower mechanism;
19. Management discussion and analysis of financial condition and result of operation.

Functions of Audit Committee

The Audit Committee, while reviewing the Annual Financial statements also reviews the applicability of various Accounting standards (AS) referred to in Section 133 of the Companies Act, 2013. Compliance of the Accounting Standards as applicable to the Company has been ensured in the preparation of the Financial Statements for the year ended 31st March, 2017.

The Audit committee bridges the gap between the internal auditors and the statutory auditors. The statutory auditors are responsible for performing independent audit of the Company's financial statements in accordance with the generally accepted auditing practices and issuing reports based on such audits, while the internal auditors are responsible for the internal risk controls.

Audit committee meetings and attendance

During the financial year 2016-17, the Audit Committee met five times on 20.05.2016, 10.08.2016, 07.11.2016, 13.02.2017 and 27.02.2017. The time gap between any two meetings was less than 120 days.



The details of attendance of members are as under:

Name of the member	Category	Status	No. of meetings	
			Held	Attended
Shri S Thiagarajan	Independent Director	Chairman	5	5
Shri N R Ganti	Independent Director	Member	5	5
Shri Gummalla Vijaya Kumar	Independent Director	Member	5	4

The Chief Financial Officer, Statutory Auditors, Internal Auditors are permanent invitees to the Audit Committee. Shri Satyabrata Padhi, Company Secretary, is the secretary to the committee.

All members of the Audit Committee have accounting and financial management expertise. The Chairman of the Committee attended the AGM held on 26th September, 2016 to answer the shareholders queries.

The role of Audit Committee, the powers exercised by it pursuant to the terms of reference, and the information reviewed by it are in accordance with the requirements as specified in the Listing Regulations, Companies Act, 2013 and other applicable laws, if any.

2. NOMINATION AND REMUNERATION COMMITTEE

As on 31st March 2017, the Nomination and Remuneration Committee comprises of members as stated below, the composition of the committee is in conformity with the Listing Regulations.

During the financial year 2016-17, the Nomination and Remuneration Committee met on 23.09.2016.

Terms of Reference

The terms of reference of the Nomination and Remuneration Committee cover all the areas mentioned under section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The Broad terms of reference of the Nomination and Remuneration Committee therefore include:-

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and removal.
2. To formulate criteria for evaluation of Independent Directors and the Board
3. To formulate criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for Directors, key managerial personnel and other employees.
4. Devising a policy on Board diversity.

The details of attendance of members are as under:

Name of the member	Category	Status	No. of meetings	
			Held	Attended
Shri N R Ganti	Independent Director	Chairman	1	1
Shri Gummalla Vijaya Kumar	Independent Director	Member	1	1
Shri S Thiagarajan	Independent Director	Member	1	1

Shri Satyabrata Padhi, Company Secretary, is the secretary to the committee.

Shri N R Ganti, Chairman of the Committee attended the AGM held on 26.09.2016 to answer the shareholders queries.

The roles and responsibilities of the Committee are in accordance with the requirements as specified in the Listing Regulations, Companies Act, 2013 and other applicable laws, if any.

Performance evaluation criteria for Independent Directors

The performance evaluation criterion for Independent Directors is determined by the Nomination and Remuneration Committee. An indicative list of factors that were evaluated include participation and contribution by a Director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality, independence of behaviour and judgment.





3. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As on 31st March 2017, the Corporate Social Responsibility Committee comprises of members as stated below, the composition of the committee is in conformity with the Listing Regulations.

Terms of Reference

- 1 To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- 2 To recommend the amount of expenditure to be incurred on the activities for the above said purpose.
- 3 To monitor the Corporate Social Responsibility Policy of the Company from time to time.

During the financial year 2016-17, the Committee met on 13th February, 2017.

The details of attendance of members are as under:

Name of the member	Category	Status	No. of meetings	
			Held	Attended
Shri Sharad B Pitti	Whole-time Director	Chairman	1	1
Shri Akshay S Pitti	Whole-time Director	Member	1	1
Shri Gummalla Vijaya Kumar	Independent Director	Member	1	1

Shri Satyabrata Padhi, Company Secretary, is the secretary to the committee.

4. STAKEHOLDERS RELATIONSHIP COMMITTEE

As on 31st March 2017, the Stakeholders Relationship Committee comprises of members as stated below, the composition of the committee is in conformity with the Listing Regulations.

Name of the person heading the committee:

Shri Gummalla Vijaya Kumar, Independent Director

Terms of Reference

The Broad terms of reference of Stakeholders Relationship Committee therefore include:-

1. Oversee and review all matters connected with the transfer of the Company's securities
2. Approve issue of the Company's duplicate share / debenture certificates
3. Monitor redressal of investors' / shareholders' / security
4. Oversee the performance of the Company's Registrars and Transfer Agents
5. Recommend methods to upgrade the standard of services to investors
6. Monitor implementation of the Company's Code of Conduct for Prohibition of Insider Trading
7. Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

During the financial year 2016-17, the Committee met three times on 01.09.2016, 07.11.2016 and 13.02.2017.

The details of attendance of members are as under:

Name of the member	Category	Status	No. of meetings	
			Held	Attended
Shri Gummalla Vijaya Kumar	Independent Director	Chairman	3	3
Shri N R Ganti	Independent Director	Member	3	3
Ms. Gayathri Ramachandran, IAS (Retd)	Independent Director	Member	3	2

Shri Satyabrata Padhi, Company Secretary, is the secretary to the committee.

Compliance officer: Shri Satyabrata Padhi, Company Secretary

Details of complaints from shareholders:

No. of complaints remaining unresolved as on 01.04.2016	NIL
No. of complaints received during the year	3
No. of complaints resolved during the year	3
No. of complaints unresolved as on 31.03.2017	NIL



GENERAL BODY MEETINGS

Annual General Meetings

During the preceding three years, the Company's Annual General Meetings were held at West Minister Hall, The Central Court Hotel, 6-1-71, Lakdikapool, Hyderabad – 500 004.

The date and time of Annual General Meetings held during last three years, and the Special Resolution(s) passed thereat, are as follows:

Year ended	Date and time	Special Resolution passed
31st March, 2014	22nd September, 2014	1. Appointment of Shri GVSN Kumar as a whole-time Director for a period of three years 2. Approval of borrowing limits of the Company 3. Approval of creation of charge on the assets of the Company
31st March, 2015	28th September, 2015	1. Appointment of Shri S Thiagarajan as Independent Director of the Company 2. Ratification of remuneration payable to M/s. Sagar & Associates, Cost Accountants
31st March, 2016	26th September, 2016	-

Special Resolution(s) passed through Postal Ballot

During the year under review, the Company approached the shareholders through Postal ballot. The details of the postal ballot are as follows:

Date of Postal Ballot Notice	: 13th February, 2017
Date of declaration of results	: 06th April, 2017
Voting period	: 06th March, 2017 to 04th April, 2017

Name of the Resolution	Type of Resolution	No of votes polled	Votes cast in favour		Votes cast against	
			No. of votes	%	No. of votes	%
Increase the Authorised Share Capital and consequential alteration of Memorandum of Association of the Company	Ordinary	17718270	17718017	99.99	253	0.00
Preferential issue of equity shares and warrants	Special	17718270	17716133	99.99	2137	0.01

Shri S Chidambaram, Practising Company Secretary was appointed as Scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

Procedure for postal ballot:

The Company conducted the postal ballot in accordance with the provisions of Section 110 of the Act read with Rule 22 of the Companies (Management & Administration) Rules, 2014 ("Rules"). The Company had completed the dispatch of the Postal Ballot Notice dated 13th February, 2017 along with the Explanatory Statement, postal ballot form and self-addressed business reply envelopes on 04th March, 2017 to the shareholders who had not registered their e-mail IDs with the Company/Depositories and also sent by e-mail the said documents to shareholders whose e-mail IDs were registered with the Company/Depositories. The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the provisions of the Act and Rules framed thereunder. In compliance with the provisions of Sections 108 and 110 of the Act and rule 20 and 22 of the Rules read with Regulation 44 of the SEBI Listing Regulations, the Company had offered the facility of e-voting to its members to enable them to cast their vote electronically. The voting under the postal ballot was kept open from 06th March, 2017 (9.00 a.m. IST) to 04th April, 2017 (5.00 p.m. IST). Upon completion of scrutiny of the postal ballot forms and votes cast through e-voting in a fair and transparent manner, the scrutinizer i.e. Shri S Chidambaram, Practising Company Secretary submitted his report to the Company and the results of the postal ballot were announced by the Company on 06th April, 2017. The voting results were sent to the Stock Exchanges and also displayed on the Company's website www.pitti.in.

Details of special resolution proposed to be conducted through postal ballot:

No special resolution is proposed to be conducted through postal ballot at the AGM to be held on 06th September, 2017





Affirmations and disclosures

a. Compliance with Governance framework

The Company is in compliance with all mandatory requirements under the Listing Regulations.

b. Related party transactions

The Company's major related party transactions are generally with its group companies. The related party transactions are entered into based on considerations of various business exigencies, such as synergy in operations, optimisation of market share, profitability, legal requirements, liquidity and capital resources of group companies.

All contracts / arrangements / transactions entered by the Company during the financial year with related parties are in the ordinary course of business and at an arm's length basis.

During the year, the Company has entered into transactions with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. Details of the transactions are provided in Note 2.38 of the Notes to Financial Statements.

None of the transactions with any of related parties were in potential conflict with the Company's interest.

The Company's policy on materiality of related party transactions and dealing with related party transactions is put up on the Company's website and can be accessed at www.pitti.in.

c. Details of Non-compliance by the Company, penalties, strictures imposed on the Company by Stock exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years

No penalty has been imposed by any stock exchanges or SEBI, nor there has been any instances of non-compliance with any legal requirements, or on matters relating to the capital market over the last three years.

d. Vigil mechanism / Whistle blower policy

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has Vigil mechanism and Whistle blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Chief Vigilance Officer or Chairman of the Audit

Committee. During the year under review, no employee was denied access to the Audit Committee.

e. Disclosure of accounting treatment

In the preparation of the financial statements, the Company has followed the accounting standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in notes to the Financial statements.

f. Risk management

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.

g. Commodity price risk and Commodity hedging activities

The Company is exposed to the risk of foreign exchanges fluctuations. The Company proactively manages its risk through forward booking contracts. Please refer the Management Discussion and Analysis Report for the same.

h. Mandatory and Non-mandatory requirements

The Company has complied with all mandatory requirements. However, adoption of non-mandatory requirements of the Listing Regulations is being reviewed by the Board from time to time.

i. Material subsidiary policy

The Company has adopted a policy on material subsidiary and the same is displayed on the website www.pitti.in.

Means of Communication

Quarterly results:

The approved financial results are forthwith sent to the Stock Exchanges and are published in Business Line (English) newspaper and in Andhra Prabha (Telugu) newspaper, within forty-eight hours of approval thereof. Presently the same are not sent to the shareholders separately.

The Company's financial results are also displayed on the Company's website www.pitti.in.

Presentations to institutional investors / analysts :

Detailed presentations are made to institutional investors and financial analysts on the Company's quarterly as well as annual financial results.

Any presentation made to the institutional investors or analysts are also posted on the website.



Website :

A separate dedicated section under “Investors Desk” on the Company’s website gives information on shareholding pattern, quarterly / yearly results and other relevant information of interest to the investors / public. The Company’s Annual report is also available in downloadable form at www.pitti.in.

Annual Report :

The Annual report containing, inter alia, audited financial statements, Directors’ Report, Auditor’s Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD & A) report forms part of the Annual Report.

Compliance filings

All periodical compliance filings like quarterly results, shareholding pattern, quarterly compliances and other corporate communication to the Stock Exchanges viz BSE Ltd and National Stock Exchange of India Ltd (NSE) are filed electronically. The Company has complied with filing submissions through BSE’s listing centre. Likewise, the said information is also filed electronically with NSE through NSE’s NEAPS portal.

SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATR) by concerned companies and online viewing by investors of action taken on the complaint and its current status.

GENERAL SHAREHOLDER INFORMATION**Company Registration details**

The Company is registered in the State of Telangana, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L29253TG1983PLC004141.

Annual General Meeting for FY 2016-17

(Day, Date Time and Venue)

Wednesday, 06th September, 2017 at 4:00 pm

The Central Court Hotel, Lakdi Ka Pol, Hyderabad

As required under Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, details of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting are given in the Annexure to the notice of the meeting to be held on 6th September, 2017.

Financial year

01st April to 31st March

Financial calendar (Tentative schedule for declaration of results during the financial year 2017-18)

30th June, 2017 – Second week of August, 2017

30th September, 2017 – Second week of November, 2017

31st December, 2017 – Second week of February, 2018

31st March, 2017 – Mid May 2018

Listing on Stock Exchanges

Equity shares

BSE Limited (BSE)

Phiroze Jeejeebhoy Towers

Dalal Street, Mumbai – 400 001

Scrip Code : 513519

National Stock Exchange of India Ltd (NSE)

‘Exchange Plaza’, C-1, Block G

Bandra-Kurla Complex

Bandra (East), Mumbai – 400 051

Trading Symbol : PITTILAM

ISIN: INE450D01021

Payment of Listing and Depository fees

Annual listing fee for the year 2017-18 has been paid by the Company to BSE and NSE. Annual custody / issuer fee for the year 2017-18 has been paid by the Company to NSDL and CDSL.

Code of Conduct

In compliance with Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, and the Companies Act, 2013 the Company has framed and adopted a Code of Conduct and Ethics (‘the Code’).

The Code is applicable to the members of the Board and the Senior Management Personnel. All Board Members and Senior Management Personnel have affirmed compliance with the Code for the year ended 31st March, 2017.

Auditors’ certificate on corporate governance

As required by Schedule V of the Listing Regulations, the Auditors’ certificate on corporate governance is enclosed as an Annexure to the Board’s report.





Stock market price data month

Month	BSE Limited (BSE)			National Stock Exchange (NSE)		
	High price	Low price	Volume (Nos)	High price	Low price	Volume (Nos)
April, 2016	38.95	27.40	150592	39.95	27.00	595374
May, 2016	44.00	30.65	490547	44.10	30.00	985484
June, 2016	42.70	34.80	492174	41.50	34.75	626080
July, 2016	52.50	39.05	605517	52.50	39.60	1924768
August, 2016	47.00	39.05	133079	47.15	39.50	528719
September, 2016	54.55	39.00	807391	54.80	38.80	2837473
October, 2016	64.80	48.90	1225868	64.85	47.95	3815466
November, 2016	63.70	46.05	404458	64.00	46.15	1268465
December, 2016	63.60	49.20	263411	63.50	49.50	1168382
January, 2017	65.55	50.00	802170	65.40	51.00	2256662
February, 2017	69.85	58.50	704199	69.85	58.00	2309275
March, 2017	68.45	60.70	360074	68.50	60.70	1108061

Share price performance in comparison to Broad based indices – BSE sensx and NSE Nifty as on 31st March, 2017

	BSE (% Change)		NSE (% Change)	
	PITTILAM	Sensex	PITTILAM	Nifty
FY 2016-17	127.12	16.88	130.78	18.55

Registrars and Share transfer agents

XL Softech Systems Ltd

3, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034, Ph: 040 23545913 / 14 / 15, Email: xlfield@gmail.com

Share Transfer System

Share transfers are processed and share certificates duly endorsed are delivered within a period of seven days from date of receipt, subject to documents being valid and complete in all respects.

The Board has delegated the authority for approving transfer, transmission and so on the Company's securities to the share transfer committee. A summary of transfer / transmission of securities of the Company so approved by the share transfer committee is placed at quarterly Board meeting / Stakeholders' Relationship committee.

The Registrar of the Company obtains from a Company Secretary in Practice half-yearly certificate to the effect that all certificates have been issued within thirty days of the date of lodgement of the transfer, sub-division, consolidation and renewal as required under Regulation 40(9) of the Listing Regulations. The said certificate is submitted by the Company to the Stock Exchanges.

Distribution of shareholding as on 31st March, 2017

Sl. No.	Category of shareholders	Number of shareholders	Total number of shares	% of shares held
1	Promoters & Promoter group	5	16189380	60.00
2	Foreign portfolio investors	1	868998	3.22
3	Financial institutions / Banks	2	9226	0.03
4	Individuals	11492	7972712	29.55
5	Body Corporates	229	1626992	6.03
6	NRI Non-Repartriable	42	72178	0.27
7	NRI Repartriable	93	205293	0.76
8	Clearing Members	36	38621	0.14
	Total	11900	26983400	100.00



Shareholding pattern by size as on 31st March, 2017

Category (shares)	Holders	Shares	% of total shares
Up to 500	9675	1775202	6.58
501 to 1000	1106	913535	3.39
1001 to 5000	857	1971550	7.31
5001 to 10000	135	1028810	3.81
10001 to 20000	70	1017879	3.77
Above 20000	57	20276424	75.14
Total	11900	26983400	100.00

Dematerialisation of shares & liquidity

Mode of holding	No of shares	%
NSDL	22172807	82.17
CDSL	4346935	16.11
Physical	463658	1.72
Total	26983400	100.00

Dematerialisation of shares

Shareholders who continue to hold shares in physical form are requested to dematerialise their shares at the earliest and avail of the various benefits of dealing in securities in electronic / dematerialised form.

The Company shares are compulsorily traded in dematerialised form on BSE and NSE. 98.28% of shares are dematerialised till 31st March, 2017.

Outstanding GDRs / ADRs / Warrants / Convertible Instruments and their impact on equity

Your Company does not have any outstanding GDRs / ADRs / Warrants / Convertible Instruments as on 31st March, 2017.

Plant locations in India

Unit I

Survey No.1603 & 1607,
Nandigaon Village, Kottur Mandal,
Ranga Reddy Dist – 509 223
Telangana, INDIA

Unit II

Survey No.1837 & 1838,
Jingoniguda Road, Nandigaon Village,
Kottur Mandal, Ranga Reddy Dist – 509 223
Telangana, INDIA

Unit III

Plot No.PAP-K-11,
MIDC Near Village Khalumbre, Chakan Post,
Taluq Khed, Pune Dist – 410501, Maharashtra

Unit IV

Survey No.1837 & 1838, Jingoniguda Road,
Nandigaon Village, Kottur Mandal,
Ranga Reddy Dist – 509 223
Telangana, INDIA

Address for Correspondence

For shares held in physical form

XL Softech Systems Ltd
3, Sagar Society, Road No.2, Banjara Hills,
Hyderabad – 500 034
Ph: 040-23545913 / 14 / 15, Email: xlfield@gmail.com

For shares held in demat form

Investors concerned Depository participant (s) and / or XL
Softech Systems Ltd

Any query on the Annual Report

Shri Satyabrata Padhi
Company Secretary

Pitti Laminations Ltd

6-3-648/401, IV Floor, Padmaja Landmark
Somajiguda, Hyderabad – 500 082
Ph: 040-23312774, Email: shares@pittilam.com

Transfer of unpaid / unclaimed amounts to Investor Education and Protection Fund

During the year under review, the Company has credited Rs.2.57 lakhs to the Investor Education and Protection Fund (IEPF) pursuant to Section 124(5) of the Companies Act, 2013.





Equity shares in the suspense account

In terms of schedule V of the Listing Regulations, the Company reports the following details in respect of equity shares lying in the suspense accounts.

Particulars	No. of shareholders	No. of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 01st April, 2016	1014	248600
Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year	9	2000
Number of shareholders and aggregate number of shares transferred to the unclaimed suspense account during the year	0	0
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31st March, 2017	1005	246600

The voting rights on the shares in the suspense account shall remain frozen till the rightful owners claim the shares.

Compliance certificate of the Auditors

Certificate from the Company's Auditors M/s.Laxminiwas & Co, Chartered Accountants confirming compliance with conditions of Corporate Governance, as stipulated under Regulation 34 of the Listing Regulations is attached to this report.

DECLARATION

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with the Company's Code of Conduct and Ethics for the year ended 31st March, 2017.

Place: Hyderabad
Date: 18th May, 2017

Sharad B Pitti
Chairman & Managing Director
DIN: 00078716



Auditors' Certificate On Corporate Governance

The Members of

Pitti Laminations Limited

We have examined the compliance of conditions of Corporate Governance by Pitti Laminations Limited, for the year ended 31st March, 2017, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Hyderabad
Date: 18th May, 2017

For **LAXMINIWAS & CO**
Chartered Accountants
Firm Registration number: 011168S

Dayaniwas Sharma
Partner
Membership No. 216244



CEO / CFO Certification

[Pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015]

We the undersigned, in our respective capacities as Chairman & Managing Director and Chief Financial Officer of Pitti Laminations Ltd ("the Company") to the best of our knowledge and belief certify that:

- a. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2017 and that to the best of our knowledge and belief, we state that:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, no transactions are entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee:
 - i. significant changes, if any, in internal control over financial reporting during the year;
 - ii. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **Pitti Laminations Ltd**

Sharad B Pitti

Chairman & Managing Director
DIN: 00078716

Place: Hyderabad

Date: 18th May, 2017

For **Pitti Laminations Ltd**

Nand Kishore Khandelwal

Chief Financial Officer
M.No. 074967



Independent Auditors Report

TO THE MEMBERS OF PITTI LAMINATIONS LIMITED

We have audited the accompanying financial statements of Pitti Laminations Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit ;





- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books ;
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account ;
- (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ;
- (e) on the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act ;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2.28 to the financial statements;
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (iv) The company had provided requisite disclosures in its financial statements as regards its holdings and dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016.

Based on Audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of accounts maintained by the company refer Note no. 2.46 and as produced to us by the management.

For **Laxminiwas & Co**
Chartered Accountants
Firm's Registration No. 011168S

Dayaniwas Sharma
Partner
Membership No. 216244

Place: Hyderabad
Date: May 18, 2017



Annexure A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March, 2017, we report that:

- (i). a. The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- b. All the assets have not been physically verified by the Management during the year but there is a phased programme of verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies have been noticed on such verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii). a. The inventory has been physically verified by the management during the year except material lying with the third parties (which have substantially been confirmed by third party). The discrepancies noticed on verification between the physical stocks and the book/records were not material, nevertheless those have been dealt properly within the books of accounts.
- (iii). According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, para 3(iii) (a), (b) and (c) of the order are not applicable.
- (iv). In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v). In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- (vi). We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii). a. According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Value added tax, Cess and any other statutory dues applicable to it as on March 31, 2017.
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31st March, 2017 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Wealth Tax, Service tax, Customs duty, Excise duty, Value added tax and Cess which have not been deposited with the appropriate authorities on account of any dispute except as under:





(₹ in Lacs)

Nature of Statute	Nature of Dues	Period	As at 31.03.2017	Forum where dispute is pending
Income Tax	IT Matters under Dispute	A.Y. 2014-15	3.77	Commissioner of Income Tax , Hyderabad
Total (A)			3.77	
Service Tax	Matters under Dispute	F.Y. 2008 – 2012	68.55	CESTAT, Bangalore
		F.Y. 2011 – 2012	57.51	Commissionerate, Hyderabad
Total (B)			126.06	
Total (A+B)			129.83	

- (viii). According to the information and explanation given to us, the Company has not defaulted in repayment of dues to bank and financial institutions as at balance sheet date.
- (ix). The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) however company has taken term loans during the year, according to the information and explanation given to us, the money raised by way of term loans were applied for the purpose for which it was raised.
- (x). According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi). According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii). In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

- (xiii). According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv). According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv). According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi). The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **Laxminiwas & Co**
Chartered Accountants
Firm's Registration No. 011168S

Dayaniwas Sharma
Partner
Membership No. 216244

Place: Hyderabad
Date: May 18, 2017

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Pitti Laminations Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.



Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Laxminiwas & Co**
Chartered Accountants
Firm's Registration No. 011168S

Dayaniwas Sharma
Partner
Membership No. 216244

Place: Hyderabad
Date: May 18, 2017



Balance Sheet as at 31st March, 2017

Particulars	Note No.	As at	
		March 31, 2017	March 31, 2016
(₹ in Lacs)			
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2.1	1,349.59	1,349.59
Reserves and Surplus	2.2	9,974.25	9,345.84
		11,323.84	10,695.43
Non-Current Liabilities			
Long-term borrowings	2.3	5,772.01	2,607.19
Deferred tax liabilities (net)	2.4	303.64	394.93
Long-term provisions	2.5	74.09	75.28
		6,149.74	3,077.40
Current Liabilities			
Short-term borrowings	2.6	12,179.46	14,095.08
Trade payables	2.7		
(a) Dues to micro enterprises and small enterprises		87.89	112.57
(b) Dues to others		10,472.69	6,545.57
Other current liabilities	2.8	1,778.44	1,501.14
Short-term provisions	2.9	269.45	163.60
		24,787.93	22,417.96
Total		42,261.51	36,190.79
ASSETS			
Non-Current Assets			
Fixed assets	2.10		
(a) Tangible assets		7,385.01	7,577.02
(b) Intangible Assets		126.29	52.86
(c) Capital work-in-progress		3,200.49	1,169.74
Non-current investment	2.11	1,641.00	1,641.00
Long term loans and advances	2.12	2,123.01	192.62
		14,475.80	10,633.24
Current Assets			
Current investments	2.13	0.11	0.11
Inventories	2.14	14,497.36	11,757.13
Trade receivables	2.15	10,278.87	11,196.48
Cash and bank balances	2.16	1,101.68	1,822.97
Short-term loans and advances	2.17	1,454.79	541.95
Other current assets	2.18	452.90	238.91
		27,785.71	25,557.55
Total		42,261.51	36,190.79
Significant accounting policies and notes on accounts	1 & 2		

As per our Report of even date

for **Laxminiwas & Co**
Chartered Accountants
Firm's Registration No: 011168S

Dayaniwas Sharma
Partner
Membership No: 216244

Place: Hyderabad
Date: May 18, 2017

Sharad B Pitti
Chairman & Managing Director
DIN: 00078716

Satyabrata Padhi
Company Secretary
M.No: A25559
Place: Hyderabad
Date: May 18, 2017

For and on behalf of the Board of Directors of

Pitti Laminations Limited
CIN : L29253TG1983PLC004141

N. R. Ganti
Director
DIN: 00021592

N. K. Khandelwal
Chief Financial Officer
Membership No: 074967



Statement of Profit & Loss Account for the period ended 31st March, 2017

Particulars	Note No.	For the Year 2016-17	(₹ in Lacs) For the Year 2015-16
INCOME			
Revenue from operations (Gross)		30,286.58	32,729.69
Less: Excise duty collected		(1,983.47)	(1,835.09)
Revenue from operations (Net)		28,303.11	30,894.60
Other Operating revenue		286.61	254.03
Total Revenue from Operations	2.19	28,589.72	31,148.63
Other income	2.20	302.57	200.98
Total Revenue		28,892.29	31,349.61
EXPENSES			
Cost of Materials consumed	2.21	19,150.39	21,790.25
Changes in inventories of work-in-process, finished goods and scrap	2.22	(1,537.41)	(1,466.52)
Employee benefits expenses	2.23	3,206.93	4,124.27
Finance costs	2.24	1,530.13	1,703.47
Depreciation and amortization expenses	2.10	1,369.49	1,542.36
Other expenses	2.25	4,491.57	4,797.76
Total Expenses		28,211.10	32,491.59
Profit before tax		681.19	(1,141.98)
TAX EXPENSES			
(a) Current tax		144.07	-
(b) Deferred tax		(91.29)	(186.19)
Total Tax Expenses	2.26	52.78	(186.19)
Profit for the period		628.41	(955.79)
Earnings per Equity Share of Face Value of ₹ 5/- each	2.27		
(a) Basic		2.33	(3.54)
(b) Diluted		2.33	(3.54)

As per our Report of even date

for **Laxminiwas & Co**
Chartered Accountants
Firm's Registration No: 011168S

Dayaniwas Sharma
Partner
Membership No: 216244

Place: Hyderabad
Date: May 18, 2017

Sharad B Pitti
Chairman & Managing Director
DIN: 00078716

Satyabrata Padhi
Company Secretary
M.No: A25559
Place: Hyderabad
Date: May 18, 2017

For and on behalf of the Board of Directors of

Pitti Laminations Limited
CIN : L29253TG1983PLC004141

N. R. Ganti
Director
DIN: 00021592

N. K. Khandelwal
Chief Financial Officer
Membership No: 074967

Cash Flow Statement for the year ended 31st March, 2017

Particulars	(₹ in Lacs)	
	For the Year 2016-17	For the Year 2015-16
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	681.19	(1,141.98)
Adjusted for		
Depreciation	1,369.49	1,542.35
Interest Income	(100.75)	(136.66)
Bad debts written off	50.17	-
Loss / (Profit) on sale of fixed assets	(7.92)	19.35
Unrealised foreign exchange differences	(161.41)	117.88
Finance Costs	1,530.13	1,703.46
	3,360.90	2,104.40
Operating Profit before Working Capital changes	3,360.90	2,104.40
Working Capital changes adjusted for		
Trade & Other Receivables	499.97	1,002.52
Inventories	(2,740.23)	(1,164.25)
Trade and other Payables	3,783.19	(2,200.06)
	1,542.93	(2,361.79)
Cash generated from operations	4903.83	(257.39)
Taxes Paid	(41.46)	(449.93)
Cash Flow before extraordinary items	4,862.37	(707.32)
Net Cash Flow From Operating Activities - (A)	4862.37	(707.32)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(3,518.89)	(868.97)
Advances to Fixed Assets	(1,970.24)	(44.26)
Proceeds from sale of fixed assets	35.39	34.16
Interest income received	100.75	136.66
Net Cash used in Investing Activities - (B)	(5,352.99)	(742.41)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Finance charges	(1,530.13)	(1,703.46)
Dividend paid	-	(202.37)
Working Capital Borrowings	(1,915.62)	2,663.31
Long Term Funds (Term Loans from financial institutions and other unsecured loans)	3,933.50	685.60
	487.75	1,443.08
Net Cash used in Finance Activities - (C)	487.75	1,443.08
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(2.87)	(6.65)
Opening Balance in Cash and Cash Equivalents	35.46	42.11
Closing Balance in Cash and Cash Equivalents	32.59	35.46

As per our Report of even date

for **Laxminiwas & Co**
Chartered Accountants
Firm's Registration No: 011168S

Dayaniwas Sharma
Partner
Membership No: 216244

Place: Hyderabad
Date: May 18, 2017

Sharad B Pitti
Chairman & Managing Director
DIN: 00078716

Satyabrata Padhi
Company Secretary
M.No: A25559
Place: Hyderabad
Date: May 18, 2017

For and on behalf of the Board of Directors of

Pitti Laminations Limited
CIN : L29253TG1983PLC004141

N. R. Ganti
Director
DIN: 00021592

N. K. Khandelwal
Chief Financial Officer
Membership No: 074967



Notes to financial statements

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES

Note 1.1 : Basis Of Preparation Of Financial Statements

(a) Basis of Accounting

The financial statements of Pitti Laminations Ltd. (PLL) or Company have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ('Indian GAAP') and comply with the Accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 and Companies (Accounting Standards) Amendment Rules, 2016 which continue to apply under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014.

(b) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

(c) Current/ Non Current Classification

All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

Note 1.2 : Property, Plant And Equipment

Property, plant and equipment are stated at original cost net of tax/duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. When significant parts of Property, plant and equipment are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Likewise, when

a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred. The present value of expected cost for decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Capital work in progress includes cost of property, plant and equipment under installation /under development as at the balance sheet date. Property, plant and equipment are eliminated from financial statements, either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment and Gains or losses arising from disposal of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence. The asset residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on the property, plant and equipment is provided over the useful life of asset as specified in schedule II to the companies act 2013. Property, plant and equipment which are added/ disposed off during the year, depreciation is provided on pro rata basis with reference to the month of addition/ deletion. In case of the following category of property, plant and equipment, the depreciation has been provided based on the technical evaluation of the remaining useful life which is different from the one specified in schedule II to the companies Act 2013.

Note 1.3 : Revenue / Expenditure Recognition

Revenue from sale of goods is recognized on transfer of all significant risks and rewards of ownership to the buyer. The amount recognized as sale is exclusive of sales tax/VAT and is net of returns & discounts. Sales are stated gross of excise duty as well as net of excise duty (on goods manufactured and outsourced), excise duty being the amount included in the amount of gross turnover.

Interest income is recognized on the time proportion basis.

Income from export incentives such as duty drawback and premium on sale of import licenses, and lease license fee are recognized on accrual basis.

Expenditure is accounted for on accrual basis and provision is made for all known losses and obligations.



Notes to financial statements (Contd.)

Note 1.4 : Investments

Investments are classified into current and long-term investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which are expected to be realized within twelve months from Balance Sheet date is also presented under "Current Investment" under "Current portion of long term investments" in consonance with the current / non-current classification of Schedule III of the Act.

Current investments are stated at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

Long-term investments are stated at cost. A provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management. Reversal of such provision for diminution is made when there is a rise in the value of long term investment, or if the reasons for the decline no longer exist.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is recognized in the Statement of Profit and Loss.

Note 1.5 : Inventories

- Raw Materials, work in progress, finished goods, stores, spares and consumables are carried at the lower of cost and net realizable value.
- Following method is applied in determining cost of raw materials, work in progress, finished goods, stores, spares and consumables. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Sl. No.	Particulars	Basis of Valuation
1	Raw Material	Weighted average cost or net realizable value whichever is lower
2	Work In Process	Weighted average cost or net realizable value whichever is lower
3	Finished Goods	Weighted average cost or net realizable value whichever is lower

Sl. No.	Particulars	Basis of Valuation
4	Stores & Spares	Weighted average cost or net realizable value whichever is lower
5	Scrap	At Realizable value
6	Press Tools & Dies	Tools & Dies manufactured in the Company's in-house Tool Room are valued at cost on a consistent basis. Consumption of Tools is calculated on the actual wear and tear of these Tools & Dies. Obsolete tools and tools which have become more than three years old are written off net of salvage value.

- Cost of finished goods and work-in-progress includes the cost of raw materials, an appropriate share of fixed and variable production overheads and other costs incurred in bringing the inventories to their present location and condition.
- Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

Note 1.6 : Foreign Currency Transactions And Balances

(a) Initial Recognition

Foreign currency transactions are recorded using the exchange rates prevailing on the date's respective transactions. Exchange differences arising on foreign currency transactions settled during the year are recognized in the Statement of Profit and Loss.

(b) Measurement of foreign currency items at the Balance Sheet date

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date, not covered by forward exchange contracts, are translated at year end rates. The resultant exchange differences are recognized in the Statement of Profit and Loss. Non-Monetary assets are recorded at the rates prevailing on the date of the transaction.

(c) Forward Contracts

The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.



The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/income over the life of the contract. Exchange differences on such contracts are recognized in the Statement of Profit and Loss in the period in which the exchange rates change. Any Profit or Loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or expense for the period.

Note 1.7 : Employee Benefits

Defined Contribution Plan:

Contribution as per Employee's Provident Funds and Miscellaneous Provisions Act, 1952 towards Provident Fund and Family Pension Fund are provided for and payments in respect thereof are made to the relevant authorities on actual basis.

Defined Benefit Plan:

Gratuity: In accordance with applicable Indian Laws, the Company provides gratuity, a defined benefit retirement plan (the Gratuity Plan) covering all employees. The gratuity plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the Company. Liability with regard to Gratuity Plan is accrued based on actuarial valuation at the Balance Sheet date.

Leave Encashment: In accordance with applicable Indian Laws, the Company provides Encashment of Leave, a defined benefit plan (Leave Encashment Plan) covering all employees. Liability with regard to Leave Encashment Plan is accrued based on actuarial valuation at the Balance Sheet date.

Note 1.8 : Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost, if any.

Borrowing costs, which are directly attributable to the acquisition/construction of fixed assets, till the time such assets are ready for intended use, are capitalized as part of the costs of such assets. Other Borrowing costs are recognized as expenses in the year in which they are incurred.

Note 1.9 : Leases

Assets acquired by way of finance lease are capitalized at the lower of the fair value and the present value of the minimum lease payments at the inception of the lease term and

disclosed as leased assets. Lease payments are apportioned between finance charge and reduction of the lease liability based on the implicit rate of return. Finance charges are recognized as finance costs in the Statement of Profit and Loss. Lease rentals paid in respect of operating leases are recognized as an expense in the statement of Profit and Loss.

1.10 : Impairment

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Statement in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made.

Note 1.11 : Earnings Per Share

The basic earnings per share ('EPS') is computed by dividing the net profit after tax for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit after tax for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed to be converted as of the beginning of the year, unless they have been issued at a later date.

Note 1.12 : Segment Reporting

Segments are identified having regard to the dominant source and nature of risks and returns and internal organization and management structure. The Company has considered business segments as the primary segments for disclosure.

Geographical segment is recognized as Secondary Segment.

Note 1.13 : Provisions And Contingencies

The Company creates a provision when there exists a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent



Notes to financial statements (Contd.)

liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

Note 1.14 : Taxation

Tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

(a) Current Tax:

The provision for taxation is based on assessable profits of the Company as determined under the Income Tax Act, 1961.

(b) Deferred Tax:

The Company is providing and recognizing deferred tax on timing differences between taxable income and accounting income subject to consideration of prudence.

NOTE 2 : NOTES TO ACCOUNTS

Note 2.1 : Share Capital

Particulars	(₹ in Lacs)	
	As at March 31, 2017	As at March 31, 2016
Authorised Capital		
3,00,00,000 Equity Shares of ₹ 5/- each	1,500.00	1,500.00
Total	1,500.00	1,500.00
Issued, Subscribed and Paid up		
2,69,83,400 Equity shares of ₹ 5/- each	1,349.17	1,349.17
8,300 Equity Shares forfeited of ₹ 5/- each	0.42	0.42
Total	1,349.59	1,349.59

Notes

(a) Reconciliation of equity shares

Particulars	(₹ in Lacs)			
	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	Amount	No. of Shares	Amount
Issued, subscribed and paid-up capital				
At the beginning of the period	2,69,83,400	1,349.17	2,69,83,400	1,349.17
Issued during the period	-	-	-	-
At the closing of the period	2,69,83,400	1,349.17	2,69,83,400	1,349.17



(b) Details of Shareholders holding more than 5% equity shares in the Company

(₹ in Lacs)

Name of the shareholder	As at March 31, 2017		As at March 31, 2016	
	%	No. of Shares	%	No. of Shares
Shri Sharad B Pitti	15.85	42,75,560	15.85	42,75,560
Shri Akshay S Pitti	11.70	31,58,200	11.70	31,58,200
Smt Madhuri S Pitti	6.52	17,58,620	5.79	15,62,200
Pitti Electrical Equipment Pvt Ltd	25.87	69,80,000	25.87	69,80,000

Note 2.2 : Reserves And Surplus

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Securities Premium Reserve		
At the beginning of the year	3,799.79	3,799.79
Add: during the period	-	-
At the closing of the period	3,799.79	3,799.79
General Reserve		
At the beginning of the year	750.48	824.36
Less: adjustment as per Schedule -II of Companies Act, 2013	-	(73.88)
Add: Transferred from P&L Account during the year	-	-
At the closing of the period	750.48	750.48
Surplus in the Statement of Profit and Loss		
At the beginning of the year	4,795.57	5,751.36
Add : Profit/(Loss) for the period	628.41	(955.79)
Less : Interim & Proposed dividend (inclusive of tax)	-	-
Less : Transferred to general reserve during the year	-	-
Net Surplus in the Statement of Profit and Loss	5,423.98	4,795.57
Total	9,974.25	9,345.84

Note 2.3 : Long Term Borrowings

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
A. Secured Loans		
Term Loans from Banks (Refer Note a)	1,161.34	1,123.81
Term Loans from others (Refer Note b)	569.92	1,091.00
Sub total	1,731.26	2,214.81
Vehicle Loans		
From Banks and Financial Institutions (Refer Note c)	81.48	110.06
Sub total	81.48	110.06
Total - A	1,812.74	2,324.87
B. Unsecured loans		
Sales Tax Deferral (Refer Note d)	249.27	282.32
From Others (Refer Note e)	3,710.00	-
Total - B	3,959.27	282.32
Total - (A+B)	5,772.01	2,607.19

Notes to financial statements (Contd.)

Notes:

- (a) (i) **Term loans from scheduled bank** - Oriental Bank of Commerce is secured by equitable mortgage of movable and immovable properties and first charge on the present and future fixed assets of the Company situated at Plant I and Plant II Nandigaon, Mahaboobnagar district, Telangana and Plant III, Chakan MIDC, Pune District, Maharashtra. Further these are secured by a second charge on the present and future current assets of the Company and personal guarantee provided by the Chairman and Managing Director & Vice Chairman and Managing Director. However the total loan amount is repayed during the year and there is no outstanding as on 31st March, 2017
- (ii) **Term loans from** - State Bank of India is primarily secured by equitable mortgage of movable and immovable properties and first charge on the present and future fixed assets of the Company situated at Plant I, Plant II and Plant IV Nandigaon, Mahaboobnagar district, Telangana, Plant III, Chakan MIDC, Pune District, Maharashtra and New Plant, Limbe Jalgaon Village at Aurangabad and secured by a second charge on the present and future current assets of the Company.
- Further these loans are collaterally secured by :
- Personal immovable properties of directors and their relative.
 - Personal guarantees by directors and their relative (to the extent of secured property value)
 - Pledge of 20% of the promoters (Shri Sharad B Pitti and Shri Akshay S Pitti) shares in the Company.
- (Refer Note 2.8 (a) for terms of repayment)
- (b) Term loan (equipment finance) from others is secured by exclusive charge on the machinery purchased to the extent funded and personal guarantee provided by the Chairman & Managing Director and Vice Chairman & Managing Director. (Refer Note 2.8 (a) for terms of repayment)
- (c) Secured against hypothecation of vehicles.
(Refer Note 2.8 (b) for terms of repayment)
- (d) Represents 14 years interest free sales tax deferment loan received from State Government, which is repayable in monthly instalments based on the deferment availed in the respective years, commences from January, 2018 till November, 2020.
- (e) Includes ₹ 34.10 crores upto 31st March, 2017 brought in by the promoters and promoters group for the purpose of working capital and capital expenditure.

Note: 2.4 : Deferred Tax Liabilities (Net)

Particulars	(₹ in Lacs)	
	As at March 31, 2017	As at March 31, 2016
At the beginning of the year	394.93	581.12
Provision for the year	(91.29)	(186.19)
Closing balance	303.64	394.93

Note: 2.5 : Long Term Provisions

Particulars	(₹ in Lacs)	
	As at March 31, 2017	As at March 31, 2016
Provision for Gratuity	74.09	75.28
Total	74.09	75.28

Note: 2.6 : Short Term Borrowings

Particulars	(₹ in Lacs)	
	As at March 31, 2017	As at March 31, 2016
Working capital borrowings from Banks (Secured)	12,179.46	14,095.08
Total	12,179.46	14,095.08





Note:

Working capital facilities from State Bank of India, Indian Overseas Bank and Kotak Mahindra Bank (at interest rate ranging from 7.95% to 11.95%)are secured on a pari passu first charge basis against hypothecation of stocks, Tools & Dies, Spares & consumables, book debts and all other current assets both present and future. Further these are secured by second charge on fixed assets of the Company both present and future, apart from the personal guarantees of the Chairman & Managing Director and Vice Chairman & Managing Director and their relative.

Note 2.7 : Trade Payables

Particulars	(₹ in Lacs)	
	As at March 31, 2017	As at March 31, 2016
Dues to micro enterprises and small enterprises	87.89	112.57
Dues to others	10,472.69	6,545.57
Total	10,560.58	6,658.14

Note:

The information has been given in respect of such vendors to the extent they could be identified as Micro and Small enterprises on the basis of information available with the Company on records.

(Refer Note 2.43)

Note 2.8 : Other Current Liabilities

Particulars	(₹ in Lacs)	
	As at March 31, 2017	As at March 31, 2016
Unclaimed Dividend	22.50	25.19
Interest accrued but not due on loans	21.53	12.01
Sales Tax (Deferral) due less than 12 months	33.05	-
Term loan instalments due less than 12 months (Refer note a)	1,442.93	673.37
Vehicle loan instalments due less than 12 months (Refer note b)	31.06	30.76
Other Liabilities	227.37	759.81
Total	1,778.44	1,501.14

Notes:

a) Terms of repayment are given below:

- (i) Loan taken from Oriental Bank of Commerce is repaid by way of quarterly instalments of ₹ 68.75 Lacs each upto January, 2016 and the loan has been repaid in full during the previous year.
- (ii) Loan taken from TATA Capital Financial Service Ltd., at interest rate of 14.25% is repayable in 13 monthly instalments of ₹ 11.36 Lacs each till March, 2017 and balance amount of ₹ 11.32 Lacs is repayable by April, 2017.
- (iii) Loan taken from L & T Finance Ltd., at interest rate of 13.50% is repayable in 3 monthly instalments of ₹ 12.41 Lacs including interest each till June'2016 and the loan has been cleared in full during the current year.
- (iv) Loan taken from TATA Capital Financial Service Ltd., at interest rate of 13.25% is repayable in 36 monthly instalments of ₹ 13.91 Lacs each till March, 2019 and 47 monthly instalments of ₹ 0.44 Lacs each till March, 2020.
- (v) Loan taken from TATA Capital Financial Service Ltd., at interest rate of 12% is repayable in 3 monthly instalments of ₹ 100 Lacs each till July, 2016 and the loan has been cleared in full during the current year.
- (vi) Loan taken from TATA Capital Financial Service Ltd., at interest rate of 12.75% is repayable in 51 monthly instalments of ₹ 0.72 Lacs each till June, 2020 and against this loan ₹ 321.64 Lacs opened as Lien marked Fixed Deposits at interest rate of 7.25% for the purpose of repayment of this loan.
- (vii) Loan taken from Hewlett Packard Financial Services India Pvt Ltd., at interest rate of 11.50% is repayable in 18 quarterly instalments of ₹ 8.75 Lacs including interest each till August, 2020.



Notes to financial statements (Contd.)

- (viii) Loan taken from Hewlett Packard Financial Services India Pvt Ltd., at interest rate of 11.50% is repayable in 19 quarterly instalments of ₹ 0.88 Lacs including interest, each till October, 2020.
- (ix) Loan taken from State Bank of India., at interest rate of 12.50% is repayable in 6 quarterly instalments of ₹ 50.00 Lacs each till September, 2018.
- (x) Loan taken from State Bank of India., at interest rate of 12.50% is repayable in 20 quarterly instalments of ₹ 95.00 Lacs each commences from June, 2017 till March, 2022.
- (xi) Loan taken from State Bank of India., at interest rate of 12.50% is repayable in 20 quarterly instalments of ₹ 162.50 Lacs each commences from September, 2017 till June, 2022.

(b) Terms of repayment are given below:

Loan taken from Kotak Mahindra Prime Ltd., at interest rate of 9.39% is repayable by way of 50 monthly instalments of ₹ 3.36 Lacs including interest each till June, 2020.

Note 2.9 : Short Term Provisions

Particulars	(₹ in Lacs)	
	As at March 31, 2017	As at March 31, 2016
Provision for employee benefits :		
Provision for Gratuity	20.64	36.74
Provision for Bonus	88.83	62.62
Provision for Leave encashment	57.37	64.24
Other Provisions :		
Provision for taxation	102.61	-
Total	269.45	163.60

Note 2.10 : Fixed - Assets

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at April 1, 2016	Additions	Adjus- tments	As at March 31, 2017	As at April 1, 2016	For the year	For reserves	Adjus- tments	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Tangible Assets:											
Land	233.27	-	-	233.27	-	-	-	-	-	233.27	233.27
Factory Building	1,595.24	-	-	1,595.24	456.75	48.96	-	-	505.71	1,089.53	1,138.49
Lease hold Property	861.49	-	-	861.49	450.36	51.56	-	-	501.92	359.57	411.13
Plant & Equipment	11,878.39	1,180.55	368.06	12,690.88	6,582.38	1,128.26	-	328.51	7,382.13	5,308.75	5,296.01
Office Equipment	203.38	12.52	0.39	215.51	107.90	28.69	-	0.34	136.25	79.26	95.48
Furniture & Fixtures	199.69	0.13	-	199.82	157.41	9.44	-	-	166.85	32.97	42.28
Other-Computers	480.01	8.18	8.01	480.18	377.29	37.23	-	7.87	406.65	73.53	102.72
Vehicles	487.71	-	-	487.71	230.07	49.51	-	-	279.58	208.13	257.64
Sub Total	15,939.18	1,201.38	376.46	16,764.10	8,362.16	1,353.65	-	336.72	9,379.09	7,385.01	7,577.02
Intangible Assets											
Computer Software	380.35	-	-	380.35	327.49	15.84	-	-	343.33	37.02	52.86
Product Development Expenses	-	89.27	-	89.27	-	-	-	-	-	89.27	-
Sub Total	380.35	89.27	-	469.62	327.49	15.84	-	-	343.33	126.29	52.86
Total	16,319.53	1,290.65	376.46	17,233.72	8,689.65	1,369.49	-	336.72	9,722.42	7,511.30	7,629.88
Previous Year	15,885.31	600.68	166.46	16,319.53	7,186.36	1,542.35	73.88	112.95	8,689.64	7,629.89	8,698.95
Capital Work In Progress	-	-	-	-	-	-	-	-	-	3,200.49	1,169.74



Note 2.11 : Non Current Investments

Particulars	(₹ in Lacs)	
	As at March 31, 2017	As at March 31, 2016
Trade investment		
Investment with Pitti Castings Private Ltd (Unquoted)		
a. Equity Shares	408.00	408.00
(40,80,000 equity shares at face value ₹ 10/-each, previous year 40,80,000)		
b. Redeemable Preferential shares	1,233.00	1,233.00
(1,23,30,000 Preferential shares (non-cumulative non- participative redeemable) at face value ₹ 10/- each)		
Total	1,641.00	1,641.00

Note 2.12 : Long Term Loans And Advances

Particulars	(₹ in Lacs)	
	As at March 31, 2017	As at March 31, 2016
Unsecured, considered good		
Capital Advance for Fixed Assets	1,970.24	44.26
Deposits:		
Rent	93.28	93.53
With suppliers	0.35	1.13
With Govt. bodies	59.14	53.70
Total	2,123.01	192.62

Note 2.13 : Current Investments

Particulars	(₹ in Lacs)	
	As at March 31, 2017	As at March 31, 2016
Investment in Equity Shares		
I. Quoted		
Development Credit Bank Ltd. 1,000 Equity Shares of ₹ 10/- each Market Value ₹ 78,950/- (previous year ₹ 1,11,250/-)	0.10	0.10
II. Unquoted		
Saraswat Co-operative Bank Ltd. 50 Equity Shares of ₹ 10/- each (Unquoted)	0.01	0.01
Total	0.11	0.11

Notes to financial statements (Contd.)

Note 2.14 : Inventories

Particulars	(₹ in Lacs)	
	As at March 31, 2017	As at March 31, 2016
(At lower of cost or Net realisable value)		
Raw material	3,417.40	2,729.10
Material in Transit	25.58	-
Work in process	2,698.37	1,467.49
Finished goods	5,834.20	5,528.20
Stores and spares	565.22	367.22
Press tools & dies	1,943.17	1,652.23
Scrap	13.42	12.89
Total	14,497.36	11,757.13

Note 2.15 : Trade Receivables

Particulars	(₹ in Lacs)	
	As at March 31, 2017	As at March 31, 2016
(Unsecured, considered good)		
Outstanding for a period exceeding six months	71.10	59.81
Others	10,207.77	11,136.67
Total	10,278.87	11,196.48

Note 2.16 : Cash And Bank Balances

Particulars	(₹ in Lacs)	
	As at March 31, 2017	As at March 31, 2016
Cash on Hand	3.65	3.05
Balances with banks		
Current Accounts	6.45	7.22
Unclaimed dividend account (Refer note a)	22.49	25.19
Cash & Cash equivalents	32.59	35.46
Other bank balances		
Term Deposit Accounts (Refer note b)	1,069.09	1,787.51
Total	1,101.68	1,822.97

Note:

- a) During the year an amount of ₹ 2,57,719/- for the year 2008-09 (previous year ₹ 7,79,564/- for the year 2007-08) (final dividend) was transferred to Investor Education and Protection Fund (IEPF)
- b) Term Deposits are held as Margins for LC/BGs



Note 2.17 : Short Term Loans And Advances

Particulars	(₹ in Lacs)	
	As at March 31, 2017	As at March 31, 2016
(Unsecured and considered good)		
Advances to:		
Material suppliers/contractors	519.07	40.78
Central excise, Sales tax etc., Income Tax and other taxes	706.58	263.12
Employees	2.09	15.40
Prepaid expenses	156.07	156.23
Total	1,454.79	541.95

Note 2.18 : Other Current Assets

Particulars	(₹ in Lacs)	
	As at March 31, 2017	As at March 31, 2016
Export Incentive Receivables	281.15	148.01
Interest Accrued on Deposits	57.71	90.90
Others*	114.04	-
Total	452.90	238.91

*Amount receivable from Maharashtra Govt. towards Industrial Promotions Subsidy (IPS) for New Unit under package scheme of incentive - 2013.

Note 2.19 : Revenue From Operations

Particulars	(₹ in Lacs)	
	For the Year 2016-17	For the Year 2015-16
A. Sales & Services:		
Sale of Products	26,324.42	28,965.74
Sale of Scrap	2,685.98	2,916.59
Sale of Tools	684.41	487.41
Job work Income	591.77	359.95
Gross Sales & Services	30,286.58	32,729.69
Less: Taxes & Duties	(1,983.47)	(1,835.09)
Net Sales & Services	28,303.11	30,894.60
B. Other Operating revenue:		
Export incentives and others	286.61	254.03
Total	286.61	254.03
Total Revenue from Operations (A+B)	28,589.72	31,148.63

Notes to financial statements (Contd.)

Note 2.20 : Other Income

Particulars	(₹ in Lacs)	
	For the Year 2016-17	For the Year 2015-16
Interest on Deposits	100.75	136.66
Profit on Sale of Asset	25.54	2.50
Other Misc. Receipts	176.28	61.82
Dividend Income	0.00	-
Total	302.57	200.98

Note :

Other Misc. Receipts includes ₹ 114.04 Lacs towards Industrial Promotions Subsidy (IPS) for New Unit under package scheme of incentive - 2013.

Note 2.21 : Cost Of Material Consumed

Particulars	(₹ in Lacs)	
	For the Year 2016-17	For the Year 2015-16
Opening stock	2,729.10	3,317.76
Add: Purchases	19,864.27	21,201.59
Less : Material in Transit	(25.58)	-
Less: Closing stock	(3,417.40)	(2,729.10)
Consumption	19,150.39	21,790.25

Note 2.22 : Changes In Inventories Of Work-In-Process, Finished Goods And Scrap

Particulars	(₹ in Lacs)	
	For the Year 2016-17	For the Year 2015-16
A. Opening stocks:		
Work-in-process	1,467.49	2,082.00
Finished goods	5,528.20	3,344.36
Scrap	12.89	115.70
Total - A	7,008.58	5,542.06
B. Closing stocks:		
Work-in-process	2,698.37	1,467.49
Finished goods	5,834.20	5,528.20
Scrap	13.42	12.89
Total - B	8,545.99	7,008.58
C. Increase/(Decrease) in stocks (B-A)	1,537.41	1,466.52

Note 2.23 : Employee Benefit Expense

Particulars	(₹ in Lacs)	
	For the Year 2016-17	For the Year 2015-16
Employees remuneration and benefits	2,609.17	3,285.92
Employees retrenchment compensation	148.61	200.00
Contribution to PF/ESI	128.74	198.68
Gratuity expenses	94.33	103.53
Remuneration to Directors	114.84	180.95
Staff welfare expenses	111.24	155.19
Total	3,206.93	4,124.27





Note 2.24 : Finance Costs

Particulars	(₹ in Lacs)	
	For the Year 2016-17	For the Year 2015-16
Interest on Term Loans	108.45	173.08
Interest on Working Capital	1,083.13	974.78
Bank Charges	544.55	321.84
Forex Loss/(Gain) (net)	(206.00)	233.77
Total	1,530.13	1,703.47

Note 2.25 : Other Expenses

Particulars	(₹ in Lacs)	
	For the Year 2016-17	For the Year 2015-16
Consumption of Stores, Spares, Tools & Dies	951.57	929.58
Power & fuel	326.78	342.17
Repairs & Maintenance :		
Plant	99.41	184.38
Building	1.04	2.04
Vehicles	20.41	14.41
Other Assets	67.34	67.64
Discounts to Customers	271.70	340.73
Bad Debts written off	50.17	-
Other selling & Distribution expenses	424.89	514.19
Packing Cost	420.99	540.91
Carriage outwards	310.33	293.17
Travelling & Conveyance	340.88	400.68
Insurance	57.45	63.22
Rent	274.36	271.04
Rates & Taxes (Excluding Taxes on Income)	150.07	140.81
Board Meeting Expenses	12.96	4.12
Remuneration to auditors :		
Audit Fee	10.62	9.03
Tax Audit Fee	3.02	3.02
Certification Fee /Taxation matter	0.13	0.05
Communication Expenses	41.98	45.73
Professional consultancy	290.35	219.97
CSR Expenses	8.85	29.38
Miscellaneous Expenses	356.27	381.49
Total	4,491.57	4,797.76

Note 2.26 : Tax Expenses

Particulars	(₹ in Lacs)	
	For the Year 2016-17	For the Year 2015-16
Current tax	144.07	-
Deferred (credit)/expenses	(91.29)	(186.19)
Total	52.78	(186.19)

Notes to financial statements (Contd.)

Note 2.27 : Earnings per share (EPS)

Particulars	(₹ in Lacs)	
	For the Year 2016-17	For the Year 2015-16
Earnings		
Net profit/(loss) for the period (₹ In Lacs)	628.41	(955.79)
Shares		
Number of shares at the beginning of the period	2,69,83,400	2,69,83,400
Add: Shares issued during the period	-	-
Total number of equity shares outstanding at the end of the period	2,69,83,400	2,69,83,400
Weighted average number of equity shares outstanding during the period	2,69,83,400	2,69,83,400
Earnings per share of par value ₹ 5/- Basic (₹)	2.33	(3.54)
Earnings per share of par value ₹ 5/- Diluted (₹)	2.33	(3.54)

Note 2.28 : Contingent Liabilities & Commitments

Particulars	(₹ in Lacs)	
	As at March 31, 2017	As at March 31, 2016
(a) Contingent Liabilities - Claims against the Company not acknowledged as debts:		
(i) Income Tax Liability in respect of appeal preferred by the Department in the H'ble High Court, A.P. Hyderabad, pending disposal.	-	3.67*
(ii) Income Tax Liability in respect of appeal preferred by the Company before Commissioner of Income Tax, Hyderabad.	3.77*	-
(iii) Service Tax liability for which appeals preferred by the Company is pending with CESTAT, Bangalore.	68.55*	68.55*
(iv) Service Tax liability for which appeals preferred by the Company with Commissionerate, Hyderabad received the order with reduced liability.	-	13.07*
(v) Service Tax liability for which appeals preferred by the Company with Commissionerate Service Tax, Hyderabad	57.51*	-
(vi) Pending "C Forms" from Customers	1,652.74	1,357.47
(b) Commitments		
(i) Bank guarantees	1108.61	67.11
(ii) Estimated amount of liability on account of Capital Commitments	6880.66	431.65

* No provision is considered necessary since the Company expects favorable decision.

Note 2.29 : Employee Benefit Plans

A summary of the Gratuity & Leave Encashment plans are as follows

Assumptions	Gratuity Plan		Leave Encashment Plan	
	2016-17	2015-16	2016-17	2015-16
Discount Rate	7.55 %	7.90%	7.55 %	7.90%
Rate of increase in Compensation levels	2% p.a.	2% p.a.	2% p.a.	2% p.a.
Rate of Return on Plan Assets	8%	8%	0%	0%
Expected Average remaining working lives of employees (years)	24yrs	22 Yrs	24 yrs	22 yrs





(₹ in Lacs)

Changes in Present Value of Obligations	Gratuity Plan		Leave Encashment Plan	
	2016-17	2015-16	2016-17	2015-16
Present Value of Obligation as at the beginning of the year	326.36	285.37	64.24	75.80
Interest Cost	25.79	22.26	5.07	5.91
Current Service Cost	25.38	42.99	(6.87)	(11.56)
Benefits paid	(235.62)	(83.46)	(63.54)	(65.11)
Actuarial (gain)/ loss on obligations	49.96	59.20	58.47	59.20
Present Value of Obligation as at the end of the year	191.87	326.36	57.37	64.24
Amount to be recognized in Balance Sheet				
Present Value of Obligation as at the end of the year	191.87	326.36	57.37	64.24
Fair Value of Plan Assets as at the end of the year	97.14	214.34	-	-
Funded Status	(94.73)	(112.02)	(57.37)	(64.24)
Net Asset / (Liability) Recognized in Balance Sheet	(94.73)	(112.02)	(57.37)	(64.24)
Expenses Recognized in the statement of Profit and Loss				
Current Service Cost	25.38	42.99	(6.87)	(11.56)
Past Service Cost	-	-	-	-
Interest Cost	25.78	22.26	5.07	5.91
Expected Return on Plan Assets	(6.79)	(17.30)	-	-
Net actuarial (gain)/ loss recognized in the year	49.96	50.20	58.47	59.20
Expenses Recognized in the Statement of Profit & Loss	94.33	103.53	56.67	53.55

Note 2.30 : Details of consumption of Raw Materials

(₹ in Lacs)

Particulars	For the Year 2016-17	For the Year 2015-16
Imported (Silicon Steel)	2,704.90	5,227.64
Indigenous (Silicon Steel)	12,540.02	14,698.94
Others	3,905.47	1,863.67
Total	19,150.39	21,790.25

Note 2.31 : Stock and Turnover of Manufactured goods

(₹ in Lacs)

Particulars	Turnover (Gross)	Closing Inventory (FG)	Opening Inventory (FG)
Stampings	24,147.68 (25,699.91)	5,834.20 (5,528.20)	5,528.20 (3,344.36)
Others	6,138.90 (7,029.78)	- -	- -
Total	30,286.58 (32,729.69)	5,834.20 (5,528.20)	5,528.20 (3,344.36)

Note: Figures in brackets represent previous year's figures.

Note 2.32 : Stock of Work in process

(₹ in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
Stampings	2,698.37	1,467.49
Total	2,698.37	1,467.49

Notes to financial statements (Contd.)

Note 2.33 : CIF Value of Imports

Particulars	(₹ in Lacs)	
	For the Year 2016-17	For the Year 2015-16
Raw Materials	1,983.10	5,194.36
Stores and Spares	46.62	30.79
Capital goods	620.01	106.27
Total	2,649.73	5,331.42

Note 2.34 : Earnings in Foreign Currency

Particulars	(₹ in Lacs)	
	For the Year 2016-17	For the Year 2015-16
FOB value of Exports	8959.67	13,870.73

Note 2.35 : Expenditure in Foreign Currency

Particulars	(₹ in Lacs)	
	For the Year 2016-17	For the Year 2015-16
Travelling and others	305.71	376.45

Note 2.36 : Disclosure as per Section 186 of the Companies Act, 2013:

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

- (i) Details of investment made are given in Note 2.11 and 2.13.
- (ii) Details of loans given by the Company are as follows:

Name of the Entity	Relationship	(₹ in Lacs)	
		As at March 31, 2017	As at March 31, 2016
Pitti Castings Pvt. Ltd.	Director's Interest	-	-

- (iii) There are no guarantees issued by your Company in accordance with section 186 of the Companies Act, 2013 read with rules issued there under

Note 2.37 : Segment Reporting:

- a) Primary Segment Reporting
The Company has identified "Manufacture of Electrical Stampings & Die Cast Rotors" as the only primary reportable segment.
- b) Secondary Segment by Geographical Segment

Sl. No	Segment Revenue (Net)	(₹ in Lacs)	
		For the Year 2016-17	For the Year 2015-16
a)	India	18,416.17	16,878.91
b)	Outside India	9,886.94	14,015.69
Total		28,303.11	30,894.60

Total carrying amount of segment assets by geographical location of assets, for each geographical segment whose assets are 10% or more of the total assets of all geographical segments and the additions to the same are as under.



(₹ in Lacs)

Sl. No.	Segment Assets	Carrying amount of assets as on		Additions to Fixed Assets during the year			
		As at March 31, 2017	As at March 31, 2016	For the Year 2016-17		For the Year 2015-16	
				Put to use	CWIP	Put to use	CWIP
a)	India	37,213.81	28,591.84	1,290.65	3,200.49	600.69	1,169.74
b)	Outside India	5,047.70	7,598.95	-	-	-	-
Total		42,261.51	36,190.79	1,290.65	3,200.49	600.69	1,169.74

Note 2.38 : Related party disclosures:

Related parties where control exists.

A. List of Related parties:

I) (a) Directors

Shri Sharad B Pitti
 Shri Akshay S Pitti
 Shri Y. B. Sahgal*
 Shri G.V.S.N. Kumar**
 Shri N.R. Ganti
 Shri Gummalla Vijay Kumar
 Shri M. Gopalakrishna
 Shri Ms. Gayathri Ramachandran
 Shri S. Thiagarajan

(b) Relatives of Directors with whom transactions have taken place

Smt Madhuri S Pitti
 Smt Radhika A Pitti

* Shri Y.B. Sahgal, Executive Director has resigned with effect from 30th September'2016 from the Board of the Company.

** Shri GVS N Kumar, Executive Director & CFO has resigned with effect from 2nd March'2016 from the Board of the Company.

II) Key Managerial Personnel

Shri N. K. Khandelwal *
 Shri Satyabrata Padhi

* Shri N.K. Khandelwal, has been appointed as Chief Financial Officer with effect from 12th February'2016.

III) Entities in which Directors' having interest

Pitti Castings Private Limited
 Pitti Electrical Equipment Pvt. Ltd.,
 Pitti Components Limited
 Pitti Holdings Private Limited
 Badrivishal Pannalal Pitti Trust



Notes to financial statements (Contd.)

B. Transactions/balances outstanding with related parties

(1) For the Financial Year 2016-17

(₹ in Lacs)

Sl. No	Transactions / Outstanding balances	Directors / Relatives	Director's interest in firm / Company	Key Managerial Personnel / Relatives	Total
1	Remuneration	137.44	-	54.39	191.83
2	Rent / Lease	158.59	-	-	158.59
3	Purchases	-	3,397.69	-	3,397.69
4	Sales	-	193.48	-	193.48
5	Unsecured Loan - received	3,160.00	-	-	3,160.00
6	Unsecured Loan – repaid	600.00	-	-	600.00
7	Inter Corporate Deposits – received	-	850.00	-	850.00
8	Donations paid	-	8.87	-	8.87*
9	Interest paid	-	1.18	-	1.18
10	Job work charges earned	-	96.63	-	96.63
11	Job work charges incurred	-	0.60	-	0.60
12	Amount payable at the year end	2,565.48	1,230.76	3.16	3,799.40
13	Amount receivable at the year end	39.81	65.98	-	105.79

* Including CSR expenses of ₹ 8.85 lakhs

(2) For the previous Financial Year 2015-16

(₹ in Lacs)

Sl. No	Transactions / Outstanding balances	Directors / Relatives	Director's interest in firm / Company	Key Managerial Personnel / Relatives	Total
1	Remuneration	206.99	-	15.06	222.05
2	Rent / Lease	154.70	-	-	154.70
3	Purchases	-	3,421.83	-	3,421.83
4	Sales	-	135.54	-	135.54
5	Unsecured Loan - received back	-	715.00	-	715.00
6	Donations paid	-	29.38	-	29.38*
7	Job work charges earned	-	128.90	-	128.90
8	Job work charges incurred	-	40.70	-	40.70
9	Amount payable at the year end	12.72	107.03	4.47	124.22
10	Amount receivable at the year end	39.81	-	-	39.81

* Including CSR expenses of ₹ 29.38 lakhs

Note 2.39 : Operating Lease: (As a Lessee)

(₹ in Lacs)

Sl. No	Particulars	As at March 31, 2017	As at March 31, 2016
1	Within one year	188.71	248.06
2	Between one year and five years	375.77	373.01
3	Above five years	1,180.43	465.70



Note 2.40 : Deferred Tax

		(₹ in Lacs)		
Sl. No	Particulars	Deferred Tax (Liability)/ Asset as at 01st April, 2016	Current Year charge (Debit)	Deferred Tax (Liability)/ Asset as at 31st March, 2017
1	Difference between Depreciation as per Co's Act. & as per IT Act.	(473.91)	90.61	(383.30)
2	Others	78.98	0.68	79.66
	Deferred Tax Net	(394.93)	91.29	(303.64)

Note 2.41 : The Company has provided for Cess as specified in section 441 A of the Companies Act, 1956 and in the absence of any notification by the Central Govt. the Company could not deposit the same with the appropriate authority.

Note 2.42 : No asset is impaired during the year as the assets are having recoverable value which is more than the carrying amount.

Note 2.43 : Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

Disclosure required as per section 22 of the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act.) as at 31st March, 2017.

		(₹ in Lacs)	
Sl. No	Description	For the Year 2016-17	For the Year 2015-16
1	Principal amount due to suppliers under MSMED	87.89	112.57
2	Interest accrued and due to suppliers covered under MSMED on the above amount ,unpaid	1.85	3.33
3	Payment made to suppliers (with Interest) beyond the appointed day during the year.	461.26	465.56
4	Payment made to suppliers (other than interest) beyond the appointed day during the previous year	-	-
5	Interest paid to suppliers covered under MSMED	22.02	19.45
6	Interest due & Payable to suppliers covered under MSMED Act., towards payments already made.	-	-

The information has been given in respect of such vendors to the extent they could be identified as micro and small enterprises on the basis of information available with Company.

Note 2.44 : Letters have been written for confirmation of debit and credit balances pertaining to debtors and creditors and reply from the parties is awaited.

Note 2.45 : Financial and derivative instruments:

		(₹ in Lacs)	
Description	As at March 31, 2017	As at March 31, 2016	
Forward Contracts	361.13	Nil	

All financial and forward contracts entered into by the Company are for hedging purpose only.

Note 2.46 : Disclosure on Specified Bank Notes.

During the year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308(E), dated March 31, 2017. The details of SBNs held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination-wise SBNs and other notes as per the notification are as follows :

Notes to financial statements (Contd.)

Particulars			(₹ in Lacs)
	SBN*	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	1,40,500	89,591	2,30,091
Add : Permitted receipts	-	7,17,565	7,17,565
Less : Permitted payments	-	6,03,195	6,03,195
Less : Amount deposited in Banks	1,40,500	-	1,40,500
Closing cash in hand as on 30.12.2016	-	2,03,961	2,03,961

• For the purpose of this clause, the term 'Specified Bank Notes' (SBN) shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated 8th November, 2016.

Note 2.47 : The Company has prepared these financial statements as per the format prescribed by schedule III to Companies Act, 2013 issued by Ministry of Corporate Affairs

Previous year's figures have been regrouped/ rearranged wherever necessary to confirm to current year's grouping/ classification.

As per our Report of even date

for **Laxminiwas & Co**
Chartered Accountants
Firm's Registration No: 011168S

Dayaniwas Sharma
Partner
Membership No: 216244

Place: Hyderabad
Date: May 18, 2017

Sharad B Pitti
Chairman & Managing Director
DIN: 00078716

Satyabrata Padhi
Company Secretary
M.No: A25559
Place: Hyderabad
Date: May 18, 2017

For and on behalf of the Board of Directors of

Pitti Laminations Limited
CIN : L29253TG1983PLC004141

N. R. Ganti
Director
DIN: 00021592

N. K. Khandelwal
Chief Financial Officer
Membership No: 074967



Notice of the Annual General Meeting

Notice is hereby given that the 33rd Annual General Meeting of Pitti Laminations Limited will be held on Wednesday, the 06th September, 2017 at 4.00 P.M at the West Minister Hall, The Central Court Hotel, 6-1-71, Lakdikapool, Hyderabad – 500 082 to transact the following business:

Ordinary business

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2017 including the Audited Balance Sheet as at 31st March, 2017 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and Auditors thereon.

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

"RESOLVED THAT Shri Akshay S Pitti, Director DIN: 00078760 of the Company who retires by rotation in accordance with Companies Act, 2013 and who being eligible offers himself for re-appointment be and is hereby reappointed as a Director of the Company".

3. Appointment of Statutory Auditors of the Company

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

"RESOLVED THAT pursuant to section 139 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014 and other applicable rules, if any (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendation of the Audit Committee, M/s. Laxminiwas & Co, Chartered Accountants, Hyderabad, having firm registration number FRN 011168S be and is hereby appointed as Statutory Auditors of the Company for a term of five years i.e. to hold office from the conclusion of this Annual General Meeting ('AGM') till the conclusion of the Thirty Eight (38th) AGM to be held in 2022 (subject to ratification of their appointment at every AGM, if so required under the Act), at such remuneration including applicable taxes and out-of-pocket expenses, as may

be mutually agreed between the Board of Directors of the Company and the Auditors.

Special business

4. Approval of Material Related Party Transactions.

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

"RESOLVED THAT pursuant to the provisions of the Companies Act, 2013, if any, read with rules made there under and pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment, modification, variation or re-enactment thereof, read with Related Party Transaction Policy of the Company, the material related party transactions entered into by the Company with related parties as per the details given in the explanatory statement annexed to this notice be and are hereby confirmed and approved.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, matters, deeds and things and give all such directions as it may in its absolute discretion deem necessary, expedient or desirable, in order to give effect to this Resolution."

5. Ratification of Cost Auditors' Remuneration.

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

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the remuneration payable to M/s. S S Zanwar & Associates, Cost Accountants (Firm Registration No.100283), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2018, amounting to ₹ 2 lacs (Rupees Two lacs only) and the payment of service tax as applicable and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed."

Notice of the Annual General Meeting (Contd.)

6. Re-appointment of Shri Sharad B Pitti, DIN: 00078716 as Chairman & Managing Director.

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') (including any statutory modification or re-enactment thereof for the time being in force), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the Company hereby approves of the re-appointment and terms of remuneration of Shri Sharad B Pitti, DIN: 00078716 as the Chairman & Managing Director of the Company with effect from 28th April, 2017 (the date of appointment) for a period of five years, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment), with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment in such manner as may be agreed to between the Board of Directors and Shri. Sharad B Pitti.

RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

7. Issue of equity shares and warrants on preferential basis to the promoter and promoter group.

To consider and if thought fit, to pass without modification(s), the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Sections 62, Section 42 and all other applicable provisions, if any of the Companies Act, 2013 and rules made thereunder (including any statutory amendments thereto and all modifications or re-enactments thereof for the time being in force) and (the "Act") including any statutory modification (s) thereto or re-enactment thereof and in accordance with the relevant provisions of the Memorandum and Articles of Association of the company and in accordance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI ICDR Regulations") and as per the provisions of other applicable rules/regulations/guidelines prescribed by the Securities Exchange Board of India ("SEBI") and/or Reserve Bank of India ("RBI") and/or any other statutory/regulatory authority and clarifications thereon issued from time to time, whether in India or abroad, and pursuant to the listing agreements entered into by the company with the BSE Limited ("Stock Exchange") and National Stock Exchange of India Limited where the securities of the company are listed or to be listed, in furtherance to the special resolution passed earlier through postal ballot and subject to all approvals, consents, permissions and/or sanctions as may be required including but not limited to SEBI under the SEBI ICDR Regulations and from any other regulatory or statutory authority or body in India and subject to such terms, conditions, alternations, changes, variations and/or modifications, if any, as may be prescribed by any one or more or all of them in granting such approvals, consents, permissions and/or sanctions and as agreed to by the Board of Directors of the company (the "Board", which term shall be deemed



Notice of the Annual General Meeting (Contd.)

to include any Committee which the Board may have constituted or may hereinafter constitute to exercise its powers including the powers conferred on the Board by this Resolution) and in accordance with the SEBI ICDR Regulations, the consent of the Company be and is hereby accorded to the Board to create, issue, offer and allot, in one or more tranches by way of preferential allotment, upto 28,44,445 (Twenty Eight Lakhs Forty Four Thousand Four Hundred and Forty Five) equity shares of Rs.5/- each fully paid up at a price as may be calculated in accordance with Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and to create issue, offer and allot in one or more tranches upto 22,22,222 Convertible Warrants to the promoters and promoters group on preferential basis and said warrants will be convertible into equal number of Equity share of Rs.5/- (Rupees Five Only) each fully paid-up at a price as may be calculated in accordance with Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, provided that promoter's shareholding shall not be entitling them to exercise more than five per cent of the voting rights in any financial year. The details of the allottees are as under:

Sl No	Name of the allottee	Category	Instrument Type	Proposed Number of Instruments for allotment
1	Shri Sharad B Pitti	Promoter	Equity	1288889
2	Shri Akshay S Pitti	Promoter	Equity	1000000
3	Shri Akshay S Pitti	Promoter	Warrants	1111111
4	Pitti Electrical Equipment Pvt Ltd	Promoter	Equity	555556
5	Pitti Electrical Equipment Pvt Ltd	Promoter	Warrants	1111111

RESOLVED FURTHER THAT without prejudice to the generality of the above, the 'Relevant Date' for the purposes of determining the floor price of the Equity Shares in accordance with the provisions of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time, shall be Monday the 07th August, 2017 i.e., 30 days prior to the date of the Annual General Meeting where the proposed preferential issue is being considered for approval of the members."

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, matters, things and deeds and to take all such steps and do all such things and give all such directions as they may consider necessary, expedient or desirable for issue or allotment of the said Equity Shares and listing thereof with the Stock Exchange where the existing Equity Shares of the Company are listed and to take all such steps and to do all such things as may be required to comply with the requirements of the SEBI ICDR Regulations and other applicable laws and give all

such directions as the Board may consider necessary, expedite or desirable, including without limitation, effecting any modification to the foregoing (including any modification to the terms of the Preferential Allotment), to prescribe the forms of application, private placement offer letter, allotment, to enter into any definitive agreements and other incidental documents or other instruments and writings, and also to settle any question or difficulties or doubts that may arise in regard to the offer/issue, allotment and utilization of the proceeds and further to do all such acts, deeds, matters and things and to appoint such consultants, valuers, legal advisors, advisors and all such agencies as may be required for the issue and allotment of the said Equity Shares pursuant to the Preferential Allotment, without being required to seek any further consent or approval of the members and that the members shall be deemed to have given their approval thereto expressly by the authority of this Resolution, and to do all acts and deeds in the best interest of the Company and to take all such steps which are incidental and ancillary in this regard.



Notice of the Annual General Meeting (Contd.)

RESOLVED FURTHER THAT Shri Akshay S Pitti, Vice-Chairman and Managing Director, Shri Nand Kishore Khandelwal, Chief Financial Officer and Shri Satyabrata Padhi, Company Secretary of the Company be and are hereby severally authorized to execute and file any and all requisite forms, documents, return and/or deeds with any regulatory authority in connection with the above Resolutions, including e-forms to be filled with the Registrar of Companies, SEBI and other notifications required to be made to the Stock Exchange.

RESOLVED FURTHER THAT Shri Nand Kishore Khandelwal, Chief Financial Officer and Shri Satyabrata Padhi, Company Secretary of the Company be and are hereby

severally authorised to do all such acts, deeds and things as may be necessary or incidental to give effect to the aforesaid Resolutions.

RESOLVED FURTHER THAT all actions taken by the Board or Committee duly constituted for this purpose in connection with any matter(s) referred to or contemplated in any of the foregoing Resolutions be and are hereby approved, ratified and confirmed in all respects".

By order of the Board
For **Pitti Laminations Limited**

Satyabrata Padhi
Company Secretary
Membership No. A25559

Place: Hyderabad
Date: 17th July, 2017





Notice of the Annual General Meeting (Contd.)

1. An Explanatory statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses under Item No.4 to 7 to be transacted at the Annual General Meeting (AGM) is annexed here to.
2. 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 of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than FORTY-EIGHT HOURS before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions/authority, as applicable.
3. Corporate Members are required to send a certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representatives to attend and vote on their behalf at the Meeting.
4. Members, Proxies and Authorised Representatives are requested to bring to the meeting, the attendance slip enclosed herewith, duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No. Duplicate attendance slip or copies of the Report and Accounts will not be made available at the AGM venue.
5. A brief resume of each of the directors proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Regulation 36 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, and Clause 1.2.5 of Secretarial Standards-2 on General Meetings, are provided in Details of Directors seeking Appointment/ Reappointment at the Annual General Meeting is annexed herewith as **Annexure 1**.
6. Relevant documents referred to in the accompanying notice are open for inspection by the members at the Registered office of the Company on all working days between 11.00 a.m and 1.00 p.m upto the date of this Annual General Meeting (AGM) and also at the AGM.
7. The Register of Members and Share Transfer Books of the Company will remain closed from 30th August, 2017 to 06th September, 2017 (both days inclusive) in connection with Annual General Meeting (AGM).
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Registrar and Transfer Agent / Company
9. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) are XL Softech Systems, Plot No.3, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034, Telangana, India.
10. Pursuant to section 101 and 136 of the Companies Act, 2013 read with relevant Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those members who have registered their email address either with the Company's Registrar and Transfer Agents or with the Depository.
11. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically.
12. The notice of Annual General Meeting, Annual Report and Attendance slip are being sent in electronic mode to members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the members have registered their request for a hard copy of the same. Physical copy of the notice of Annual General Meeting, Annual Report and Attendance slip are being sent to those members who have not registered their e-mail IDs with the Company or depository participant(s). Members who have received the notice of Annual General Meeting, Annual Report and Attendance slip in electronic mode are requested to print the attendance slip and submit a duly filled in attendance slip at the registration counter to attend the Annual General Meeting.
13. Members may also note that the Notice of the 33rd AGM and the Annual Report for FY 2016-17 will be available on the Company's website www.pitti.in for their download and also on the website of Central Depository Services (India) Limited viz. www.evotingindia.com. The physical copies of the aforesaid documents will also be available



Notice of the Annual General Meeting (Contd.)

at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: shares@pittilam.com.

14. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of section 72 of the Companies Act, 2013. Members desiring to avail of this facility may send their nomination in the prescribed Form No.SH-13 duly filled in to XL Softech Systems Ltd at the above mentioned address. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.
15. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the Depositories and the bank account details maintained by the Registrar and Transfer Agents for payment of dividend through Electronic Clearing Service ("ECS") to investors wherever ECS and bank details are available. In the absence of ECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend. The Company will not entertain any direct request from Members holding shares in electronic mode for deletion of/change in such bank details. Further, instructions if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode. Members who wish to change such bank account details are therefore requested to advise their Depository Participants about such change, with complete details of bank account.
16. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Members through the Electronic Clearing Service ("ECS")/ National Electronic Clearing Service ("NECS"). Members wishing to avail of this facility are requested to intimate the Company's Registrar and Transfer Agents/ Depository Participants in the prescribed form and with the prescribed details. Members located in places where ECS/NECS facility is not available may submit their bank details to the Registrar and Transfer Agents. This will enable the Company to incorporate this information on the dividend warrants and thus prevent fraudulent encashment.
17. **Members are requested to:**
 - (a) intimate to the Company's Registrar and Transfer Agents, XL Softech Systems Ltd changes, if any, in their registered addresses at an early date, in case of Shares held in physical form;
 - (b) intimate to the respective Depository Participant, changes, if any, in their registered addresses at an early date, in case of shares held in dematerialized form.
 - (c) quote their folio number/Client ID/DP ID in all correspondence; and
 - (d) consolidate their holdings into one folio in case they hold shares under multiple folios in the identical order of names.
18. Members are requested to note that as per section 124 of the Companies Act, 2013, dividends not encashed / claimed within seven years from the date of declaration will be transferred to the Investor Education and Protection Fund (IEPF). After transfer of the said amount to IEPF, no claims in this respect shall lie against IEPF or the Company.
19. All unclaimed dividends upto the final dividend for FY 2008-09 paid by the Company have been transferred to Investor Education and Protection Fund ('said Fund') of the Central Government. No dividend was declared for FY 2009-10 by the Company. Pursuant to the provisions of the Investor Education and Protection Fund Rules, the Company has uploaded the details of the unpaid and unclaimed dividend amounts lying with the Company on the website of the Company (www.pitti.in), as also on the website of the Ministry of Corporate Affairs (www.mca.gov.in). Those members, who have not encashed their dividend are requested to claim it from the Company or XL Softech Systems Limited, the Registrars and Share Transfer Agents of the Company, immediately. Those members who have not so far claimed their dividend for the subsequent financial years are also advised to claim it from the Company or XL Softech Systems Limited.
20. 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.
21. For convenience of the members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance slip. Members are requested to sign at the place provided on the attendance slip and hand it over at the registration counter.



Notice of the Annual General Meeting (Contd.)

22. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
23. The cut-off date for the purpose of remote e-voting and voting at the AGM shall be 25th August, 2017. Please note that members can opt for only one mode of voting i.e., either by voting at the meeting or remote e-voting. If Members opt for remote e-voting, then they should not vote at the Meeting and vice versa. However, once an e-vote on a resolution is cast by a Member, such Member is not permitted to change it subsequently or cast the vote again. Members who have cast their vote by remote e-voting prior to the date of the Meeting may also attend the Meeting and participate in the Meeting, but shall not be entitled to cast their vote again.
24. A route map showing directions to reach the venue of the 33rd Annual General Meeting is given at the end of this Notice as per requirement of the Secretarial Standard 2 on General Meeting.
25. **E-Voting:**

The business as set out in the Notice may be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirement) Regulation, 2015, the Company is pleased to offer remote e-voting facility (e voting from a place other than venue of the AGM) to exercise their right to vote on all resolutions set forth in the Notice convening the 33rd Annual General Meeting. The Company has engaged the services of Central Depository Services India Limited (CDSL) to provide the e-voting facility.

The Members whose names appear in the Register of Members / List of Beneficial Owners as on 25th August, 2017 (cut-off date), are entitled to vote on the Resolutions set forth in this Notice. The e-voting period will commence on Sunday, 03rd September, 2017 (09:00 hrs) and will end on Tuesday, 05th September, 2017 (17:00 hrs).

During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Members will not be able to cast their votes electronically beyond the date & time mentioned above.

The Company has appointed Shri Ajay Kishen, Practising Company Secretary to act as Scrutinizer to conduct and scrutinize the electronic voting process and poll at the Annual General Meeting in a fair and transparent manner. The members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereunder.

26. Procedure for e-voting

The Company has entered into an arrangement with Central Depository Services (India) Limited for facilitating e-voting for AGM. The instructions for e-voting are as under:

A. In case of members receiving e-mail (for members whose email address are registered with the Company / Registrar)

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 03rd September, 2017, 9.00 A.M and ends on 05th September, 2017 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 25th August, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.



Notice of the Annual General Meeting (Contd.)

(vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.





Notice of the Annual General Meeting (Contd.)

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- B. In case of members receiving the physical copy of notice of 33rd Annual General Meeting (for members whose e-mail ids are not registered with the Company/Depositories):**
- i. Please follow all the steps from S.No.(i) to S.No. (xvii) to cast vote
- C. General Instructions:**
- i. The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 25th August, 2017.
 - ii. Members can opt for only one mode of voting, i.e., either by physical poll or e-voting. In case
- Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through physical poll will be treated as invalid.
- iii. The facility for voting through polling paper shall also be made available at the meeting and the members attending the meeting who have not already cast their vote by e-voting shall be able to exercise their right at the meeting.
 - iv. The member who cast their vote by e-voting prior to the meeting may also attend the meeting, but shall not be entitled to cast their vote again.
 - v. The Scrutinizer, after scrutinising the votes cast at the meeting through poll and through e-voting will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.pitti.in. The results shall simultaneously be communicated to the Stock Exchanges.
 - vi. The result of the voting on the Resolutions at the Meeting will be announced by the Chairman or any other person authorized by him within three days of the AGM.

**By order of the Board
For Pitti Laminations Limited**

Satyabrata Padhi

Company Secretary
Membership No. A25559

Place: Hyderabad
Date: 17th July, 2017



Notice of the Annual General Meeting (Contd.)

Explanatory statement under section 102 of the Companies Act, 2013

Item 3

The Board of Directors has, based on the recommendation of the Audit Committee, at its meeting held on 18th May, 2017, proposed the appointment of M/s.Laxminiwas & Co, Chartered Accountants, Hyderabad, having firm registration number FRN 011168S as the Statutory Auditors of the Company for a period of 5 years, to hold office from the conclusion of this AGM till the conclusion of the thirty eighth AGM to be held in the year 2022 (subject to ratification of their appointment at every AGM, if so required under the Act). M/s.Laxminiwas & Co, Chartered Accountants have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act. The Board commends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution set out at Item No. 3 of the Notice

Item 4

As per Regulation 23 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 all related party transactions shall require the prior approval of the audit committee and in case of material related party transaction wherein a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of Company.

Accordingly the Audit Committee has approved the transactions entered into with Pitti Castings Pvt Ltd and Pitti Electrical Equipment Pvt Ltd, the related parties. The details of the transactions entered into with the related party are as detailed below:

₹ in lakhs			
Sl. No.	Nature of transactions	Amount of transaction	% of the annual turnover of the Company
1	Purchases	3397.69	12.00
2	Jobwork incurred	0.60	0.00
3	Sales	193.48	0.68
4	Jobwork charges earned	96.63	0.34
Total		3688.40	13.02

The above transactions entered into with the related party are entered into in the ordinary course of business and at arm's length basis, hence the provisions of section 188 of the Companies Act, 2013 read with rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are not applicable to the above transactions.

As per Regulation 23(7) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015 all material related party transactions shall require approval of the shareholders through resolutions and all the entities falling under the definition of related parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not.

Except Shri Sharad B Pitti, Shri Akshay S Pitti and Shri N R Ganti none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No.4 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

Item 5

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. S S Zanwar & Associates, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2018. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) (ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, consent of the Members is sought to ratify the remuneration payable to the Cost Auditors.

None of the Directors or Key Managerial Personnel and their relatives, are concerned or interested (financially or otherwise) in this Resolution.

The Board commends the Ordinary Resolution set out at Item No. 5 for approval of the members.

Item 6

The Board of Directors at their meeting held on 28th April, 2017, re-appointed Shri Sharad B Pitti (DIN: 00078716) as Chairman & Managing Director of the Company for a period of five years with effect from 01st May, 2017. The re-appointment is subject to the approval of the members of the Company. The re-appointment was made based on recommendation by the Nomination and Remuneration Committee.

Shri Sharad B Pitti is the Chief Promoter of the Company and has been playing significant role in the growth and development of the Company. As Chairman & Managing Director, Shri Sharad B Pitti exercises substantial powers of management over the Company, subject to the superintendence, control and directions by the Board of Directors.

The appointment and terms of remuneration of Shri Sharad B Pitti as Chairman & Managing Director are pursuant to the provisions of sections 196, 197, 203, Schedule V and other applicable provisions, if any of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time.





Notice of the Annual General Meeting (Contd.)

The principal terms and conditions of appointment of Shri Sharad B Pitti is as follows:

1. Term of appointment

With effect from 01st May, 2017 upto 30th April, 2022.

2. Duties and Powers

The Chairman & Managing Director shall devote his whole-time and attention to the business of the Company and perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercised such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies, including performing duties as assigned to the Chairman & Managing Director by the Board from time to time by serving on the Board of such associated companies and / or any other executive body or any committee of such a company.

The Chairman & Managing Director undertakes to employ the best of his skill and ability to make his utmost endeavours to promote the interests and welfare of the Company and to conform to and comply with the policies and regulations of the Company and all such orders and directions as may be given to him from time to time by the Board.

3. Remuneration

Salary

Basic salary of ₹ 3,85,000/- per month with increments as per the Company's policy and as may be determined by the Board of Directors, from time to time. The annual increments, which will be effective 1st April every year, will be decided by the Board, based on the recommendation of the Nomination and Remuneration Committee, after taking into account the Company's performance as well.

Perquisites

- 1) Contribution to Provident Fund and Gratuity are as per rules of the Company in force.
- 2) Provision of car for use in company's business and telephone at residence/and usage of cell phones.

4. Minimum Remuneration

Notwithstanding anything to the contrary herein contained, wherein any financial year, during the currency of the tenure of the Chairman & Managing Director, the Company has no profits or its profits are inadequate, the Company will pay to him remuneration by way of salary, benefits, perquisites and allowances as specified above.

Given his expertise, knowledge and experience, the Board considers the appointment of Shri Sharad B Pitti as whole-time Director designated as Chairman &

Managing Director to be in the interest of the Company and in view of the provisions of section 196, 197 and 203 and any other applicable provisions of the Companies Act, 2013, recommends the Ordinary Resolution as set out in the accompanying notice for the approval of the members.

Except Shri Sharad B Pitti and Shri Akshay S Pitti, none of the Directors and Key managerial personnel is concerned or interested in the Resolution.

Item 7

The Company is pursuing several growth opportunities in the existing line of business besides expanding its existing scale of business. Your Company is trying to maximize the shareholders value by accelerating the growth in pace with the opportunities. The Company is in the process of setting up new facilities for Laminations and machining of metal components in Aurangabad and Machining of Large metal components in Hyderabad along with reorganization of its existing manufacturing facilities of Pune and Hyderabad. Considering the substantial requirement of funds, the banks were approached to finance the same. The company has availed term loans from the bank after due sanction and as per the stipulation laid by the bank, the Company promoters are required to contribute to the extent of ₹ 46 crores. Accordingly to speed up the project implementation, the company raised an amount of ₹ 25.60 crores by way of unsecured loans from its Promoter- Directors. Further, the promoters are required to contribute further funds depending upon the progress of the works in one or more trenches. In view of the above, the Company proposed to convert these contributions by issue of equity shares and convertible warrants of the company.

The Board of Directors at their meeting held on 13th February, 2017 has approved the conversion of the contributions made by the promoters as unsecured loans into equity and issue of convertible warrants for the fresh contribution by the promoters in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI ICDR Regulations") and the applicable provisions of the Companies Act, 2013. The shareholders have approved the same through postal ballot. However due to certain suggestions made by Stock Exchange for additional disclosures in accordance with the SEBI ICDR Regulations the company could not proceed with the allotment pursuant to the said special resolution passed through postal. The Board of the Directors at their meeting held on 17.07.2017 have decided to include the Special Resolution in the notice calling the Annual General Meeting seeking the approval of the Shareholders in furtherance to the earlier special resolution passed through postal ballot.

Presently the Promoters together are holding 60% shares of the total paid-up capital of the Company. As per the Provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, they cannot acquire within any financial year additional shares or



Notice of the Annual General Meeting (Contd.)

voting rights in company entitling them to exercise more than five per cent of the voting rights without giving open offer. In view of the above the Board has considered allotment of shares and warrant to ensure that the allotment to promoters does not exceed the said limit of 5%.

In view of the above, the Company is now proposing to issue and allot upto 28,44,445 equity shares of face value of ₹ 5/- (Rupees Five only) each and upto 22,22,222 convertible warrants (the "Preferential Allotment") in accordance with SEBI ICDR Regulations, 2009 and the applicable provisions of the Companies Act, 2013.

The other disclosures in accordance with the Companies Act, 2013, the ICDR Regulations and the other applicable provisions of law, in relation to the Special Resolution set out in the accompanying Notice are as follows:

(a) Objects of the Preferential Issue:

To convert the existing unsecured loans availed from directors/promoters/promoters group to meet the capital expenditure & working capital requirements for the ongoing and future projects of the Company and general corporate purposes including but not limited to pursuing new business opportunities and to raise additional funds for corporate purpose.

(b) The proposal of the promoters, directors or key management personnel of the Company to subscribe to the offer:

The promoters, Directors and key management personnel of the Company propose to subscribe to the Preferential Allotment.

(c) The shareholding pattern of the Company before and after the Preferential Issue:

The pre and post preferential issue shareholding pattern is as shown below:

Sl. No.	Category	Pre-issue equity shareholding		#Post-issue equity shareholding after allotment of shares and conversion of warrants	
		No. of shares held	% of shareholding	No. of shares held	% of shareholding
A	Promoters' holding:				
1	Indian Promoters				
	Individuals	92,09,380	34.13	1,26,09,380	39.34
	Body Corporate	69,80,000	25.87	86,46,667	26.98
Total		1,61,89,380	60.00	2,12,56,047	66.32
2	Foreign Promoters	Nil	Nil	Nil	Nil
Sub Total (A)		1,61,89,380	60.00	2,12,56,047	66.32
B	Non-Promoters' holding				
1.	Institutional Investors	871842	3.23	871842	2.72
2	Non-Institution:				
	Private Corporate Bodies	18,16,503	6.73	18,16,503	5.67
	Directors and Relatives	Nil	Nil	Nil	Nil
	Indian Public	78,08,841	28.94	78,08,841	24.36
	Others (Including NRIs)	296834	1.10	296834	0.93
Sub-total (B)		1,07,94,020	40.00	1,07,94,020	33.68
Grand Total (A + B)		2,69,83,400	100.00	3,20,50,067	100.00

Note: #Assuming after full conversion of warrants.

(d) The time within which the preferential issue shall be completed:

The allotment of Equity Shares / Warrants shall be completed within a period of 15 days from the date of passing of the resolution by the shareholders provided that where the allotment is pending on account of pendency of any approval from any regulatory authority / body, the allotment shall be completed by the Company within a period of 15 days from the date of such approvals.

(e) The identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control, if any, in the issuer consequent to the preferential issue:

(1) Details of Allottees

S. No.	Name of the Investor	Promoter/ Non-Promoter	Instrument	Number of shares/warrants to be allotted	Post issue/post conversion holdings	
					Number of shares	% of holding
(1)	Shri Sharad B Pitti	Promoter	Equity	12,88,889	55,64,449	17.36
(2)	Shri Akshay S Pitti	Promoter	Equity	10,00,000	52,69,311	16.44
		Promoter	Warrants	11,11,111		
(3)	* Pitti Electrical Equipment Pvt Ltd	Promoter	Equity	5,55,556	86,46,667	26.98
		Promoter	Warrants	11,11,111		



Notice of the Annual General Meeting (Contd.)

(2) Details of Natural Persons who are the ultimate beneficial owners and/or who ultimately control Pitti Electrical Equipment Private Limited:

S. No.	Name of the ultimate beneficial owner/ who ultimately controls Pitti Electrical Equipment Private Limited	Promoter/ Non-Promoter	Number of shares held in Pitti Electrical Equipment Private Limited	% of holding in Pitti Electrical Equipment Private Limited
(1)	Shri Sharad B Pitti	Promoter	288400	37.21
(2)	Shri Akshay S Pitti	Promoter	5000	0.65
(3)	Smt Shanti B Pitti	Promoter	3650	0.47
(4)	Smt Madhuri S Pitti	Promoter	2910	0.38
Total			299960	38.70

S. No.	Name of the ultimate beneficial owner/ who ultimately controls Pitti Electrical Equipment Private Limited	Promoter/ Non-Promoter	Number of Preference shares held in Pitti Electrical Equipment Private Limited	% of holding in Pitti Electrical Equipment Private Limited
(1)	Shri Sharad B Pitti	Promoter	100,00,000	100.00

Note: The balance shares of 475059 (61.30%) are held by public who does not have any control over Pitti Electrical Equipment Private Limited

Change in Control:

The Preferential Allotment to the allottees will not result in a change in the control of management of the Company.

(f) An undertaking that the issuer shall re-compute the price of the specified securities in terms of the provision of these regulations where it is required to do so:

The Company undertakes that if required, the price shall be recomputed in terms of the provision of the ICDR Regulations.

(g) An undertaking that if the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked- in till the time such amount is paid by the allottees:

The company further undertakes that if the amount payable upon the re-computation is not paid within the stipulated time as mentioned in the ICDR Regulations, the specified securities shall continue to be locked in till such amount is paid by the allottee.

(h) Disclosures, similar to disclosures specified in Part G of Schedule VIII, if the issuer or any of its promoters or directors is a wilful defaulter:

Not applicable – neither issuer nor the promoters or directors are wilful defaulters.

(i) Auditors' Certificate:

M/s. Laxminiwas & Co., Chartered Accountants, the statutory auditors of the Company has certified

as required under Regulation 73(2) of the SEBI (ICDR) Regulations that the Preferential Allotment is being made in accordance with the requirement contained in the SEBI ICDR Regulations. A copy of this certificate will be made available for inspection at the registered office of the Company on all working days except public holidays during the hours between 10 a.m. to 1 p.m. upto Wednesday the 6th September, 2017.

(j) Relevant Date and Issue Price:

The 'Relevant Date' for the purposes of determining the floor price of the Equity Shares in accordance with the provisions of Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time, shall be Monday, 7th August, 2017 i.e., 30 days prior to the date of the Annual General Meeting where the proposed preferential issue is being considered for approval of the members.

The Equity Shares proposed to be issued to the allottees and the conversion of warrants pursuant to the Preferential Allotment will be issued and allotted at a price to be calculated in accordance with regulation Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

Explanation: the "Relevant Date" in relation to the Preferential Allotment of Equity shares and warrants pursuant to this Resolution in accordance with the provisions of SEBI (ICDR) Regulations shall be 30 days prior to the date of the Annual General Meeting where the proposed preferential issue is being considered for approval of the members.

Notice of the Annual General Meeting (Contd.)

(k) Lock-in:

The equity shares and warrants to be allotted on preferential basis shall be subject to lock-in period as provided in the SEBI (ICDR) Regulations, for the time being in force. Such locked-in Equity Shares may however be transferred to and amongst the Promoters / Promoter Group and to a new promoter or persons in control of the issue subject to the provisions of ICDR Regulations.

The entire pre-preferential allotment shareholding of the above allottee, if any, shall be locked-in from the Relevant Date up to a period of six months from the date of trading approval as per Regulation 78(6) of the ICDR Regulations.

(l) Dealing and Holding by the Investor:

The allotment of Equity Shares under Preferential Issue is subject to the Investor not having sold the Company's shares during the Six (6) months preceding the relevant date.

(m) Approvals:

The Company is taking necessary steps to obtain all the requisite approvals from all the appropriate authorities including Stock Exchange, for the proposed Preferential Issue of equity shares of the Company.

(n) General:

- i. The holder of Warrants will be entitled to apply for and be allotted, in one or more tranches, 1 (one) Equity Share of ₹ 5/- (Rupees Five only) each per warrant at any time after the date of allotment thereof but within on or before 18 months from the date of allotment.
- ii. In the event of entitlement attached to Warrants to subscribe for Equity Shares is not exercised within the period as mentioned above, the same shall lapse and the amount paid on the Warrants shall stand forfeited.
- iii. Upon receipt of the payment as above, the Board (or a Committee thereof) shall allot one Equity Share per warrant by appropriating ₹ 5/- (Rupees Five only) each towards Equity Share capital and the balance amount paid against each warrant, towards the securities premium.
- iv. The warrant holders shall also be entitled to any future issue of bonus / rights, if any, of Equity Shares or warrants convertible into Equity Shares or such other securities by the Company, in the same proportion and manner as any other shareholders of the Company for the time being and the Company shall reserve proportion of such entitlement for the warrant holders.

- v. The warrant by itself does not give to the holder(s) thereof any rights of the shareholders of the Company.
- vi. The Equity Shares to be issued and allotted by the Company on exercise of the Warrants in the manner aforesaid shall be in dematerialised form and subject to the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividend, with the then existing Equity Shares of the Company and be listed on stock exchanges where the Equity Shares of the Company are listed.

(o) Miscellaneous

- a. The Company is in compliance with the conditions for continuous listing of equity shares as specified in the Listing Agreement with the Stock Exchange;
- b. The Company has obtained the Permanent Account Number of the Allottees.
- c. The Present allotment of equity shares is proposed to be made by converting the unsecured loans into equity and warrants shall be allotted for cash.
- d. The special resolution shall specify the relevant date on the basis of which price of the equity shares to be allotted on conversion or exchange of convertible securities shall be calculated.

It is proposed to obtain consent of the Members, pursuant to the provisions of Section 42 and 62 and other applicable provisions of the Companies Act, 2013, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, to issue and allot Equity Shares and Warrants on a preferential basis to Promoters as stated in the Special Resolution set out in the accompanying Notice.

Your Directors recommend the passing of the Resolution(s) at Item No.7 as a special Resolution.

None of the Directors or Key managerial personnel of the Company or relatives thereof is in any way, concerned or interested in respect of aforesaid item of business except to the extent of allottees to the allotment of shares/warrants and there is no other information in respect of aforesaid item of business.

By order of the Board
For **Pitti Laminations Limited**

Satyabrata Padhi

Company Secretary
Membership No. A25559

Place: Hyderabad
Date: 17th July, 2017



Notice of the Annual General Meeting (Contd.)

Annexure - I

Information about the Directors proposed to be appointed / re-appointed

Sl. No	Particulars	Shri Sharad B Pitti	Shri Akshay S Pitti
1	Date of Birth	11.07.1957	28.10.1985
2	Date of Appointment	17.09.1983	14.10.2004
3	Expertise in the specific functional area	Industrial management	Industrial management
4	Occupation	Business	Business
5	Directorships held in other companies / firms	Pitti Castings Pvt Ltd	Pitti Castings Pvt Ltd
		Pitti Electrical Equipment Pvt Ltd	Pitti Electrical Equipment Pvt Ltd
		Pitti Holdings Pvt Ltd	Pitti Holdings Pvt Ltd
		Pitti Components Ltd	Pitti Components Ltd
6	Shareholding in Pitti Laminations Ltd	4275560 shares, 15.85%	3158200 shares, 11.70%

Statement containing information as required under clause (iv) of part II section II (B) of Schedule V of Companies Act, 2013.

I General Information

- Nature of industry
Manufacture of electrical stamping & laminations
- Date or expected date of commencement of commercial production:
The Company was incorporated on 17th September, 1983. The Company started its commercial production in the year 1987.
- Financial performance based on given indicators:

	₹ in lakhs
Turnover	288.92
PBT	6.81
PAT	6.28

- Foreign Investments or collaborations, if any:
Not Applicable.

I. Information about the appointee

- Background details
Shri Sharad B Pitti has rich and varied experience in the lamination Industry and has been involved in the operations of the Company over a long period of time. He has been providing visionary leadership, strategic direction and stewardship to the Company through decades.

- Past remuneration
₹ 3.85 lacs per month (effective from 01st May, 2012)
- Job profile and suitability of the appointee
Shri Sharad B Pitti has been associated with the lamination industry since 1983 and over the years has acquired experience in the planning and execution of various projects of a varied nature in the areas of laminations, stampings and castings. He has spearheaded the Company and provided directions for growth and thereby established it to become amongst the leading companies for lamination industry.
- Remuneration proposed
₹ 3.85 lacs per month
- 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.
- Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.
Shri Sharad B Pitti is the Chief promoter of the Company and he is related to Shri Akshay S Pitti, Vice-Chairman & Managing Director.

Notice of the Annual General Meeting (Contd.)

II. Other Information

- 1) Reasons for loss or inadequate profits
Subdued overseas market has impacted exports for the year.
- 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 sales.

III. Disclosures

Remuneration package

- i) Salary ₹ 3.85 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 Sharad B Pitti and Shri Akshay S Pitti.

The Board commends the Ordinary Resolution for the approval of members.





PITTI LAMINATIONS LIMITED

Corporate Identity No: L29253TG1983PLC004141
Registered Office: 6-3-648/401, IV Floor
Padmaja Landmark, Somajiguda
Hyderabad- 500 082, Telangana, INDIA
Ph: 040 – 23312774, Fax No.: 040 – 23393985
Email: shares@pittilam.com, website: www.pitti.in

ATTENDANCE SLIP

Folio No. DP ID No. Client ID No.

Name of the Member(s): Signature.....

Name of the Proxy holder. Signature.....

- 1. Only Member / Proxy holder can attend the meeting
- 2. Member / Proxy holder should bring his / her copy of the Annual Report for reference at the meeting.



33rd Annual General Meeting
will be held on Wednesday, September 6, 2017 at 4.00 P.M
at the West Minister Hall, The Central Court Hotel,
6-1-71, Lakdi-ka-pool, Hyderabad 500082





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Form No.MGT-11

PROXY FORM

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

Name of the Member (s)
Registered address
E-mail ID
Folio No / DP ID – Client ID

I/we, being the Member(s) of PITTI LAMINATIONS LIMITED holding shares of the above named company, hereby appoint

1. Name :
Address:
E-mail ID:
Signature: or failing him/her

2. Name :
Address:
E-mail ID:
Signature: or failing him/her

as my / our proxy to attend and vote (on a poll) for me / us and on my/our behalf at the 33rd Annual General Meeting of the Company, to be held on Wednesday, the September 6, 2017 at 4.00 P.M at the West Minister Hall, The Central Court Hotel, 6-1-71, Lakdi-ka-pool, Hyderabad and at any adjournment thereof in respect of such Resolutions as are indicated below:

Resolution No.	Resolutions
Ordinary Business:	
1.	Adoption of audited financial statement of the Company for the financial year ended 31st March, 2017
2.	Appointment of Shri Akshay S Pitti (DIN: 00078760) as Director of the Company
3.	Appointment of M/s. Laxminiwas & Co as statutory auditors of the Company
Special Business:	
4.	Approval of material related party transactions for the FY 2016-17
5.	Ratification of Cost auditors' remuneration for the FY 2017-18
6.	Re-appointment of Shri Sharad B Pitti as Chairman & Managing Director for a period of five years
7.	Allotment of equity shares and warrants on preferential basis to the promoter/promoter group of the Company

Affix
Revenue
Stamp

Signed this day of 2017

Signature of the Shareholder

Signature of the Shareholder (s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



Corporate Information

Board of Directors

Shri Sharad B Pitti, Chairman & Managing Director
Shri Akshay S Pitti, Vice-Chairman & Managing Director
Shri N R Ganti, Director
Shri Gummalla Vijaya Kumar, Director
Shri M Gopalakrishna, IAS (Retd), Director
Ms. Gayathri Ramachandran, IAS (Retd), Director
Shri S Thiagarajan, Director

Shri Nand Kishore Khandelwal, Chief Financial Officer
Shri Satyabrata Padhi, Company Secretary

Bankers

State Bank of India	Industrial Finance Branch, Rajbhavan Road, Somajiguda, Hyderabad – 500 082
Indian Overseas Bank	Adarshnagar Branch, 5-9-305A, Paigah Plaza, Basheerbagh, Hyderabad – 500 029
Kotak Mahindra Bank	Jewel Pavani Towers, Rajbhavan Road, Somajiguda, Hyderabad – 500 082

Statutory Auditors

Laxminiwas & Co, Chartered Accountants,	6-3-569, IV Floor, Opp. RTA Office, Above BMW Showroom, Khairatabad, Hyderabad – 500 082
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Registered Office

6-3-648/401, IV Floor, Padmaja Landmark, Somajiguda, Hyderabad – 500 082

Factory

Plant I Survey No. 1603 & 1607, Nandigaon Village & Mandal, Ranga Reddy District – 509 223, Telangana	Plant II Survey No. 1837 & 1838, Jingoniguda Road, Nandigaon Village & Mandal, Ranga Reddy District – 509 223, Telangana
Plant III Plot No. PAP-K-11, MIDC Near Village Khalumbre, Chakan Post, Tal Khed, District Pune – 410501, Maharashtra	Plant IV Survey No.1837, Jingoniguda Road, Nandigaon Village & Mandal, Ranga Reddy District – 509 223, Telangana

Share Transfer Agents

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