



## PITTI ENGINEERING LIMITED

[Formerly Pitti Laminations Limited]  
Regd. Office: 6-3-648/401, IV Floor, Padmaja Landmark,  
Somajiguda, Hyderabad – 500 082  
Ph: 040-23312774, Fax No: 040-23393985  
Email : shares@pitti.in, Website: www.pitti.in  
CIN : L29253TG1983PLC004141

### POSTAL BALLOT NOTICE

Dear Members,

Notice is hereby given pursuant to the provisions of Section 110 and 108 and all other applicable provisions, if any, of the Companies Act, 2013 (**"the Act"**), read with Rule 22 and 20 of the Companies (Management and Administration) Rules, 2014 (**"the Rules"**), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"SEBI Listing Regulations"**), and all other applicable regulations if any, Secretarial Standard-2 on General Meetings (SS-2) issued by the Institute of Company Secretaries of India and other applicable laws, rules and regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force and as amended from time to time) read with the General Circular Nos 14/2020 dated 8th April 2020 and 17/2020 dated 13th April 2020 and other relevant circulars including General Circular No. 20/2021 dated 8th December 2021 issued by the Ministry of Corporate Affairs (collectively referred to as **"MCA Circulars"**), that the special resolutions set out below are proposed to be passed by the Members of Pitti Engineering Limited (**"the Company"**) by way of Postal Ballot only through the remote e-voting process (**"remote e-voting"**).

Considering the present Covid-19 pandemic situation and in accordance with the MCA Circulars, the Notice of Postal Ballot (**"Notice"**) is being sent in electronic form only. The hard copy of the Notice along with Postal Ballot forms and pre-paid business envelope will not be sent to the Members for this Postal Ballot. The Company will send Notice by email to all its Members who have registered their email addresses with the Company/ XL Softech Systems Limited, Registrar & Transfer Agent of the Company (**"XL Softech"** or **"RTA"**) or the Depository Participants (**"DPs"**) and whose names appear on the Register of Members/ List of Beneficial Owners as received from National Securities Depository Limited (**"NSDL"**) and Central Depository Services (India) Limited (**"CDSL"**) as on Monday, 21st February 2022 (**"cut-off date"**). The communication of assent /dissent of the Members will only take place through the remote e-voting system only.

The proposed Special Resolutions and Explanatory Statement setting out material facts as required in terms of Section 102 and 110 of the Act read with the rules framed thereunder is appended below seeking consent of the Members of the Company through remote e-voting.

The Board of Directors of the Company (**"the Board"**), has appointed Shri Ajay Kishen (Membership No. 6298, CP 5146) practicing Company Secretary as the Scrutinizer to conduct the Postal Ballot through e-voting process in a fair and transparent manner. The Scrutinizer's decision on the validity of the Postal Ballot shall be final.

In compliance with the provisions of Section 110 of the Act read with the Rules, the SEBI Listing Regulations and the MCA Circulars, Members can vote only through the remote e-voting process. Accordingly, the

Company is pleased to provide remote e-voting facility to all its Members to cast their votes electronically. The Company has engaged the services of NSDL to provide the remote e-voting facility to its Members. Members are requested to read the instructions provided in the Notes forming part of this Notice so as to cast their vote electronically.

The remote e-voting commences at 9:00 a.m. (IST) on Friday, 25th February 2022, and ends at 5:00 p.m. (IST) on Saturday, 26th March 2022. The e-voting module shall be disabled by NSDL for voting thereafter. Members are requested to accord their assent or dissent by means of remote e-voting facility not later than 5:00 p.m. (IST) on Saturday, 26th March 2022, failing which it will be strictly considered that no reply has been received from the Member.

The Scrutinizer will submit his report after the completion of scrutiny, to the Chairman & Managing Director or Company Secretary of the Company as authorised by the Board in this regard. The results of Postal Ballot shall be declared within two working days from conclusion of the e-voting through Postal Ballot i.e. on or before Tuesday, 29th March 2022. The results of the Postal Ballot along with the Scrutinizer's report will be displayed at the Registered Office of the Company and communicated to BSE Limited and National Stock Exchange of India Limited where the equity shares of the Company are listed. The results and the Scrutinizer's Report will also be hosted on the Company's website at www.pitti.in and on the website of e-voting agency i.e. NSDL at <https://www.evoting.nsdl.com>.

#### 1. INCREASE IN BORROWING LIMITS OF THE COMPANY.

To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

**"RESOLVED THAT** in supersession of the special resolution passed by the Members of the Company at the Annual General Meeting held on 24th September 2018 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any of the Companies Act, 2013 (**"the Act"**) read with applicable rules issued under the Act (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the rules made thereunder, as amended from time to time, and all other laws and regulations, as may be applicable, as amended, supplemented or re-enacted from time to time, the consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the **"Board"** which term shall be deemed to include any committee thereof), for borrowing, from time to time, at their discretion for the purpose of the business of the Company, from any one or more banks, financial institutions and other persons, firms, bodies corporate, as it may consider fit, any sum or sums of monies, on such terms and conditions as the Board may deem fit notwithstanding that

the money(ies) to be borrowed together with the money(ies) already borrowed by the Company (apart from temporary loan obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves and securities premium, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board shall not at any time exceed ₹ 850,00,00,000 (Rupees Eight Hundred Fifty Crores only).

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

## 2. CREATION OF SECURITY ON THE PROPERTIES OF THE COMPANY IN FAVOUR OF LENDERS.

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** in supersession of the special resolution passed by the Members of the Company at the Annual General Meeting held on 24th September 2018 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 ("**the Act**") read with applicable rules issued under the Act (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the rules made thereunder, as amended from time to time, and all other laws and regulations, as may be applicable, as amended, supplemented or re-enacted from time to time, the consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "**Board**" which term shall be deemed to include any committee thereof), to create such charges, mortgages, pledge and hypothecations in addition to the existing charges, mortgages, pledge and hypothecations created by the Company, on all or part of the movable and/or immovable properties of the Company both present and future, and in such manner as the Board may deem fit, together with power to take over the substantial assets of the Company in certain events in favour of banks/financial institutions, other investing agencies and trustees for the holders of debentures/bonds/other instruments to secure rupee/foreign currency loans and/or the issue of debentures whether partly/fully convertible or non-convertible and/or rupee/foreign currency convertible bonds and/or bonds with share warrants attached (hereinafter collectively referred to as "**Loans**") provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the Loans, shall not, at any time exceed ₹ 850,00,00,000 (Rupees Eight Hundred Fifty Crores only).

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized and empowered to enter into, sign, seal and execute and deliver such arrangements, assignments, conveyances, covenants, contracts, deeds, writings

and other instruments and to do all such acts, deeds, matters and things in the name and on behalf of the Company as the Board may consider expedient, usual, proper or desirable which may be beneficial and convenient to the Company."

## 3. RELATED PARTY TRANSACTIONS.

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 ("**SEBI Listing Regulations**") and other applicable provisions, if any of the SEBI Listing Regulations, the Companies Act, 2013 ("**the Act**") and rules made thereunder, including statutory modification(s) or re-enactment thereof for the time being in force and as may be notified from time to time and subject to such other consents, permissions, approvals as may be required in this behalf, consent of the Members of the Company be and is hereby accorded to enter into related party contracts / arrangements / transactions (including any modifications, alterations or amendments thereto) in the ordinary course of business and on arms' length basis as more specifically detailed out in Table A forming part of the Explanatory Statement annexed to this notice, with related parties as defined under the Act and SEBI Listing Regulations, up to an aggregate amount not exceeding ₹ 250,00,00,000 (Rupees Two Hundred and Fifty Crores only) per annum and on such terms and conditions as the Board of Directors of the Company (which term shall deem to include any committee thereof or director(s) or official(s) of the Company for the time being authorized by the Board to exercise the powers conferred on the Board by this Resolution) may deem fit, in compliance with any requirements of applicable law, notwithstanding that such transactions (including existing contracts / arrangements / transactions) may exceed 10% of the consolidated turnover of the Company in any financial year or such other threshold limits as may be specified by the Act or SEBI Listing Regulations from time to time.

**RESOLVED FURTHER THAT** that Shri Sharad B Pitti, Chairman & Managing Director, Shri Akshay S Pitti, Vice-Chairman & Managing Director and Shri N K Khandelwal, President Corporate Resources & CFO, or any other authorised officer(s) or employee(s) of the Company be and are hereby severally authorised to sign and execute necessary documents and papers on an ongoing basis and to do and perform all such acts, deeds and things as may be necessary, proper, desirable and to finalize any documents and writings that may be required and generally to do all such acts, deeds, matters and things and to give from time to time such directions as may be necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to settle any question, difficulty or doubt that may arise with regard to giving effect to the above Resolution."

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

**Mary Monica Braganza**

Place: Hyderabad  
Date: 11th February 2022

Company Secretary & Compliance officer  
FCS:5532

**NOTES:**

The Explanatory Statement pursuant to Section 102 and other applicable provisions of the Companies Act, 2013 (**"the Act"**) read with the rules framed thereunder pertaining to the aforesaid resolutions, setting out the material facts and reasons thereof, is appended hereto and forms part of this Notice.

In accordance with the MCA Circulars, this Postal Ballot Notice is being sent in electronic form only to those Members whose names appear on the Register of Members/ List of Beneficial Owners as on Monday, 21st February 2022 (**"cut-off date"**) received from National Securities Depository Limited (**"NSDL"**) and Central Depository Services (India) Limited (**"CDSL"**) and whose email address are registered with the Company or XLSoftech or the Depository Participants. The Company will not be dispatching physical copies of Notice of Postal Ballot to any Member. Physical copies of the Postal Ballot Notice along with postal ballot forms and pre-paid business reply envelopes are not being sent to Members for this Postal Ballot in accordance with the requirements specified under the MCA Circulars.

This Postal Ballot Notice will also be available on the Company's website at [www.pitti.in](http://www.pitti.in) websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively and on the website of NSDL at <https://www.evoting.nsdl.com>.

Members would be able to cast their votes and convey their assent or dissent to the proposed Resolution only through the remote e-voting process. Members whose names appear on the Register of Members / List of Beneficial Owners as on the cut-off date will only be considered eligible for the purpose of e-voting.

Pursuant to Sections 108, 110 and other applicable provisions of the Act and the rules made thereunder, the MCA Circulars and Regulation 44 of the SEBI Listing Regulations read with circular of SEBI on e-Voting facility, Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, the Company is providing the facility to the Members to exercise their right to vote on the proposed resolutions electronically, through the e-voting services provided by NSDL on the resolutions set forth in this Notice of Postal Ballot, through remote e-voting. The instructions for e-voting are provided as part of this Postal Ballot Notice which the Members are requested to read carefully before casting their vote.

The remote e-voting commences at 9:00 a.m. (IST) on Friday, 25th February 2022, and ends at 5:00 p.m. (IST) on Saturday, 26th March 2022. During this period, Members of the Company, holding shares either in physical form or in dematerialised form as on Monday 21st February 2022, may cast their vote electronically in the manner and process as set out herein below. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on Resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

The voting rights of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on cut-off date i.e. Monday 21st February 2022.

Resolution passed by the Members through Postal Ballot is deemed to have been passed as if the same has been passed at a general meeting of the Members. The Resolution, if approved, shall be deemed to have been passed on the last date of e-voting i.e. Saturday, 26th March 2022.

## 1. PROCEDURE FOR 'E-VOTING':

### 1. E-Voting Facility:

i. Pursuant to Sections 108, 110 and other applicable provisions of the Act and the rules made thereunder, the MCA Circulars and Regulation 44 of the SEBI Listing Regulations read with SEBI circular dated 9th December 2020 on e-Voting facility provided by listed entity, the Company is providing e-voting facility of NSDL to its Members to exercise their right to vote on the proposed resolutions by electronic means.

### ii. The e-voting facility will be available during the following period:

- Commencement of E-Voting : 9:00 AM (IST) on Friday, 25 th ,February 2022
- End of E-Voting : 5:00 PM (IST) ,Saturday ,26 th Mrach 2022

The remote E-Voting will not be allowed beyond the aforesaid date and time and the remote e- voting module shall be forthwith disabled by NSDL upon expiry of the aforesaid period.


## 2. INFORMATION AND INSTRUCTIONS RELATING TO E-VOTING:

i) **Once the Shareholder has exercised the vote, whether partially or otherwise, the Shareholder shall not be allowed to change it subsequently or cast the vote again.**

### ii) INFORMATION AND INSTRUCTIONS FOR E-VOTING BY INDIVIDUAL SHAREHOLDERS HOLDING SHARES OF THE COMPANY IN DEMAT MODE

As per SEBI circular on e-voting facility provided by listed entities, dated 9th December 2020, all "individual shareholders holding shares of the Company in demat mode" can cast their vote, by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility. The procedure to login and access e-voting, as implemented by the Depositories / Depository Participant(s), is given below:

**Login method for individual shareholders holding shares of the company in demat mode through National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited: ("CDSL"):**

NSDL	CDSL
<p><b>1. Users already registered for IDeAS e-Services facility of NSDL may follow the following procedure:</b></p> <p>i. Visit URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a></p> <p>ii. Click on the button "Beneficial Owner" available for login under 'IDeAS' section.</p> <p>iii. A new page will open, enter User ID and Password for accessing IDeAS. After successful authentication, click on "Access to e-voting" under Value Added Services on the panel available on the left hand side. Click on "Access to e-voting" under e-voting services.</p> <p>iv. Click on the company name or e-voting service provider i.e NSDL and you will be re-directed to the e-voting website of NSDL for casting your vote during the remote e-voting period.</p>	<p><b>1. Users already registered for Easi / Easiest facility of CDSL may follow the following procedure:</b></p> <p>i. Visit URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a></p> <p>ii. Click on "New System /Myeasi" icon/ Login to Myeasi option under Quick Login</p> <p>iii. Login with your Registered User ID and Password.</p> <p>iv. After successful login of Easi/Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</p>
<p><b>2. Users not registered for IDeAS e-Services facility of NSDL may follow the following procedure:</b></p> <p>i. To register click on the link: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a></p> <p>ii. Select "Register Online for IDeAS" or click on the link: <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>iii. Click on the icon "Login" which is available under 'Shareholder/Member' section.</p> <p>iv. A new page will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.</p> <p>v. After successful registration, please follow Point No. 1 above to cast your vote.</p>	<p><b>2. Users not registered for Easi/Easiest facility of CDSL may follow the following procedure:</b></p> <p>i. To register click on the link: <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>ii. After successful registration, please follow Point No. 1 above to cast your vote.</p>
<p>3. Shareholders can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</p> <p><b>NSDL Mobile App is available on</b></p> <p>App Store Google Play</p> 	<p>3. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; e-mail as recorded in the demat Account. After successful authentication, user will be provided links for the respective e-Voting service provider i.e. NSDL where the e-Voting is in progress.</p>

**Login Method for Individual Members holding Shares of the Company in Demat mode through their Depository Participants:**

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

**III) LOGIN METHOD FOR SHAREHOLDERS OTHER THAN INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE AND SHAREHOLDERS HOLDING SECURITIES IN PHYSICAL MODE.****Step-1: How to Log-in to NSDL e-voting website?**

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com> either on a personal computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon 'Login' which is available under "Shareholder/Member" section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log in credentials, click on e-voting and you can proceed to Step 2 i.e. cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or physical	Your User ID is:
A] For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
B] For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****
C] For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example, if EVEN is 123456 and folio number is 001*** then user ID is 123456001***

5. Password details for shareholders other than individual Shareholders are given below:
  - a. If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
  - b. If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
    - i. How to retrieve your 'initial password'?
      - i. If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL in your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your User ID' and your 'initial password'.

- ii. In case you have not registered your email address with the Company/ Depository, please follow instructions.

**Process for those shareholders whose email ids are not registered with the depositories / company for procuring User ID and password and registration of email IDs for e-voting for the resolutions set out in this notice.**

- a) In case shares are held in physical mode please provide Folio No., Name of Shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to shares@pitti.in.
  - b) In case shares are held in demat mode, please provide DPID—Client ID (16 digit DPID + Client ID or 16 digit beneficiary ID) Name, client master or copy of consolidated account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to shares@pitti.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.
  - c) Alternatively shareholder / members may send an e-mail request to evoting@nsdl.co.in for procuring User ID and password for e-voting by providing above mentioned documents.
6. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:
- a) Click on "Forgot User Details/ Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
  - b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the one-time password (OTP) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, click on Agree to Terms and Conditions by selecting on the check box.

- 8. Now, you will have to click on "Login" button.
- 9. After you click on the "Login" button, Home page of e-voting will open.

**Step 2 - How to cast your vote electronically on NSDL e-voting system?**

- 1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General meeting is in active status.
- 2. Select "EVEN" of the Company, for which you wish to cast your vote during the remote e-voting period.
- 3. Now you are ready for e-voting as the Voting page opens
- 4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- 5. Upon confirmation, the message "Vote cast successfully" will be displayed.
- 6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- 7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**3. GENERAL GUIDELINES FOR SHAREHOLDERS**

- 1. Institutional/Corporate shareholders [i.e. other than individuals, HUF, NRI, etc.] are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc., with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the scrutinizer by email to ajaykishen2021@gmail.com with a copy marked to evoting@nsdl.co.in.
- 2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on https://www.evoting.nsdl.com to reset the password.
- 3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in.

## Explanatory statement under section 102 of the Companies Act, 2013 read with rule 22 of the Companies (Management and Administration) Rules, 2014.

### Item No. 1 & 2

The Members have at the Annual General Meeting of the Company held on 24th September 2018 authorised the Board of Directors of the Company (**the "Board"**) to borrow money(ies) on behalf of the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) and for creation of charge on moveable and immovable properties of the Company as security in favour of lending agencies for a sum not exceeding ₹ 650,00,00,000 (Rupees Six Hundred Fifty Crores only).

Keeping in view the Company's business requirements and growth plans, it is considered desirable to increase the existing borrowing limits from ₹ 650,00,00,000 (Rupees Six Hundred Fifty Crores only) to ₹ 850,00,00,000 (Rupees Eight Hundred Fifty Crores only) under the provisions of Section 180(1)(c) of the Companies Act, 2013 (**the "Act"**), and the rules made thereunder. The borrowings by a Company, in general, are required to be secured by mortgage or charge on all or any of the moveable or immovable properties of the Company in such form, manner and ranking as may be determined by the Board from time to time, in consultation with the lender(s) and may require any such property of the Company to be alienated in future.

Accordingly, the consent of the Members of the Company by way of a special resolution is required to increase the borrowing limits and to mortgage and / or create a charge on any of the moveable and/or immovable properties and/or the whole or any part of the undertaking(s) of the Company to secure its borrowings upto an amount of ₹ 850,00,00,000 (Rupees Eight Hundred Fifty Crores only) as well as to alienate any property of the Company, if required, in relation to the aforesaid borrowing.

None of the Directors or Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise in this resolution.

The Board recommends the special resolutions set out at Item Nos. 1 & 2 of the notice for approval by the Members of the Company.

### Item No. 3

Your Company has entered into material transactions for purchase and sale of goods and services in its ordinary course of business and on an arm's length basis with Pitti Castings Private Limited (PCPL) and Pitti Electrical

Equipment Private Limited (PEEPL), both related parties as defined under the Act and SEBI Listing Regulations with the approval of the Members obtained at the 37th Annual General Meeting of the Company held on 24th September 2021 for an aggregate amount of ₹ 100 crore for the financial year 2021-22. Apart from the above material transactions, your Company has transactions with related parties (as defined under the Act and SEBI Listing Regulations) for leasing of property, earning of rental income and availing unsecured loans in the ordinary course of business and on arm's length basis. Managerial remuneration and remuneration to director relatives are paid under other specific approvals given by the Members and separate resolutions are passed in this regard from time to time in accordance with the provisions of the Act and SEBI Listing Regulations.

With the proposed expansion underway, your Company anticipates higher operating levels which will necessitate an increase in the value of transactions of purchase and sale of goods and services with PCPL and PEEPL.

Further, it is envisaged that the promoters may be required to bring in additional funds as unsecured loans to ensure smooth operations of the Company to fund short term deficit of cash flows and for long term growth plans of the Company.

SEBI vide circular dated 9th November 2021 amended the definition and provisions relating to related party and related party transactions contained in the SEBI Listing Regulations which will be effective from 1st April 2022.

Consequent to the above, your Company estimates an aggregate amount not exceeding ₹ 250 crore per annum as detailed in the Table A below entered / to be entered with related parties in the ordinary course of business and on an arm's length basis notwithstanding that such transactions (including existing contracts / arrangements / transactions) may exceed 10% of the consolidated turnover of the Company in any financial year or such other threshold limits as may be specified by the Act or SEBI Listing Regulations from time to time.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended particulars of the transactions with the Company's related parties are as follow:

**Table A**

Name of Related Parties and Nature of Relation	Nature, material terms and particulars of Transaction	Aggregate maximum monetary value of the contract/ arrangement in any financial year	Other information and justification as to why the related party transaction is in the interest of the listed entity
(a)	(b)	(c)	(d)
<p>(i) Pitti Castings Pvt Ltd Private Company in which Shri Sharad B Pitti and Shri Akshay S Pitti are Directors/ Shareholders.</p> <p>(ii) Pitti Electrical Equipment Pvt Ltd Private Company in which Shri Sharad B Pitti and Shri Akshay S Pitti are Directors/ Shareholders. Also holds 26.98% equity shares of the Company under promoter group category.</p> <p>(iii) Other companies in which Shri Sharad B Pitti, Shri Akshay S Pitti or their relatives are interested as Directors or Shareholder.</p>	<p>Purchase &amp; sale of goods &amp; services to be carried out on an arms' length basis and in the ordinary course of business.</p>	<p>₹ 150 crores per annum</p>	<p>Pitti Castings Pvt Ltd (PCPL), promoted by the Pitti family, produces the iron &amp; steel castings which are the raw material for machining and assembled products manufactured and supplied by the Company. In order to maintain quality and uninterrupted supply, these products are procured from PCPL to manufacture value added products by the Company. Moreover, the manufacturing process at PCPL are audited and approved by some of the Company's customers while approving the products supplied by the Company as an integrated supply chain, making it viable to procure the products from PCPL. Also, the scrap generated by the Company in its operations are consumed as the raw material in PCPL, hence, sale of such scrap is made to PCPL. The Company also offers machining services to the customer of PCPL which helps the Company in better utilisation of its machining capacity. The Company also procures certain raw materials required for its operations from Pitti Electrical Equipment Pvt Ltd.</p>
<p>(i) Shri Sharad B Pitti, Chairman &amp; Managing Director and Promoter of the Company holding 13.57% equity shares in the Company.</p> <p>(ii) Shri Akshay S Pitti, Vice-Chairman &amp; Managing Director and Promoter of the Company holding 13.19% equity shares in the Company.</p> <p>(iii) Relatives of (i) and (ii) as defined under the Companies Act, 2013.</p> <p>(iv) Companies in which Shri Sharad B Pitti, Shri Akshay S Pitti or their relatives are interested as Directors or Shareholders.</p>	<p>Availing of unsecured loan/ borrowings/advances for principal business activities of the Company on such terms and conditions as may be agreed such that the interest rate are not exceeding the rate charged by the lead consortium banker of the Company and the terms are in compliance with the loan covenants of the facility agreements.</p>	<p>₹ 75 crores outstanding at any point in time excluding interest.</p>	<p>The Indian economy is placed at an influx point to take a leap into long term growth story, necessitating the need to create massive infrastructure, the Government has already declared its intent and bringing in transformative policy reforms. The Company is placed at the right stage at the right time to capitalise on the wave of this growth. In order to timely seize the business opportunities, the Company requires to act fast necessitating the need for additional funds for both long term and short-term usage. The formal financing channels of funding have their own pace and at times are not able to meet the urgent requirement or deficit of funds required, in such situation, the company may approach the promoters/related parties for its interim funding for business exigencies and to execute its growth plans in time. The promoters/related parties may at its discretion accept the request of the company to provide unsecured loans.</p>



Name of Related Parties and Nature of Relation	Nature, material terms and particulars of Transaction	Aggregate maximum monetary value of the contract/ arrangement in any financial year	Other information and justification as to why the related party transaction is in the interest of the listed entity
(a)	(b)	(c)	(d)
<p>(i) Shri Sharad B Pitti, Chairman &amp; Managing Director and Promoter of the Company holding 13.57% equity shares in the Company.</p> <p>(ii) Smt Madhuri S Pitti, spouse of Shri Sharad B Pitti and mother of Shri Akshay S Pitti. Also holds 5.49% equity shares of the Company under promoter group category.</p> <p>(iii) Shri Akshay S Pitti, Vice-Chairman &amp; Managing Director and Promoter of the Company holding 13.19% equity shares in the Company.</p>	<p>Payment of lease rent.</p> <p>The Company has existing lease agreements for factory and office premises the tenure of which are:</p> <p>Plant II for a period of 10 years from 1st November 2016. Lease rentals are subject to an annual increase by 10%.</p> <p>Plant IV for a period of 30 years from 1st November 2016. Lease rentals are subject to an annual increase by 10%.</p> <p>Office premise for a period of 20 years from 1st April 2018. Lease rentals are subject to an annual increase by 5%.</p> <p>The lease rentals are on an arms' length with usual escalation provisions. The lease period may be extended for such further periods as may be mutually agreed on an arms' length basis and in the ordinary course of business.</p>	<p>₹ 2.99 crores per annum for FY 2022-23 and with escalation as under agreement for subsequent years.</p>	<p>The Hyderabad plant of the Company is situated on the land taken on long term lease by the Company from its promoter since 2004, which is also offered as the collateral security to its lender bank i.e. State Bank of India. Also, the Company has taken the office space on lease from its promoters where its Corporate Office is housed at the prime and central location in the city, making it convenient for its operations. The long-term nature of these leases are warranted to provide stability and peace from any demand for relinquishment or change if hired from any other owner. As both the land for the plant and the corporate office are integral for smooth running of the operations of the Company, it is viable to take the same on lease from promoter/ promoter group and preserving capital by not investing in outright purchases of these assets.</p>
<p>(i) Pitti Trade and Investment Pvt Ltd Private Company in which Shri Sharad B Pitti and Shri Akshay S Pitti are Directors/Shareholders</p> <p>(ii) Pitti Rail &amp; Engineering Components Ltd Wholly owned subsidiary of the Company</p> <p>(iii) Other companies in which Shri Sharad B Pitti, Shri Akshay S Pitti or their relatives are interested as Directors or Shareholders</p>	<p>Rental Income</p> <p>The Company has sublet a minor portion of the office premises to related parties -</p> <p>For a period of 19 years from 21st June 2019. Lease rentals are subject to an annual increase by 5%.</p> <p>For a period of 18 years from 5th October 2020. Lease rentals are subject to an annual increase by 5%.</p> <p>The lease rentals are on arms' length. The lease period may be extended for such further periods as may be mutually agreed on arm's length basis and in the ordinary course of business.</p>	<p>₹ 0.03 crores per annum for FY 2022-23 and with escalation as under agreement for subsequent years.</p>	<p>A minor portion of the office is sublet to companies falling under the definition of related party on similar lease rentals as per the lease deed entered into by the Company with the Lessees.</p> <p>The Company may also sublet/ sublease parts of other offices/ plants to companies falling under the definition of related party on arms' length basis and execute lease/ license agreements as required for this purpose.</p>

Name of Related Parties and Nature of Relation	Nature, material terms and particulars of Transaction	Aggregate maximum monetary value of the contract/ arrangement in any financial year	Other information and justification as to why the related party transaction is in the interest of the listed entity
(a)	(b)	(c)	(d)
Any person falling under the definition of related party as may be defined under the Act and/ or SEBI Listing Regulations.	Any related party transactions (other than payment of Managerial Remunerations covered under section 197 of the Act and approved by the specific resolutions passed by the Members and transactions exempted under the Act and SEBI Listing Regulations) as may be approved by the Audit Committee and in compliance with the provisions of the Act and SEBI Listing Regulations provided that any contract(s)/ transaction(s) so carried out shall at all times be on arm's length basis and in the ordinary course of the Company's business.	₹ 10 crores per annum	Being a growing company, the Company may be required to enter into certain related party transactions where the time of execution of such a transaction is of the essence for effective and timely completion of the requirement. Hence, an approval is sought from Members for carrying out related party transactions of any nature with the related party in the ordinary course of business at arm's length as approved by the Audit Committee/ the Board and/or its committees within the specified limits under applicable laws.

The other disclosures in accordance with SEBI circular dated 22nd November 2021 and other applicable provisions of law in relation to all the above related party transactions are provided below:

- a) Information provided by the management of the Company to the Audit Committee for approval of the proposed related party transaction and reiterated below for the resolution to be considered by the Members:
- Type, material terms and particulars of the proposed transaction.  
Please refer to Table A above
  - Name of the related party and its relationship with the listed entity or its subsidiary including nature of concern or interest (financial or otherwise).  
Please refer to Column (a) of Table A above
  - Tenure of the proposed transaction.  
Ongoing
  - Value of the proposed transactions.  
Not exceeding ₹ 250 crore per annum
  - The percentage of the listed entity's annual consolidated turnover for the immediately preceding financial year, that is represented by the value of the proposed transactions.  
Please note that the approval sought is for the financial year 2022-23 and onwards. The unaudited consolidated turnover for the nine

months ended December 31, 2021 is ₹ 679 crores. The percentage to the Company's audited annual consolidated turnover ₹ 510 crores for the preceding financial year 2020-21 is 49.01%

- If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary.
  - Details of the source of funds in connection with the proposed transaction: Not Applicable
  - Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments: Not Applicable
    - Nature of indebtedness: Not Applicable
    - Cost of funds: Not Applicable
    - Tenure: Not Applicable
  - Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security: Not Applicable
  - The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT: Not Applicable
- Justification as to why the RPT is in the interest of the listed entity.  
Please refer to Column (d) of Table A above

- viii. A copy of the valuation or other external party report, if any such report has been relied upon.

Not Applicable

- ix. Percentage of the counter-party's annual turnover that is represented by the value of the proposed RPT on a voluntary basis.

The approval sought is for the financial year 2022-23 and onwards, as the audited figures for financial year 31st March 2022 are not yet arrived, the percentage to the counter-party's annual turnover cannot be calculated.

- x. Any other information that may be relevant.

Managerial remuneration and remuneration to Director are paid under other specific approvals given by the Members and separate resolutions are passed in this regard from time to time in accordance with the provisions of the Act and SEBI Listing Regulations.

In terms of Regulation 23 of the SEBI Listing Regulations, approval of the Members is required for related party transactions which, individually or taken together with previous transactions during a financial year, are likely to exceed ₹ 1000,00,00,000 or 10% of the annual consolidated turnover of the Company as per the last audited financial statements, whichever is lower. In case of the Company, 10% of the annual consolidated turnover of the Company as per the last audited financial statements is lower and accordingly the threshold of ₹ 1000,00,00,000 need not be considered for this resolution.

Section 188 of the Act and the applicable Rules framed thereunder provide that any Related Party Transaction will require prior approval

of member if the aggregate value of transaction(s) amounts to 10% or more of the annual turnover of the Company as per last audited financial statements of the Company. However, this provision is not applicable to related party transactions which are in the ordinary course of business and entered into on an arms' length basis, such as the related party transactions set out in Table A above.

The Audit Committee of the Company has approved the above mentioned related party transactions at their meeting held on 11th February 2022. Accordingly, the Board of Directors of your Company recommend for the approval of the Members, the resolution as set out at item no. 3 of the notice.

In terms of Regulation 23 of the SEBI Listing Regulations all related parties of the Company shall abstain from voting on this Resolution and not vote to approve the relevant transaction irrespective of whether the entity is a party to the particular transaction or not.

Except Shri Sharad B Pitti and Shri Akshay S Pitti and their relatives, none of the other Directors or Key Managerial Personnel of the Company or their relatives, are concerned or interested, financially or otherwise, in this resolution set out in item No.3 of the notice.

The Board recommends the special resolution set out at Item No. 3 of the notice for approval by the Members.

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

**Mary Monica Braganza**

Company Secretary & Compliance officer

FCS:5532

Place: Hyderabad

Date: 11th February 2022